



REVISED AGENDA

**CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

May 16, 2017

REGULAR MEETING – 6:00 PM

City Council Study Sessions

Second Tuesday of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:00 P.M.

First & Third Tuesday of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:00 p.m.

City Hall Council Chamber – 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Victoria Baca, Mayor Pro Tem
David Marquez, Council Member

Dr. Yxstian A. Gutierrez, Mayor

Jeffrey J. Giba , Council Member
Vacant

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
May 16, 2017

CALL TO ORDER - 5:00 PM

SPECIAL PRESENTATIONS

1. Recognition of Courageous Armada Elementary Kindergarteners
2. Volunteer of the Year - Kelly Vela and Nominees
3. West Coast Thunder Proclamation
4. National Poetry Month Proclamation
5. National Public Works Week Proclamation

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
MAY 16, 2017**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Ms. Cheri Rhoades, Local Spiritual Assembly of Bahá'ís of Moreno Valley

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Sergeant-at-Arms. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. MINUTES - CITY COUNCIL - REGULAR MEETING - FEB 21, 2017 6:00 PM

Recommendation: Approve as submitted.

- A.2. MINUTES - CITY COUNCIL - REGULAR MEETING - APR 4, 2017 6:00 PM

RECOMMENDATION: APPROVE AS SUBMITTED

- A.3. LIST OF PERSONNEL CHANGES (Report by: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.4. RECEIPT OF QUARTERLY INVESTMENT REPORT FOR MARCH 2017
(Report by: Financial & Management Services)

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended March 31, 2017 in compliance with the City's Investment Policy.

- A.5. ACCEPTANCE OF CALIFORNIA DEPARTMENT OF RESOURCES, RECOVERY, AND RECYCLING FY 2015/16 BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM GRANT AWARD
(Report by: Public Works)

Recommendation:

1. Receive and accept a grant award in the amount of \$50,780 from the California Department of Resources, Recovery, and Recycling (CalRecycle), for the purpose of funding recycling and litter reduction programs in the City of Moreno Valley.
2. Approve the revenue and expenditure budget adjustments in the

amount of \$50,780 as set forth in the Fiscal Impact section of this report.

A.6. APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE SERVICES (Report by: Public Works)

Recommendations:

1. Approve the Third Extension Agreement with Variable Speed Solutions, Inc., 16182 Gothard Street, Suite I, Huntington Beach, CA 92647 to provide testing, maintenance, and repairs of the irrigation pumps located in public landscape areas totaling \$34,480 for fiscal year (FY) 2017/18.
2. Authorize the City Manager to execute the Third Extension Agreement with Variable Speed Solutions, Inc.
3. Authorize the issuance of purchase orders for FY 2017/18 to Variable Speed Solutions, Inc. in the not-to-exceed amount consistent with the approved agreement.
4. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the Agreement, provided sufficient funding appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

A.7. PEN16-0103 (PM 37104) – APPROVE PARCEL MAP 37104 LOCATED ON THE NORTHEAST CORNER OF ALESSANDRO BOULEVARD AND JERANELLA COURT. OWNERS: CATHERINE R. KORMOS AND BORIS MOLINA (Report by: Public Works)

Recommendations:

1. Approve Parcel Map 37104 for PEN16-0103.
2. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.

A.8. AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY FESTIVITIES ON TUESDAY, JULY 4, 2017 (Report by: Parks & Community Services)

Recommendations:

1. Authorize the closure of the following streets between the hours of 6 a.m. and 12 noon for the purpose of conducting the Fourth of July Parade scheduled to take place on July 4, 2017.
 - a. Frederick Street between Centerpoint Drive and Cactus Avenue;
 - b. Towngate Boulevard between Frederick Street and Heritage Way;
 - c. Towngate Boulevard between Frederick Street, Eucalyptus Avenue and Memorial Way;
 - d. Brabham Street between Frederick Street and Andretti Street;
 - e. Eucalyptus Avenue between Pan Am Boulevard and Kochi Drive;
 - f. Atlantic Circle east of Frederick Street;
 - g. Dracaea Avenue between Pan Am Boulevard and Kochi Drive;
 - h. Cottonwood Avenue between Pan Am Boulevard and Dunhill Drive;
 - i. Bay Avenue between Kristina Court and Courage Street;
 - j. Alessandro Boulevard between Elsworth and Graham Street;
 - k. Brodiaea Avenue at Frederick Street;
 - l. Resource Way between Frederick Street and Corporate Way;
 - m. Corporate Way between Calle San Juan de Los Lagos and Resource Way;
 - n. Calle San Juan De Los Lagos between Frederick Street and Veterans Way;
 - o. Veterans Way between Cactus Avenue and Alessandro Boulevard;
 - p. New Hope Drive between Veterans Way and Elsworth Street;
 - q. Veterans Way between Cactus Avenue and Alessandro Boulevard; Goldencrest between Newhope Drive and Veterans Way
2. Authorize the closure of Dracaea Avenue between Morrison Street and Mascot Street, between the hours of 6 a.m. and 11 p.m., Tuesday, July 4, 2017, for the purpose of conducting the Fourth of July Family FunFest and Fireworks Program scheduled to take place on July 4, 2017.
3. For a short period of time and immediately following the fireworks display, authorize one-way traffic on various streets, and the closure of traffic lanes, in the vicinity of Morrison Park to be directed by the Moreno Valley Police Department.

- A.9.** Implementation of the MSHCP Local Development Mitigation Fee CPI Adjustment (Report by: Community Development)

Recommendation:

1. Adopt Resolution No. 2017-26. A Resolution of the City Council of the City of Moreno Valley, California, Approving an Increase to the Multi-species Habitat Conservation Plan (MSHCP) Mitigation Fee to Reflect the Increase in the Consumer Price Index (CPI).

- A.10.** APPROVAL TO PURCHASE STANDARDIZED VEHICLES THROUGH THE HGAC NATIONWIDE GOVERNMENT PROCUREMENT SERVICE (HGACBUY) AND AWARD TO COWBOY CHRYSLER/DODGE/JEEP/RAM, GRAPEVINE DODGE/CHRYSLER/JEEP, AND LOVE FIELD CHRYSLER/DODGE/JEEP/RAM, FOR THE PURCHASE OF FORTY-TWO VEHICLES, AND AWARD TO SOUTHWEST TRAFFIC SYSTEMS, INCORPORATED, FOR THE PURCHASE OF VARIOUS VEHICLE LIGHTING PACKAGES (Report by: Public Works)

Recommendations:

1. Approve purchase of standardized vehicles through HGACBuy, a national cooperative purchasing program.
2. Award to Cowboy Chrysler, Dodge, Jeep and Ram, Silsbee, TX, for the purchase of thirty-six (36) vehicles as follows: fifteen (15) 2017 Ram 1500 Standard Cab trucks; five (5) 2017 Ram 1500 Quad Cab trucks; one (1) 2017 Ram 1500 Crew Cab truck; three (3) 2017 Ram 3500 Standard Cab trucks; two (2) 2017 Ram 3500 Crew Cab trucks; two (2) 2017 Ram 3500 Standard Cab Chassis trucks with service bodies; three (3) 2017 Ram 3500 Crew Cab Chassis trucks with service bodies; and five (5) 2017 Ram 3500 Crew Cab Chassis trucks with animal services bodies.
3. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Cowboy Chrysler, Dodge, Jeep and Ram in the amount of \$1,158,692.29.
4. Award to Grapevine DCJ, LLC, for the purchase of three (3) 2017 Jeep Wranglers.
5. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Grapevine DCJ, LLC in the amount of \$97,832.61.
6. Award to Love Field Chrysler Dodge Jeep Ram for the purchase of three (3) 2017 Ram 5500 chassis trucks with service beds.

7. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Love Field Chrysler Dodge Jeep Ram in the amount of \$219,787.00.
8. Award to Southwest Traffic Systems, Inc., Phoenix, AZ, the purchase of forty-two (42) vehicle lighting packages.
9. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Southwest Traffic Systems, Inc. in the amount of \$137,427.75.

A.11. ANNUAL STATEMENT OF INVESTMENT POLICY (Report by: Financial & Management Services)

Recommendation:

1. Adopt the Annual Statement of Investment Policy.

A.12. PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AS AMENDMENT NO. 18 (Report by: Public Works)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2017-27, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said district.

A.13. GRANT OF EASEMENT TO SOUTHERN CALIFORNIA EDISON FOR THE KARMA SWITCHYARD PORTION OF APN 312-250-016 (Report by: Financial & Management Services)

Recommendations:

1. Approve the Grant of Easement to Southern California Edison for the Switchyard portion of APN 312-250-016.
2. Authorize the City Manager to execute said Grant of Easement to Southern California Edison for the Switchyard portion of APN 312-250-016.

- A.14.** ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITIES DEVELOPMENT IMPACT FUND AND THE ANIMAL SHELTER DEVELOPMENT IMPACT FEE FUND (Report by: Financial & Management Services)

Recommendation:

1. Adopt Resolution 2017-28, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing Amendment No. 4 to the Loan Agreement Between the City of Moreno Valley and the Police Facility Development Impact Fee and the Animal Shelter Development Impact Fee.

- A.15.** AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO BOULEVARD / ELSWORTH STREET INTERSECTION - PROJECT NO. 801 0047 (Report by: Public Works)

Recommendations:

1. Award a construction contract to O'Duffy Bros., Inc., 29254 Duffy Street, Romoland, CA 92585, for the Alessandro Boulevard and Elsworth Street Intersection Improvement.
2. Authorize the City Manager to execute a contract with O'Duffy Bros., Inc.
3. Authorize the issuance of a Purchase Order for O'Duffy Bros., Inc. in the amount of \$1,007,303 (\$915,730 bid amount plus 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract with O'Duffy Bros., Inc. up to, but not exceeding, the contingency amount of \$91,573 subject to the approval of the City Attorney.
5. Authorize a budget adjustment of \$40,000 of Measure A (2001) available from the Transportation Operating Budget (Signing and Striping).
6. Authorize an appropriation of an additional \$184,250 as revenue and \$184,250 as expense in the Public Works General Capital Projects Fund (3002) for the relocation of EMWD waterline facilities

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1. MINUTES - REGULAR MEETING OF FEBRUARY 21, 2017 (See A.1)

Recommendation: Approve as submitted.

B.2. MINUTES - REGULAR MEETING OF APRIL 4, 2017 (See A.2)

Recommendation: Approve as submitted.

B.3. Name the Conference and Recreation Center Rental Room the "Garden Room" (Report by: Parks & Community Services)

Recommendation:

1. Approve the Parks and Recreation Commission's recommendation to the City Council to name the Conference and Recreation Center rental room as the "Garden Room."

B.4. APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL SERVICES (Report by: Public Works)

Recommendations:

1. Approve the First Extension Agreement with Leivas Lighting, Inc., 6320 Brockton Ave., Suite A, Riverside, CA 92506, to provide landscape lighting and electrical maintenance services in public landscape areas totaling \$30,500 for fiscal year (FY) 2017/18.
2. Authorize the City Manager to execute the First Extension Agreement with Leivas Lighting, Inc.
3. Authorize the issuance of purchase orders for FY 2017/18 to Leivas Lighting, Inc. in the not-to-exceed amount consistent with the approved agreement.
4. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the agreement, provided sufficient funding appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1. MINUTES - REGULAR MEETING OF FEBRUARY 21, 2017 (See A.1)

Recommendation: Approve as submitted.

C.2. MINUTES - REGULAR MEETING OF APRIL 4, 2017 (See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1. MINUTES - REGULAR MEETING OF FEBRUARY 21, 2017 (See A.2)

Recommendation: Approve as submitted.

D.2. MINUTES - REGULAR MEETING OF APRIL 4, 2017 (See A.2)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Sergeant-at-Arms.

E.1. PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE SCHEDULE FOR NEW AND EXISTING RESIDENTIAL, COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE DEVELOPMENT PROPOSED FISCAL YEAR (FY) 2017/2018 ANNUAL RATES (Report by: Public Works)

Recommendations:

1. Conduct a Public Hearing to consider all public testimony on the "NPDES Regulatory Rate Schedule for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development" as provided in the Public Notice.
2. Adopt Resolution No. 2017-29. A Resolution of the City Council of the City of Moreno Valley, California, Authorizing and Approving the Levy of the National Pollutant Discharge Elimination System (NPDES) Regulatory Rate for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development of the County of Riverside Property Tax Roll.

E.2. PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDING (Report by: Public Works)

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceeding for First Industrial, LP for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate to be applied to the property tax bill.
2. Direct the City Clerk to count the returned NPDES ballot.
3. Verify and accept the results of the mail ballot proceeding as maintained by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to the Assessor's Parcel Numbers mentioned in this report.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. GENERAL BUSINESS

G.1. AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY TO REFUND THE OUTSTANDING COMMUNITY REDEVELOPMENT AGENCY OF MORENO VALLEY 2007 TAX ALLOCATION BONDS, SERIES A. (Report by: Financial & Management Services)

Recommendations: That the City Council as Successor Agency:

1. Adopt the resolution authorizing the issuance of the Tax Allocation Refunding Bonds, Series 2017 and approving the Form of Indenture, the Form of the Bond Purchase Agreement and a Form of Refunding Instructions.

H. REPORTS

H.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES (Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

Southern California Association of Governments (SCAG)

H.2. CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

H.3. CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action)

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

ADJOURNMENT

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

CERTIFICATION

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Pat Jacquez-Nares, CMC & CERA
City Clerk

Date Posted: May 5, 2017

**MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
February 21, 2017**

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Moreno Valley Football Club Recognition (Mayor Gutierrez)
2. Business Spotlight
 - a) Carlos' Barber Shop (District 1)

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
February 21, 2017**

CALL TO ORDER

The Joint Meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:02 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

Council Member Giba will be attending teleconferencing into this meeting.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Gutierrez.

INVOCATION

Pastor Lupe Gonzalez, Templo De Milagros International

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	Jeffrey J. Giba	Council Member
	David Marquez	Council Member

Minutes Acceptance: Minutes of Feb 21, 2017 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

INTRODUCTIONS

Staff:	Michelle Dawson	City Manager
	Martin Koczanowicz	City Attorney
	Marie Macias	Interim City Clerk
	Pat Jacquez-Nares	City Clerk
	Marshall Eyerman	Chief Financial Officer
	Thomas M. DeSantis	Assistant City Manager
	Ahmad Ansari	Public Works Director/City Engineer
	Joel Ontiveros	Police Chief
	Abdul Ahmad	Fire Chief
	Terrie Stevens	Administrative Services Director
	Gabriel Garcia	Parks & Community Services Director
	Mike Lee	Economic Development Director
	Allen Brock	Community Development Director
	Kathy Gross	Executive Assistant

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Marisol Cacho and Carmen Cooper

1. Relay for Life of Moreno Valley

Ulises Cabrera, Spirit Lift

1. Three proposals for the Emerging Leaders Council (ELC)
 - a) Open the applicants to candidates not in college
 - b) Offer small scholarships for Moreno Valley high school graduates
 - c) Recruitment - Team up with Moreno Valley College to get the word out

Daryl Terrell

1. Beacon of Hope

Kathleen Dale

1. Ironwood Village Project - request to have this item scheduled on the agenda by itself to allow time for the public to make comment.
2. Recreational Trails Board - consideration of the Ironwood Village project
3. Environmental & Historic Preservation Board and Parks & Recreation Commission should also be reviewing this project.

Roy Bleckert

1. Constitution and right to speech.

Rafael Brugueras

1. Thank you to Public Works for their work during the recent rain storms.
2. Thank you to Public Works for their meeting held last week showing the diagrams to help assist the public in understanding.
3. On behalf of Tom Jerele, music concert next Thursday evening at 6:30 p.m. at the Conference & Recreation Center.

Louise Palomarez

1. Veteran's event held last week.
2. President Donald Trump

JOINT CONSENT CALENDARS (SECTIONS A-D)

Mayor Gutierrez opened the agenda items for the Consent Calendars for public comments, which were received from Rafael Brugueras (A.2) and Roy Bleckert (A.7).

Motion to Approve Joint Consent Calendar Items A.1 through D.3, with Council Member Giba abstaining on A.7, A.9, A.12 and A.15.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	David Marquez, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, David Marquez, Victoria Baca

A. CONSENT CALENDAR-CITY COUNCIL

A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

A.2. City Council - Regular Meeting - Oct 18, 2016 6:00 PM

Recommendation: Approve as submitted.

A.3. City Council - Regular Meeting - Nov 1, 2016 6:00 PM

Recommendation: Approve as submitted.

A.4. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.5. APPROVE THE FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES WITH PENCO ENGINEERING, INC. FOR CONSTRUCTION SUPPORT FOR FARRAGUT AVENUE SIDEWALK IMPROVEMENTS PROJECT NO. 801 0066 (Report of: Public Works)

Recommendations:

1. Approve the First Amendment for Professional Consultant Services with PENCO Engineering Inc., for the Farragut Avenue Sidewalk Improvements from Sherman Avenue to Elsworth Street.
2. Authorize the City Manager to execute the First Amendment for Professional Consultant Services with PENCO Engineering, Inc.
3. Authorize the issuance of a Purchase Order increase to PENCO Engineering, Inc. for the amount of \$12,162 when the amendment has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related amendments to the Agreement for Professional Consultant Services with PENCO Engineering, Inc. not to exceed the Purchase Order amount, subject to the approval of the City Attorney.

- A.6. PA15-0010 (TRACT 36882) – APPROVE FINAL MAP, ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS, AND APPROVE THE MAINTENANCE AGREEMENT BY AND BETWEEN THE CITY OF MORENO VALLEY AND ESTANCIA II COMMUNITY ASSOCIATION FOR THE TRACT LOCATED AT THE SOUTH SIDE OF BRODIAEA AVENUE, APPROXIMATELY 600 FEET WEST OF MORENO BEACH DRIVE. DEVELOPER: FH II, LLC (Report of: Public Works)

Recommendations:

1. Accept the Agreement and Security for Public Improvements for FH II Homebuilders, Inc.
2. Authorize the Mayor to execute the Agreement.
3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
4. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

5. Approve Tract Map 36882.
6. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
7. Approve the Maintenance Agreement by and between The City of Moreno Valley and Estancia II Community Association.
8. Authorize the Mayor to execute the Maintenance Agreement with Estancia II Community Association.
9. Authorize the City Attorney to work with Estancia II Community Association to draft subsequent modifications or amendments to the Maintenance Agreement, as necessary, to clarify the intent and effectuate the provisions of said Agreement.
10. Authorize the City Manager to execute modifications or amendments to the Maintenance Agreement, subject to the approval of the City Attorney.
11. Authorize the City Clerk to transmit the executed Maintenance Agreement to the County Recorder's Office for recordation.

A.7. GENERAL PLAN ANNUAL REPORT (Report of: Community Development)

Recommendations:

1. **CERTIFY** that the General Plan Annual Report qualifies as an exempt project in accordance with Section 15061 of the California Environmental Quality Act (CEQA) Guidelines.
2. **APPROVE** Resolution No. 2017-10, a Resolution of the City Council of the City of Moreno Valley, California approving the General Plan Annual Report on the implementation of the General Plan and directing staff to submit the report to the State Office of Planning and Research and the State Department of Housing and Community Development.

A.8. SIXTH AMENDMENT TO THE AGREEMENT WITH WILLDAN FINANCIAL SERVICES FOR SPECIAL TAX CONSULTING SERVICES (Report of: Public Works)

Recommendations:

1. Approve the Sixth Amendment to the Agreement for Professional Consultant Services Project No. Special Districts 2014-15 Levy

CFD/LLD/LMD with Willdan Financial Services, 27368 Via Industria, Suite 110, Temecula, CA 92590-4856 to provide special tax and assessment engineering consulting services.

2. Authorize the City Manager to execute the Sixth Amendment with Willdan Financial Services.
3. Authorize the issuance of a change to the Purchase Order(s) in the total amount of \$39,000 for fiscal year (FY) 2016/17 and FY 2017/18 to Willdan Financial Services and an increase to the not-to-exceed amount of the Agreement to \$232,795.
4. Authorize the City Manager to execute subsequent amendments to the Agreement, including the authority to approve purchase orders in accordance with the terms of the Agreement, provided sufficient funding appropriations have been granted by the City Council.

A.9. ADOPT RESOLUTION 2017-11 UPDATING ENERGY EFFICIENCY TARGETS FOR MORENO VALLEY UTILITY (Report of: Financial & Management Services)

Recommendation:

1. Approve Resolution No. 2017-11, a Resolution of the City Council of the City of Moreno Valley, California, to adopt the updated 2017 Energy Efficiency Target for the Moreno Valley Electric Utility Mandated by Assembly Bill 2021.

A.10. RECEIPT OF QUARTERLY INVESTMENT REPORT FOR DECEMBER 2016 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended December 31, 2016, in compliance with the City's Investment Policy.

A.11. APPROVE BID AWARD FOR MOBILE ADVANCED METERING INFRASTRUCTURE (AMI) FOR MORENO VALLEY UTILITY (Report of: Financial & Management Services)

Recommendations:

1. Approve bid award to One Source Distributors for Mobile Advanced Metering Infrastructure (AMI) system for Moreno Valley Utility.
2. Authorize the Chief Financial Officer/City Treasurer to execute any subsequent related minor change orders up to, but not exceeding, the

contingencies for the equipment as stated in the report, subject to the approval of the City Attorney.

- A.12. PA04-0108 (TR 32515) – OFFSITE & ONSITE IMPROVEMENTS - ACCEPT SUBSTITUTION AGREEMENTS AND SECURITIES FOR PUBLIC IMPROVEMENTS DEVELOPER: LENNAR HOMES OF CALIFORNIA, INC. (Report of: Public Works)

Recommendations:

1. Accept the two substitution Agreements for Public Improvements and securities for project PA04-0108 (TR 32515) Offsite and Onsite Improvements with Lennar Homes of California, Inc.
 2. Authorize the Mayor to execute both Agreements, subject to City Attorney approval.
 3. Direct the City Clerk to forward the signed Agreements to the County Recorder's Office for recordation.
 4. Authorize the City Engineer to exonerate the Letter of Credit as Faithful Performance security, the Letter of Credit as Material and Labor security, and Deed of Trust as security, previously submitted by MPLC Pigeon Pass, LP, upon acceptance of the substitution agreement and securities.
 5. Authorize the Public Works Director/City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.
- A.13. PA15-0004 - EL POLLO LOCO - REDUCE FAITHFUL PERFORMANCE SECURITY AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE AND ACCEPTING THOSE PORTIONS OF PERRIS BOULEVARD SOUTH OF JOHN F. KENNEDY DRIVE ASSOCIATED WITH THIS PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM DEVELOPER: INFINITY RS, LLC (Report of: Public Works)

Recommendations:

1. Adopt Resolution No. 2017-12, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Acceptance of the Public Improvements as Complete within Project PA15-0004 and Acceptance of those portions of Perris Boulevard south of John F Kennedy Drive associated with this Project into the City's Maintained Street System.

2. Authorize the City Engineer to execute a 90% reduction to the Faithful Performance security, exonerate the Material and Labor security in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Faithful Performance security in one year when all clearances are received.

A.14. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO SEQUEL CONTRACTORS, INC. FOR THE HEACOCK STREET IMPROVEMENT FROM IRIS AVENUE TO GENTIAN AVENUE AND APPROVE THE REIMBURSEMENT AGREEMENT WITH WRCOG PROJECT NO. 801 0023 (Report of: Public Works)

Recommendations:

1. Award a construction contract to Sequel Contractors, Inc., 13546 Imperial Hwy, Santa Fe Springs, CA 90670, the lowest responsible bidder, for the Heacock Street Improvement from Iris Avenue to Gentian Avenue.
2. Authorize the City Manager to execute a contract with Sequel Contractors, Inc.
3. Authorize the issuance of a Purchase Order for Sequel Contractors, Inc., in the amount of \$1,789,964.00 (\$1,627,240.00 bid amount plus 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Sequel Contractors, Inc. up to, but not exceeding, the contingency amount of \$162,724 subject to the approval of the City Attorney.
5. Approve the Reimbursement Agreement between the Western Riverside Council of Governments (WRCOG) and the City of Moreno Valley for the construction phase of the Heacock Street Improvement from Iris Avenue to Gentian Avenue project, authorize the City Manager to execute the Reimbursement Agreement, and authorize the Public Works Director/City Engineer to approve any minor changes or amendment to the Agreement, subject to the approval of the City Attorney.
6. Authorize the Chief Financial Officer to appropriate \$434,500 as revenue and expense in the Transportation Uniform Mitigation Fees (TUMF) Fund (3003) for contract award.

- A.15. MUNICIPAL CODE UPDATE – SECTION 8.12.140 - DUTIES AND RESPONSIBILITIES OF THE FLOODPLAIN ADMINISTRATOR (Report of: Public Works)

Recommendations: That the City Council:

1. Conduct a Public Hearing on proposed amendment to Section 8.12.140 of the City of Moreno Valley Municipal Code.
2. Introduce Ordinance No. 919, an Ordinance of the City Council of the City of Moreno Valley, California, thereby amending the City of Moreno Valley Municipal Code Section 8.12.140 related to floodplain development approvals.
3. Set the second reading and adoption of the Ordinance for the next regularly scheduled Council Meeting on February 21, 2017.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF OCTOBER 18, 2016 (See A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - REGULAR MEETING OF NOVEMBER 1, 2016 (See A.3)

Recommendation: Approve as submitted.

- B.4. ACCEPTANCE OF 2016/17 AMENDED GRANT CONTRACT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, CHILD DEVELOPMENT SERVICES, FOR CHILD CARE SERVICES AND ADOPTION OF THE RESOLUTION TO CERTIFY THE APPROVAL OF THE GOVERNING BOARD (Report of: Parks & Community Services)

Recommendations:

1. Authorize the acceptance of grant monies in the amended amount of \$663,817 for Fiscal Year (FY) 2016/2017 from the California Department of Education, Child Development Division, for the purpose of providing school age child care and development services; and
2. Adopt Resolution No. CSD 2017-02, a resolution of the Moreno Valley

Community Services District of the City of Moreno Valley, California, certifying the approval of the governing board to enter into a transaction with the California Department of Education for the purpose of providing child care and development services and to authorize the designated personnel to sign contract documents for FY 2016/2017.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF OCTOBER 18, 2016 (See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - REGULAR MEETING OF NOVEMBER 1, 2016 (See A.3)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF OCTOBER 18, 2016 (See A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES - REGULAR MEETING OF NOVEMBER 1, 2016 (See A.3)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Item H.1.1. was heard after the Consent Calendars and before E.1.

- E.1. PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDING (Report of: Public Works)

Mayor Gutierrez opened the public testimony portion of the public hearing; there being none, public testimony was closed.

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceeding for Trinity Baptist Church for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate to be applied to the property tax bill.
2. Direct the City Clerk to count the returned NPDES ballot.
3. Verify and accept the results of the mail ballot proceeding as maintained by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk’s office.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to the Assessor’s Parcel Number mentioned in this report.

Motion to Approve Staff's Recommendation Nos. 1 and 2

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	Victoria Baca, Mayor Pro Tem
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, David Marquez, Victoria Baca

Motion to Approve Staff's Recommendation Nos. 3, 4 & 5

The City Clerk announced the results as follows:

National Pollutant Discharge Elimination System (NPDES) Maximum Commercial/Industrial Regulatory Rate for APN: 488-260-038

Trinity Baptist Church - Weighted Ballot Count: 1 "Yes" vote, -0- "No" vote; passed

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	Victoria Baca, Mayor Pro Tem
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, David Marquez, Victoria Baca

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

None

G. REPORTS

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

No Report

Riverside County Habitat Conservation Agency (RCHCA)

Council Member Marquez provided a brief update of the items covered at the RCHCA Board meeting on February 16, 2017.

Update on Potential Delisting of the Stephens' Kangaroo Rat (SKR) in Riverside County

Delisting of the Stephen's Kangaroo Rat would consider the specie "recovered" from critical levels with sufficient population numbers and low level of threats to maintain or increase future populations. RCHCA staff has been working closely with the U.S. Fish and Wildlife Service to establish a team of stakeholders to implement delisting of the specie. Future items to be reviewed on the subject include the identification of regulatory burdens, the securing of funding, development of SKR monitoring protocol and review of San Diego's SKR population to improve overall range-wide status of the specie.

Report on Public Access Planning Steps; Development of an Action Plan for Public Access at Steele Peak Reserve

RCHCA staff has been directed to develop an action plan for public access of the Steele Peak Reserve, located within unincorporated Riverside County and in close proximity to the City of Perris. A comprehensive public access program will provide the public an opportunity to appreciate the natural environment that is being protected at the habitat reserve. A completed Plan will also allow for proper public access and prevent unauthorized and damaging access from occurring at the site.

Status of Mitigation Fee Transfers from Member Agencies through December 31, 2016

A mitigation fee is imposed on certain types of development for the Stephens' Kangaroo Rat (SKR). As of December 31, 2016, SKR fees collected from the City of Moreno Valley show \$9.030, or 3.2% of the total 2016 mitigation fees collected for the specie.

Riverside County Transportation Commission (RCTC)

No Report

Riverside Transit Agency (RTA)

No Report

Western Riverside Council of Governments (WRCOG)

No Report

Western Riverside County Regional Conservation Authority (RCA)

No Report

School District/City Joint Task Force

No Report

Southern California Association of Governments (SCAG)

No Report

G.2. CITY MANAGER'S REPORT

City Manager Michelle Dawson reported that the City of Moreno Valley Social Media Campaign was extremely effective over the weekend in reaching out to residents during the recent storm event. Through Facebook alone we were able to directly connect with over 33,000 people and we reached thousands more through Twitter. A special thanks for the Maintenance Operations Team, Police and Fire. Increasing our social media presence is one of your initiatives and objectives in Momentum Moval. Also, this Saturday, February 25, we have a Bulky Item Cleanup event at Vista Del Lago High School from 8 to Noon. They accept items such as washer machines, TV's, computers and mattresses. Thank you to Waste Management for sponsoring this event and thank you to our residents in advance for taking advantage of this opportunity to get rid of those bulky items, for not dumping them out in our vacant lots and on the streets and helping to keep Moreno Valley Beautiful.

Mayor Gutierrez announced that part of our Strategic Plan we called for projects within our City to get the people motivated in helping us. We have projects already throughout the community and groups already doing this but we will have two projects that are designed for all ages to bring the entire family together. Volunteers can choose from two projects to enhance the quality of life in two areas of the City. This Saturday from 8:00 a.m. to 12:00 p.m., you can help spruce up Hidden Springs Park and you can give March Community Center a facelift with a new coat of paint. There will be breakfast and lunch provided for all volunteers. To participate, or if you have a group or organization, you can

register the group or yourself by emailing mymoval@moval.org. This is the Moreno Valley Community Day of Service Program. If you cannot participate in the beautification efforts, you can still help Moreno Valley Beautiful; bring your unwanted items to the Bulky Waste Cleanup event at Vista Del Lago High School from 8 to Noon this Saturday. Again, the Day of Service is part of the City Council's Momentum Moval Strategic Plan. Thank you to staff for putting this together. This will enhance the quality of life in our community, so go grab your paint brushes and let's make a difference in our City.

G.3. CITY ATTORNEY'S REPORT

Mayor Gutierrez opened the agenda item for public comments, which was received from Roy Bleckert.

No Report

H. LEGISLATIVE ACTIONS

H.1. ORDINANCES - 1ST READING AND INTRODUCTION

Item H.1.1. was heard before Item E.1.

H.1.1. ORDINANCE AMENDING THE MUNICIPAL CODE TO REFLECT APPOINTMENT AUTHORITY OF DIRECTLY ELECTED MAYOR (Report of: City Attorney)

City Attorney reported a correction in the Recommended Action where it referenced the Municipal Code Section and that the Section should have read 2.18.010 E.

Mayor Gutierrez opened the agenda item for public comments, which were received from Kathleen Dale and Roy Bleckert.

Recommendations: That the City Council:

1. Introduce Ordinance No. 920, an Ordinance of the City Council of the City of Moreno Valley, California, amending Municipal Code Section 2.28.010 E, to comply with the State law related to the appointment authority of a Directly Elected Mayor; conduct first reading by title only and set the second reading and adoption for the March 7th meeting.

RESULT:	FIRST READING OF ORDINANCE [3 TO 0] Next: 3/7/2017 6:00 PM
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	Dr. Yxstian A. Gutierrez, Mayor
AYES:	Dr. Yxstian A. Gutierrez, David Marquez, Victoria Baca
ABSTAIN:	Jeffrey J. Giba

H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3. ORDINANCES - URGENCY ORDINANCES - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

Council Member Marquez

1. Attended the RTA T-Now meeting in Perris. The committee discussed getting additional benches and overhead covers for the bus stops here in Moreno Valley. There are some money's available for this, but RTA would like to hear from the citizens of Moreno Valley. If you're interested in getting involved, please call or email Council Member Marquez.

ADJOURNMENT

There being no further business the Regular Meeting was adjourned at 7:15 p.m.

Submitted by:

Marie Macias, MMC, Interim City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community Redevelopment Agency of the
 City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees

Approved by:

Dr. Yxstian Gutierrez, Mayor
 President, Moreno Valley Community Services District
 Chairperson, City as Successor Agency for the Community Redevelopment Agency of
 the City of Moreno Valley
 Chairperson, Moreno Valley Housing Authority
 Chairperson, Board of Library Trustees

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
April 4, 2017

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Business Spotlight
 - a) Cafe Gossip (District 4)
 - b) Margarita's Grill (District 3)

2. Recognition of Community Day of Service Volunteer Groups
 - a) Vista Del Lago High School Interact Club
 - b) Canyon Springs High School Interact Club
 - c) Church of Jesus Christ of Latter-day Saints
 - d) Police Explorers
 - e) Rising Stars Business Academy
 - f) Moreno Valley High School Parent Teachers Association
 - g) Fire Explorers Post 946 and 958
 - h) 4 TEENS
 - i) Moreno Valley Morning Rotary
 - j) Cub Scout Troop 100
 - k) Spirit Lift
 - l) Parks & Recreation Commission
 - m) Soroptimist International of Moreno Valley
 - n) Moreno Valley College Human Services Club
 - o) Emergency Response Force and ACES/RACES
 - p) Emerging Leaders Council
 - q) California Republican National Hispanic Assembly

3. Presentation from Cub Scout Troop 100 to Officer Kevin Brooks as their local hero.

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
April 4, 2017**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees was called to order at 6:04 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Frank Wright.

INVOCATION

Pastor Donald Wilson, Lighthouse Baptist Church.

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Jeffrey J. Giba	Council Member
	David Marquez	Council Member
	Victoria Baca	Mayor Pro Tem

INTRODUCTIONS

Staff:	Michelle Dawson	City Manager
	Martin Koczanowicz	City Attorney
	Pat Jacquez-Nares	City Clerk
	Marshall Eyerman	Chief Financial Officer
	Thomas M. DeSantis	Assistant City Manager
	Ahmad Ansari	Public Works Director/City Engineer
	Joel Ontiveros	Police Chief
	Abdul Ahmad	Fire Chief
	Betsy Adams	Interim Parks & Community Services Director
	Mike Lee	Economic Development Director
	Allen Brock	Community Development Director

Minutes Acceptance: Minutes of Apr 4, 2017 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

City Attorney Koczanowicz stated that the Public Hearing for the Ironwood Project had been removed from the agenda at this time. There had been an appeal of the Planning Commission action filed and would come before the City Council for consideration. He stated that the Council could take public comment on this item in the non agendized public comment section. City Attorney Koczanowicz instructed the Council not to deliberate or take any action as this item would come back to them for consideration.

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

George Hague

1. Opposes Ironwood appeal

Kathleen Dale

1. Opposes Senate Bill 1 amendments
2. Requested update on Brown Act violation on March 7, 2017 Planning Commission appointments.
3. Opposes Ironwood appeal

Susan Zeitz

1. Truck Emissions
2. Opposes Ironwood appeal

Donovan Saadiq

1. Candidate debate on April 22, 2017 from 5:00 p.m. to 7:00 p.m. at the golf course.
2. Infrastructure Bond
3. Requested that Mayor Pro Tem Baca to be visible in her district

Bob Palomarez

1. Staff and Mayor doing great job
2. Supports Rafael Brugueras for Planning Commissioner
3. Concerned with Council Member Giba and Council Member Marquez

Jorge Quintero

1. School District meeting
2. Education
3. Bullying
4. Measure M
5. Requests that Council Member Giba and Marquez support the community
6. Supports Rafael Brugueras for Planning Commissioner

Frank Wright

1. Supports Mayor's authority to appoint the Planning Commissioners
2. Happy that Mr. Lowell was appointed to the Planning Commission
3. Supports Rafael Brugueras and Carla Thornton for Planning Commissioners
4. A divided Council does not stand
5. Think as statesmen

Suzanne Potter-Zmudosky

1. Supports Ironwood project
2. City needs additional housing

Scott Hevin

1. Air Quality
2. Thanked Congressman Takano for Town Hall
3. Thanked Mayor Gutierrez for Town Hall
4. Thanked Assemblyman Medina for AB 890
5. Gas tax

Jose D. Chavez

1. Need jobs in the City

John Myers

1. Opposes Ironwood appeal

Rafael Brugueras

1. America a democracy
2. Developer extensions
3. Council Member Marquez platform and image
4. Grateful to the Mayor for the two appointed Planning Commissioners
5. Council Member Giba focus on his strengths

Raychele Sterling

1. Council Member Marquez shows objectivity and ethics
2. Mayor Pro Tem Baca unprofessional
3. Closed Session agenda concerns with MVUSD and park stadium
4. Reviewed documents FCC issues and bond issues

Louise Palomarez

1. Outsiders trying to run our City
2. Thanked Council Member Marquez
3. Council Member Giba's agenda

Santiago Hernandez

1. Supports Rafael Brugueras for Planning Commissioner
2. People against the Mayor are against the City

Hector J. Perez

1. Opposes zone law changes
2. Opposes the Ironwood project

David Zeitz

1. Opposes the Ironwood appeal
2. City does not have to create jobs

JOINT CONSENT CALENDARS (SECTIONS A-D)

Motion to Approve Joint Consent Calendar Items A.1 through A.16 and A.18 through D.1 with the exception A.17 which was pulled for separate discussion by Mayor Gutierrez.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	David Marquez, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, David Marquez, Victoria Baca

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. City Council - Regular Meeting - Mar 7, 2017 6:00 PM
- A.3. Payment Register – January 2017 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.
- A.4. PA15-0002 (TRACT 35414) – APPROVE COOPERATIVE AGREEMENT AMONG THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, CITY OF MORENO VALLEY, AND RIVERVIEW PARTNERS LP FOR THE WEST END MORENO MDP LINE V-3, STAGE 1, LOCATED ON THE SOUTH SIDE OF BOX SPRINGS ROAD, BETWEEN CLARK STREET AND WEST OF DAY STREET. DEVELOPER: RIVERVIEW PARTNERS LP (Report of: Public Works)

Recommendations:

1. Approve the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District (the District), the City of Moreno Valley, and Riverview Partners LP for the West End Moreno MDP Line V-3, Stage 1.
 2. Authorize the City Manager to execute the Cooperative Agreement.
 3. Direct the City Clerk to forward the signed Cooperative Agreement to the District.
- A.5. APPROVE PURCHASE ORDER TO ENCO UTILITY SERVICES FOR THE REPAIR OF EQUIPMENT (Report of: Financial & Management Services)

Recommendation:

1. Authorize the issuance of a Purchase Order for ENCO Utility Services in the amount of \$129,897.98 (\$118,089.07 plus 10% contingency) for the repair of 13 PME-10 switches.
 2. Authorize the Chief Financial Officer to appropriate \$129,898 in fund 6010 for the repair.
- A.6. APPROVAL OF THE FRANCHISE TAX BOARD AGREEMENT TO SHARE TAX INFORMATION (Report of: City Manager)

Recommendation:

1. Authorize the City Manager or her designee to sign a Franchise Tax Board Agreement that will continue to allow both entities to share tax information confidentially.
- A.7. PA15-0035 (PM 36986) - APPROVE PARCEL MAP FOR FINANCE AND CONVEYANCE PURPOSES LOCATED ON THE SOUTHWEST CORNER OF BRODIAEA AVENUE AND MORENO BEACH DRIVE. DEVELOPER: CONTINENTAL EAST FUND VII, LLC (Report of: Public Works)

Recommendations:

1. Approve PA15-0035 (PM 36986) final map for finance and conveyance purposes.
2. Authorize the City Clerk to sign the map and transmit final map to the County Recorder's Office for recordation.

- A.8. APPROVE APPROPRIATION OF FUNDS FOR PROJECT 805 0043 FOR MORENO VALLEY UTILITY (Report of: Financial & Management Services)

Recommendation:

1. Authorize the Chief Financial Officer to appropriate \$456,600 for the MVU portion of the Heacock Street Improvement Project, Bid Alternate 5.

- A.9. PA15-0028 (PM 36468) – APPROVE PARCEL MAP FOR FINANCE AND CONVEYANCE PURPOSES; AREA BOUNDED BY LASSELLE STREET, KRAMERIA STREET, AND CAHUILLA DRIVE. DEVELOPER: CONTINENTAL EAST FUND VII, LLC (Report of: Public Works)

Recommendations:

1. Approve PA15-0028 (Parcel Map 36468) final map for finance and conveyance purposes.
2. Authorize the City Clerk to sign the map and transmit final map to the County Recorder's Office for recordation.

- A.10. PA15-0047 (PM 37058) – THE QUARTER PROJECT – ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS LOCATED AT THE NORTHEAST CORNER OF DAY STREET AND EUCALYPTUS AVENUE. DEVELOPER: CORONA SOUTH MAIN DEVELOPMENT LP (Report of: Public Works)

Recommendations:

1. Accept the Agreement and Security for Public Improvements for Corona South Main Development LP.
2. Authorize the Mayor to execute the Agreement.
3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
4. Authorize the City Engineer to execute any future time extension amendments to the agreement based on his discretion and subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

- A.11. PA04-0108 (TR 32515) – REQUEST TO APPROVE A FULL ROAD CLOSURE OF PIGEON PASS ROAD FROM OLD LAKE DRIVE TO 1,200 FEET NORTH OF OLD LAKE DRIVE FOR THE CONSTRUCTION OF A CULVERT, STREET AND UTILITY IMPROVEMENTS ALONG PIGEON PASS ROAD FROM JUNE 9, 2017 - AUGUST 8, 2017. DEVELOPER - LENNAR HOMES OF CALIFORNIA, INC. (Report of: Public Works)

Recommendation:

1. Approve a full Road Closure of Pigeon Pass Road from Old Lake Drive to 1,200 feet north of Old Lake Drive for the construction of a culvert, street improvements, and utility relocations along Pigeon Pass Road from June 9, 2017 - August 8, 2017.

- A.12. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.13. AWARD OF CONTRACT TO REPLACE AIR CONDITIONING AT THE SENIOR COMMUNITY CENTER (Report of: Administrative Services)

Recommendations:

1. Award the Agreement for Professional Construction Services to the lowest responsible bidder, Air Temperature Specialists, for the Senior Center HVAC Replacement Project to provide Air Conditioning Equipment and Installation Services.
2. Authorize the City Manager to execute the Agreement for Professional Construction Services with Air Temperature Specialists in the amount of \$222,500.00 to provide Air Conditioning Equipment and Installation Services.
3. Authorize the issuance of a Purchase Order to Air Temperature Specialists in the amount of \$244,750.00 (\$222,500 plus a 10% contingency of \$22,250) to provide Air Conditioning Equipment and Installation Services.
4. Authorize the City Manager to execute any subsequent related change orders to the contract with Air temperature Specialists up to, the 10% contingency amount of \$22,250.00, subject to the approval of the City Attorney and provided sufficient funding appropriations and program approvals have been granted by the City Council.

A.14. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2016/2017 AS OF JULY 1, 2016 AND REIMBURSABLE ACTIVITIES REPORT FOR JULY 1, 2016 - FEBRUARY 28, 2017 (Report of: City Clerk)

Recommendation:

- 1. Receive and file the Fiscal Year 2016/2017 Council Discretionary Expenditure Reports and the Reimbursable Activities Report as of July 1, 2016 through February 28, 2017.

A.15. Extension of the Urgency Ordinance Banning Commercial Cannabis activity in the City (Report of: City Attorney)

Recommendations: That the City Council:

- 1. Adopt Resolution 2017-19: A Resolution Of The City Council Of The City Of Moreno Valley, California, Extending The Sunset Date Of Ordinance 916 And The Ban On Commercial Cannabis Activity In The City Till October 30, 2017.

A.16. SECOND READING AND ADOPTION OF ORDINANCE NO. 922 APPROVING ZONE CHANGE FOR LEGACY PARK PROJECT FOR A 53 ACRE SINGLE FAMILY DWELLING PROJECT AT THE SOUTHEAST CORNER OF INDIAN STREET AND GENTIAN AVENUE (Report of: Community Development)

Recommendations: That the City Council:

- 1. Conduct second reading by title only and Adopt Ordinance No. 922. An Ordinance of the City Council of the City of Moreno Valley, California, approving a Zone Change (PEN16-0093) from R30 to R5 for approximately 15 acres located within Assessor's Parcel Number 485-220-040 located south of Gentian Avenue and on the west side of the California Aqueduct.

Item removed for separate discussion by Mayor Gutierrez and was heard before Public Comments.

A.17. MAYORAL APPOINTMENTS FOR THE PLANNING COMMISSION (Report of: City Clerk)

Recommendation:

- 1. Receive and confirm the slate of Mayoral appointments as follows:

<u>Name</u>	<u>Position</u>	<u>Term</u>
Ray Baker	Commissioner	04/05/2017 to 03/31/2021
Brian Lowell	Commissioner	04/05/2017 to 03/31/2021

Minutes Acceptance: Minutes of Apr 4, 2017 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Rafael Brugueras	Commissioner	04/05/2017 to 03/31/2021
Glen Jacobs	Commissioner	04/05/2017 to 03/31/2021
David Lara-Tellez	Alternate #1	04/05/2017 to 03/31/2019
Erlan Gonzalez	Alternate #2	04/05/2017 to 03/31/2019

Other appointments may be made from the pool of applicants at the meeting in any composition

City Attorney Koczanowicz presented this item.

Council Member Giba

1. Asked for ruling or law that required a slate and if the Mayor could appoint individually?

City Attorney Koczanowicz answered no there is not and the method of appointment is up to the Mayor.

Mayor Pro Tem Baca

1. Provided the example of the Council ratifying the City Manager's Personnel Changes.

Council Member Marquez

1. Received several emails on this item. He read a few of the emails he received.

Erlan Gonzalez

1. Supports appointment of Alternate Planning Commissioners as full Planning Commissioners

Kathleen Dale

1. Opposes slate of Planning Commission appointments
2. Read Municipal Code on Planning Commission Appointments
3. Mayor was an at-large Council Member
4. Supports Alternates as Permanent appointees
5. Opposes Rafael Brugueras as a Planning Commission

David Zeitz

1. Opposes the appointment of Rafael Brugueras

Susan Zeitz

1. Opposes the appointment of Rafael Brugueras

Donovan Saadiq

1. Supports the appointment of the alternates as full members
2. Rafael Brugueras should be an alternate member

George Hague

1. Supports Ms. Nickel as a full member
2. Supports individual voting on the applicants
3. Planning Commission does not have women members

Rafael Brugueras

1. Provided and read a flyer of the Planning Commission Handbook

Peggy Rubin-Holmes

1. Planning Commission needs qualified professional people
2. Supports Baker, Gonzalez, Lowell, Nickel as full members and Thornton and Jacobs as alternates

Louise Palomarez

1. Lies
2. Supports Mayor's slate of appointees

Carla Thornton

1. Women representation on the the Planning Commission and all Boards and Commissions

Jose Chavez

1. Believes this is Mayor's responsibility
2. Planning Commission needs new people
3. Supports the appointment of Rafael Brugueras

Hector Diaz

1. District 4 Council Candidate
2. Supports the appointment of the alternates as full members
3. Supports the appointment of women to the Planning Commission

Christopher Mauldin

1. Supports the Mayor
2. Council needs to stop the in fighting
3. Work together no personal agendas
4. Clean up the gangs in the streets

Raychele Sterling

1. Gender discrimination lawsuit

Margie Brugueras

1. Supports the appointment of Rafael Brugueras

Council Member Giba

1. Supports Baker, Lowell, Gonzalez, Nickel full members and Thornton, Jacobs as alternates.

Mayor Gutierrez

1. Ten applicants applied and all were interviewed.
2. Bring more jobs to City and create a business friendly City

Motion to appoint Ray Baker and Brian Lowell to fill two existing vacancies with terms expiring on March 31, 2021.

RESULT:	APPROVED [3 TO 1]
MOVER:	Dr. Yxstian A. Gutierrez, Mayor
SECONDER:	Victoria Baca, Mayor Pro Tem
AYES:	Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez
NAYS:	Jeffrey J. Giba, Council Member

Mayor Gutierrez recessed the Council meeting at 7:05 p.m.

Mayor Gutierrez reconvened the Council meeting at 7:16 p.m.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1. MINUTES - REGULAR MEETING - MAR 7, 2017 6:00 PM (See A.2)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1. MINUTES - REGULAR MEETING - MAR 7, 2017 6:00 PM (See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1. MINUTES - REGULAR MEETING OF - MAR 7, 2017 6:00 PM (See A.2)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS - NONE

E.1. IRONWOOD VILLAGE PROJECT PROPOSES A GENERAL PLAN AMENDMENT, A CHANGE OF ZONE, TENTATIVE TRACT MAP 37001, AND PLOT PLAN FOR DESIGN GUIDELINES FOR A 78.4 ACRE SINGLE FAMILY DEVELOPMENT PROJECT AT THE NORTHEAST CORNER OF IRONWOOD AVENUE AND NASON STREET, AND THE PROPOSED RELATED MITIGATED NEGATIVE DECLARATION ENVIRONMENTAL DOCUMENT (Report by: Community Development)

THIS ITEM HAS BEEN REMOVED FROM THE AGENDA AND WILL NOT BE CONSIDERED BY THE COUNCIL AT THIS MEETING. THE ITEM WILL BE NOTICED, PUBLISHED AND AGENDIZED FOR A FUTURE COUNCIL MEETING PENDING DETERMINATION OF PROCEDURAL ISSUES

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION – Item A.17 was removed for separate discussion and heard before Public Comments

G. GENERAL BUSINESS - NONE

H. REPORTS

H.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC) - None

Riverside County Habitat Conservation Agency (RCHCA) - None

Riverside County Transportation Commission (RCTC) - Mayor Pro Tem

Mayor Pro Tem Baca reported the following:

Echoing the theme of Promises Made, Promises Kept, RCTC is ready to launch the I-15 Express Lanes project as part of the Commission's 10-year Western Riverside County Highway Delivery Plan. Skanska-Ames has been selected as the design-builder. The \$263 million project will construct two tolled express lanes in each direction between the I-15/Cajalco Road interchange in Corona and the I-15/State Route 60 interchange near the Riverside/San Bernardino County line for a distance of approximately 14 miles. The Commission will operate and maintain the tolled express lanes after opening for a period of 50 years.

This concludes my report.

Riverside Transit Agency (RTA) - Council Member Marquez

Council Member Marquez reported the following:

The Riverside Transit Agency will be having another Youth Summer Fare Promotion from June 1, 2017 through September 4, 2017. For only 25 cents, students in grades 1-12 can ride any fixed-route bus including CommuterLink express buses. To qualify for the reduced fare, students must show a school-issued ID card from the most recent school year, an RTA Youth ID card, or a California driver's license or state ID showing their age as 18 years old or younger.

In addition, members of the public are invited to join Transportation NOW (T-NOW) to promote public transportation. T-NOW includes elected officials, community advocates, and everyday transit riders. Six chapters, including Moreno Valley/Perris, meet monthly. Please visit RTA's website, riversidetransit.com for further details.

This concludes my report.

Western Riverside Council of Governments (WRCOG) - Mayor Gutierrez

Mayor Gutierrez reported the following:

Western Riverside Energy Partnership Update

The California Green Summit that will be held April 26 and 27th in Sacramento and the 8th Annual Energy Efficiency Forum to be held in Fresno on June 14th and 15th. Both programs include the overall goal of providing best practices and strategies to effectively identify energy conservation and sustainable practices.

Community Choice Aggregation Program Activities Update

On May 5, 2017, the Center for Climate Protection will host its third Business of Clean Energy Symposium at the Hyatt Regency in Long Beach (200 S. Pine Ave). The symposium will provide attendees information about California's goal to accelerate its shift to a clean energy economy.

Legislative Activities Update

WRCOG support on two separate items of legislation pending for the 2017-2018 legislative cycle. AB 1189, clarifies legislation to enable the Riverside County Transportation Commission to implement a second "self-help" sales tax in addition to Measure A, subject to approval of two-thirds of the electorate in a future election. SB 37 restores funding stability to four recently incorporated Cities which have suffered financial hardship since the State redirected all remaining shares of the city vehicle license fee revenues. This includes the Cities of Eastvale, Jurupa Valley, Menifee and Wildomar.

This concludes my report.

Western Riverside County Regional Conservation Authority (RCA) - None

School District/City Joint Task Force - None

Southern California Association of Governments (SCAG) - None

H.2. CITY MANAGER'S REPORT

City Manager Dawson stated the following:

After listening to a few public comments tonight regarding Planning Commission appointments, I feel that it may be relevant to share my perspective regarding this City's track record on appointments to positions of authority and responsibility.

As I speak before you this evening, I am honored to serve as your City Manager. As the first female to serve in this capacity for our City, my appointment is yet another example of Moreno Valley's track record for opening opportunities to individuals of all backgrounds. Throughout our City's history, key positions have been held by women and men with personal backgrounds as broad as their professional experience and community engagement.

Our Council and our City have reason to be proud of the diversity of its appointees at all levels. To insinuate otherwise is inaccurate, and offensive to the Council, the staff and to our wonderfully diverse community.

H.3. CITY ATTORNEY'S REPORT - None

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

Council Member Marquez

1. His election campaigning.
2. His personal background.

Council Member Giba

1. Attended Adelanto this morning at Margarita's Grill.
2. Attended Gov. Brown's appearance to promote AB1 and SB1 in Riverside.
3. Attending the SCAG meeting on Thursday.
4. Wished everyone a peaceful Easter.
5. Urged everyone to be on time for the egg hunt this weekend.

Mayor Pro Tem Baca

1. Attended Gov. Brown's press conference in downtown Riverside today hosted by the League of California Cities. Many legislators attended in support of SB1 and AB1 for local communities.

Mayor Gutierrez

1. Thanked the community that came out for the clean-up event.
2. Thanked staff for the Public Safety event on Saturday.
3. Telephone Town Hall was well attended; thanked everyone that participated; all questions will be answered by staff.
4. His open office hours are on Fridays.
5. Attended NALEO Conference topics were natural resources and climate change.
6. Announced the Youth Conference this weekend at Frederick/Cottonwood Gulf Course Center from 10:00 a.m. to 12:00 p.m.
7. Attended Gov. Brown's press conference in Riverside this afternoon.

ADJOURNMENT

There being no further business the Regular Meeting was adjourned at 8:25 p.m.

Submitted by:

Pat Jacquez-Nares, City Clerk, CMC & CERA, City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community Redevelopment Agency of the
 City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees

Approved by:

Dr. Yxstian Gutierrez, Mayor
 President, Moreno Valley Community Services District
 Chairperson, City as Successor Agency for the Community Redevelopment Agency of
 the City of Moreno Valley
 Chairperson, Moreno Valley Housing Authority
 Chairperson, Board of Library Trustees



Report to City Council

TO: Mayor and City Council

FROM: Geriann Kingslan, Acting Human Resources Director

AGENDA DATE: May 16, 2017

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting are presented for City Council ratification.

Staffing of City positions ensures assignment of highly qualified and trained personnel to achieve Momentum MoVal priorities, objectives and initiatives.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Denise Hansen
Executive Assistant

Department Head Approval:
Geriann Kingslan
Acting Human Resources Director

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Personnel Changes 5.16.17

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	5/04/17 4:27 PM
City Attorney Approval	<u>✓ Approved</u>	5/04/17 3:50 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 4:28 PM

**City of Moreno Valley
Personnel Changes
May 16, 2017**

New Hires

Jerry Magana
GIS Specialist
City Manager Dept. / Technology Services

Steven Morel
Cable TV Producer
City Manager Dept. / Technology Services

Promotions

Kevin Callister
From: Community Services Coordinator
To: Community Services Supervisor

Transfers

None

Separations

None



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 16, 2017

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR MARCH 2017

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended March 31, 2017 in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended March 31, 2017. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. The City has implemented an Investment Policy which was revised and adopted on June 7, 2016 and is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended March 31, 2017. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City's investment policy has set the primary goals of the portfolio management as Safety and Liquidity followed by Yield. The City currently utilizes two investment management firms who use an active investment management approach in which securities are purchased but not necessarily held to maturity, and may be actively traded based on market conditions and the City's investment goals. The City's cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City's pooled investment funds with the State Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table shows some of the key portfolio measure for the month.

	Portfolio Balance	Avg. Yield to Maturity Trends		
		Mar 2017	Feb 2017	Mar 2016
Chandler	\$84,203,833	1.59%	1.56%	1.61%
Insight	\$55,036,202	1.17%	1.16%	1.08%
LAIF	\$40,778,655	0.821%	0.777%	0.506%

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are included in the report but these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for March 31, 2017. **Staff recommends this alternative as it accomplishes timely investment reporting.**
2. Do not accept and file the Quarterly Investment Report and provide staff with additional direction. **Staff does not recommend this alternative as it will not accomplish timely investment reporting.**

FISCAL IMPACT

The Federal Open Market Committee (FOMC) raised the fed funds rate target by 25 basis points (.25) at their meeting in March with an additional increase expected before the year end. Treasury yields at the short end of the market, where the City’s portfolio is invested has seen an increase of fifty three basis points during the past year. This rise in rates translates into additional interest earnings on the portfolio and provides direct benefit to the budget. The budget anticipated investment income for the General Fund of \$1.5 million. Through March investment income has totaled \$1.2 million.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. 03-2017 Investment Report
- 2. CAM-Newsletter-April-2017

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/21/17 2:54 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 12:31 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:35 PM

CITY OF MORENO VALLEY
Treasurer's Cash and Investments Report
March 2017

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	701,639	701,639	701,639			
State of California LAIF Pool	40,778,655	40,745,051	40,778,655	0.50	0.82%	
Investments-Chandler	83,741,687	83,720,238	84,203,833	2.60	1.59%	2.52
Investments-Insight	55,106,828	55,018,704	55,036,202	1.31	1.17%	1.25
Total General Portfolio	180,328,809	180,185,632	180,720,329			

Bond Proceeds with Fiscal Agents	Market Value
Construction Funds	8,931,108
Principal & Interest Accounts	804,646
Debt Service Reserve Funds	2,112,732
Custody Accounts	31,266
Arbitrage Rebate Accounts	101,565
Other Accounts	23,448,661
Total Bond Proceeds	35,429,978

Deferred Compensation Funds	Market Value as of Mar 30, 2017
Nationwide	13,861,518
ICMA	5,091,244
Total Deferred Compensation Funds	18,952,762

Total Investment Portfolio	234,568,372
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- I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
- The market values for the specific investments in the General Portfolio are provided by the City's investment advisors, Chandler Asset Management and Insight Asset Management.
- The market value for LAIF is provided by the State Treasurer.
- The market values for investments held by fiscal agents and the deferred compensation plans are provided by each respective trustee or fiscal agent.
- The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.

/S/ Marshall Eyerman
City Treasurer

PORTFOLIO PERFORMANCE - 36 MONTH TREND

Period	Total General Portfolio (1)		Local Agency Investment Fund (LAIF)		Chandler				Insight			
	Asset Balance (par)	Avg YTM (2)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
							Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Treas(5)
Jul-14	158,687,404	1.21%	23,590,023	0.244%	133,130,769	1.39%	1.18%	1.12%				
Aug-14	160,506,483	1.20%	25,565,023	0.260%	133,367,483	1.40%	1.69%	1.72%				
Sep-14	152,073,866	1.27%	16,590,023	0.246%	133,855,708	1.42%	1.06%	0.97%				
Oct-14	152,298,081	1.29%	16,278,901	0.261%	134,092,495	1.43%	1.14%	1.12%				
Nov-14	150,092,073	1.30%	14,663,901	0.261%	134,235,952	1.43%	1.29%	1.29%				
Dec-14	145,143,985		9,263,901	0.267%	80,691,698	1.47%	1.46%	1.42%	53,692,099	1.36%	1.36%	1.24%
Jan-15	171,144,833		26,173,346	0.262%	80,832,606	1.38%	1.99%	1.90%	53,730,540	1.28%	1.28%	1.24%
Feb-15	165,574,345		29,773,346	0.266%	80,993,392	1.33%	1.40%	1.27%	53,725,495	1.18%	1.26%	1.17%
Mar-15	157,317,763		21,802,285	0.278%	81,136,574	1.37%	2.05%	1.98%	53,915,294	1.07%	1.07%	1.00%
Apr-15	159,454,599		22,517,329	0.283%	81,292,994	1.36%	1.81%	1.75%	53,944,656	1.06%	1.06%	0.91%
May-15	163,652,299		27,267,329	0.290%	81,390,841	1.37%	1.22%	1.19%	54,009,777	1.06%	1.06%	1.06%
Jun-15	169,260,808		28,867,329	0.299%	81,816,933	1.38%	1.39%	1.38%	54,061,403	1.08%	1.08%	0.87%
Jul-15	161,937,644		24,936,318	0.320%	81,941,821	1.38%	1.11%	1.14%	54,083,574	1.08%	1.16%	1.00%
Aug-15	156,052,639		18,526,318	0.330%	82,043,091	1.39%	1.12%	1.11%	54,065,279	1.09%	1.14%	0.80%
Sep-15	157,437,337		17,626,318	0.337%	82,154,547	1.41%	1.64%	1.65%	54,180,338	1.08%	1.13%	1.15%
Oct-15	155,196,031		17,843,566	0.357%	82,223,743	1.41%	1.56%	1.47%	54,198,446	(6)	(6)	0.78%
Nov-15	156,098,310		17,593,566	0.374%	82,355,838	1.42%	1.30%	1.22%	54,238,929	(6)	(6)	0.39%
Dec-15	156,285,206		16,633,566	0.400%	82,433,426	1.43%	1.19%	1.05%	54,312,737	(6)	(6)	0.68%
Jan-16	168,824,464		30,850,627	0.446%	82,510,170	1.43%	1.13%	1.01%	54,319,684	(6)	0.51%	0.65%
Feb-16	175,430,692		37,750,627	0.467%	82,617,177	1.44%	1.17%	1.23%	54,372,589	(6)	0.59%	0.98%
Mar-16	173,065,238		34,310,627	0.506%	82,721,056	1.46%	1.61%	1.69%	54,499,863	1.08%	0.84%	0.92%
Apr-16	169,665,429		32,296,705	0.525%	82,769,869	1.47%	1.62%	1.61%	54,517,986	1.08%	0.88%	0.91%
May-16	186,737,459		40,246,705	0.552%	82,923,233	1.49%	1.50%	1.48%	54,535,685	1.10%	0.82%	0.73%
Jun-16	179,533,412		39,271,705	0.576%	82,995,248	1.49%	2.58%	2.39%	54,552,897	1.09%	1.26%	1.31%
Jul-16	173,464,003		35,222,341	0.588%	83,081,551	1.48%	2.44%	2.42%	54,560,166	1.08%	1.20%	1.26%
Aug-16	170,506,021		31,792,341	0.614%	83,224,209	1.50%	2.21%	2.09%	54,644,115	1.10%	1.15%	1.07%
Sep-16	176,898,187		37,892,341	0.634%	83,379,424	1.49%	1.80%	1.70%	54,722,092	1.10%	1.24%	0.88%
Oct-16	171,480,180		33,193,311	0.654%	83,523,267	1.49%	1.74%	1.69%	54,763,602	1.10%	1.24%	0.91%
Nov-16	169,062,818		29,923,311	0.678%	83,701,960	1.47%	1.19%	1.03%	54,796,940	1.14%	1.01%	0.76%
Dec-16	171,351,017		30,054,201	0.719%	83,828,755	1.52%	1.35%	1.24%	54,953,105	1.14%	1.06%	0.89%
Jan-17	178,020,726		37,628,655	0.751%	83,921,074	1.56%	0.59%	0.41%	54,865,800	1.14%	0.13%	0.40%
Feb-17	186,127,218		46,028,655	0.777%	84,036,078	1.56%	0.57%	0.38%	54,956,116	1.16%	0.26%	0.39%
Mar-17	180,720,329		40,778,655	0.821%	84,203,833	1.59%	0.27%	0.10%	55,036,202	1.17%	0.28%	0.25%
Apr-17												
May-17												
Jun-17												

Notes:

(1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler and Cutwater.

(2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security

(3) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus any realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.

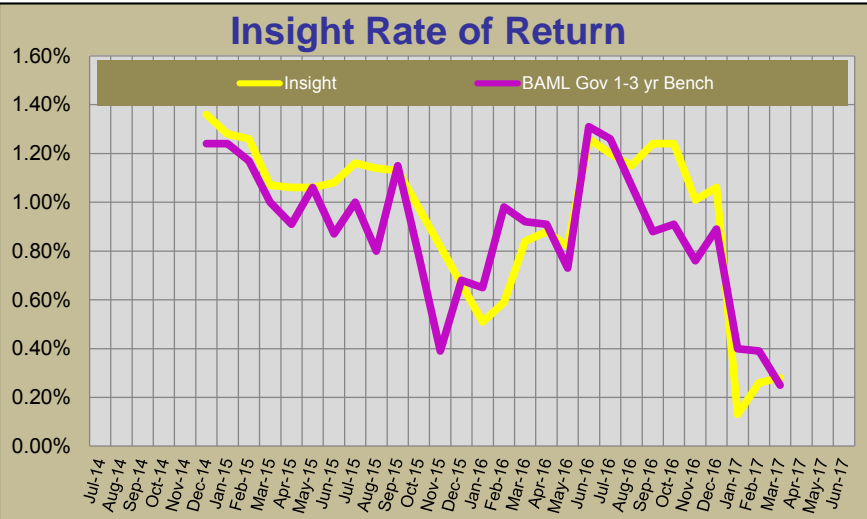
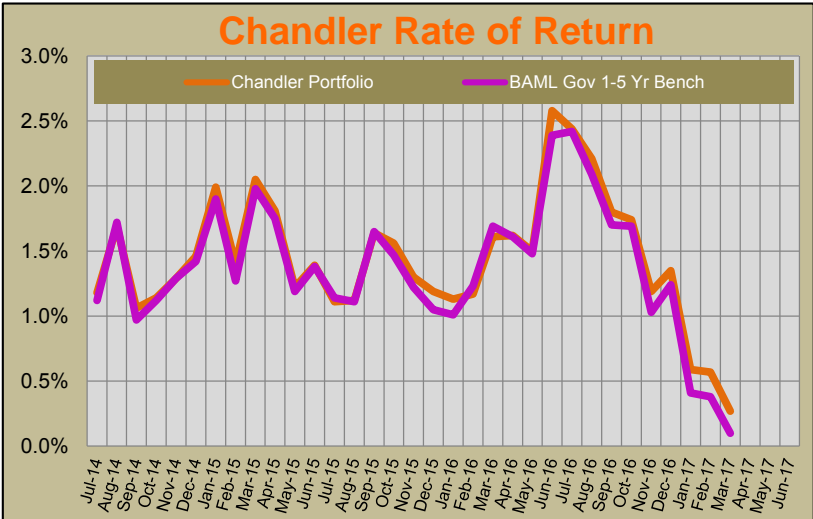
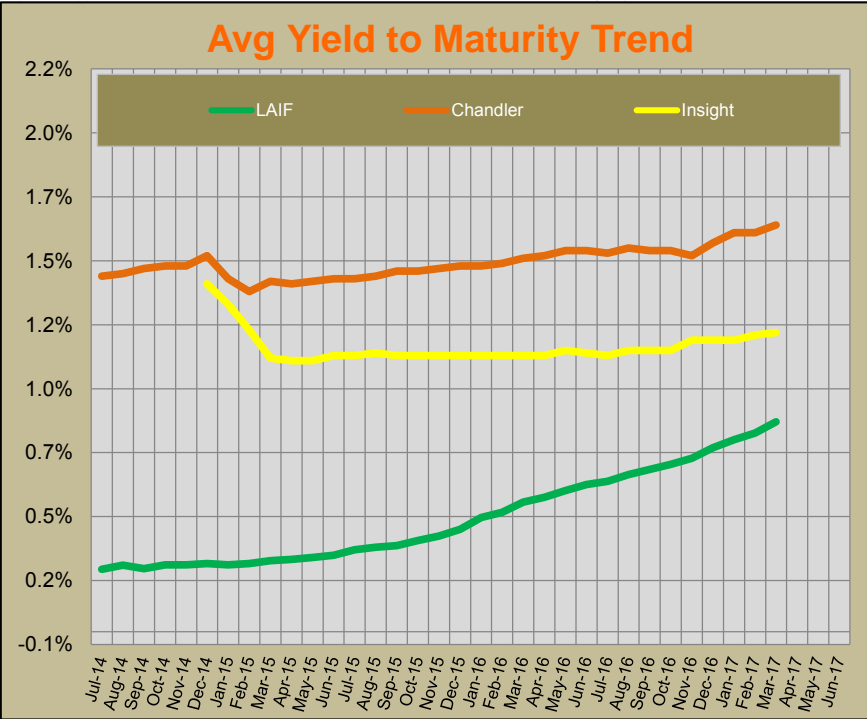
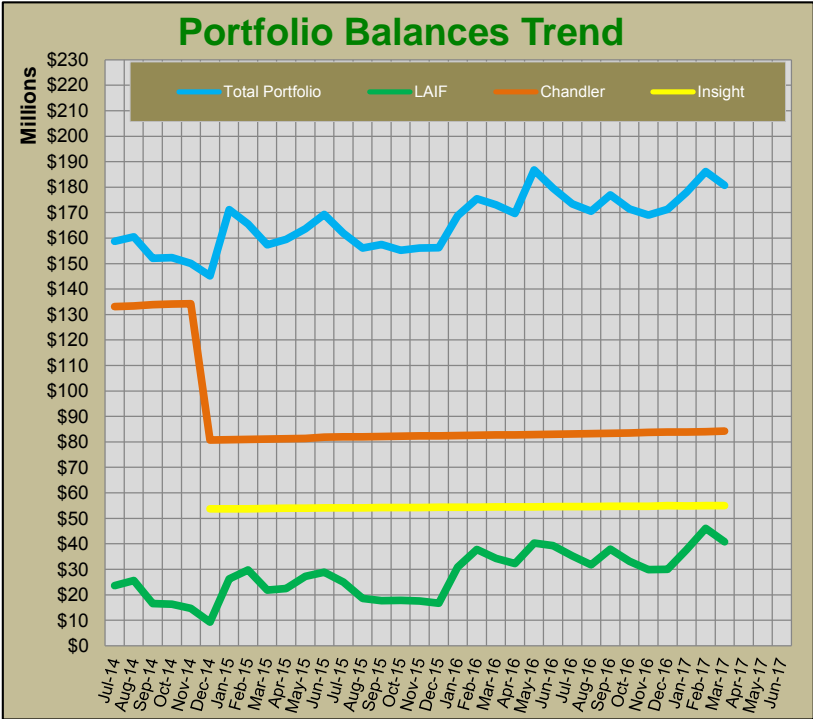
(4) The Rate of Return for the investment portfolio reflects the performance of the portfolio during the past twelve months.

(5) The portfolio benchmarks are: Chandler-Bank of America-Merrill Lynch 1 to 5 year Government Index and Insight- Bank of America-Merrill Lynch 1 to 3 year Treasury Index

(6) As the result of a transition to a new reporting platform Weighted Avg Yield to Maturity and Total Return Yield data is not available. Insight staff are working to rectify this problem.

Attachment: 03-2017 Investment Report (2606 : RECEIPT OF QUARTERLY INVESTMENT REPORT FOR

PORTFOLIO PERFORMANCE - 36 MONTH TREND



PORTFOLIO CHARACTERISTICS
The portfolio invested in LAIF represents the City's immediate cash liquidity needs and is managed by City staff in a manner to fund the day to day operations of the City.
The portfolio managed by Insight is comprised of idle cash balances related to funds that generally expect to expend cash within the next 36 months. (Example: Gen Fund, Zone A, Measure A, NSP etc.)
The portfolio managed by Chandler is comprised of idle cash balances related to funds that generally expect to expend cash with the next 24 to 60 months. (Example: Facility & Equip Replacement, Endowments etc.)

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FUNDS WITH FISCAL AGENTS										
Account Name	Account Number	Investment	Issuer	Purchase Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo 2007 Taxable Lease Revenue Bonds - Electric Utility										
bond fund	2227600	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.00%
interest fund	2227601	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.00%
principal fund	2227602	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.00%
reserve fund	2227603	money mkt fund	WF Govt Fund	03/31/17	04/01/17	213	0.01%	0.01%	1.0000	0.01%
escrow fund	2227607	US Treasury Note	US Treasury	03/31/17	04/01/17	23,142,702	0.01%	0.01%	1.0000	65.320%
						23,142,915				
Wells Fargo CFD # 5										
Series B Revenue	2233500	money mkt fund	WF Government Fund	03/31/17	04/01/17	7,785	0.01%	0.01%	1.0000	0.022%
Series A Principal	2233501	money mkt fund	WF Government Fund	03/31/17	04/01/17	13	0.01%	2.71%	1.0000	0.000%
Series A reserve	2233502	money mkt fund	WF Government Fund	03/31/17	04/01/17	1	0.01%	0.01%	1.0000	0.000%
Series B reserve	2233503	money market fund	WF Government Fund	03/31/17	04/01/17	546,863	0.01%	0.01%	1.0000	1.544%
Series B admin fund	2233504	money mkt fund	WF Government Fund	03/31/17	04/01/17	24,600	0.01%	0.01%	1.0000	0.069%
Series B interest	2233504	cash	cash	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
Series B interest	2233505	money mkt fund	WF Govt Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
						579,262				
Wells Fargo 2007 Redevelopment Agency Tax Allocation Bonds Series A										
debt service fund	22631700	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
interest fund	22631701	money mkt fund	WF Government Fund	03/31/17	04/01/17	77	0.01%	0.01%	1.0000	0.000%
principal fund	22631702	money mkt fund	WF Government Fund	03/31/17	04/01/17	11	0.01%	0.01%	1.0000	0.000%
						88				
Wells Fargo Community Facilities District (874) (A-1)										
special tax funds	22631800	money market fund	WF Government Fund	03/31/17	04/01/17	619,710	0.01%	0.01%	1.0000	1.749%
interest acct	22631801	money market fund	WF Government Fund	03/31/17	04/01/17	6	0.01%	0.01%	1.0000	0.000%
reserve fund	22631802	money market fund	WF Government Fund	03/31/17	04/01/17	45	0.01%	0.01%	1.0000	0.000%
reserve fund	22631804	money market fund	WF Government Fund	03/31/17	04/01/17	1,029,842	0.01%	0.01%	1.0000	2.907%
admin exp acct	22631805	money market fund	WF Government Fund	03/31/17	04/01/17	234,841	0.01%	0.01%	1.0000	0.663%
debt service acct	22631809	money market fund	WF Government Fund	03/31/17	04/01/17	23,014	0.01%	0.01%	1.0000	0.065%
debt service acct	22631809	US Treasury Note	US Treasury	03/31/17	04/01/17	513,471	0.01%	0.01%	1.0000	1.449%
special tax funds	22631900	money market fund	WF Government Fund	03/31/17	04/01/17	80,727	0.01%	0.01%	1.0000	0.228%
interest acct	22631901	money market fund	WF Government Fund	03/31/17	04/01/17	49,851	0.01%	0.01%	1.0000	0.141%
principal fund	22631902	money market fund	WF Government Fund	03/31/17	04/01/17	14	0.01%	0.01%	1.0000	0.000%
reserve fund	22631904	money market fund	WF Government Fund	03/31/17	04/01/17	365,351	0.01%	0.01%	1.0000	1.031%
admin exp acct	22631905	money market fund	WF Government Fund	03/31/17	04/01/17	16,433	0.01%	0.01%	1.0000	0.046%
surplus acct	22631907	money market fund	WF Government Fund	03/31/17	04/01/17	101,565	0.01%	0.01%	1.0000	0.287%
						3,034,870				
Wells Fargo 2013 Total Road Improvement C.O.P.s										
revenue fund	46612400	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
interest fund	46612401	money mkt fund	WF Government Fund	03/31/17	04/01/17	47	0.01%	0.01%	1.0000	0.000%
principal fund	46612402	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
reserve fund	46612403	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
admin fund	46612404	money mkt fund	WF Government Fund	03/31/17	04/01/17	737	0.01%	0.01%	1.0000	0.002%
surplus fund	46612405	money mkt fund	WF Government Fund	03/31/17	04/01/17	41	0.01%	0.01%	1.0000	0.000%
acquisition fund	46612407	money mkt fund	WF Advantage	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
						825				
Wells Fargo 2013 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	48360700	money mkt fund	WF Government Fund	03/31/17	04/01/17	111	0.01%	0.01%	1.0000	0.000%
interest fund	48360701	money mkt fund	WF Government Fund	03/31/17	04/01/17	17	0.01%	0.01%	1.0000	0.000%
principal fund	48360702	money mkt fund	WF Government Fund	03/31/17	04/01/17	64	0.01%	0.01%	1.0000	0.000%
cost of issuance	48360705	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
						189				
Wells Fargo Community Facilities District 7 Improvement Area 1										
special tax fund	77025300	money mkt fund	WF Government Fund	03/31/17	04/01/17	23,328	0.01%	0.01%	1.0000	0.066%
bond fund	77025301	money mkt fund	WF Government Fund	03/31/17	04/01/17	219	0.01%	0.01%	1.0000	0.001%
reserve fund	77025302	money mkt fund	WF Government Fund	03/31/17	04/01/17	170,417	0.01%	0.01%	1.0000	0.481%
cost of issuance	77025303	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
improvement fund	77025304	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
admin exp acct	77025305	money mkt fund	WF Government Fund	03/31/17	04/01/17	30,044	0.01%	0.01%	1.0000	0.085%
						224,008				
Wells Fargo 2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)										
revenue fund	77157100	money mkt fund	WF Government Fund	03/31/17	04/01/17	54	0.01%	0.01%	1.0000	0.000%
interest fund	77157101	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
principal fund	77157102	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
reserve fund	77157103	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
capitalized interest fu	77157104	money mkt fund	WF Government Fund	03/31/17	04/01/17	320,167	0.01%	0.01%	1.0000	0.904%
cost of issuance	77157110	money mkt fund	WF Government Fund	12/31/16	01/01/17	0	0.01%	0.01%	1.0000	0.000%
						320,221				
Wells Fargo 2014 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	83478300	money mkt fund	WF Government Fund	03/31/17	04/01/17	42	0.01%	0.01%	1.0000	0.000%
interest fund	83478301	money mkt fund	WF Government Fund	03/31/17	04/01/17	32	0.01%	0.01%	1.0000	0.000%
principal fund	83478302	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
redemption fund	83478303	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
						74				
Wells Fargo 2015 Taxable Lease Revenue Bonds (Electric Utility)										
revenue fund	84457000	money mkt fund	WF Government Fund	03/31/17	04/01/17	30,056	0.01%	0.01%	1.0000	0.085%
interest fund	84457001	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
principal fund	84457002	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
reserve fund	84457005	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
construction fund	84457006	money mkt fund	WF Government Fund	03/31/17	04/01/17	2,000,808	0.01%	0.01%	1.0000	5.647%
construction fund	84457006	Government Pool	Local Agency Investment Fund	03/31/17	04/01/17	6,096,662	0.01%	0.01%	1.0000	17.208%
cost of issuance	84467007	money mkt fund	WF Government Fund	03/31/17	04/01/17	0	0.01%	0.01%	1.0000	0.000%
						8,127,526				
						35,429,978				

Totals 8,127,526 35,429,978 100.000%

Type	Summary of Bond Proceeds with Fiscal Agents	
1	Construction Funds	8,931,108
2	Principal & Interest Accounts	804,646
3	Debt Service Reserve Funds	2,112,732
4	Custody Accounts	31,266
5	Arbitrage Rebate Accounts	101,565
6	Other Accounts	23,448,661
	Total Fiscal Agent Funds	35,429,978

Attachment: 03-2017 Investment Report (2606 : RECEIPT OF QUARTERLY INVESTMENT REPORT FOR

DEFERRED COMPENSATION FUNDS

Nationwide

Fund	Market Value as of Mar 30, 2017	Fund	Market Value as of Mar 30, 2017	Fund	Market Value as of Mar 30, 2017
Liquid Savings	\$1,232,366	Nationwide US Sm Cap Val Ins Svc	36,780	Federated Kaufmann Fund	119,217
Nationwide Fixed (Part Time Employee)	474,728	American Century Balanced	46	Invesco Mid Cap Core Equity	32,510
Liquid Savings (Part Time Employees)	261,523	Am Century Growth	95,288	Nationwide Ret Inc Inst Svc	
Certificates of Deposit 1 year	0	Am Century Select	183,659	Nationwide InvDes Mod Cons Fund SC	64,730
Certificates of Deposit 3 years	0	JP Morgan Mid Cap Value A	1,418,639	Nationwide InvDes Mod Aggr Fund	1,071,642
Certificates of Deposit 5 years	123,590	Vanguard Index 500	113,085	Nationwide InvDes Aggr Fund	210,893
Bond Fund of America	65,118	Vanguard Institutional Index	741,256	Nationwide InvDes Mod Fd	1,071,614
Growth Fund of America	89,055	Vanguard Wellington	25,855	Nationwide Inv Des Cons	125,623
Investment Co. of America	78,610	Vanguard Windsor II	173,802	Nationwide Large Cap Growth	58,858
Income Fund of America	57,295	Vanguard Total Bond Index	231,750	Nationwide Fund A	10,300
Brown Cap Mgmt Inc SM Co	162,945	Washington Mutual Inv	116,223	Nationwide Dest 2015 Inst Svc	22,994
Fidelity Independence	2,898	DFA US Micro Cap Port	89,344	Nationwide Dest 2020 Inst Svc	202,646
Fidelity Equity Income	102,943	EuroPacific Growth	291,920	Nationwide Dest 2025 Inst Svc	452,278
Fidelity Magellan	338,192	Stable Fund C	2,727,404	Nationwide Dest 2030 Inst Svc	27,566
Fidelity Puritan	84,956	N B Socially Responsive Fund	43,851	Nationwide Dest 2035 Inst Svc	11,473
Fidelity Contrafund	249,886	Dtsch High Income Fund A	95,448	Nationwide Dest 2040 Inst Svc	14,980
Janus Fund	39,132	Dtsch Eq Divd A	143,600	Nationwide Dest 2045 Inst Svc	26,459
Janus Advisor Forty	26,689	Oppenheimer Global Fund A	419,859		
				Total Nationwide Deferred	\$13,861,518

ICMA

Fund	Market Value as of Mar 30, 2017	Fund	Market Value as of Mar 30, 2017
Aggressive Oppor.	\$97,420	VT Vantagepoint Discovery	153,874
International	77,107	VT Gold Sach Mid Cap Value	
Global Equity Growth	272,830	VT Contrafund	98,641
Growth and Income	116,985	VT Vantagepoint Overseas Equity Index Fund	188,149
Broad Market	7,230	VT Diversified International	63,746
500 Stock Index	291,863	VT Allianz NFJ Div Value	83,570
Equity Income	197,003	Vantage Growth Fund	268,736
MS Retirement Income	24,111	VT Puritan	18,882
Core Bond	120,830	VT Vantagepoint Select Value	20,763
Cash Management	118,694	VT TR Price Growth Stock Adv	81,820
Plus Fund	1,401,848	VT Nuveen Real Estate Secs	84,000
Retirement Income Advantage	11,807	VT TR Price Small Cap Value	
Conservative Growth	99,253	VT Invesco Diversified	7,120
Traditional Growth	13,331	VT Vantagepoint Inflation Focused	125,350
Long-Term Growth	595,941	VT Oppenheimer Main Street	20,835
Western Asset Core Plus Bond	8,436	VT Vantagepoint Mid/Sm Index	101,818
Milestone 2010	12,537	VT PIMCO Total Return	
Milestone 2020	110,059	VT PIMCO High Yield	54,109
Milestone 2025	12,118	VT Harbor Mid Cap Growth	
Milestone 2030	1,846	VT Harbor International Admi	
Milestone 2035	20,793	VT AMG TimesSquare Mid Cap Growth Admin	85,910
Milestone 2040	21,879	Total ICMA	\$5,091,244

Summary by Plan

Deferred Compensation Plan	Market Value as of Mar 30, 2017
Total Nationwide	\$13,861,518
Total ICMA	5,091,244
Total Deferred Compensation Plans	\$18,952,762

Summary by Investment Type

Investment Type	Market Value as of Mar 30, 2017
Savings Deposits and CD's	\$4,696,021
Mutual Funds	14,256,741
Total Deferred Compensation Plans	\$18,952,762



Monthly Account Statement

City of Moreno Valley

March 1, 2017 through March 31, 2017

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Union Bank N.A.
Tina Guzman
(619)-230-3547

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.



PORTFOLIO CHARACTERISTICS

Average Duration	2.52
Average Coupon	1.47 %
Average Purchase YTM	1.59 %
Average Market YTM	1.62 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.77 yrs
Average Life	2.60 yrs

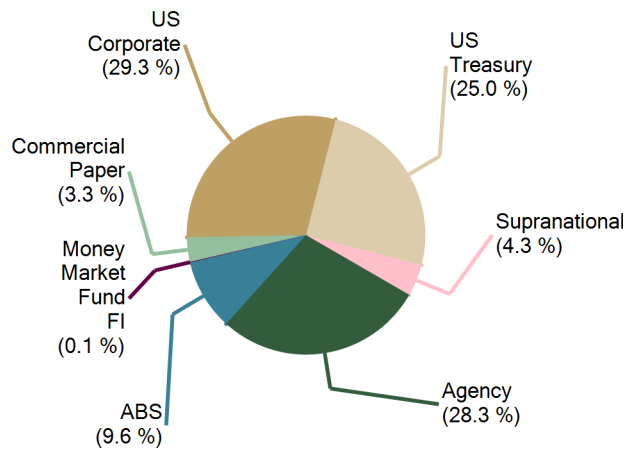
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	83,611,451	83,720,238
Accrued Interest	276,966	255,416
Total Market Value	83,888,417	83,975,653
Income Earned	106,510	109,925
Cont/WD		0
Par	84,036,078	84,203,833
Book Value	83,767,935	83,899,410
Cost Value	83,605,277	83,741,687

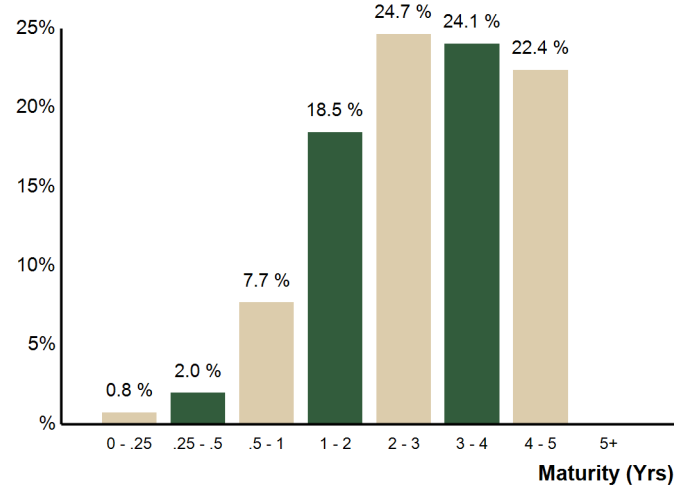
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.0 %
Federal National Mortgage Assoc	15.0 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	4.9 %
Honda ABS	2.9 %
John Deere ABS	2.6 %
Intl Bank Recon and Development	2.3 %
US Bancorp	2.3 %
	63.4 %

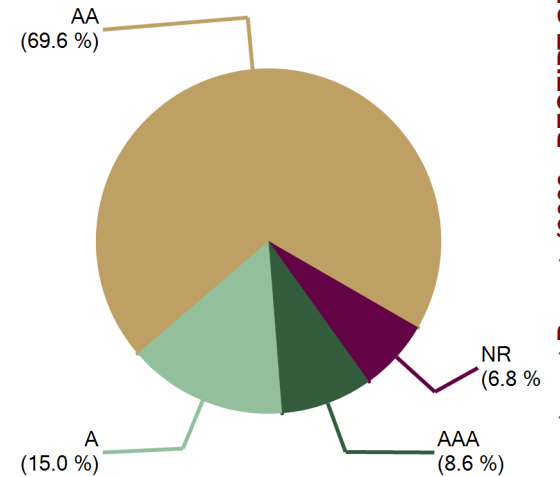
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2010	
					3 Yrs	5 Yrs	10 Yrs		
City of Moreno Valley	0.10 %	0.50 %	0.50 %	0.27 %	1.37 %	1.21 %	N/A	1.65 %	11.81 %
BAML 1-5 Yr US Treasury/Agency Index	0.05 %	0.37 %	0.37 %	-0.08 %	1.14 %	0.92 %	N/A	1.33 %	9.43 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.05 %	0.43 %	0.43 %	0.10 %	1.25 %	1.08 %	N/A	1.51 %	10.80 %

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COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Supranationals	30% max; 5% max per issuer; "AA" rated by a NRSRO; Issued by IBRD, IFC or IADB only;	Complies
Municipal Securities (Local Agency/State)	No Limitation	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	25% maximum; 5% max issuer; 270 days max maturity; "A-1/P-1/F-1" minimum ratings; "A" rated issuer or higher, if long term debt	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max issuer	Complies
Medium Term Notes	30% maximum; 5% max issuer; "A" rated or better by a NRSRO	Complies
Money Market Mutual Funds	20% maximum; AAA/Aaa or Highest rating	Complies
Collateralized Certificates of Deposit (CD)/ Time Deposit (TD)	5% max issuer	Complies
FDIC Insured Certificates of Deposit (CD)/Time Deposit (TD)	5% max issuer	Complies
Asset-Backed (ABS), Mortgage Backed (MBS) and Collateralized Mortgage Obligations (CMO)	20% maximum; 5% max issuer; "AA" rated or better by a NRSRO; "A" rated issuer	Complies
Repurchase Agreements	No limitation; 1-year max maturity	Complies
Local Agency Investment Fund - L.A.I.F.	Maximum program limitation	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest only strips from mortgages; Reverse repurchase agreements; Futures/Option contracts	Complies
Issuer Maximum	5% per issuer for all non-government issuers and agencies	Complies
Maximum maturity	5 years	Complies
Weighted Average Maturity	3 years	Complies



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
ABS									
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	157,363.78	05/13/2014 0.78 %	157,344.87 157,362.97	99.93 1.32 %	157,251.74 43.76	0.19 % (111.23)	Aaa / AAA NR	0. 0.
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	174,887.60	04/02/2014 0.93 %	174,859.59 174,887.24	99.96 1.29 %	174,813.10 71.51	0.21 % (74.14)	Aaa / NR AAA	1. 0.
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	253,249.42	08/12/2014 0.89 %	253,200.57 253,244.58	99.92 1.32 %	253,041.50 99.05	0.30 % (203.08)	NR / AAA AAA	1. 0.
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	223,620.03	08/26/2014 1.08 %	223,571.19 223,610.50	99.95 1.24 %	223,513.36 106.34	0.27 % (97.14)	Aaa / NR AAA	1. 0.
47788NAB4	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	755,000.00	07/19/2016 1.10 %	754,953.95 754,966.19	99.91 1.28 %	754,329.56 365.76	0.90 % (636.63)	Aaa / NR AAA	1. 0.
43814RAB2	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	1,075,000.00	10/18/2016 1.05 %	1,074,970.01 1,074,975.25	99.80 1.33 %	1,072,879.02 403.72	1.28 % (2,096.23)	NR / AAA AAA	2. 0.
65478WAB1	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	530,000.00	08/02/2016 1.08 %	529,979.12 529,983.97	99.88 1.30 %	529,353.40 252.04	0.63 % (630.57)	Aaa / NR AAA	2. 0.
89231LAB3	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	695,000.00	10/04/2016 1.07 %	694,944.40 694,954.46	99.83 1.32 %	693,798.35 327.42	0.83 % (1,156.11)	Aaa / AAA NR	2. 0.
43814TAB8	Honda Auto Receivables 2017-1 A2 1.42% Due 7/22/2019	495,000.00	03/21/2017 1.43 %	494,988.17 494,988.23	100.03 1.39 %	495,138.11 58.58	0.59 % 149.88	Aaa / NR AAA	2. 0.
161571HH0	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	1,075,000.00	09/06/2016 1.08 %	1,074,907.34 1,074,957.84	99.92 1.25 %	1,074,119.58 506.44	1.28 % (838.26)	Aaa / AAA AAA	2. 0.
47787XAB3	John Deere Owner Trust 2017-A A2 1.5% Due 10/15/2019	370,000.00	02/22/2017 1.50 %	369,998.52 369,998.57	99.98 1.53 %	369,911.20 447.08	0.44 % (87.37)	Aaa / NR AAA	2. 1.
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	360,000.00	03/21/2017 1.47 %	359,998.16 359,998.17	100.00 1.48 %	359,998.20 235.20	0.43 % 0.03	Aaa / NR AAA	2. 1.
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	635,000.00	02/23/2016 1.37 %	634,900.05 634,926.28	99.79 1.54 %	633,679.84 383.82	0.76 % (1,246.44)	Aaa / NR AAA	3. 1.
89231UAD9	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	845,000.00	05/02/2016 1.31 %	844,956.82 844,969.95	99.68 1.55 %	842,275.72 488.22	1.00 % (2,694.23)	Aaa / AAA NR	3. 1.
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	460,000.00	05/24/2016 1.40 %	459,991.08 459,993.00	99.80 1.54 %	459,087.36 284.18	0.55 % (905.64)	Aaa / NR AAA	3. 1.
Total ABS		8,104,120.83	1.18 %	8,103,563.84 8,103,817.20	1.38 %	8,093,190.04 4,073.12	9.64 % (10,627.16)	Aaa / AAA AAA	2. 0.

AGENCY									
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	1,625,000.00	03/20/2015 1.02 %	1,630,331.63 1,626,837.03	99.97 1.15 %	1,624,567.75 7,921.88	1.94 % (2,269.28)	Aaa / AA+ AAA	1. 1.
3135G0YM9	FNMA Note 1.875% Due 9/18/2018	950,000.00	12/23/2013 1.71 %	956,915.05 952,143.43	100.97 1.20 %	959,248.25 643.23	1.14 % 7,104.82	Aaa / AA+ AAA	1. 1.
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	1,625,000.00	Various 1.87 %	1,616,606.73 1,621,136.90	100.78 1.38 %	1,637,730.25 9,558.16	1.96 % 16,593.35	Aaa / AA+ AAA	2. 2.11

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AGENCY									
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	1,750,000.00	09/04/2014 1.83 %	1,702,260.00 1,727,251.41	99.63 1.41 %	1,743,563.50 3,645.83	2.08 % 16,312.09	Aaa / AA+ AAA	2. 2.
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	1,700,000.00	10/29/2014 1.70 %	1,703,859.00 1,701,940.35	100.63 1.49 %	1,710,713.40 1,570.14	2.04 % 8,773.05	Aaa / AA+ AAA	2. 2.
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,650,000.00	08/26/2015 1.56 %	1,636,522.80 1,641,120.35	99.21 1.64 %	1,636,930.35 9,453.13	1.96 % (4,190.00)	Aaa / AA+ AAA	3. 2.
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,655,000.00	09/29/2015 1.49 %	1,655,893.70 1,655,609.60	99.56 1.64 %	1,647,754.41 6,826.88	1.97 % (7,855.19)	Aaa / AA+ AAA	3. 3.
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,650,000.00	12/16/2015 1.90 %	1,618,815.00 1,626,929.99	99.17 1.73 %	1,636,288.50 8,318.75	1.96 % 9,358.51	Aaa / AA+ AAA	3. 3.
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,410,000.00	02/17/2016 1.46 %	1,404,303.60 1,405,575.70	98.47 1.78 %	1,388,417.13 2,315.73	1.66 % (17,158.57)	Aaa / AA+ AAA	3. 3.
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,675,000.00	Various 1.47 %	1,667,519.85 1,668,966.90	98.24 1.84 %	1,645,509.95 2,239.15	1.96 % (23,456.95)	Aaa / AA+ AAA	3. 3.
3135G0K69	FNMA Note 1.25% Due 5/6/2021	1,675,000.00	06/29/2016 1.18 %	1,680,695.00 1,679,810.68	97.68 1.84 %	1,636,141.68 8,433.16	1.96 % (43,669.00)	Aaa / AA+ AAA	4. 3.
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,100,000.00	10/04/2016 1.33 %	1,089,836.00 1,090,868.74	96.87 1.89 %	1,065,605.20 2,646.88	1.27 % (25,263.54)	Aaa / AA+ AAA	4. 4.
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,625,000.00	Various 1.32 %	1,610,283.75 1,611,969.19	96.56 1.95 %	1,569,160.13 2,488.29	1.87 % (42,809.06)	Aaa / AA+ AAA	4. 4.
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,700,000.00	Various 1.32 %	1,694,675.10 1,695,211.23	97.13 1.94 %	1,651,208.30 2,597.22	1.97 % (44,002.93)	Aaa / AA+ AAA	4. 4.
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	1,740,000.00	Various 1.75 %	1,710,142.50 1,711,463.88	97.56 1.94 %	1,697,479.62 11,563.75	2.04 % (13,984.26)	Aaa / AA+ AAA	4. 4.
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	450,000.00	01/27/2017 2.03 %	457,185.15 456,942.86	101.81 1.98 %	458,136.00 2,315.63	0.55 % 1,193.14	Aaa / AA+ AAA	4. 4.
Total Agency		23,980,000.00	1.54 %	23,835,844.86 23,873,778.24	1.67 %	23,708,454.42 82,537.81	28.33 % (165,323.82)	Aaa / AA+ AAA	3. 3.
COMMERCIAL PAPER									
06538BU76	Bank of Tokyo Mitsubishi NY Discount CP 1.18% Due 7/7/2017	1,675,000.00	03/06/2017 1.20 %	1,668,301.86 1,669,674.43	99.68 1.20 %	1,669,674.43 0.00	1.99 % 0.00	P-1 / A-1 NR	0. 0.
21687AY31	Rabobank Nederland NV NY Discount CP 1.2% Due 11/3/2017	1,125,000.00	03/28/2017 1.22 %	1,116,825.00 1,116,900.00	99.28 1.22 %	1,116,900.00 0.00	1.33 % 0.00	P-1 / A-1 NR	0. 0.
Total Commercial Paper		2,800,000.00	1.21 %	2,785,126.86 2,786,574.43	1.21 %	2,786,574.43 0.00	3.32 % 0.00	P-1 / A-1 NR	0. 0.

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MONEY MARKET FUND FI									
60934N104	Federated Investors Government Obligations Fund	64,712.15	Various 0.59 %	64,712.15 64,712.15	1.00 0.59 %	64,712.15 0.00	0.08 % 0.00	Aaa / AAA NR	0. 0.
Total Money Market Fund FI		64,712.15	0.59 %	64,712.15	0.59 %	64,712.15 0.00	0.08 % 0.00	Aaa / AAA NR	0. 0.
SUPRANATIONAL									
459058ER0	Intl. Bank Recon & Development Note 1% Due 10/5/2018	1,915,000.00	09/30/2015 1.06 %	1,911,744.50 1,913,357.37	99.49 1.35 %	1,905,143.50 9,362.22	2.28 % (8,213.87)	Aaa / AAA AAA	1. 1.
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,675,000.00	01/10/2017 2.15 %	1,672,939.75 1,673,022.11	100.38 2.04 %	1,681,415.25 7,217.62	2.01 % 8,393.14	Aaa / NR AAA	4. 4.
Total Supranational		3,590,000.00	1.57 %	3,584,684.25 3,586,379.48	1.67 %	3,586,558.75 16,579.84	4.29 % 179.27	Aaa / AAA AAA	3. 2.
US CORPORATE									
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	565,000.00	05/12/2014 1.13 %	564,502.80 564,980.04	99.98 1.28 %	564,870.05 2,347.89	0.68 % (109.99)	A1 / AA A+	0. 0.
166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	1,500,000.00	Various 1.48 %	1,477,072.20 1,496,350.39	99.83 1.38 %	1,497,501.00 5,335.99	1.79 % 1,150.61	Aa2 / AA- NR	0. 0.
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	695,000.00	12/08/2014 1.58 %	694,353.65 694,850.21	100.17 1.30 %	696,175.25 3,291.60	0.83 % 1,325.04	A1 / A+ NR	0. 0.
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	1,440,000.00	12/12/2012 1.29 %	1,444,175.55 1,440,590.62	100.06 1.26 %	1,440,928.81 5,724.01	1.72 % 338.19	A1 / A+ A+	0. 0.
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	505,000.00	Various 1.47 %	504,702.60 504,928.98	99.98 1.47 %	504,918.70 1,606.89	0.60 % (10.28)	Aa3 / AA- A	0. 0.
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	1,035,000.00	02/03/2015 1.23 %	1,031,843.25 1,034,104.24	99.86 1.29 %	1,033,563.42 1,778.91	1.23 % (540.82)	Aa3 / AA- A+	0. 0.
713448CR7	PepsiCo Inc Note 1.25% Due 4/30/2018	875,000.00	Various 1.26 %	874,650.00 874,874.08	99.95 1.30 %	874,518.75 4,587.68	1.05 % (355.33)	A1 / A A	1. 1.
037833AJ9	Apple Inc Note 1% Due 5/3/2018	1,400,000.00	05/22/2013 1.25 %	1,383,186.00 1,396,293.64	99.70 1.28 %	1,395,766.40 5,755.56	1.67 % (527.24)	Aa1 / AA+ NR	1. 1.
74005PBH6	Praxair Note 1.25% Due 11/7/2018	1,035,000.00	01/08/2015 1.68 %	1,018,719.45 1,028,167.77	99.60 1.50 %	1,030,858.97 5,175.00	1.23 % 2,691.20	A2 / A NR	1. 1.
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	545,000.00	12/10/2013 1.99 %	543,839.15 544,605.21	100.58 1.60 %	548,163.73 3,188.25	0.66 % 3,558.52	A2 / A A	1. 1.
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	1,750,000.00	01/08/2014 2.32 %	1,748,286.80 1,749,387.34	101.39 1.51 %	1,774,305.75 8,609.02	2.12 % 24,918.41	A1 / AA- AA-	1. 1.

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US CORPORATE									
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	1,305,000.00	Various 2.07 %	1,308,459.75 1,306,328.95	101.04 1.57 %	1,318,615.07 2,310.94	1.57 % 12,286.12	A1 / AA- NR	1. 1.
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	1,365,000.00	Various 2.18 %	1,366,198.85 1,365,534.40	100.80 1.79 %	1,375,906.35 13,013.00	1.65 % 10,371.95	A1 / A+ AA	2. 1.
084664CK5	Berkshire Hathaway Note 1.3% Due 8/15/2019	495,000.00	08/08/2016 1.33 %	494,519.85 494,620.26	99.04 1.71 %	490,261.86 822.25	0.58 % (4,358.40)	Aa2 / AA A+	2. 2.
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	1,675,000.00	Various 2.29 %	1,675,650.55 1,675,310.54	100.95 1.89 %	1,690,877.33 2,140.28	2.02 % 15,566.79	A1 / A AA-	2. 2.
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	1,050,000.00	01/26/2015 2.17 %	1,048,857.60 1,049,352.03	100.21 2.07 %	1,052,219.70 3,825.21	1.26 % 2,867.67	A2 / A AA-	2. 2.
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	665,000.00	02/05/2015 1.77 %	664,301.75 664,598.05	100.18 1.68 %	666,216.95 1,487.01	0.80 % 1,618.90	A1 / A+ A+	2. 2.
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	980,000.00	06/11/2015 2.49 %	969,146.50 973,095.97	100.22 2.18 %	982,170.70 8,023.76	1.18 % 9,074.73	A1 / A+ NR	3. 2.
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	425,000.00	10/29/2015 2.02 %	424,660.00 424,755.84	100.33 1.90 %	426,395.28 3,494.44	0.51 % 1,639.44	Aaa / AAA AA+	3. 3.
00440EAT4	ACE INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	1,050,000.00	02/06/2017 2.16 %	1,054,945.50 1,054,756.15	100.36 2.19 %	1,053,771.60 9,928.33	1.27 % (984.55)	A3 / A A	3. 3.
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	1,160,000.00	Various 1.97 %	1,173,322.80 1,170,905.33	100.19 2.17 %	1,162,243.44 2,147.94	1.39 % (8,661.89)	Aaa / AA+ NR	3. 3.
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	580,000.00	05/16/2016 1.96 %	579,698.40 579,750.76	98.25 2.40 %	569,844.78 4,147.00	0.68 % (9,905.98)	A1 / A AA-	4. 3.
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	770,000.00	Various 1.57 %	769,085.90 769,204.04	97.44 2.17 %	750,309.56 1,757.10	0.90 % (18,894.48)	Aaa / AAA AA+	4. 4.
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	1,100,000.00	11/29/2016 2.40 %	1,075,371.00 1,077,061.78	98.26 2.31 %	1,080,882.00 928.89	1.29 % 3,820.22	A1 / AA- A+	4. 4.
91159HHP8	US Bancorp Note 2.625% Due 1/24/2022	515,000.00	01/19/2017 2.66 %	514,114.20 514,146.70	100.38 2.54 %	516,943.61 2,515.99	0.62 % 2,796.91	A1 / A+ AA	4. 4.
Total US Corporate		24,480,000.00	1.85 %	24,403,664.10 24,448,553.32	1.72 %	24,498,229.06 103,942.94	29.30 % 49,675.74	A1 / AA- AA-	2. 2.
US TREASURY									
912828A34	US Treasury Note 1.25% Due 11/30/2018	600,000.00	Various 1.70 %	587,506.89 595,728.61	100.07 1.21 %	600,398.40 2,513.74	0.72 % 4,669.79	Aaa / AA+ AAA	1. 1.
912828SH4	US Treasury Note 1.375% Due 2/28/2019	2,000,000.00	03/31/2014 1.72 %	1,967,741.08 1,987,448.87	100.24 1.25 %	2,004,766.00 2,391.30	2.39 % 17,317.13	Aaa / AA+ AAA	1. 1.
912828ST8	US Treasury Note 1.25% Due 4/30/2019	2,000,000.00	06/10/2014 1.68 %	1,960,084.82 1,983,018.15	99.94 1.28 %	1,998,750.00 10,497.24	2.39 % 15,731.85	Aaa / AA+ AAA	2. 2.04

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US TREASURY									
912828R85	US Treasury Note 0.875% Due 6/15/2019	1,685,000.00	07/28/2016 0.82 %	1,687,638.46 1,687,020.89	99.03 1.32 %	1,668,675.72 4,334.01	1.99 % (18,345.17)	Aaa / AA+ AAA	2. 2.
912828UB4	US Treasury Note 1% Due 11/30/2019	1,600,000.00	03/30/2015 1.38 %	1,572,880.35 1,584,523.51	98.91 1.42 %	1,582,625.60 5,362.64	1.89 % (1,897.91)	Aaa / AA+ AAA	2. 2.
912828H52	US Treasury Note 1.25% Due 1/31/2020	450,000.00	07/29/2015 1.54 %	444,306.20 446,419.76	99.36 1.48 %	447,099.75 932.32	0.53 % 679.99	Aaa / AA+ AAA	2. 2.
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,750,000.00	07/10/2015 1.62 %	1,730,250.01 1,737,202.36	99.37 1.58 %	1,738,994.25 8,064.90	2.08 % 1,791.89	Aaa / AA+ AAA	3. 3.
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,650,000.00	Various 1.37 %	1,650,064.12 1,650,041.32	99.07 1.65 %	1,634,724.30 1,972.82	1.95 % (15,317.02)	Aaa / AA+ AAA	3. 3.
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,600,000.00	03/09/2016 1.40 %	1,598,442.85 1,598,779.20	98.60 1.75 %	1,577,563.20 3,646.41	1.88 % (21,216.00)	Aaa / AA+ AAA	3. 3.
912828B90	US Treasury Note 2% Due 2/28/2021	1,650,000.00	Various 1.55 %	1,683,525.06 1,677,770.06	100.88 1.77 %	1,664,437.50 2,869.56	1.99 % (13,332.56)	Aaa / AA+ AAA	3. 3.
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,700,000.00	Various 1.58 %	1,676,910.00 1,678,189.78	97.94 1.79 %	1,664,937.51 58.06	1.98 % (13,252.27)	Aaa / AA+ AAA	4. 3.
912828S27	US Treasury Note 1.125% Due 6/30/2021	1,015,000.00	Various 1.91 %	980,766.29 982,888.63	97.11 1.84 %	985,620.83 2,870.46	1.18 % 2,732.20	Aaa / AA+ AAA	4. 4.
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,700,000.00	11/09/2016 1.48 %	1,671,251.79 1,673,538.76	96.75 1.88 %	1,644,683.70 52.25	1.96 % (28,855.06)	Aaa / AA+ AAA	4. 4.
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,785,000.00	03/13/2017 2.14 %	1,752,722.58 1,753,025.57	99.12 1.94 %	1,769,242.02 2,716.30	2.11 % 16,216.45	Aaa / AA+ AAA	4. 4.
Total US Treasury		21,185,000.00	1.55 %	20,964,090.50 21,035,595.47	1.59 %	20,982,518.78 48,282.01	25.04 % (53,076.69)	Aaa / AA+ AAA	3. 3.
TOTAL PORTFOLIO		84,203,832.98	1.59 %	83,741,686.56 83,899,410.29	1.62 %	83,720,237.63 255,415.72	100.00 % (179,172.66)	Aa1 / AA AAA	2. 2.
TOTAL MARKET VALUE PLUS ACCRUED						83,975,653.35			

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Section 3

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CITY OF MORENO VALLEY

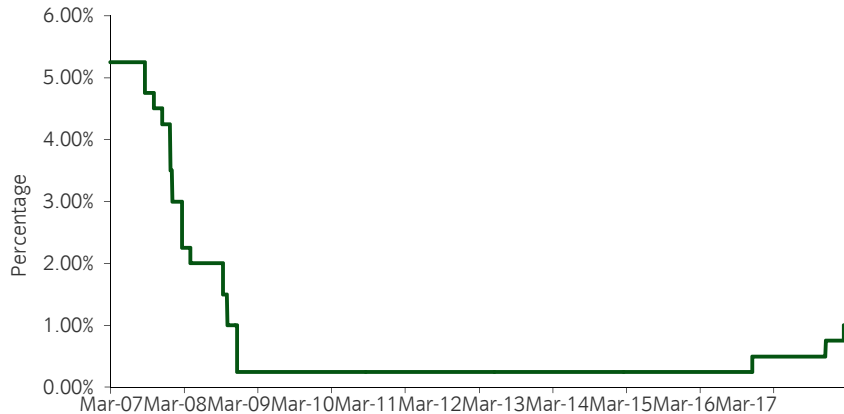
March 2017

➤ A BNY MELLON COMPANYSM



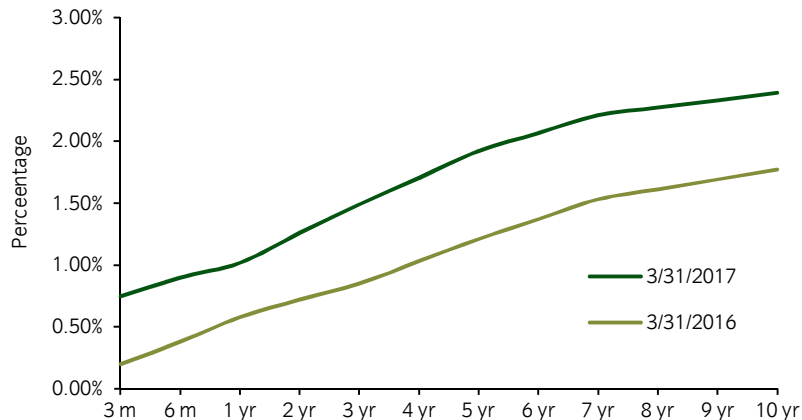
As of March 31, 2017

Chart 1: Fed funds target rate: 3/31/2007—3/31/2017



Source: Bloomberg Finance LP, March 31, 2017.

Chart 2: Treasury yield curve: 3/31/2016 and 3/31/2017



Source: Bloomberg Finance LP, March 31, 2017.

Economic Indicators and Monetary Policy

The meeting of the Federal Open Market Committee (FOMC) concluded on March 15 with the anticipated decision to increase the fed funds target rate 25 basis points. The range for the overnight rate is now 0.75% - 1.00%. The FOMC statement retained language indicating future increases in the fed funds target rate would be “gradual”. (See Chart 1).

The payroll report released on March 10, showed US employers added 235,000 jobs in February, better than expectations of 200,000 new jobs. January job growth was revised up to 238,000 from the prior release of 227,000 jobs added. The labor force participation rate rose to 63.0% in February from 62.9% in January. The February unemployment rate decreased to 4.7% from 4.8% in January, and the underemployment rate decreased to 9.2% from 9.4%. Average hourly earnings rose by 0.2% in February to a year-over-year rate of 2.8%. Survey expectations were for wage gains of 0.3% in February.

Rising energy prices pushed the headline Producer Price Index (PPI) higher in February. The March 14 release showed February PPI including food and energy increased to 2.2% from 1.6% in January. Excluding food and energy, the core PPI increased 0.3% in February to an annual rate of 1.5%. The Consumer Price Index (CPI) released on March 15 increased to 2.7% in February at the headline level from 2.5% in January, and excluding food and energy the core CPI was 2.2% in February.

The final estimate of fourth quarter 2016 GDP was released on March 30. Largely in response to stronger consumer spending, fourth quarter GDP was revised upward to 2.1% from the previous estimate of 1.9% growth. Personal consumption was revised to 3.5% growth in the fourth quarter from the previous estimate of 3.0%. For the third quarter of last year, GDP was 3.5% and personal consumption was 3.0%.

Interest Rate Summary

On March 31 the 3-month US Treasury bill yielded 0.75%, the 6-month US Treasury bill yielded 0.90%, the 2-year US Treasury note yielded 1.26%, the 5-year US Treasury note yielded 1.92% and the 10-year US Treasury note yielded 2.39% (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2017 - March 31, 2017

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	55,046,450.84
Income received	70,824.91
Total receipts	70,824.91
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(8,033.59)
Total OID/MKT accretion income	4,198.31
Return of capital	0.00
Closing balance	55,113,440.47
Ending fair value	55,018,703.59
Unrealized gain (loss)	(94,736.88)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	57.53	0.00	0.00	57.53
Corporate Bonds	20,795.58	(1,523.60)	0.00	19,271.98
Government Agencies	36,348.10	(3,965.60)	0.00	32,382.50
Government Bonds	5,399.33	1,653.92	0.00	7,053.25
Total	62,600.54	(3,835.28)	0.00	58,765.26

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.48	0.29	0.07
Overnight Repo	0.49	0.25	0.06
Merrill Lynch 3m US Treas Bill	0.37	0.24	0.06
Merrill Lynch 6m US Treas Bill	0.48	0.30	0.07
ML 1 Year US Treasury Note	0.69	0.41	0.09
ML 2 Year US Treasury Note	0.93	0.56	0.11
ML 5 Year US Treasury Note	1.47	0.88	0.17

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	62,600.54
Accretion (amortization)	(3,835.28)
Realized gain (loss) on sales	0.00
Total income on portfolio	58,765.26
Average daily amortized cost	55,070,156.73
Period return (%)	0.11
YTD return (%)	0.29
Weighted average final maturity in days	473

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2017 - March 31, 2017

<u>Fair Value Basis Activity Summary</u>		
Opening balance		54,997,581.07
Income received	70,824.91	
Total receipts		70,824.91
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(49,702.39)
Ending fair value		55,018,703.59

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	57.53	0.00	57.53
Corporate Bonds	20,795.58	(11,722.43)	9,073.15
Government Agencies	36,348.10	(31,756.85)	4,591.25
Government Bonds	5,399.33	(6,223.11)	(823.78)
Total	62,600.54	(49,702.39)	12,898.15

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.48	0.29	0.07
Overnight Repo	0.49	0.25	0.06
Merrill Lynch 3m US Treas Bill	0.36	0.19	0.02
Merrill Lynch 6m US Treas Bill	0.58	0.26	0.00
ML 1 Year US Treasury Note	0.56	0.21	(0.04)
ML US Treasury 1-3	0.25	(0.17)	0.03
ML US Treasury 1-5	(0.10)	(0.72)	0.05

* rates reflected are cumulative

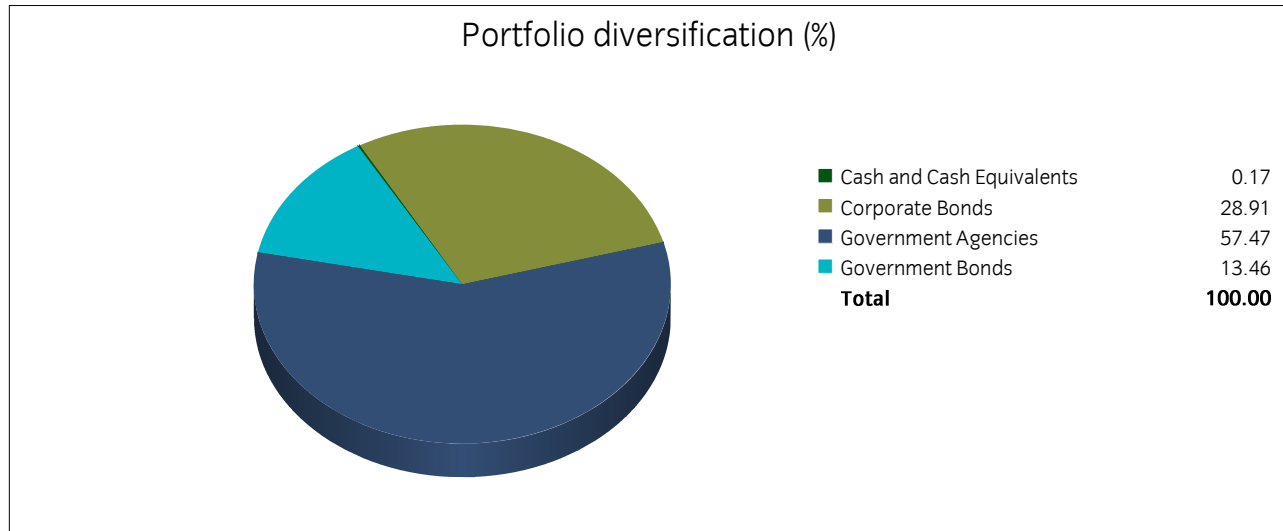
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	62,600.54
Change in fair value	(49,702.39)
Total income on portfolio	12,898.15
Average daily total value *	55,116,121.54
Period return (%)	0.02
YTD return (%)	0.28
Weighted average final maturity in days	473

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of March 31, 2017

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	91,201.82	91,201.82	91,201.82	0.00	1	0.17	0.00
Corporate Bonds	15,930,207.00	15,907,668.40	15,875,496.47	(32,171.93)	471	28.91	1.26
Government Agencies	31,667,225.45	31,635,732.84	31,560,332.25	(75,400.59)	505	57.47	1.33
Government Bonds	7,418,193.96	7,478,837.41	7,491,673.05	12,835.64	347	13.46	0.94
Total	55,106,828.23	55,113,440.47	55,018,703.59	(94,736.88)	473	100.00	1.25

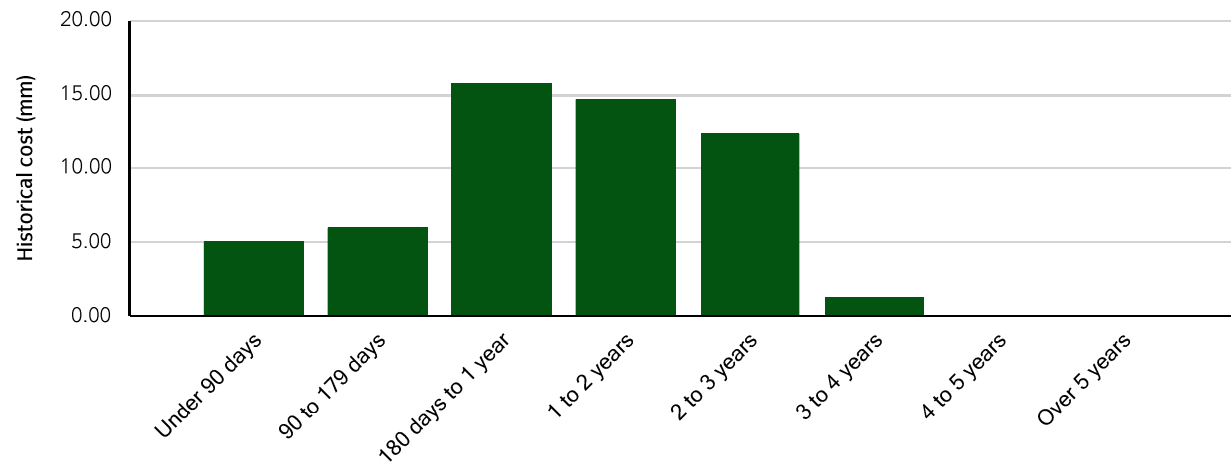


MATURITY DISTRIBUTION OF SECURITIES HELD

As of March 31, 2017

Maturity	Historic cost	Percent
Under 90 days	5,033,567.92	9.13
90 to 179 days	6,004,319.80	10.90
180 days to 1 year	15,710,151.99	28.51
1 to 2 years	14,699,591.02	26.68
2 to 3 years	12,360,172.50	22.43
3 to 4 years	1,299,025.00	2.36
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	55,106,828.23	100.00

Maturity distribution



SECURITIES HELD

As of March 31, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		91,201.82	91,201.82 0.00	91,201.82 0.00	91,201.82 0.00	0.00	0.00	0.00	0.00	0.17
Total Cash and Cash Equivalents			91,201.82	91,201.82 0.00	91,201.82 0.00	91,201.82 0.00	0.00	0.00	0.00	0.00	0.17
Corporate Bonds											
36962G7J7 GENERAL ELECTRIC CO 1.25% 15/05/2017 (CALLABLE 13/04/17)	1.250	05/15/2017 04/13/2017	1,000,000.00	1,005,930.00 0.00	1,000,317.68 (211.78)	1,000,003.00 (229.00)	(314.68)	0.00	1,145.83	4,722.22	1.83
717081DJ9 PFIZER INC 1.1% 15/05/2017	1.100	05/15/2017	1,000,000.00	1,003,800.00 0.00	1,000,217.83 (145.23)	999,786.50 (519.50)	(431.33)	0.00	1,008.34	4,155.56	1.82
713448CB2 PEPSICO INC 1.25% 13/08/2017	1.250	08/13/2017	500,000.00	501,065.00 0.00	500,180.44 (40.70)	500,046.00 (168.50)	(134.44)	0.00	572.91	833.33	0.91
0258M0DR7 AMERICAN EXPRESS CREDIT 1.55% 22/09/2017	1.550	09/22/2017	740,000.00	745,379.80 0.00	741,030.43 (179.73)	740,600.88 (303.40)	(429.55)	5,735.00	1,051.42	286.75	1.35
68389XAN5 ORACLE CORP 1.2% 15/10/2017	1.200	10/15/2017	1,000,000.00	1,003,020.00 0.00	1,000,639.41 (98.38)	999,818.50 (1,091.50)	(820.91)	0.00	1,100.00	5,533.33	1.82
458140AL4 INTEL CORP 1.35% 15/12/2017	1.350	12/15/2017	500,000.00	501,300.00 0.00	500,183.76 (21.62)	500,322.50 (167.00)	138.74	0.00	618.75	1,987.50	0.91
459200HZ7 IBM CORP 1.125% 06/02/2018	1.125	02/06/2018	1,000,000.00	998,600.00 0.00	999,604.07 38.82	998,612.00 (1,049.00)	(992.07)	0.00	1,031.25	1,718.75	1.81
24422ESB6 DEERE CAPITAL CORP 12/03/2018	1.300	03/12/2018	1,000,000.00	998,550.00 0.00	999,554.85 39.05	998,861.00 222.00	(693.85)	6,500.00	1,191.67	686.11	1.81

SECURITIES HELD

As of March 31, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
191216BA7 COCA-COLA CO/THE 1.15% 01/04/2018	1.150	04/01/2018	1,000,000.00	995,110.00 0.00	998,399.56 133.01	997,880.00 (1,040.00)	(519.56)	0.00	1,054.17	5,750.00	1.81
931142DF7 WAL-MART STORES INC 1.125% 11/04/2018	1.125	04/11/2018	1,130,000.00	1,128,960.40 0.00	1,129,786.68 17.25	1,128,020.24 (962.76)	(1,766.44)	0.00	1,165.32	6,003.13	2.05
037833AJ9 APPLE INC 1% 03/05/2018	1.000	05/03/2018	500,000.00	493,995.00 0.00	498,675.66 101.09	498,488.00 16.50	(187.66)	0.00	458.34	2,055.56	0.90
91159HHE3 US BANCORP 1.95% 15/11/2018 (CALLABLE 15/10/18)	1.950	11/15/2018 10/15/2018	215,000.00	215,455.80 0.00	215,155.57 (7.98)	216,287.85 (304.87)	1,132.28	0.00	384.31	1,583.83	0.39
17275RBB7 CISCO SYSTEMS INC 1.6% 28/02/2019	1.600	02/28/2019	700,000.00	702,331.00 0.00	701,478.30 (64.27)	700,974.40 (448.70)	(503.90)	0.00	1,026.67	1,026.67	1.27
17275RAR3 CISCO SYSTEMS INC 2.125% 01/03/2019	2.125	03/01/2019	500,000.00	503,740.00 0.00	501,431.77 (62.16)	505,216.50 (527.00)	3,784.73	5,312.50	973.96	885.42	0.91
89236TDE2 TOYOTA MOTOR CREDIT CORP 1.4% 20/05/2019	1.400	05/20/2019	1,500,000.00	1,504,395.00 0.00	1,503,219.93 (125.46)	1,488,025.50 (1,392.00)	(15,194.43)	0.00	1,925.00	7,641.67	2.73
94988J5D5 WELLS FARGO BANK NA 1.75% 24/05/2019	1.750	05/24/2019	1,200,000.00	1,196,316.00 0.00	1,196,531.12 134.45	1,196,211.60 (2,498.40)	(319.52)	0.00	1,925.00	7,408.33	2.17
02665WAH4 AMERICAN HONDA FINANCE 2.25% 15/08/2019	2.250	08/15/2019	1,500,000.00	1,541,520.00 0.00	1,530,341.54 (1,064.61)	1,513,114.50 (3,663.00)	(17,227.04)	0.00	3,093.75	4,312.50	2.80

SECURITIES HELD

As of March 31, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
713448DJ4 PEPSICO INC 1.35% 04/10/2019	1.350	10/04/2019	900,000.00	890,739.00 (5,366.25)	890,919.80 180.80	893,227.50 2,488.50	2,307.70	0.00	540.00	5,906.25	1.62
Total Corporate Bonds			15,885,000.00	15,930,207.00 (5,366.25)	15,907,668.40 (1,377.45)	15,875,496.47 (11,637.63)	(32,171.93)	17,547.50	20,266.69	62,496.91	28.91
Government Agencies											
3137EADF3 FREDDIE MAC 1.25% 12/05/2017	1.250	05/12/2017	1,000,000.00	1,009,273.00 0.00	1,000,218.31 (155.94)	1,000,464.00 (831.00)	245.69	0.00	1,145.83	4,826.39	1.83
313379VE6 FEDERAL HOME LOAN BANK 1.01% 19/06/2017	1.010	06/19/2017	915,000.00	923,363.10 0.00	915,374.54 (142.23)	915,384.30 (411.75)	9.76	0.00	847.14	2,618.43	1.68
3137EADH9 FREDDIE MAC 1% 29/06/2017	1.000	06/29/2017	1,500,000.00	1,510,875.00 0.00	1,500,545.90 (184.01)	1,500,466.50 (1,288.50)	(79.40)	0.00	1,375.00	3,833.33	2.74
3133EFEU7 FEDERAL FARM CREDIT BANK 0.78% 28/08/2017	0.780	08/28/2017	1,600,000.00	1,602,000.00 0.00	1,600,425.90 (86.33)	1,599,664.00 (1,024.00)	(761.90)	0.00	1,144.00	1,144.00	2.91
3133EAY28 FEDERAL FARM CREDIT BANK 0.83% 21/09/2017	0.830	09/21/2017	1,645,000.00	1,645,000.00 0.00	1,645,000.00 0.00	1,644,358.45 (1,776.60)	(641.55)	6,826.75	1,251.57	379.26	2.99
3135GORT2 FANNIE MAE 0.875% 20/12/2017	0.875	12/20/2017	1,850,000.00	1,845,264.00 0.00	1,849,291.91 81.70	1,847,273.10 (2,991.45)	(2,018.81)	0.00	1,483.85	4,541.49	3.35
3134G6PM9 FREDDIE MAC 1.05% 29/12/2017 CALLABLE	1.050	12/29/2017	1,000,000.00	1,000,600.00 0.00	1,000,162.21 (18.09)	999,490.00 (980.00)	(672.21)	0.00	962.50	2,683.33	1.82
3137EADN6 FREDDIE MAC 0.75% 1/2018 #1	0.750	01/12/2018	1,850,000.00	1,833,275.85 0.00	1,847,001.03 319.04	1,845,826.40 (1,911.05)	(1,174.63)	0.00	1,271.87	3,044.79	3.33

SECURITIES HELD

As of March 31, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3135G0TG8 FANNIE MAE 0.875% 08/02/2018	0.875	02/08/2018	1,500,000.00	1,475,430.00 0.00	1,495,490.13 439.27	1,497,157.50 (1,396.50)	1,667.37	0.00	1,203.12	1,932.29	2.68
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	2,000,000.00	2,001,040.00 0.00	2,000,349.85 (31.80)	1,995,760.00 (5,960.00)	(4,589.85)	0.00	2,071.67	2,071.67	3.63
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	1,000,000.00	969,505.00 0.00	992,767.78 527.90	996,588.00 (1,158.00)	3,820.22	0.00	802.08	3,159.72	1.76
31331KNA4 FEDERAL FARM CREDIT BANK 2.58% 08/06/2018	2.580	06/08/2018	1,200,000.00	1,248,852.00 0.00	1,220,660.73 (1,448.18)	1,219,512.00 (2,508.00)	(1,148.73)	0.00	2,838.00	9,718.00	2.27
3135G0YM9 FANNIE MAE 1.875% 18/09/2018	1.875	09/18/2018	2,000,000.00	2,036,700.00 0.00	2,018,941.94 (1,076.24)	2,019,470.00 (2,778.00)	528.06	18,750.00	3,437.50	1,354.17	3.70
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	1,000,000.00	996,020.00 0.00	998,668.87 66.89	1,006,118.00 (1,127.00)	7,449.13	0.00	1,489.58	5,597.22	1.81
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14/12/2018	1.750	12/14/2018	2,000,000.00	2,043,800.00 0.00	2,029,947.88 (1,463.26)	2,016,730.00 (776.00)	(13,217.88)	0.00	3,208.34	10,402.78	3.71
3137EADZ9 FREDDIE MAC 1.125% 15/04/2019	1.125	04/15/2019	2,000,000.00	2,000,040.00 0.00	2,000,026.78 (1.09)	1,990,322.00 (2,418.00)	(9,704.78)	0.00	2,062.50	10,375.00	3.63
3133ECW83 FEDERAL FARM CREDIT BANK 2.06% 01/08/2019	2.060	08/01/2019	1,500,000.00	1,526,550.00 0.00	1,523,186.45 (827.10)	1,520,940.00 (1,050.00)	(2,246.45)	0.00	2,832.50	5,150.00	2.77
313380FB8 FEDERAL HOME LOAN BANK 5% 13/09/2019	1.375	09/13/2019	1,000,000.00	1,016,632.00 0.00	1,012,693.22 (431.25)	996,770.00 (1,189.00)	(15,923.22)	6,875.00	1,260.42	687.50	1.84

SECURITIES HELD

As of March 31, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3130AA2H0 FEDERAL HOME LOAN BANK 1.125% 29/11/2019	1.125	11/29/2019	1,700,000.00	1,684,980.50 0.00	1,686,675.58 416.82	1,684,309.00 221.00	(2,366.58)	0.00	1,753.12	6,481.25	3.06
3133ECEY6 FEDERAL FARM CREDIT BANK 1.45% 11/02/2020	1.450	02/11/2020	1,000,000.00	999,000.00 0.00	999,105.81 26.02	997,670.00 (140.00)	(1,435.81)	0.00	1,329.17	2,013.89	1.81
3134G96L6 FREDDIE MAC 1.3% 25/02/2020 (CALLABLE 25/05/17)	1.300	02/25/2020 05/25/2017	1,000,000.00	1,000,000.00 0.00	1,000,000.00 0.00	989,030.00 140.00	(10,970.00)	0.00	1,191.67	1,300.00	1.81
3136G3UB9 FANNIE MAE 1.2% 30/03/2020 CALLABLE	1.200	03/30/2020	1,300,000.00	1,299,025.00 0.00	1,299,198.02 22.28	1,277,029.00 (403.00)	(22,169.02)	7,800.00	1,386.67	0.00	2.36
Total Government Agencies			31,560,000.00	31,667,225.45 0.00	31,635,732.84 (3,965.60)	31,560,332.25 (31,756.85)	(75,400.59)	40,251.75	36,348.10	83,314.51	57.47
Government Bonds											
912828TS9 USA TREASURY 0.625% 30/09/2017	0.625	09/30/2017	2,875,000.00	2,860,759.64 0.00	2,873,390.43 272.66	2,870,957.75 (2,021.13)	(2,432.68)	8,984.38	1,530.31	0.00	5.19
912828UA6 USA TREASURY 0.625% 30/11/2017	0.625	11/30/2017	1,200,000.00	1,192,312.50 0.00	1,197,451.43 323.80	1,197,187.20 (1,125.60)	(264.23)	0.00	638.73	2,493.13	2.16
912828UU2 USA TREASURY 0.75% 31/03/2018	0.750	03/31/2018	1,000,000.00	976,018.98 0.00	994,869.24 435.76	996,719.00 (859.00)	1,849.76	3,750.00	638.74	0.00	1.77
912828WD8 USA TREASURY 1.25% 31/10/2018	1.250	10/31/2018	1,700,000.00	1,679,818.19 0.00	1,693,446.29 350.89	1,701,327.70 (1,594.60)	7,881.41	0.00	1,819.75	8,863.95	3.05

TRANSACTION REPORT

For the period March 1, 2017 - March 31, 2017

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
03/01/2017 03/01/2017	17275RAR3	Income	Corporate Bonds	CISCO SYSTEMS INC 2.125%	03/01/2019	500,000.00	0.00	0.00	5,312.50	5,312.50
03/12/2017 03/12/2017	24422ESB6	Income	Corporate Bonds	JOHN DEERE CAPITAL CORP	03/12/2018	1,000,000.00	0.00	0.00	6,500.00	6,500.00
03/13/2017 03/13/2017	313380FB8	Income	Government Agencies	FEDERAL HOME LOAN BANK	09/13/2019	1,000,000.00	0.00	0.00	6,875.00	6,875.00
03/13/2017 03/15/2017	713448DJ4	Bought	Corporate Bonds	PEPSICO INC 1.35% 04/10/2019	10/04/2019	900,000.00	0.00	(890,739.00)	(5,366.25)	(896,105.25)
03/15/2017 03/15/2017	24422ERN1	Income	Corporate Bonds	JOHN DEERE CAPITAL CORP	03/15/2017	800,000.00	0.00	0.00	5,600.00	5,600.00
03/15/2017 03/15/2017	24422ERN1	Capital Change	Corporate Bonds	JOHN DEERE CAPITAL CORP	03/15/2017	(800,000.00)	0.00	800,000.00	0.00	800,000.00
03/18/2017 03/18/2017	3135G0YM9	Income	Government Agencies	FANNIE MAE 1.875%	09/18/2018	2,000,000.00	0.00	0.00	18,750.00	18,750.00
03/21/2017 03/21/2017	3133EAY28	Income	Government Agencies	FEDERAL FARM CREDIT BANK	09/21/2017	1,645,000.00	0.00	0.00	6,826.75	6,826.75
03/22/2017 03/22/2017	0258MODR7	Income	Corporate Bonds	AMERICAN EXPRESS CREDIT	09/22/2017	740,000.00	0.00	0.00	5,735.00	5,735.00
03/30/2017 03/30/2017	3136G3UB9	Income	Government Agencies	FANNIE MAE 1.2% 30/03/2020	03/30/2020	1,300,000.00	0.00	0.00	7,800.00	7,800.00
03/31/2017 03/31/2017	912828TS9	Income	Government Bonds	USA TREASURY 0.625%	09/30/2017	2,875,000.00	0.00	0.00	8,984.38	8,984.38
03/31/2017 03/31/2017	912828UU2	Income	Government Bonds	USA TREASURY 0.75%	03/31/2018	1,000,000.00	0.00	0.00	3,750.00	3,750.00
03/31/2017		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	57.53	57.53

APRIL 2017



IN THIS ISSUE:

Market Summary 1

Yield Curve
Current Yields

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Credit Spreads
Economic Indicators

Since 1988, Chandler Asset Management has specialized in the management of fixed income portfolios. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, manages risk and generates income in our clients' portfolios.

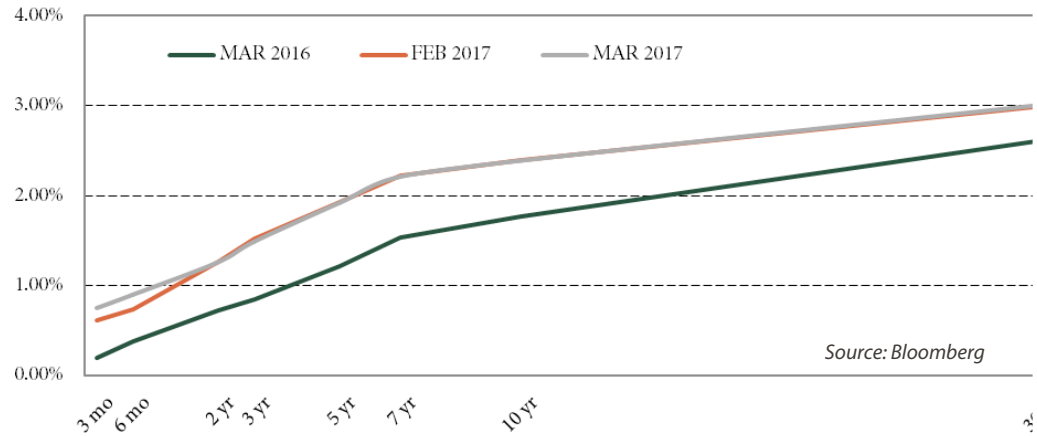
Market Summary

The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points to range of 0.75%-1.00% in March. There was one dissenting vote from Minneapolis Fed President Neel Kashkari who preferred no rate hike. The Fed noted that economic activity has expanded at a moderate pace, labor market gains remain solid, and inflation is moving close to the Fed's 2.0% target. The Fed is still projecting a 1.4% fed funds rate by the end of this year, which implies two more 25 basis point hikes. The long-run fed funds rate projection was also unchanged at 3.0%. The FOMC did not make any decisions about their balance sheet reinvestment plans and will continue that discussion during future meetings.

Domestic economic data remains indicative of slow growth. The economy is likely at or near full employment, consumer confidence is strong, manufacturing indicators have improved, and housing trends remain favorable. Looking further ahead, a potential boost in fiscal stimulus could provide further tailwind to economic growth. GDP grew by 2.1% in the fourth quarter. We expect GDP growth of 2.0%-2.5% in 2017.

The Treasury yield curve continued to flatten modestly in March. Very short-term Treasury yields (under 2-year maturities) increased while rates across the rest of Treasury yield curve were essentially unchanged. Meanwhile sovereign yields in Germany increased in March, and yields in Japan were little changed.

The Treasury Yield Curve Flattened in Recent Months:



On a year-over-year basis the 2-year Treasury yield has increased 53 basis points and 10-year Treasury yield is up about 62 basis points. At the end of 2016, following the election, US Treasury yields increased meaningfully driven by heightened expectations for fiscal stimulus and growth under the Trump administration and Republican-controlled Congress. However, in recent months, the Treasury yield curve has flattened as some of the post-election exuberance regarding fiscal spending, tax reform, and a healthcare reform has started to wane. The Treasury yield curve has also been influenced by movement in global sovereign bond yields as well as Federal Reserve policy tightening. The Fed has raised the fed funds rate by 25 basis points twice in the past 4 months.

TREASURY YIELDS	Trend (▲/▼)	3/31/2017	2/28/2017	Change
3-Month	▲	0.75	0.61	0.14
2-Year	-	1.26	1.26	0.00
3-Year	▼	1.49	1.52	(0.03)
5-Year	▼	1.92	1.93	(0.01)
7-Year	▼	2.21	2.22	(0.01)
10-Year	-	2.39	2.39	0.00
30-Year	▲	3.01	3.00	0.01

Source: Bloomberg

Attachment: CAM-Newsletter-April-2017 (2606 : RECEIPT OF QUARTERLY INVESTMENT REPORT FOR MARCH 2017)

Market Data

World Indices
data as of 3/31/2017

	Diff (2/28/17)	% Change
S&P 500		
2,362.72	(0.92)	(0.04%)
NASDAQ		
5,911.74	86.30	1.48%
DOW JONES		
20,663.22	(149.02)	(0.72%)
FTSE (UK)		
7,322.92	59.48	0.82%
DAX (Germany)		
12,312.87	478.46	4.04%
Hang Seng (Hong Kong)		
24,111.59	370.86	1.56%
Nikkei (Japan)		
18,909.26	(209.73)	(1.10%)

Source: Bloomberg

Economic Roundup

Consumer Prices

The Consumer Price Index (CPI) was up 2.7% year-over-year in February, versus up 2.5% year-over-year in January. Core CPI (CPI less food and energy) was up 2.2% year-over-year in February, versus up 2.3% year-over-year in January. The Personal Consumption Expenditures (PCE) index was up 2.1% year-over-year in February, versus up 1.9% year-over-year in January. Core PCE (excluding food and energy) was up 1.8% year-over-year in February, versus up 1.7% year-over-year in January. CPI is already trending above 2.0%, and the Fed's primary inflation gauge (PCE) is approaching the Fed's 2.0% target.

Retail Sales

On a year-over-year basis, total retail sales were up 5.7% in February compared with a 6.0% increase in January. On a month-over-month basis, retail sales were up 0.1% in February, following a 0.6% increase in January. Excluding auto and gas, retail sales increased 0.2% in February, following a 1.2% gain in January. On average, retail sales trends were solid in the first two months of the year.

Labor Market

Nonfarm payrolls were significantly lower than expected in March, up 98,000 versus the consensus forecast of 175,000. January and February payrolls were revised down by 38,000. On a trailing 3-month and 6-month basis, payrolls increase by an average of 178,000 and 163,000 per month, respectively. The unemployment rate fell to 4.5% in March from 4.7% in February. The participation rate was unchanged at 63.0%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, decrease to 8.9% in March from 9.2% in February. Wage growth rose 0.2% in March, versus expectations for a 0.3% increase. This follows an upwardly revised gain of 0.3% in February (previously 0.2%). On a year-over-year basis, wages were up 2.7% in March, vs. 2.8% in February.

Housing Starts

Total housing starts rose 3.0% in February, following a 1.9% decrease in January. Single-family starts rose 6.5% in February, but multi-family starts declined 3.7%. On a year-over-year basis, total housing starts were up 6.2% in February.

Credit Spreads Widened Slightly in March

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.21	0.23	(0.02)
2-year A corporate note	0.59	0.49	0.10
5-year A corporate note	0.69	0.61	0.08
5-year Agency note	0.10	0.06	0.04

Source: Bloomberg

Data as of 3/31/2017

Economic Data Points to Continued Slow Growth

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(43.6) \$Bln FEB 17	(48.2) \$Bln JAN 17	(45.6) \$Bln FEB 16
GDP	2.1% DEC 16	3.5% SEP 16	0.9% DEC 15
Unemployment Rate	4.5% MAR 17	4.7% FEB 17	5.0% MAR 16
Prime Rate	4.00% MAR 17	3.75% FEB 17	3.5% MAR 16
CRB Index	185.88 MAR 17	190.62 FEB 17	170.52 MAR 16
Oil (West Texas Int.)	\$50.60 MAR 17	\$54.01 FEB 17	\$38.34 MAR 16
Consumer Price Index (y/o/y)	2.7% FEB 17	2.5% JAN 17	1.0% FEB 16
Producer Price Index (y/o/y)	3.7% FEB 17	3.0% JAN 17	(2.0%) FEB 16
Dollar/Euro	1.07 MAR 17	1.06 FEB 17	1.14 MAR 16

Source: Bloomberg

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Attachment: CAM-Newsletter-April-2017 (2606 : RECEIPT OF QUARTERLY INVESTMENT REPORT FOR MARCH 2017)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: ACCEPTANCE OF CALIFORNIA DEPARTMENT OF RESOURCES, RECOVERY, AND RECYCLING FY 2015/16 BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM GRANT AWARD

RECOMMENDED ACTION

Recommendation:

1. Receive and accept a grant award in the amount of \$50,780 from the California Department of Resources, Recovery, and Recycling (CalRecycle), for the purpose of funding recycling and litter reduction programs in the City of Moreno Valley.
2. Approve the revenue and expenditure budget adjustments in the amount of \$50,780 as set forth in the Fiscal Impact section of this report.

SUMMARY

Public Resources Code, section 14581(a)(3)(A) describes the California Beverage Container Recycling and Litter Reduction Act, which provides funding to assist local governments in developing and maintaining recycling and litter reduction programs for their communities. It also authorizes CalRecycle to make payments to local jurisdictions for the implementation of local recycling and litter reduction programs.

Funds for recycling and litter reduction programs are available through the Beverage Container Recycling City/County Payment Program. The goal of this program is to reach and maintain an 80 percent recycling rate for all California Refund Value (CRV) beverage containers, which includes containers made from aluminum, glass, plastic, and bi-metal. Recycling and litter reduction programs, implemented by the City of Moreno Valley, will assist in reaching and maintaining this goal.

The Beverage Container Recycling City/County Payment Program grant funds were applied for in Fiscal Year (FY) 2015/16, awarded in FY 2016/17, and any unspent funds will be carried over to FY 2017/18.

On October 18, 2016, the City was notified by CalRecycle of the approval of the award and distribution of payment for the Beverage Container Recycling City/County Payment Program grant funds in the amount of \$50,780. The City received this payment on December 5, 2016.

DISCUSSION

The City of Moreno Valley’s Recycling Program will utilize the grant payment to fund various recycling and litter reduction program activities during FY 2016/17 and FY 2017/18:

- Bulky Item Collection Events.
- Keep Moreno Valley Beautiful expanded branding.
- Recycling and litter reduction PSA videos.
- Adopt-a-Street program for residents and businesses.
- Recycling and litter reduction educational materials.
- Staff time associated with recycling and litter reduction educational outreach and program administration.

ALTERNATIVES

1. Approve the acceptance of the Beverage Container Recycling City/County Payment Program grant funds awarded to the City of Moreno Valley in the amount of \$50,780 and authorize budget adjustments in the amounts of \$50,780 for revenue and \$50,780 for expenditures. *Staff recommends this alternative as it will allow the City to utilize grant funding for recycling and litter reduction program delivery.*
2. Elect not to approve the acceptance of the Beverage Container Recycling City/County Payment Program grant funds awarded to the City of Moreno Valley in the amount of \$50,780 and not authorize budget adjustments in the amounts of \$50,780 for revenue and \$50,780 for expenditures. *Staff does not recommend this alternative, as it will prevent the City from receiving grant funding which will hinder the City’s ability to deliver recycling and litter reduction programs.*

FISCAL IMPACT

The Beverage Container Recycling City/County Payment Program grant funds will provide \$50,780 to fund the City’s recycling and litter reduction programs. Grant funds will be deposited into account 2200-70-78-77311-486200.

Description	Fund	GL Account	Type	FY 2016/17 Budget	Proposed Adjustments	FY 2016/17 Amended
-------------	------	------------	------	-------------------	----------------------	--------------------

						Budget
Grant Operating Revenue	2200 Beverage Container Recycling	2200-70-78-77311-486200	Rev	\$28,584	\$50,780	\$79,364
Grant Expenditures	2200 Beverage Container Recycling	2200-70-78-77311- XXXXXX	Exp	\$28,584	\$50,780	\$79,364

NOTIFICATION

Publication of the City Council Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Samantha Bloch
Management Analyst

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Robert R. Lemon
Maintenance & Operations Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 5.1: Establish partnerships and volunteer programs with residents, business groups and service clubs to beautify our community.

Objective 5.5: Promote a healthy community and lifestyle.

ATTACHMENTS

- 1. Resolution No. 2012-93

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/24/17 3:38 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 12:33 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:32 PM

RESOLUTION NO. 2012-93

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA APPROVING SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANTS FOR WHICH THE CITY OF MORENO VALLEY IS ELIGIBLE

WHEREAS, Public Resources Code sections 40000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle), to administer various Grant Programs (grants) in furtherance of the State of California's (State) efforts to reduce, recycle and reuse solid waste generated in the State thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

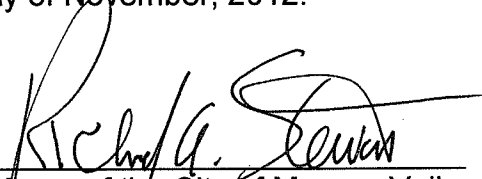
WHEREAS, CalRecycle grant application procedures require, among other things, an Applicant's governing body to declare by Resolution certain authorizations related to the administration of CalRecycle grants.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Moreno Valley, California, authorizes the submittal of application(s) to CalRecycle for all grants for which the City of Moreno Valley is eligible; and

BE IT FURTHER RESOLVED that the City Manager, and/or the Public Works Director/City Engineer, are hereby authorized and empowered to execute in the name of the City of Moreno Valley all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project; and

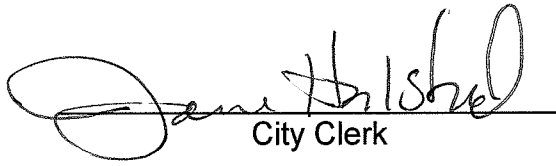
BE IT FURTHER RESOLVED that these authorizations are effective five (5) years from the date of adoption of this Resolution.

APPROVED AND ADOPTED this 27th day of November, 2012.



Mayor of the City of Moreno Valley

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

2
Resolution No. 2012-93
Date Adopted: November 27, 2012

Attachment: Resolution No. 2012-93 (2604 : ACCEPTANCE OF CALIFORNIA DEPARTMENT OF RESOURCES, RECOVERY, AND RECYCLING FY

RESOLUTION JURAT

STATE OF CALIFORNIA)

COUNTY OF RIVERSIDE) ss.

CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-93 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 27th day of November, 2012 by the following vote:

AYES: Council Members Co, Hastings, Molina, Mayor Pro Tem Batey and Mayor Stewart

NOES: None

ABSENT: None

ABSTAIN: None

(Council Members, Mayor Pro Tem and Mayor)


CITY CLERK

(SEAL)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE SERVICES

RECOMMENDED ACTION

Recommendations:

1. Approve the Third Extension Agreement with Variable Speed Solutions, Inc., 16182 Gothard Street, Suite I, Huntington Beach, CA 92647 to provide testing, maintenance, and repairs of the irrigation pumps located in public landscape areas totaling \$34,480 for fiscal year (FY) 2017/18.
2. Authorize the City Manager to execute the Third Extension Agreement with Variable Speed Solutions, Inc.
3. Authorize the issuance of purchase orders for FY 2017/18 to Variable Speed Solutions, Inc. in the not-to-exceed amount consistent with the approved agreement.
4. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the Agreement, provided sufficient funding appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

SUMMARY

This item is for approval of the Third Extension Agreement for irrigation pump maintenance services with Variable Speed Solutions, Inc. ("Contractor"). An Independent Contractor Agreement ("Agreement") was awarded for fiscal year (FY)

2014/15 with the option of extending it for four additional one-year terms. Extensions shall only be entered into provided sufficient funding appropriations and program approvals have been granted by the City Council, the Contractor has provided satisfactory performance of the services, and both parties agree to extend the Agreement.

Funding for the landscape maintenance services (e.g. irrigation pump maintenance) is provided through a property owner approved parcel charge, real property assessment, or special tax (“parcel charge”) collected as part of the property tax bill. Only those properties receiving benefit from the public landscaping pay the parcel charge.

DISCUSSION

On May 13, 2014, the Community Services District (CSD) Board approved the Agreement with the Contractor to provide irrigation pump maintenance services in the landscape maintenance districts. The Agreement may be extended up to four additional one-year terms, provided sufficient funding appropriations and program approvals have been granted by the City Council, the Contractor has provided satisfactory performance of the services, and both parties agree to extend the Agreement. The Agreement was extended for FY 2015/16 and FY 2016/17. The Contractor is sufficiently providing the services and has accepted the City’s invitation to extend the Agreement a third time for FY 2017/18.

The CSD established landscape maintenance districts to fund the cost of maintaining public landscaping. In 2014, the City established Community Facilities District (CFD) No. 2014-01 (Maintenance Services) to provide public landscape maintenance services for new development. Property owners within the landscape districts pay a parcel charge as part of their annual property tax bill to fund the ongoing maintenance of the public landscaping. Revenue collected from the parcel charge is restricted and can only be used for landscape maintenance services in the area for which it is collected.

The scope of the maintenance services for the Agreement is categorized as “base work” or “additional work”:

“Base work” is for testing and maintenance services performed at a frequency of two (2) times per FY to ensure proper functioning of the irrigation pump equipment. This is a set cost for routine tests.

“Additional work” may include, but is not necessarily limited to: labor and material costs for repairs and/or replacement of equipment and/or parts to ensure irrigation pumps are functioning properly. The cost for these services varies based on need and the additional work unit prices as listed in the Agreement.

To ensure the Agreement for FY 2017/18 has approval for both City and CSD landscape districts, staff is seeking approval from the City Council to authorize the City Manager to approve the Third Extension Agreement. This approval includes associated purchase orders and all future amendments/extensions available, in accordance with the terms of

the Agreement and subject to the approval of the City Attorney.

This action meets the Strategic Plan Priorities by managing and maximizing Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Approve the Third Extension Agreement for Irrigation Pump Maintenance Services with Variable Speed Solutions, Inc. and related recommended actions as presented in this staff report. *Staff recommends this alternative to provide uninterrupted maintenance of public landscape areas.*
2. Do not approve the Third Extension Agreement with Variable Speed Solutions, Inc. *Staff does not recommend this alternative as it may cause an interruption in the maintenance of public landscape areas. Additional costs may be incurred to obtain another contractor with no guarantee that a more qualified contractor can be found at a better cost.*

FISCAL IMPACT

Administration and maintenance costs to provide public landscape maintenance services is funded through a property owner approved parcel charge, which is levied on the property tax bills. Revenue from the parcel charge can only be used for landscape maintenance services associated with the public landscaping in the respective landscape maintenance districts. Costs for these services are included in the City's FY 2017/18 Proposed Budget and are allocated in the amounts as shown in the following table.

FY 2017/18							
Account Number/ Project	Zone	No. of Pumps	Testing Frequency	Base Work		Additional Work	Total
				Per Test Cost Per Pump	Total Testing Cost		
5111-70-79-25704-620910	D	6	Bi-Annual	\$ 190.00	\$ 2,280.00	\$ 5,000.00	\$ 7,280.00
5014-70-79-25721-620910 SD LMD ZN 01-TG	01	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
5014-70-79-25721-620910 SD LMD ZN 03-MVRW	03	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 2,000.00	\$ 2,380.00
5014-70-79-25721-620910 SD LMD ZN 04-MVRE	04	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 2,000.00	\$ 2,380.00
5014-70-79-25721-620910 SD LMD ZN 05-SR	05	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 4,000.00	\$ 4,760.00
5014-70-79-25721-620910 SD LMD ZN 06-MF	06	3	Bi-Annual	\$ 190.00	\$ 1,140.00	\$ 6,000.00	\$ 7,140.00
5014-70-79-25721-620910 SD LMD ZN 09-SV	09 ¹	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
5112-70-79-25719-620910	M	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
2050-70-79-25722-620910	CFD 2014-01 ²	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
2008-70-29-20450-620910	WQB	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 1,500.00	\$ 2,260.00
	Totals	21			\$ 7,980.00	\$ 26,500.00	\$ 34,480.00

¹Includes the addition of 2 pumps for Tract 27251

²Includes the addition of 1 pump for Median 24

The term of the Third Extension Agreement is for FY 2017/18, pending Council approval of the FY 2017/18 Proposed Budget. The City has the option to extend it for one additional one-year term. The Agreement is subject to an annual Consumer Price Index (CPI) inflation adjustment, at the discretion of the City and appropriate City Council funding and program approvals. The following table is the estimated five-year value of the Agreement (excluding any potential CPI adjustment).

Irrigation Pump Maintenance						
	FY 2014/15 Original Agreement	FY 2015/16 1st Extension	FY 2016/17 2nd Extension	FY 2017/18 3rd Extension	FY 2018/19 4th Extension ⁴	Total
Base Work ¹	\$ 7,220.00	\$ 6,840.00	\$ 6,840.00	\$ 7,980.00	\$ 7,980.00	\$ 36,860.00
Additional Work ^{2,3}	\$ 17,471.00	\$ 16,760.00	\$ 19,600.00	\$ 26,500.00	\$ 26,500.00	\$ 106,831.00
Total	\$ 24,691.00	\$ 23,600.00	\$ 26,440.00	\$ 34,480.00	\$ 34,480.00	\$ 143,691.00
¹ Base Work is for routine testing and maintenance of irrigation pumps. ² Additional Work is for unanticipated/emergency repairs, parts and labor. ³ Additional work amounts are estimated and may fluctuate in any given year based on the area's ability to support the services and City Council approval of appropriate funding levels. Pricing is based on pricing terms of the Agreement (Exhibit E, Schedule II Section B). ⁴ Amounts listed for future extensions/amendments are estimated based on information known at the present time. Actual amounts may vary depending on the addition/removal of service areas.						

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad R. Ansari, P. E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure

5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

See the Discussion section above for details of how this action supports the City Council's Strategic Priorities.

ATTACHMENTS

- 1. Third Extension Agreement FY 2017/18
- 2. Second Extension Agreement FY 2016/17
- 3. First Extension Agreement FY 2015/16
- 4. Agreement FY 2014/15

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/25/17 2:13 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 11:00 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:32 PM

THIRD EXTENSION AGREEMENT
FOR FY 2017/18
PROJECT NO. SD 2015-02

IRRIGATION PUMP MAINTENANCE

THIS THIRD EXTENSION AGREEMENT is made and entered into by and between the City of Moreno Valley (hereafter, "City"), the Moreno Valley Community Services District (hereafter, "District"), and Variable Speed Solutions, Inc. (hereafter, "Contractor").

RECITALS

WHEREAS, the City, District and Contractor entered into an independent contractor agreement, hereinafter referred to as "Agreement", dated June 23, 2014, for the maintenance of the irrigation pump systems associated with Project No. SD 2015-02 IRRIGATION PUMP MAINTENANCE for fiscal year (FY) 2014/15 at a total compensation amount of \$24,691.00 (\$7,220.00 for Base Work and \$17,471.00 for Additional Work); and,

WHEREAS, irrigation pump maintenance services were satisfactorily performed and District and Contractor entered into the First Extension Agreement, dated August 6, 2015, for FY 2015/16 at a total compensation amount of \$23,600.00 (\$6,840.00 for Base Work and \$16,760.00 for Additional Work); and,

WHEREAS, irrigation pump maintenance services were satisfactorily performed and District and Contractor entered into the Second Extension Agreement, dated March 8, 2016, for FY 2016/17 at a total compensation amount of \$26,440.00 (\$6,840.00 for Base Work and \$19,600.00 for Additional Work); and,

WHEREAS, irrigation pump maintenance services provided under the Agreement are being satisfactorily performed; and

WHEREAS, the District and Contractor wish to include the City as a party to the Third Extension Agreement.

SECTION 1. EXTENSION TO ORIGINAL AGREEMENT

1.1. Pursuant to the terms of the Agreement, the City, District, and Contractor wish to enter into a Third Extension Agreement for FY 2017/18 under the following terms:

1.2. The term shall commence on July 1, 2017 and shall terminate on June 30, 2018.

1.3. In accordance with Exhibit D, Section 1.B of the Agreement, this is the third of four possible extensions of the Agreement.

1.4. Irrigation pump maintenance locations to be maintained shall be those areas included within the maps attached hereto as Exhibit A – Third Extension.

1.5. Testing of Irrigation Pump locations (Base Work) shall be at those areas and frequencies detailed in Exhibit B – Third Extension attached hereto.

SECTION 2. COMPENSATION FOR THIRD EXTENSION AGREEMENT:

2.1. For the period of this Third Extension Agreement and except where additional compensation is specifically provided for in the Agreement, the City and District will pay the Contractor for all work (labor, materials, supplies, equipment, etc.) performed under this Third Extension Agreement as more fully described in Sections 2.2 and 2.4 below, **THIRTY-FOUR THOUSAND, FOUR HUNDRED EIGHTY AND 00/100 DOLLARS (\$34,480.00)**

2.2. For “Base Work” and consistent with the payment terms (Exhibit C) of the Agreement, compensation shall be based on the number of documented tests performed per month at the Per Test Cost Per Pump rate listed in Exhibit B – Third Extension. Payments are remitted one month in arrears, on the last day of the month based on the number of tests performed at the testing frequency detailed in Exhibit B – Third Extension. The total contract amount for Base Work during the twelve (12) month extension period shall not exceed **SEVEN THOUSAND NINE HUNDRED EIGHTY AND 00/100 (\$7,980.00)**.

2.3. Notwithstanding, Exhibit E, Schedule II, Section A of the Agreement, the unit prices set forth for Additional Pump Maintenance will be as follows:

- a. Cost per booster pump testing service is **\$190.00 ea./per completed test**.

2.4. Notwithstanding Exhibit C, Section 2 of the Agreement, for the period of this Third Extension Agreement and except as specifically approved by subsequent action of the City Council, District Board or City Manager as directed by the City Council, District Board, the Director or their designated appointee may not authorize additional work pursuant to this Third Extension Agreement in excess of the cumulative total of **TWENTY-SIX THOUSAND FIVE HUNDRED AND 00/100 (\$26,500.00)** which is more fully described in Exhibit B – Third Extension.

SECTION 3. DEPARTMENT OF INDUSTRIAL RELATIONS:

3.1. Contractor and all approved subcontractors must provide proof of contractor registration with the California Department of Industrial Relations annually. Registration can be filed on the following website:

<https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRRegistrationForm>

THIRD EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2015-02
IRRIGATION PUMP MAINTENANCE

SECTION 4. ORIGINAL AGREEMENT:

4.1. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

Attachment: Third Extension Agreement FY 2017/18 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP

THIRD EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2015-02
IRRIGATION PUMP MAINTENANCE

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

City of Moreno Valley and Moreno Valley
Community Services District

Contractor: Variable Speed Solutions, Inc.

By: _____
Title: City Manager and City Manager,
Acting in the capacity of District
Manager to the Moreno Valley
Community Services District

By: _____
Title: (President or Vice President)

Date: _____

Date: _____

Affix Corporate Seal Below

By: _____
Title: Corporate Secretary or Assistant
Secretary

Date: _____

<u>INTERNAL USE ONLY</u>
ATTEST:
_____ City Clerk
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

Attachment: Third Extension Agreement FY 2017/18 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP

EXHIBIT A – THIRD EXTENSION

Irrigation Pump Stations	
Area/Tract	Address/Location
D (Tract 31268)	28772 Cottonwood
D (Tract 31284)	28451 Cottonwood
D (Tract 31591)	12949 Morrison Street
D (Tract 32625)	13547 Redlands East
D (Tract 22889)	24518 Krameria
D (Tract 30967)	24615 Krameria
Zone 01 Towngate	22871 Centerpoint
Zone 01 Towngate	Towgate Blvd (S/W corner)
Zone 03 Moreno Valley Ranch - West	15302 Caballo Road
Zone 04 Moreno Valley Ranch - East	28976 Cactus
Zone 05 Stoneridge Ranch	13028 Nason
Zone 05 Stoneridge Ranch	12990 Nason
Zone 06 Mahogany Fields	26482 Cottonwood
Zone 06 Mahogany Fields	13540 Morrison
Zone 06 Mahogany Fields	13960 Morrison
Zone 09 Savannah	Fir/Eucalyptus/Morrison ²
M - Medians	29642 Eucalyptus Ave.
CFD 2014-01 - Median	Median 24 ²
WQB (Tract 31327)	13960 Morrison WQB
WQB (Tract 31269-1)	28943 Canterbury ¹
WQB (Tract 32625)	Redlands WQB East ²
¹ Pump not in use, no maintenance service currently required for this location. ² Pump facility has not yet been accepted by the City for maintenance. Contractor will be notified when service shall begin.	

EXHIBIT B – THIRD EXTENSION

FY 2017/18						
Zone	No. of Pumps	Testing Frequency	Base Work		Additional Work	Total
			Per Test Cost Per Pump	Total Testing Cost		
D	6	Bi-Annual	\$ 190.00	\$ 2,280.00	\$ 5,000.00	\$ 7,280.00
01	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
03	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 2,000.00	\$ 2,380.00
04	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 2,000.00	\$ 2,380.00
05	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 4,000.00	\$ 4,760.00
06	3	Bi-Annual	\$ 190.00	\$ 1,140.00	\$ 6,000.00	\$ 7,140.00
09 ¹	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
M	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
CFD 2014-01 ²	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
WQB	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 1,500.00	\$ 2,260.00
Totals	21			\$ 7,980.00	\$ 26,500.00	\$ 34,480.00

¹Includes the addition of 2 pumps for Tract 27251; Contractor will be notified by City when the City assumes maintenance.
²Includes the addition of 1 pump for Median 24; Contractor will be notified by City when the City assumes maintenance.

SECOND EXTENSION AGREEMENT
FOR FY 2016/17
PROJECT NO. SD 2015-02

IRRIGATION PUMP MAINTENANCE

THIS SECOND EXTENSION AGREEMENT is made and entered into by and between the Moreno Valley Community Services District (hereafter, "District") and **Variable Speed Solutions, Inc.** (hereafter, "Contractor").

RECITALS

WHEREAS, the District and Contractor entered into an independent contractor agreement, hereinafter referred to as "Agreement", dated **June 23, 2014**, for the maintenance of the irrigation pump systems associated with **Project No. SD 2015-02 IRRIGATION PUMP MAINTENANCE** for fiscal year (FY) 2014/15 at a total compensation amount of \$24,691.00 (\$7,220.00 for Base Work and \$17,471.00 for Additional Work); and,

WHEREAS, irrigation pump maintenance services provided during the initial term of the Agreement were satisfactorily performed and District and Contractor entered into the First Extension Agreement for FY 2015/16 at a total compensation amount of \$23,600 (\$6,840 for Base Work and \$16,760 for Additional Work); and,

WHEREAS, irrigation pump maintenance services provided under the Agreement are being satisfactorily performed.

SECTION 1. EXTENSION TO ORIGINAL AGREEMENT

1.1. Pursuant to the terms of the Agreement, both parties wish to enter into a Second Extension Agreement for FY 2016/17 under the following terms:

1.2. The term shall commence on **July 1, 2016** and shall terminate on **June 30, 2017**.

1.3. In accordance with Exhibit D, Section 1.B. of the Agreement, this is the **Second** of four possible extensions of the Agreement.

1.4. Irrigation pump maintenance locations to be maintained shall be those areas included within the maps attached hereto as Exhibit "A".

1.5. Testing of Irrigation Pump locations (Base Work) shall be at those areas and quantities detailed in Exhibit "B" attached hereto.

SECOND EXTENSION AGREEMENT
PROJECT NO. SD 2015-02
IRRIGATION PUMP MAINTENANCE

SECTION 2. COMPENSATION FOR SECOND EXTENSION AGREEMENT:

2.1. For the period of this **Second Extension Agreement** and except where additional compensation is specifically provided for in the Agreement, the District will pay the Contractor for all work (labor, materials, supplies, equipment, etc.) performed under this **Second Extension Agreement** as more fully described in Sections 2.2 and 2.4 below, **TWENTY-SIX THOUSAND, FOUR HUNDRED FORTY AND 00/100 DOLLARS (\$26,440.00)**

2.2. For "Base Work" and consistent with the payment terms (Exhibit C) of the Agreement, compensation shall be based on the number of documented tests performed per month at the Per Test Cost Per Pump rate listed in Exhibit B. Payments are remitted one month in arrears, on the last day of the month based on the number of tests performed at the testing frequency detailed in Exhibit "B". The total contract amount for Base Work during the twelve (12) month extension period shall not exceed **SIX THOUSAND EIGHT HUNDRED FORTY AND 00/100 (\$6,840.00)**.

2.3. Notwithstanding, Exhibit E, Schedule I.A.1. of the Agreement, the unit prices set forth for Additional Pump Maintenance will be as follows:

- a. Cost per booster pump testing service, **\$190.00 ea./per completed test.**

2.4. Notwithstanding Exhibit C, 2.E. of the Agreement, for the period of this **Second Extension Agreement** and except as specifically approved by subsequent action of the CSD Board or City Manager as directed by the CSD Board, the Director or their designated appointee may not authorize additional work pursuant to this **Second Extension Agreement** in excess of the cumulative total of **NINETEEN THOUSAND SIX HUNDRED AND 00/100 (\$19,600.00)** which is more fully described in Exhibit "B".

SECTION 3. DEPARTMENT OF INDUSTRIAL RELATIONS:

3.1. Contractor and all approved subcontractors must provide proof of contractor registration with the California Department of Industrial Relations annually. Registration can be filed on the following website:

<https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRRegistrationForm>

SECTION 4. ORIGINAL AGREEMENT:

4.1. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

SECOND EXTENSION AGREEMENT
PROJECT NO. SD 2015-02
IRRIGATION PUMP MAINTENANCE

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

Moreno Valley
Community Services District

Contractor: Variable Speed Solutions, Inc.

By: [Signature]
Title: City Manager, Acting in the
capacity of District Manager to
the Moreno Valley Community
Services District

By: [Signature]
Title: (President or Vice President)

Date: 3-8-16

Date: 2-22-16

INTERNAL USE ONLY

ATTEST:

City Clerk

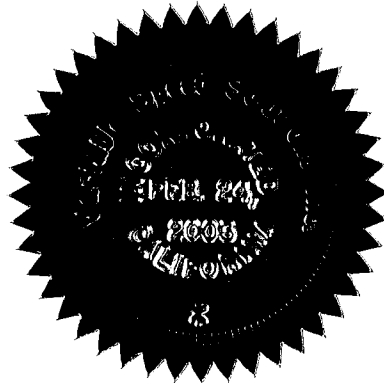
APPROVED AS TO LEGAL FORM:
[Signature]
City Attorney
3-7-16
Date

RECOMMENDED FOR APPROVAL:
[Signature]
Department Head
3/8/16
Date

[Signature]
e: Corporate Secretary or Assistant
Secretary

e: 2/22/16

Affix Corporate Seal Below



Attachment: Second Extension Agreement FY 2016/17 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP

EXHIBIT A

Irrigation Pump Stations	
Area/Tract	Address/Location
D (Tract 31591)	12949 Morrison Street
E-14 Mahogany Fields	26482 Cottonwood
E-14 Mahogany Fields	13540 Morrison
E-14 Mahogany Fields	13960 Morrison
D (Tract 22889)	24518 Krameria
D (Tract 30967)	24615 Krameria
E-4 Moreno Valley Ranch - East	28976 Cactus
D (Tract 31268)	28772 Cottonwood
D (Tract 31284)	28451 Cottonwood
E-3 - Moreno Valley Ranch - West	15302 Caballo Road
E-1 Towngate	22871 Centerpoint
E-1 Towngate	Towngate Blvd (S/W corner)
E-12 Stoneridge Ranch	13028 Nason
E-12 Stoneridge Ranch	12990 Nason
NPDES (Tract 31327)	13960 Morrison WQB
M - Medians	29642 Eucalyptus Ave.
D (Tract 32625)	13547 Redlands East
NPDES (Tract 31269-1)	28943 Canterbury ¹
NPDES (Tract 32625)	Redlands WQB East ²

Notes:

¹ Pump not in use, no maintenance service currently required for this location.

² Pump facility has not been accepted by the City for maintenance.

EXHIBIT B

Service Area		FY 2016/17 Base Work			FY 2016/17 Additional Work	FY 2016/17 Contract Amt By Area
Zone	No. of Pumps	Testing Frequency	Per Test Cost Per Pump	Total Testing Cost Per Zone/Area	Estimated Additional Work Amounts	Not To Exceed (NTE) Amount
D	6	Bi-Annual	\$ 190.00	\$ 2,280.00	\$ 5,000.00	\$ 7,280.00
01	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
03	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
04	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
05	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 4,000.00	\$ 4,760.00
06	3	Bi-Annual	\$ 190.00	\$ 1,140.00	\$ 4,000.00	\$ 5,140.00
M	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 600.00	\$ 980.00
NPDES	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
Totals	18			\$ 6,840.00	\$ 19,600.00	\$ 26,440.00

**INDEPENDENT CONTRACTOR AGREEMENT
SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES**

THIS AGREEMENT is made and entered into by and between the Moreno Valley Community Services District (hereinafter "District") and **Variable Speed Solutions, Inc.**, (hereinafter "Contractor").

RECITALS

WHEREAS, the District and Contractor entered into an independent contractor agreement, hereinafter referred to as "Agreement", dated **June 25, 2014** for the maintenance of the District's landscape irrigation pumps associated with the parkways, medians and open spaces throughout the District's landscaped maintenance areas.

SECTION 1. AGREEMENT:

1.1 The Agreement, and all of its terms and provisions, as amended, entitled **Independent Contractor Agreement SD 2015-02 Irrigation Pump Maintenance Services** and dated June 25, 2014 is hereby incorporated as if set forth in full.

1.2 The term of the Agreement shall be for the 2015/16 fiscal year (July 1, 2015 thru June 30, 2016) and shall terminate on June 30, 2016.

1.3 Pump testing of the pumps in the District's parkways and medians to be maintained under this **Agreement** shall be those areas listed hereto on Exhibit "A".

1.4 Frequency of pump testing for those irrigation pump stations located within the parkway, median and open areas, "Base Work", shall be at the frequency as detailed in Exhibit "B" attached hereto.

SECTION 2. COMPENSATION FOR AGREEMENT:

2.1 The District will pay the Contractor for all work (labor, materials, supplies, equipment, etc.) performed under this **Agreement** for maintenance of the irrigation pumps in the Districts' landscaped parkways, medians and open areas "Base Work" and "Additional Work" as more fully described in Sections 2.2 and 2.3 below will be **TWENTY-THREE THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$23,600.00)**.

2.2 "Base Work" compensation shall be based on the number of documented tests performed per month at the Per Test Cost Per Pump rate listed in Exhibit B. Payments are remitted one month in arrears, on the last day of the month based on the number of tests performed at the testing frequency detailed in Exhibit "B". The total contract amount for Base Work during the twelve (12) month period shall not exceed **SIX THOUSAND EIGHT HUNDRED FORTY AND 00/100 (\$6,840.00)**.

2.3 Except as specifically approved by subsequent action of the CSD Board or City Manager as directed by the CSD Board, the Director may not authorize "Additional Work" pursuant to this Agreement in excess of the cumulative total of **SIXTEEN**

THOUSAND SEVEN HUNDRED SIXTY AND 00/100 (\$16,760.00) which is more fully described in Exhibit "B".

SECTION 3. DEPARTMENT OF INDUSTRIAL RELATIONS:

3.1 Contractor and all approved subcontractors must provide proof annually of contractor registration with the California Department of Industrial Relations. Registration can be filed on the following website:

<https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRRegistrationForm>

SIGNATURE PAGE FOLLOWS

INDEPENDENT CONTRACTOR AGREEMENT SD 2015-02 IRRIGATION PUMP MAINTENACE SERVICES

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

Moreno Valley
Community Services District

Contractor: Variable Speed Solutions, Inc.

By: [Signature]
Title: City Manager, Acting in the capacity
of District Manager to the Moreno
Valley Community Services District

By: [Signature] President
Title: (President or Vice President)

Date: 8.6.15

Date: 8-3-15

INTERNAL USE ONLY

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

[Signature]
City Attorney

8-6-15
Date

RECOMMENDED FOR APPROVAL:

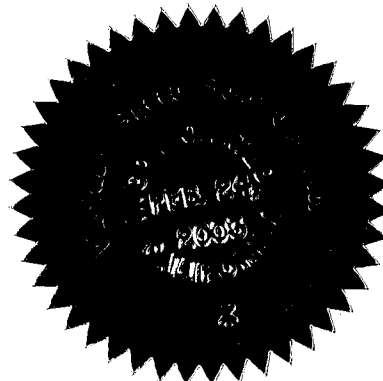
[Signature]
Department Head

8/4/15
Date

By: [Signature]
Title: Corporate Secretary or Assistant
Secretary

Date: 8/03/15

Affix Corporate Seal Below



Attachment: First Extension Agreement FY 2015/16 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP

Irrigation Pump Stations	
Area/Tract	Address/Location
D (Tract 31591)	12949 Morrison Street
E-14 Mahogany Fields	26482 Cottonwood
E-14 Mahogany Fields	13540 Morrison
E-14 Mahogany Fields	13960 Morrison
D (Tract 22889)	24518 Krameria
D (Tract 30967)	24615 Krameria
E-4 Moreno Valley Ranch - East	28976 Cactus
D (Tract 31268)	28772 Cottonwood
D (Tract 31284)	28451 Cottonwood
E-3 - Moreno Valley Ranch - West	15302 Caballo Road
E-1 Towngate	22871 Centerpoint
E-1 Towngate	Towgate Blvd (S/W corner)
E-12 Stoneridge Ranch	13028 Nason
E-12 Stoneridge Ranch	12990 Nason
NPDES (Tract 31327)	13960 Morrison WQB
M - Medians	29642 Eucalyptus Ave.
D (Tract 32625)	13547 Redlands East
NPDES (Tract 31269-1)	28943 Canterbury ¹
NPDES (Tract 32625)	Redlands WQB East ²

Notes:

¹ Pump not in use, no maintenance service currently required for this location.

² Pump facility has not been accepted by the City for maintenance.

Service Area		FY 2015/16 Base Work			FY 2015/16 Additional Work	FY 2015/16 Contract Amt By Area
Zone	No. of Pumps	Testing Frequency ¹	Per Test Cost Per Pump	Total Testing Cost Per Zone/Area	Estimated Additional Work Amounts	Not To Exceed (NTE) Amount
D ²	6	Bi-Annual	\$ 190.00	\$ 2,280.00	\$ 2,660.00	\$ 4,940.00
01	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 2,000.00	\$ 2,760.00
03	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
04	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 1,000.00	\$ 1,380.00
05	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 4,000.00	\$ 4,760.00
06	3	Bi-Annual	\$ 190.00	\$ 1,140.00	\$ 4,000.00	\$ 5,140.00
M ³	1	Bi-Annual	\$ 190.00	\$ 380.00	\$ 600.00	\$ 980.00
NPDES	2	Bi-Annual	\$ 190.00	\$ 760.00	\$ 1,500.00	\$ 2,260.00
Totals	18		\$ 1,520.00	\$ 6,840.00	\$ 16,760.00	\$ 23,600.00

Notes:

¹ Bi-Annual = 2 tests per year, per pump

INDEPENDENT CONTRACTOR AGREEMENT

SD 2015-02 IRRIGATION PUMP MAINTENANCE SERVICES

This Agreement, herein referred to as "Agreement" or "Contract" is made by and between the City of Moreno Valley, a California municipal corporation, and the Moreno Valley Community Services District, a Community Services District established pursuant to Section 61000 and following of the California Government Code, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552 hereinafter referred to as "City" and Variable Speed Solutions, Inc., a corporation, with its principal place of business at 16182 Gothard Street, Suite I, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and,
- B. Contractor desires to perform and assume responsibility for the provision of professional landscape irrigation pump repair, maintenance and testing services required by the City based upon on the term and conditions set forth in this Agreement. Contractor represent that it is experience in providing professional landscape irrigation pump repair, maintenance and testing services and is licensed in the State of California; and,
- C. The City desires to engage Contractor to render such services for landscape irrigation pump repair, maintenance and testing services; and,
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement.
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

Contractor's Name	<u>Variable Speed Solutions, Inc.</u>
Street Address	<u>16182 Gothard Street, Suite I</u>
Street Address	<u></u>
City, State, Zip	<u>Huntington Beach, CA 92647</u>
Mailing Address	<u>Same as above</u>
(If same as Street Address, write same or same as above)	<u></u>
Business Phone (with area code)	<u>(714) 847-5957</u>
Cell or Mobile Phone (with area code)	<u>(714) 330-6615</u>
Other Contact Number (with area code)	<u></u>
Fax Number	<u>(714) 847-5958</u>

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

Email Address	brian@variablespeedsolutions.com
Business License Number	20678
Federal Tax ID Number	45-0508795
Contractor's License Number & Classification	665995 C-10 & C-20

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of work, responsibilities, requirements, provisions, and additional terms and conditions required to be performed by the Contractor for the services of this RFP are described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The City's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.
- D. The Contract Starting Date is July 1, 2014 and the Contract Ending Date is June 30, 2015 unless terminated earlier as provided herein. Any provisions for extending the term of the Contract for subsequent terms are provided in Exhibit "D" attached hereto and incorporated herein by this reference. The City acknowledges that it will consider Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors) and such delays shall extend the time for performance of the work by the Contractor.
- E. Contractor's Proposal submittal documents including but not limited to the Bid Schedule, Additional Work Price List, Contract Proposal, Contractor Information, Certification of Non-Discrimination, and List of Subcontractors, are described in Exhibit "E" attached hereto and incorporated by this reference.

3. STANDARD TERMS AND CONDITIONS:

- A. Control of Work. Except for compliance with general and technical provisions (which may also be referred to herein as specifications) and performance standards as provided for in Exhibit "A," the Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide, nor be responsible to provide, any training to the Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any

employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.

- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Contract, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of the City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of the City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: [INSERT NAME(S)].
- F. City's Representative. The City hereby designates the City Manager/City Manager in the capacity of District Manager to the Moreno Valley Community Services District, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates [INSERT NAME OR TITLE], or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Contract. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely

responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations .

- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the service to be performed, a threat to the safety of persons or property, or any employee who fails or refuses to perform the requisite services in a manner acceptable to the City, shall be promptly removed from by the Contractor and shall not be allow to perform any future services for the City.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City of Moreno Valley (City), the Moreno Valley Housing Authority (Housing Authority), and the Moreno Valley Community Services District (District), and the their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the District and the Moreno Valley Housing Authority, and their officers, agents and employees.
- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the District, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the District, and their officers, agents and employees

as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the District, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the District, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and District against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Contract. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Workers' Compensation Coverage" is signed, notarized and attached to this Agreement

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, subcontractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Contract and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$1,000,000 per occurrence/ \$2,000,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/District/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley and the Moreno Valley Community Services District, it is agreed that the City of Moreno Valley, the Moreno Valley Community Services District, and the Moreno Valley Housing Authority their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, the Moreno Valley Community Services District, and their officers, employees and agents, under any third party liability policy.

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail to the City of amendment or cancellation, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Contract, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Contract. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Contract. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of all parties.
- N. Entire of the Agreement. This Agreement constitutes the entire Contract between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the proposal attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by all parties. Assignment of this Agreement is prohibited without prior written consent.
- O. Termination.
1. The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or

continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination .

2. Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
 3. If this Agreement is terminated as provided herein, the City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
 4. In the event this Agreement is terminated in whole or in part as provided herein, the City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor, pursuant to this Contract will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor, except as provided for in Exhibit "C". Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Contract. Upon reasonable notice, such records must be made available to the City's agent; however, nothing herein shall convert such records into public records. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Contract.
- Q. Restrictions on City and City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Contract. No officer or employee of the City shall have any financial interest in this Contract in violation of federal, state, or local laws.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Contract, and shall govern the interpretation of this Contract. Any legal proceeding arising from this Contract shall be brought in the appropriate court located in Riverside County, State of California.

- S. Delivery of Notices. All notices, requests, demands or other communications ("notice") under this Contract by any party shall be in writing, shall be properly addressed as set forth below (or to such other address as any party may later designate),:

To Contractor: Variable Speed Solutions, Inc.

16182 Gothard Street, Suite I

Huntington Beach, CA 92647

Brian Pavloff

(714) 847-5957

brian@variable speedsolutions.com

To City: CITY OF MORENO VALLEY AND
THE MORENO VALLEY COMMUNITY SERVICES DISTRICT
Financial & Management Services Department
Special Districts Division
14331 Frederick Street, Suite 2
P. O. Box 88005
Moreno Valley, CA 92552-0805
Attn: Sharon Sharp, Senior Management Analyst
Telephone number: 951.413.3480
Email address: specialdistricts@moval.org

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. The City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by all parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW:

SIGNATURE PAGE

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement CITY MANAGER'S SIGNATURE ON SEPARATE PAGE

City of Moreno Valley / City of Moreno Valley
Community Services District
By: [Signature]
Title: Mayor and Mayor, acting in the capacity of President of the Board of Directors of the Moreno Valley Community Services District

Variable Speed Solutions, Inc.
By: [Signature]
Title: (President or Vice President)

Date: 6-23-14

Date: 06-04-2014

INTERNAL USE ONLY	
ATTEST:	<u>[Signature]</u> City Clerk
APPROVED AS TO LEGAL FORM:	<u>[Signature]</u> City Attorney
	<u>6-18-14</u> Date
RECOMMENDED FOR APPROVAL:	<u>[Signature]</u> Department Head
	<u>6/19/14</u> Date

By: [Signature]
Title: Corporate Secretary or Assistant Secretary (If applicable)
Date: 06-04-2014

Affix Corporate Seal Below (If applicable)



All signatures on the Agreement on behalf of the Contractor must be acknowledged before a notary public. Attach Notary Certificates following this page.

General Partners must sign on behalf of the partnership.

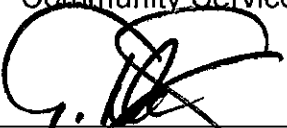
In the event the contracting firm is a corporation, two (2) corporate officer's having authority from the corporation MUST sign (two (2) signatures total). If the corporation has a corporate resolution stating one person is authorized to sign on behalf of all officers, attach corporate resolution immediately following the notary certificates. Corporate Seal may be affixed hereto.

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

SIGNATURE PAGE

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

City of Moreno Valley/City of Moreno Valley
Community Services District

By: 

Title: City Manager acting in the capacity of
District Manager to the Moreno Valley
Community Services District

Date: 6.25.14

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

EXHIBIT A**SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES****1. GENERAL PROVISIONS - SCOPE OF WORK**

- A. The work to be performed under this Contract shall include the furnishing of all labor, material, and equipment necessary for the provision of maintenance and repair of irrigation pump stations within the boundaries of the various City LMDs and/or zones of the District as determined in the resolutions of the City Council and/or Community Services District Board establishing said LMDs and/or zones, and as said boundaries may have been heretofore or may be hereafter altered.
- B. All work shall be performed in accordance with the usual and customary industry practices for the maintenance and repair of irrigation pump stations. The Director will inspect all the operations and approve or reject the work performed, and method and materials used, and make changes in work scheduling.

2. GENERAL PROVISIONS – ESTIMATED QUANTITIES

- A. The estimated quantities given in Exhibit E Schedule II - Bid Schedule are approximate only, being given as a basis for the comparison of proposals. The City does not, expressly or by implication, agree that the actual amount of work will correspond therewith, and reserves the right to increase or decrease the amount of any portion of the work, or to omit portions of the work, or delete any bid items of work, as may be deemed to be necessary or advisable by the Director.

3. GENERAL PROVISIONS - SCHEDULING OF WORK

- A. When inclement weather renders performance per the approved schedule unsafe, impractical, or liable to damage landscaping, the Contractor shall contact City field staff to inform them of this circumstance, and to discuss possible date(s) for the resumption of work. Failure to so advise the City field staff may be cause for assessment of non-performance penalties per Exhibit C, Section 4.

- B. For the purposes of this Contract, "Working Days" are Mondays through Thursdays, excluding holidays as provided herein. The hours of on-site maintenance service will be from 7:00 a.m. to 4:30 p.m. on those days maintenance is to be provided pursuant to the work schedule as approved by the Director. Any work the Contractor proposes to perform outside of the days and hours set forth hereinabove, as well as on legal City holidays, shall not be undertaken without the prior written approval of the Director.

The following days have been designated as holidays by the City:

New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	4th Friday in November
Christmas Eve	December 24
Christmas Day	December 25

If a holiday falls upon a Sunday, the following Monday shall be the day the holiday is observed. If a holiday falls upon a Saturday, the preceding Friday shall be the day the holiday is observed. If a scheduled maintenance service day falls on a designated holiday, the Contractor shall submit a proposed make-up day for the Director's approval.

4. GENERAL PROVISIONS - FUNCTIONS AND RESPONSIBILITIES

- A. The Director and Contractor shall conduct an inspection of all sites covered under this Contract as soon as practicable after its execution, and prior to commencement of Contractor's operations. Following said inspection, the Contractor shall submit to the Director a written affidavit certifying the actual condition of the site(s) relative to the City Specifications, including but not limited to the nature and extent of any deficiencies noted by the Contractor, and acknowledged by the Director. The Contractor is hereby advised that this affidavit shall serve as the benchmark for the Director's evaluation of Contractor's performance under this Agreement. Failure to maintain site(s) up to this established standard may result in the City deducting payment of all or part of the Contractor's compensation, as described in Exhibit C, Section 3.

- B. The Contractor shall maintain an office at some fixed place, and be listed in the telephone directory in Contractor's own name or in the Contractor's company name.

Contractor shall at all times employ some responsible person(s) to receive phone calls and take the necessary action regarding all inquiries, complaints, and/or emergency calls that may be received from the Director or other authorized individuals or agencies as listed in Exhibit A, Section 3, paragraph E below. This person(s) shall be reachable twenty-four (24) hours per day, seven (7) days a week.

During normal working hours, the Contractor's Supervisor or employee designated as being responsible for providing maintenance services to the City shall be directly available for immediate notification through some type of reliable electronic means, including but not limited to, mobile or cellular phone. The Contractor or Contractor's designated employee shall confirm said notification within one (1) hour of receipt. An answering service will be considered an acceptable substitute for coverage only during periods outside of normal working hours, provided Contractor is advised of emergency calls within one (1) hour of receipt of the call by the answering service and within twenty-four (24) hours after receipt of non-emergency calls by the answering service. The above provision for Contractor's communication with the City is the minimum acceptable standard under this Contract. Failure to regularly provide said communication capability may result in the Contractor being assessed non-performance penalties, per Exhibit C, Section 4.

- C. The Contractor shall respond to an emergency call from any of the parties listed below no later than two (2) hours following first notification by telephone, written email, written mailed correspondence or facsimile transmission. In situations involving emergency repair work after normal working hours, the Contractor shall dispatch qualified personnel, and equipment to reach the site within two (2) hours of first notification. An emergency may be called by the following individuals or agencies at any time:

- | | |
|---|--|
| 1. City Manager | 6. Street Maintenance Supervisor |
| 2. Financial & Mgmt. Services. Director | 7. Senior Landscape Services Inspector |
| 3. Police Department | 8. Landscape Services Inspector |
| 4. Fire Department | 9. Landscape Irrigation Technician |
| 5. Special Districts Division Manager | |

Contractor's emergency response and any necessary corrective work shall be considered Additional Work as defined in Exhibit C, Section 2, unless said emergency is determined to have been caused by an act or omission attributable to the Contractor.

5. GENERAL PROVISIONS - CONTRACTOR'S STAFF

- A. The Contractor shall provide sufficient personnel to perform all work in accordance with the Specifications set forth herein. All of the Contractor's personnel must be able to demonstrate to the satisfaction of the Director that they possess adequate technical background and communication skills to ensure the accomplishment of work which will be acceptable to the Director. Any order or communication given to the Contractor's personnel shall be deemed to have been delivered to the Contractor.
- B. The Contractor and his employees and subcontractors, if any, shall conduct themselves in a proper, professional, and efficient manner at all times and shall cause the least possible inconvenience to the public.
- C. The Director may require the Contractor to remove from the work site any employee(s) deemed careless, incompetent, or otherwise objectionable, whose continued employment on the job is considered to be contrary to the best interests of the City.
- D. The Contractor shall require each employee performing work under the Contract to adhere to basic public works standards of working attire including but not limited to wearing of proper clothing, proper shoes, and other gear required by applicable Safety Regulations.

Shirts shall be worn at all times and shall be buttoned. Approved safety vests shall be worn by Contractor's employees when working on parkway medians, monuments, parkways, and other high traffic-hazard areas as determined by the Director. Failure to comply with the above requirements may make the Contractor liable for assessment of non-performance penalties, per Exhibit C, Section 4.

- E. The Contractor shall establish an identification system for Contractor's personnel which clearly indicates to the public the name of the Contractor. The identification system shall be furnished at the Contractor's expense and may include appropriate attire and/or name badges as specified by the Director.

6. GENERAL PROVISIONS - EMPLOYMENT OF APPRENTICES

The provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code regarding the employment of properly registered apprentices may apply to this Contract if the Contractor, or any subcontractors thereunder, employs workers in any apprenticeable craft or trade. It is the Contractor's sole responsibility to comply with the Labor Code sections cited above. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the California Department of Industrial Relations.

7. GENERAL PROVISIONS - COMPLAINTS

- A. All complaints shall be responded to as soon as possible after notification, but in all cases within twenty-four (24) hours, to the satisfaction of the Director. If any complaint is not satisfactorily responded to within twenty-four (24) hours, the Director shall be notified immediately of the reason for not remedying the complaint followed by a written report to the Director within five (5) working days. If the complaints are not remedied within the time specified, and to the satisfaction of the Director, the Director may correct the specific complaint by using an alternative source. The total cost incurred by the City to effect necessary remedies will be deducted from the payments owing to the Contractor from the City, per Exhibit C, Section 3.
- B. The Contractor shall maintain a written log of all complaints, the date and time thereof, and the action taken pursuant thereto, or the reason for non-action. Said log shall be submitted to the Director monthly as set forth herein Exhibit A, Section 4, paragraph B.
- C. In addition to the provisions of Exhibit A, Section 6, paragraph A, in the event of a failure by the Contractor to satisfactorily remedy a complaint in a timely manner or for any other breach of this Agreement by Contractor, the City may immediately upon written notice to the Contractor terminate this Agreement.

8. GENERAL PROVISIONS - SAFETY

- A. The Contractor agrees to perform all work as outlined in the Provisions listed herein in such a manner as to meet all accepted standards for safe practices and to safely maintain equipment, machines, and materials, and prescribe and employ all precautions and safety procedures related to other hazards consequential to the work; and accepts additionally the sole responsibility for complying with all local, State, Federal and other legal requirements including but not limited to full compliance with the terms of any and all applicable OSHA and Cal/OSHA Safety Orders at all times so as to protect all persons, including Contractor's employees and subcontractors, agents of the City, District, materialmen, vendors, members of the public and others from foreseeable injury, or damage to their property.

- B. The Contractor's operations shall be conducted in such a manner as to cause the least possible obstruction, and inconvenience to public traffic. The Contractor shall furnish, erect and maintain such fences, barriers, lights and warning signs as may be deemed necessary by the Director, or any duly constituted public safety official.

Contractor's work area traffic control, including but not limited to type and placement of signs, barricades, and delineators, shall be in accordance with the "Manual of Uniform Traffic Control Devices, 2012 (or most current revised version) California Supplement".

Contractor's work should not encroach into open lanes of traffic between the hours of 7:00 a.m. and 8:30 a.m. or between the hours of 3:30 p.m. and 6:00 p.m.

- C. The Contractor shall maintain all work sites free of hazards to persons or property resulting from Contractor's operations. Any hazardous condition noted by the Contractor, which is not a result of Contractor's operations, shall be immediately reported to the Director.
- D. The Contractor shall cooperate fully with the City in the investigation of any accidental injury or death occurring on the site, including a complete written report thereof to the Director within five (5) working days following the occurrence.
- E. Failure to comply with the provisions of this section of Exhibit A may result in: payment deduction per Exhibit C, Section 3, or assessment of non-performance penalties per Exhibit C, Section 4. Repeated failure to comply with the provisions of this section may result in termination of the Agreement, per the terms of the independent Contractor Agreement, Section 3, paragraph O.

9. LICENSES AND PERMITS

The Contractor shall, without additional expense to the City, possess all licenses and permits, including but not limited to a valid City Business License, required for the performance of the work under this Contract.

10. PREVAILING WAGE

- A. Pursuant to provision of Section 1773 of the Labor Code of the State of California, the City of Moreno Valley and the Moreno Valley Community Services District have obtained the general prevailing rate of per diem wages applicable for the work to be done, including but not limited to: straight time, overtime and holiday work; travel and subsistence payments; employee payments of health and welfare, vacation, pension, and similar purposes. Said rate and scale are on file with the Public Works Department of the City of Moreno Valley, and copies will be made available to any interested party on request. These rates shall be the minimum wage rates for this project. Throughout the term of this Contract, the Contractor will be required to post a copy of said rate and scale as required by the Labor Code.

- B. Pursuant to provisions of Section 1775 of the Labor Code, the Contractor shall forfeit as penalty to the City, not more than fifty dollars (\$50.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinabove stipulated for any work done under the attached Agreement by the Contractor or by any subcontractor under Contractor's direction and control, in violation of the provisions of said Labor Code.

11. PAYROLL RECORDS

- A. The Contractor, and any subcontractor thereunder, shall keep complete accurate payroll records for each workman employed by Contractor/subcontractor in connection with this Contract, as required by California Labor Code Section 1776.
- B. The Contractor, and any subcontractor thereunder, shall make available to the City upon its request, certified payroll records for each workman employed in connection with this Contract as required by California Labor Code Section 1776.
- C. The City may withhold from Contractor's progress payments the penal sum of twenty-five dollars (\$25.00) per calendar day (or portion thereof) for each worker employed in connection with this Contract should Contractor, or any subcontractors thereunder, fail to strictly comply with California Labor Code 1776 after receiving written notice of non-compliance.

12. CONTRACTOR'S LIABILITY

The Contractor shall be responsible for all damages to people and/or property that occur as a result of the fault or negligence attributable to the Contractor in connection with the performance under this Agreement. Any and all restitution or repairs deemed necessary by the Director to remedy such damages shall be furnished and performed at the Contractor's sole expense and shall be completed within the time limits established by the Director.

13. CONTRACTORS LICENSE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Contractor will comply with all applicable licensing laws and regulations. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, 9821 Business Park Driver, Sacramento, CA 95827. Mailing address: P.O. Box 26000, Sacramento, CA 95826.

14. TECHNICAL PROVISIONS

A. GENERAL TECHNICAL REQUIREMENTS

1. During the entire term of the agreement, Contractor and subcontractor, if any, shall hold a valid California State Contractors License Class C-10.

2. Contractor shall perform comprehensive testing and maintenance twice (2 times) per fiscal year (from each July 1st to June 30th) of the irrigation booster pumps located within the City's landscaped service areas to ensure proper operation. Testing shall occur during the months of July and January each year for each location listed in Exhibit A Section 15 and include any additional areas that may be added after the commencement of this Contract or any extension thereof.
3. Contractor shall perform such irrigation booster pump maintenance, repairs, replacements, etc. in compliance with The National Electrical Code, 2014 Edition (or most current), as published by the National Fire Protection Association as well as applicable Federal, State, and local agency laws and regulations.
4. All electrical equipment used shall conform to the standards of the National Electrical Manufacturers Association (NEMA), the Underwriters Laboratories Inc. (UL), or the Electronic Industries Association as described in Section 209 of the "Greenbook" Standard Specifications for Public Works Construction 2009 Edition (or most current).
5. Contractor shall provide all labor, materials, equipment, and administrative costs necessary to perform the above-referenced tests, maintenance, repairs, etc.

B. MAINTENANCE AND REPAIR PROCEDURES

1. Pumps
 - (a) Adjust packing as necessary;
 - (b) Check sniffer valve;
 - (c) Clean bleed lines;
 - (d) Inspect shaft for wear and scoring;
 - (e) Tighten bolts as necessary;
 - (f) Check head shaft adjustment nut and lubricate;
 - (g) Acid clean pump heads;
 - (h) Perform deadhead pressure and amp readings
2. Motors:
 - (a) Perform megger motor insulation test ;
 - (b) Check motor leads at motor connection box;

- (c) Lubricate motor bearings per manufacturers guidelines;
 - (d) Tighten bolts as necessary;
 - (e) Check for vibration;
 - (f) Check for bearing noise;
 - (g) Change motor oil;
 - (h) Clean intake and exhaust screens;
 - (i) Blow out windings with compressed nitrogen as necessary
3. Valves:
- (a) Check station isolation valves;
 - (b) Check pump isolation valves;
 - (c) Check pump check valves
4. Hydraulic Control and relief valves
- (a) Acid clean control line strainer;
 - (b) Blow out control lines;
 - (c) Flush bonnet;
 - (d) Polish stem;
 - (e) Replace o-rings as necessary;
 - (f) Check micro switches;
 - (g) Inspect valve body;
 - (h) Check CRL interstage pilot control and calibrate to design pressure;
 - (i) Check CRD downstream pilot control and calibrate to design pressure;
 - (j) Check CRL surge pilot control and calibrate to design pressure;
 - (k) Check CRL relief pilot control and calibrate to 15 psi above set point;
 - (l) Test valve operation.

5. Filtration.
 - (a) Test control circuits;
 - (b) Check timer settings and adjust as necessary;
 - (c) Acid clean control line strainers for all filtration circuits;
 - (d) Check pressure drop across main line filter;
 - (e) Check heat exchanger solenoid valve and operation;
 - (f) Check flush line valve operation;
 - (g) Check automatic lake screen operation; Check CRL relief pilot control and calibrate to 15 psi above set point.

6. Tank and skid.
 - (a) Check air release valve;
 - (b) Check bladder;
 - (c) Check recycle probes and acid clean as necessary;
 - (d) Check recycle compressor belts;
 - (e) Check recycle compressor oil and change as necessary;
 - (f) Check skid for corrosion and decay;
 - (g) Clean skid and wash down as necessary.

7. Variable speed drive.
 - (a) Perform visual inspection of circuit boards and components;
 - (b) Check connections;
 - (c) Blow out all boards and components;
 - (d) Check cooling fan operations;
 - (e) Check fault log;
 - (f) Check volts/hertz setting and calibrate as necessary;
 - (g) Test drive operation.

8. Control logic.
 - (a) Check low discharge pressure safety;
 - (b) Check high discharge pressure safety;
 - (c) Check low level safety operation;
 - (d) Acid clean level probes;
 - (e) Check phase monitor setting and calibrate;
 - (f) Check high temperature safeties,
 - (g) Check loss of prime safety;
 - (h) Check remote well/lake fill controls;
 - (i) Check lead /lag operation;

15. PROJECT LOCATIONS

Irrigation Pump Stations	
Area/Tract	Address/Location
D (Tract 31591)	12949 Morrison Street
E-14 Mahogany Fields	26482 Cottonwood
E-14 Mahogany Fields	13540 Morrison
E-14 Mahogany Fields	13960 Morrison
D (Tract 22889)	24518 Krameria
D (Tract 30967)	24615 Krameria
E-4 Moreno Valley Ranch - East	28976 Cactus
D (Tract 31268)	28772 Cottonwood
D (Tract 31284)	28451 Cottonwood
E-3 - Moreno Valley Ranch - West	15302 Caballo Road
E-1 Towngate	22871 Centerpoint
E-1 Towngate	Towgate Blvd (S/W corner)
E-12 Stoneridge Ranch	13028 Nason
E-12 Stoneridge Ranch	12990 Nason
NPDES (Tract 31327)	13960 Morrison WQB
M - Medians	Eucalyptus Ave. (Skechers)
D (Tract 32625)	13547 Redlands East
NPDES (Tract 31269-1)	28943 Canterbury ¹
NPDES (Tract 32625)	Redlands WQB East ²

Notes:

¹ Pump not in use, no maintenance service currently required for this location.

² Pump facility has not been accepted by the City for maintenance.

EXHIBIT B: City Responsibilities

SD 2015-02 IRRIGATION PUMP MAINTENANCE SERVICES

1. GENERAL

The City will furnish any necessary permits, and coordinate Contractor's maintenance operations with the City's maintenance vendors

2. CONTRACT SUPERVISION

- A. The Contract shall be administered on behalf of the Financial and Management Services Director of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director."
- B. The Director will decide all questions which may arise as to the manner of performance and completion per schedule, acceptable fulfillment of the Contract by the Contractor, interpretation of the Specifications, and compensation to include completion of work by alternate sources.
- C. The Director will inspect all the operations and approve or reject the work performed, and methods and materials used.

3. EXCESSIVE UTILITY USAGE

Contractor shall pay for all excessive utility usage due to Contractor's failure to perform maintenance and repairs as listed in Exhibit A, Section 14 B of the Technical Provisions. The excess cost will be determined by comparing current usage with historical usage for the same time period. The excess cost factor, to be deducted from payments to Contractor from the City, will be presented to the Contractor by the Director prior to actual deduction to allow for explanations

EXHIBIT C: Payment Terms**SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES****1. CONTRACTOR'S COMPENSATION**

- A. The Contractor will electronically submit an invoice to be paid monthly per site for work performed satisfactorily under this Contract and in compliance with the terms and provisions of this Contract. By the tenth of each month the Contractor shall submit to the Director detailed reports of the following: 1) maintenance and repairs performed; 2) complaints received; 3) hazards noted in the prior month; and 4) a detailed invoice for the work performed in accordance with the Contract price, which shall become the basis for payment. No payment(s) shall be made until the reports, listed herein, have been submitted and approved. At no time will the City pay for more service than has been satisfactorily completed and the City's determination of the amount due shall be final.

The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to 951.413.3073.

Copies of invoices and reports will be submitted to the Special Districts Division of the Financial & Management Services Department at specialdistricts@moval.org. Calls may also be directed to the Special Districts Division at 951.413.3480.

- B. The Contractor will obtain and keep current during the term of this Contract, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at http://www.moval.org/do_biz/biz-license.shtml.
- C. Except where additional compensation is specifically provided for in this Contract, the City will pay the Contractor for all work (labor, material, supplies, equipment, etc.) performed under this Contract one (1) month in arrears, on the last day of the month. The basis for calculating Contractor's compensation for work performed shall be the unit pricing set forth in Exhibit E, Schedule II - Bid Schedule, Section A. The total contract amount for twelve (12) months shall not exceed seven thousand two hundred twenty dollars and no 0 cent /100 (\$7,220.⁰⁰), except as provided for in Section 2 below.

- D. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall_forms.shtml#bf.
- E. The minimum information required on all invoices includes:
1. Vendor Name, Mailing Address and Phone Number
 2. Invoice Date
 3. Location Services were Testing and/or Services were Performed
 4. Vendor Invoice Number
 5. City– provided Reference Number (Project No. and Title)
 6. Detailed work hours by class title (e.g. Manager, Technician or Specialist), services performed, and rates, explicit portion of a contract amount or detailed billing information is sufficient to justify the invoice amount: single or lump sum amounts without detail are not acceptable.
- F. The City shall pay the Contractor for all invoiced and authorized maintenance services within thirty (30) days of receipt of invoice for the same.
- G. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the City.
- H. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.
- 2. ADDITIONAL WORK**
- A. During the term of this Contract, the City may, at its discretion, authorize the Contractor to perform certain Additional Work as included in Exhibit C, Section 2, paragraph C herein (“Additional Pump Stations”).

If the City determines it to be in the City's best interest, said Additional Work may include: Acts of God (i.e., earthquake damage, storm damage), or vandalism, theft,

and acts or omissions by third parties.

Compensation for all such Additional Work shall be calculated either: at the prices set forth by the Contractor in the Exhibit E, Schedule II – Bid Schedule, Section B or at a price based on the Contractor's written estimate (lump sum, time and materials, or cost plus basis) as determined by the Director. Except as set forth herein Exhibit C, Section 2, paragraph B below, the Contractor shall not perform any such Additional Work without first obtaining express written authorization from the City.

- B. Notwithstanding the above requirement for prior written authorization, when a condition exists wherein there is imminent danger of injury to the public or damage to property, the City may verbally authorize the work to be performed upon receiving a verbal estimate from the Contractor. Within twenty-four (24) hours after receiving a verbal authorization, the Contractor must submit a written estimate to the City for written approval. Whenever immediate action is required to prevent impending injury, death, or property damage to the facilities being maintained, the City may, after reasonable attempt to notify the Contractor, cause such action to be taken by the City work force.
- C. The Contractor shall, as Additional Work, perform booster pump testing at a price comparable to that set forth in Exhibit E, Schedule II - Bid Schedule, Section A for pumps added to parkway and/or median landscape areas that the City may add to the Contract during the initial term or any extension thereof.
- D. Except as specifically approved by subsequent action of the City Council and/or District Board of Directors, the Director may not authorize Additional Work pursuant to paragraphs A, B, and C above in excess of the cumulative total of 17,470.00 *msw* (~~17,470.00~~) for each contract year during the term of this Contract.

3. PAYMENT DEDUCTIONS

The City may deduct payment to such extent as may be necessary to protect the City from loss due to:

- A. Work required in the General or Technical Provisions which is: not performed, or; not performed to the standards set forth therein, or; not performed at or within the time(s) specified therein, or; is incomplete;
- B. Claims filed or reasonable evidence indicating probable filing of claims by laborers, materialmen, subcontractors, or third parties.

4. NON-PERFORMANCE PENALTIES

The Contractor may become liable for payment of non-performance penalties for failure to: provide adequate communications; provide adequate work area safety including but not limited to wearing of appropriate work attire; submit notifications or reports required by the Contract, or General Provisions at the intervals and/or frequencies set forth therein; or;

perform work as required by the General Provisions at the intervals and/or frequencies as set forth therein, or as set forth in Contractor's approved work schedule, or as directed by the City. For each of the categories set forth hereinabove, the penal sum of \$100 (one hundred dollars) per working day will be assessed for each working day the deficiencies remain uncorrected.

If non-performance penalties are to be assessed, the Contractor will be notified immediately by written email, facsimile transmission, letter or by telephone.

The Contractor will not be assessed non-performance penalties for delays caused by the City or by the owner of a utility to provide for the removal or relocation of utility facilities.

5. TIME FOR PERFORMANCE

The Contractor hereby agrees to commence work pursuant to this Contract within fourteen (14) calendar days after the date of authorization as specified in the Notice to Proceed and to diligently prosecute the contracted work noted on the Bid Schedule.

EXHIBIT D: Term of Contract**SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES****1. TERM OF CONTRACT**

- A. Following approval by all parties, the Contract will commence on July 1, 2014, and shall terminate June 30, 2015, (12) months thereafter.
- B. At the expiration of its term, the Contract may be extended for up to four (4) additional twelve (12) month periods with the concurrence of all parties. Written notice of the City's intent to invoke this subsection of the Contract (Exhibit D, Section 1, paragraph B) shall be given to the Contractor at least thirty (30) days prior to the expiration of the initial term of the Contract or any extension thereof.
- C. In considering the option to extend the Contract, as set forth in paragraph B above, the City shall determine the following:
- That the Contractor's performance during the preceding twelve months has been satisfactory; and,
- That any request for increase of Contractor's compensation is based on an annual inflation adjustment based on the percentage increase calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.
- D. At the expiration of its term, and with the concurrence of all parties, the Contract may be extended for up to three (3) additional periods of thirty (30) days each, subject to all terms and conditions in effect during the current term of the Contract. Written notice of the City's intent to invoke this subsection of the Contract (Exhibit D, Section 1, paragraph D) shall be given to the Contractor at least fifteen (15) days prior to the expiration of the initial term of this Contract, or any extensions thereof.
- E. It should be noted that multiyear contracts may be continued each fiscal year only after funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley and the City Council acting in the capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District. In the event that the City Council and/or the City Council acting in the capacity as President and Members of the Board of Directors for the CSD does not grant necessary funding appropriations and/or program approval, the affected multiyear contract becomes null and void, effective July 1st of the fiscal year for which such approvals have been denied.

EXHIBIT E: PROPOSAL SUBMITTAL DOCUMENTS

**SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES**

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

SD 2015-02
IRRIGATION PUMP MAINTENANCE SERVICES

ATTACH ADDITIONAL SHEETS AS NECESSARY FOR COMPLETE RESPONSES

I. SCHEDULE I – VENDOR INFORMATION

A. COMPANY NAME: Variable Speed Solutions, Inc

- TYPE
- Sole proprietor _____
 - Partnership _____
 - Corporation X

B. COMPANY ADDRESS (STREET): 16182 Gothard Street Ste: I
(CITY, STATE, ZIP): Huntington Beach, CA 92647

C. COMPANY ADDRESS (MAILING): Same as above
(CITY, STATE, ZIP): Same as above

D. BUSINESS PHONE NUMBER(with area code): (714) 847-5957

E. SATELLITE OFFICE ADDRESS (if applicable)

F. SATELLITE OFFICE PHONE NUMBER: _____

G. CONTRACTOR'S LICENSING INFORMATION

1. LICENSE NUMBER/CLASSIFICATION/NAME STYLE: U65995

2. NUMBER OF YEARS OPERATING UNDER ABOVE LICENSE/NAME STYLE: 2 year

3. LICENSE EXPIRATION DATE: 5/31/14

4. CURRENT LICENSE STATUS: Active

5. PRIOR ACTIONS AGAINST THIS LICENSE? Yes / (No)

6. IF YES, LIST CITATION TYPE AND HOW RESOLVED: _____

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

H. COMPANY'S FEDERAL IDENTIFICATION NO.: 45-0508795

C. NAME AND TITLE(S) OF COMPANY OFFICERS: _____

<u>Brian Pawloff</u>	<u>President</u>
<u>Brian Pavloff</u>	<u>Secretary / Treasurer</u>
_____	_____
_____	_____

II. SCHEDULE I – REFERENCES

Attach Responses to this question on additional sheets – One sheet per reference

- A. List a minimum of three (3) references for public agency landscape maintenance contracts that are either current and/or have been successfully completed within the last two (2) years.
- B. Reference responses must include:
1. Name and address of agency;
 2. Name and telephone number of agency person responsible for administering contract;
 3. Contract name(s) / number(s);
 4. Annual contract amount(s);
 6. Length of contract(s).
- C. The following reference questions will be asked of each agency referenced:
1. How many (number) of contracts and years under contract?
 3. What are/were the Contract amount(s)?
 4. Do/did they have adequate (quantity/quality) staffing?
 5. How are/were the Training/Technical skills (i.e., Equipment Operation/Safety)?
 6. Does staff have the ability to comprehend/speak English?
 7. How are/were the appearance, uniforms, and use of safety equipment?
 8. Do/did they have availability of additional personnel for extra work/special projects?
 9. Is/was the equipment used in good working order?
 10. Do/did they have an effective in-company communications system?
 11. How is/was the knowledge of project/contract standards?
 12. Do/did they have the ability to respond to complaints/requests in a timely fashion?
 13. Are/were they willing to resolve questions, disputes, and deficiencies short of "formal" sanctions (i.e., monetary penalties, contract deductions, liquidated damages, claims against bonds)?

14. How accurate & timely is/was billing/invoicing?
15. Have Contract(s) been successfully completed to term?
16. Would you accept future proposals/bids from this company?

* See references
on next page

Schedule I- References

Reference 1-

The City of Moreno Valley

14331 Frederick Street Moreno Valley, CA 92553

Robert Flores 951-413-3471

Preventative Pump Station Maintenance

Renewed every 5 years

Annual Contract Amount- \$3,610.00

Reference 2-

City of San Dimas

245 E. Bonita Avenue

San Dimas, CA 91773

Daniel Ford 909-208-8398

Preventative Pump Station Maintenance

Annual Contract Amount- \$1360.00

Renewed yearly

Reference 3-

City of Vista Public Works

1164 E. Taylor Street

Vista, CA 92084

Keith Gardner 760-975-6702

Preventative Pump Station Maintenance

Annual Contract Amount- \$2280.00


Renewed every year

X. SCHEDULE I - CERTIFICATION OF NON-DISCRIMINATION

Pursuant to California Labor Code Section 1735, as added by Chapter 643 statutes of 2039, and as amended,

No discrimination shall be made in the employment of persons upon Public Works because of race, religion creed, color, national origin, ancestry, physical handicaps, mental condition, marital status or sex of such persons, except as provided in Section 12940, of the California Labor Code and every Contractor of Public Works violating this section is subject to all penalties imposed for a violation of the Chapter.

I certify that I have read, and understand the foregoing:

SIGNATURE 

PRINTED NAME Brian Pavloff

TITLE President

COMPANY NAME Variable Speed Solutions, Inc

DATE 4-2-14

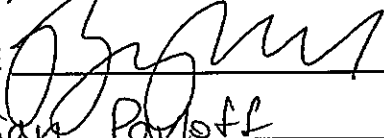
Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

XI. SCHEDULE I - PROPOSAL AFFIRMATION

With regard to the information provided hereinabove (Exhibit E: Proposal Submittal Documents), I affirm that:

- All information provided is true and correct to the best of my knowledge, and;
- I understand that a materially false statement willfully or fraudulently made in connection with this proposal may result in the termination of any Contract between the City of Moreno Valley, the Moreno Valley Community Services District and Variable Speed Solutions Inc, and further, the aforesaid company may be barred from participation in future City contracts and be subject to possible criminal prosecution, and;
- I have legal authority to bind Variable Speed Solutions Inc to the terms of this affirmation (See "INSTRUCTION TO PROPOSER", Section D. – Signature of Contract Proposal).

FOR PROPOSAL TO BE VALID, THIS SHEET MUST BE FILLED OUT (PRINTED), SIGNED AND DATED

SIGNATURE 

NAME Brian Parloff

TITLE President

COMPANY NAME Variable Speed Solutions Inc.

DATE 4-2-14

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On 4-2-14 before me, Deanne K. Dodge-Krows
(Here insert name and title of the officer)

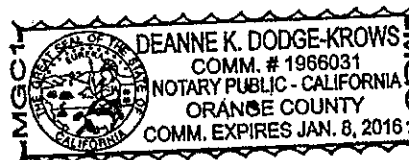
personally appeared Brian Pavloff

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Handwritten Signature]
Signature of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if document is to be recorded outside of California. In such instances, any alternate acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (he/she/they- is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal in sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - OR Additional information is not required but could help to ensure the acknowledgment is not misused or attached to a different document.
 - OR Indicate title or type of attached document, number of pages and date.
 - OR Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).

Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date 4-2-14

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer

(Title)

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

I. SCHEDULE II – BID SCHEDULE

PROPOSER: Variable Speed Solutions Inc.
(Company Name)

A. UNIT PRICES:

1. Cost per booster pump maintenance service @ \$ 190 ea. visit

SITE	NO OF PUMPS	COST PER PUMP	TOTAL COST PER AREA
ZONE D LANDSCAPE MAINTENANCE AREAS	6	\$ 190.00	\$ 1,140.00
E-1 TOWNGATE	2	\$ 190.00	\$ 380.00
E-3 MORENO VALLEY RANCH – WEST	1	\$ 190.00	\$ 190.00
E-4 MORENO VALLEY RANCH – EAST	1	\$ 190.00	\$ 190.00
E – 12 STONERIDGE RANCH	2	\$ 190.00	\$ 380.00
E-14 MAHOGANY FIELDS	3	\$ 190.00	\$ 570.00
M – LANDSCAPED MEDIANS	1	\$ 190.00	\$ 190.00
NPDES - BASINS	3	\$ 190.00	\$ 570.00
TOTALS	19	\$ 190.00	\$ 3610.00

The Total Proposal Amount *2 visits per year 3610 x 2 = 7,220.00 RP

Figures: \$7220.00 and 0 /100's Dollars

Words: Seven thousand two hundred twenty-two dollars and 0 no cents /100's Dollars

All work shall be performed in accordance with the terms and conditions of this Independent Contractor Agreement, which includes all General and Technical Provisions as outlined herein for the purpose of providing maintenance and repairs of irrigation pump stations.

The Contractor shall furnish all labor, equipment, and materials necessary to provide maintenance and repairs of irrigation pump stations as set forth in Exhibit A of this Contract, and; any and all addenda issued prior to the opening of Proposals; any Change Orders issued after the execution of the Independent Contractor Agreement and its attached exhibits.

Addendum No(s). 0 has/have been received and is/are made a part of this proposal.

[Signature] President
(AUTHORIZED SIGNATURE AND TITLE) 4-2-14
(DATE)

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

B. ADDITIONAL WORK PRICE LIST

THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT

Prices for Additional Work including, but are not limited to, Emergency Work shall be quoted per Exhibit C, Subsections 2. a, b and c.

UNIT PRICE LIST:

- 1. Repair Work @ \$ 105 per hour
- 2. Emergency Repairs @ \$ 157.50 per hour
- 3. Replacement Parts Supplied at Contractor's Price Plus 20 %
- 4. Discount Terms 0 % Net N/A Days

Advance notice of 2 hours required for service during normal business hours.

PROPOSER: Variable Speed Solutions Inc.
(Company Name)

[Signature] President 4-2-14
(AUTHORIZED SIGNATURE AND TITLE) (DATE)

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

II. SCHEDULE II - CONTRACT PROPOSAL

The undersigned declares that he/she has carefully examined the location(s) of the proposed work, that he/she has examined the Specifications and has read the accompanying Instructions to Proposers, and hereby proposes and agrees, if this proposal is accepted, to enter into a Contract with the City for the good and faithful performance thereof, to furnish all material and do all work required to complete the said work in accordance with the Specifications, in the time and manner therein prescribed, for the unit cost and lump sum amounts set forth in the proposal and as listed as follows. The undersigned further declares that the representations made herein are made under penalty of perjury.

TOTAL BASE COMPENSATION AMOUNT (From Exhibit E, I, "Schedule II - Bid Schedule"):

seventhousandtwohundredtwentydollarsandnocents
(Dollar Amount in Words)

\$7,220.00
(Dollar Amount in Figures)

Date: 4-2-14

Proposer: Variable Speed Solutions Inc
(Company Name)

By: [Signature] Brian Parkoff
(Signature)

Title: President

State License Number and Classification: 665995 C20, C10

If a corporation, complete the following:

INCORPORATED UNDER LAWS OF THE STATE OF California

PRESIDENT [Signature]

SECRETARY [Signature]



Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

III. SCHEDULE II - AFFIRMATION OF PROPOSAL GUARANTEE

The undersigned also affirms that:

Accompanying this proposal is a cashier's check, a ~~certified check~~, or a ~~Proposal Surety Bond~~ for \$ 722.00, payable to the City of Moreno Valley, which is deemed to constitute liquidated damages, if, in the event this proposal is accepted, the undersigned shall fail to execute the Contract and furnish satisfactory bonds under the conditions and within the time specified in this proposal, otherwise said cash, cashier's check, certified check or Proposal Surety Bond is to be returned to the undersigned.

Dated 3/26/14

Signature of Proposer 

By Brian Pavloff

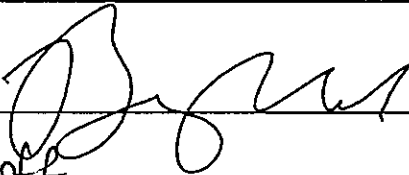
Address of Proposer 14182 Gothard Street Suite 1
Huntington Beach, CA 92647

Telephone Number of Proposer (714) 847-5957

Names and Addresses of Members of the Company:

Brian Pavloff 8581 crockett circle Westminster Ca 92683

(If a Corporation)

Signature of Proposer 

By Brian Pavloff

Title President

Business Address 14182 Gothard Unit I H.B Ca. 92647

Affirmation of Proposal Guarantee (cont.)

Incorporated Under Laws of the State of

California

State License Number and Classification

465995 C-20, C10

PRESIDENT

Brian Pavloff

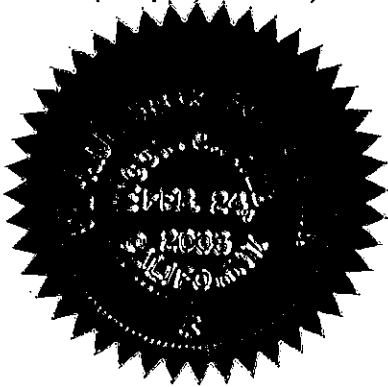
SECRETARY

Brian Pavloff

TREASURER

Brian Pavloff

(Corporate Seal)



Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

IV. SCHEDULE II - PROPOSAL SURETY BOND

M/A

KNOW ALL MEN BY THESE PRESENTS, that we _____, as
_____, as
principals, and _____, a duly
authorized corporate surety: Business Address _____

Phone () _____, are held and firmly bound unto the City of Moreno Valley, as Surety,
in the sum of _____ Dollars, (\$ _____), for payment of which
sum well and truly to be made, we bind ourselves, and each of our heirs, successors,
executors, administrators and assignees, jointly, and severally, firmly by these presents.

The condition of the foregoing obligation is such that whereas said principal(s) (is) (are) about
to hand in and submit to the City Council and the City Council in its capacity as the Board of
Directors of the Moreno Valley Community Services District, a proposal for **IRRIGATION
PUMP MAINTENANCE SERVICES**, for the performance of the work therein mentioned, in
compliance with the specifications therefore, under an invitation of said City Council and the
City Council in its capacity as the Board of Directors contained in the Notice Requesting
Proposals attached to said proposal.

NOW, THEREFORE, if the said bond or proposal of the said principal shall be accepted, and
said work be awarded to said principal thereupon by said City Council and/or City Council in
Its Capacity as the Board of Directors, and if the said principal shall fail or neglect to enter
into a Contract therefore within the required time, then in that case the undersigned obligors
will pay to the City of Moreno Valley and/or the Moreno Valley Community Services District
the full sum of _____ Dollars, (\$ _____), as
liquidated damages for such failure and neglect.

WITNESS our hands this 2nd day of April, 2014.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

Proposal Surety Bond (cont.)

N/A

PRINCIPAL

CORPORATE SURETY

Name: _____

Name: _____

Address: _____

Address: _____

Tel. No.: _____

Tel. No.: _____

By: _____

By: _____

Attorney-in-Fact

SIGNING INSTRUCTIONS

- The Bond shall be executed by an admitted Surety insurer (CCP 995.311) and the Surety must be registered as an admitted insurer in at least one county in the State of California.
- The Bond shall include attached Notary Certificates for the Attorney-in-Fact and the Principal.
- The Bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety (CCP 1305).
- The Bond shall include the address at which the Principal and Surety may be served with notices, papers and other documents (CCP 995.320 (a)(2)).

If any of the above items are omitted, the proposal will be considered non-responsive and will be rejected.

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

V. SCHEDULE II - NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA)
COUNTY OF Orange)§

(NAME) Brian Pavloff, affiant
being first duly sworn, deposes and says:

That he or she is sole owner of
(sole owner, partner or other proper title)

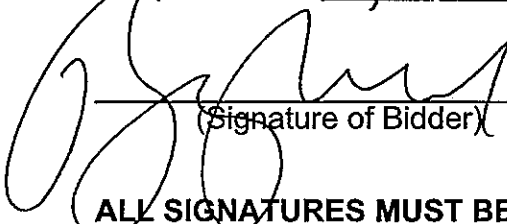
Variable Speed Solutions Inc.
(Contractor)

the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Bidder's Name: Brian Pavloff Variable Speed Solutions Inc

Bidder's Address: 16182 Gothard St. Unit E N.B CA 92647

Telephone No.: (714) 847-5957



(Signature of Bidder)

President

(Title)

ALL SIGNATURES MUST BE NOTARIZED

SEE Notarial wording next page attached

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE

Assessor's Parcel Number	Property Owner	Development Status	FY 2014/15 Assessed		FY 2014/15 Total Assessed Value	Taxable Acres	FY 2014/15 Maximum Special Tax		FY 2014/15 Special Tax (3)	Bonded Indebtedness (1)
			Land Value	Structure Value			Special Tax	Special Tax		
291-110-039	COSTCO WHOLESALE CORP	Developed	\$ 5,859,065	\$ 9,789,426	\$ 15,648,491	12.69	\$ 48,856.50	\$ 50	\$ 9,431.20	233,279.82
291-110-040	NEAL T BAKER ENTERPRISES	Developed	851,063	649,896	1,500,959	0.79	3,041.50	\$	\$ 587.12	14,522.36
291-110-041	CFT DEV	Developed	3,502,749	782,486	4,285,235	1.74	10,511.00	\$	\$ 1,114.80	27,574.47
291-110-033	2250 TOWN CIRCLE HOLDINGS	Developed	6,484,525	10,989,956	17,474,481	9.58	42,631.00	\$	\$ 8,082.74	199,923.04
291-110-034	EL COORTE INGLÉS	Developed	4,710,732	8,832,623	13,543,355	10.51	46,769.50	\$	\$ 8,867.38	219,332.96
291-110-035	SEARS ROEBUCK & CO	Developed	6,910,676	11,933,706	18,844,382	10.13	45,078.50	\$	\$ 8,546.78	214,402.98
291-110-036	J C PENNEY PROP INC	Developed	5,181,806	9,539,235	14,721,041	11.41	50,774.50	\$	\$ 9,626.72	238,113.09
291-110-037	MACYS CALIF INC	Developed								
Tax Rate Area 1 (59%)			\$ 39,238,457	\$ 100,627,954	\$ 139,866,411	80.15	\$ 356,667.50	\$	\$ 67,623.32	\$ 1,572,656.00
Tax Rate Area 2 (41%)			\$ 23,378,769	\$ 39,764,879	\$ 63,143,648	63.23	\$ 243,435.50	\$	\$ 46,992.30	\$ 1,162,350.00
Total			\$ 62,617,226	\$ 140,392,833	\$ 203,010,059	143.38	\$ 600,103.00	\$	\$ 114,615.62	\$ 2,835,000.00

YFPs which are Undeveloped, but have constructed certain parcel improvements.
 The Building Permit on this project has expired without completion of the structure and issue of a Certificate of Occupancy by the City Building Division for the intended use.
 *The difference between the the annual special tax requirement and the applied special tax is \$0.38, which will be funded through available fund balance.
 Source: Property Owners - Assessed Values - Riverside County Secured Property Tax Roll.

EXHIBIT F: PREVAILING WAGE DETERMINATION

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCE BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DRIVING PROJECTS

#	CRAFT (JOURNEY LEVEL)	ISSUE DATE	EXPIRATION DATE	BASIC HOURLY RATE	EMPLOYER PAYMENTS				STRAIGHT-TIME			OVERTIME HOURLY RATE			
					HEALTH AND WELFARE	PENSION	VACATION HOLIDAY	TRAINING	OTHER PAYMENTS	HOURS	TOTAL HOURLY RATE	DAILY	SATURDAY	SUNDAY AND HOLIDAY	
#	BRICKLAYER, STONEMASON, MARBLE MASON, CEMENT BLOCKLAYER, POINTER, CAULKER, CLEANER	02/22/2014	04/30/2014**	A 36.520	6.250	5.320	-	B 0.740	0.350	C 8.0	49.180	D 67.440	D 67.440	D 67.440	85.700
#	MASON FINISHER	02/22/2014	04/30/2014*	A 26.110	6.250	6.800	-	E 0.650	0.350	C 8.0	40.160	D 53.220	D 53.220	D 53.220	66.270
#	BRICK TENDER	02/22/2014	06/30/2014**	28.370	6.810	6.000	G 3.900	0.650	0.470	C 8.0	46.200	60.390	60.390	60.390	74.570
#	BRICK TENDER:	08/22/2013	06/30/2014**	28.820	6.810	6.000	G 3.900	0.650	0.470	C 8.0	46.650	61.060	61.060	61.060	75.470
#	CARPET, LINOLEUM, RESILIENT TILE LAYER	02/22/2014	12/31/2014**	H 29.850	5.080	4.600	2.050	0.530	0.200	8.0	42.610	57.540	57.540	57.540	72.460
J	MATERIAL HANDLER	02/22/2014	12/31/2014**	H 8.950	5.080	1.750	0.550	0.530	0.100	8.0	17.060	21.530	21.530	21.530	26.010
#	DRYWALL FINISHER	02/22/2014	09/30/2014**	H 34.030	7.050	4.620	3.070	0.670	0.470	8.0	49.910	66.920	66.920	66.920	83.940
#	ELECTRICIAN:	02/22/2014	05/25/2014**	29.080	7.250	3.250	-	0.650	M 0.210	8.0	40.280	54.740	54.740	54.740	69.200
#	COMM & SYSTEM INSTALLER	02/22/2014	05/25/2014**	29.880	7.250	3.250	-	0.650	M 0.210	8.0	42.140	57.520	57.520	57.520	72.910
#	INSIDE WIREMAN, TECHNICIAN	02/22/2014	05/25/2014**	O 35.870	7.250	L 11.270	-	0.730	P 0.180	8.0	56.660	75.220	75.220	75.220	93.780
#	CABLE SPLICER	02/22/2014	05/25/2014**	O 36.870	7.250	L 11.270	-	0.730	P 0.180	8.0	57.690	76.760	76.760	76.760	95.840
#	FIELD SURVEYOR:	02/22/2014	09/30/2014**	43.010	11.200	7.450	G 4.150	0.900	0.150	8.0	66.860	86.360	86.360	86.360	109.870
R	CHIEF OF PARTY (08.87-070)	02/22/2014	09/30/2014**	40.510	11.200	7.450	G 4.150	0.900	0.150	8.0	64.360	84.610	84.610	84.610	104.870
R	INSTRUMENTMAN (08.87-034)	02/22/2014	09/30/2014**	39.930	11.200	7.450	G 4.150	0.900	0.150	8.0	63.780	83.740	83.740	83.740	103.710
#	GLAZIER	02/22/2014	05/31/2014**	T 38.950	6.500	12.890	V -	0.770	0.530	8.0	59.640	78.120	78.120	78.120	96.890
#	MARBLE FINISHER	08/22/2013	05/31/2014*	X 27.880	7.940	2.710	-	0.810	0.330	Y 8.0	39.670	53.610	53.610	53.610	67.550
#	PAINTER:	08/22/2013	06/30/2014**	O 29.820	7.050	3.040	1.050	0.590	0.820	8.0	42.370	57.280	57.280	57.280	72.800
AC	PAINTER, LEAD ABATEMENT	08/22/2013	06/30/2014**	O 26.490	7.050	3.040	1.050	0.590	0.820	8.0	39.040	52.280	52.280	52.280	67.800
AC	REPAIR PAINTER, LEAD ABATEMENT	02/22/2014	06/30/2014**	O 30.220	7.050	3.040	1.050	0.590	0.820	8.0	42.770	57.880	57.880	57.880	73.390
AC	INDUSTRIAL PAINTER	08/22/2013	06/30/2014**	O 26.850	7.050	3.040	1.050	0.590	0.820	8.0	39.400	52.830	52.830	52.830	68.340
#	PLASTERER	08/22/2013	07/31/2014*	30.910	8.380	4.210	AF 5.200	0.540	0.960	AG 8.0	50.200	65.650	65.650	65.650	81.110
#	PLASTER TENDER	08/22/2013	06/05/2014*	30.000	6.810	5.400	AF 5.000	1.000	0.990	8.0	48.200	64.200	64.200	64.200	79.200
#	PLASTER CLEAN-UP LABORER	08/22/2013	06/05/2014*	27.450	6.810	5.400	AF 5.000	1.000	0.990	8.0	46.650	60.380	60.380	60.380	74.100
#	PLUMBER:	08/22/2013	06/30/2014**	X 40.570	7.760	10.800	AL 3.030	1.600	AM 0.650	8.0	64.410	85.410	85.410	85.410	104.900
#	PLUMBER, INDUSTRIAL AND GENERAL PIPEFITTER	08/22/2013	06/30/2014**	X 31.500	7.650	9.950	AL 1.000	1.330	AM 0.650	8.0	50.080	65.530	65.530	65.530	80.480
AC	SEWER AND STORM DRAIN PEELAYER	08/22/2013	06/30/2014**	X 16.410	7.650	0.380	-	0.760	AM 0.500	8.0	25.700	33.110	33.110	33.110	40.510
AC	SEWER AND STORM DRAIN PIPE SERVICE REPAIR (PLUMBER/HVAC)	08/22/2013	06/30/2014**	X 39.230	7.760	10.480	AL 3.030	0.930	AM 0.650	8.0	62.080	82.420	82.420	82.420	101.240
#	FILTER SERVICE REPAIR (PLUMBER/HVAC)	02/22/2014	06/30/2014**	X 26.070	7.760	10.800	AL 2.480	0.990	AM 0.450	Y 8.0	48.560	62.840	62.840	62.840	75.880
AR	LANDSCAPE IRRIGATION TRADESMAN	02/22/2014	06/30/2014*	X 13.040	2.000	0.880	-	0.100	AM 0.450	Y 8.0	16.470	22.990	22.990	22.990	29.510

Attachment: Agreement FY 2014/15 (2603 : APPROVE THE THIRD EXTENSION AGREEMENT FOR IRRIGATION PUMP MAINTENANCE



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: PEN16-0103 (PM 37104) – APPROVE PARCEL MAP 37104 LOCATED ON THE NORTHEAST CORNER OF ALESSANDRO BOULEVARD AND JERANELLA COURT. OWNERS: CATHERINE R. KORMOS AND BORIS MOLINA

RECOMMENDED ACTION

Recommendations:

1. Approve Parcel Map 37104 for PEN16-0103.
2. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.

SUMMARY

This report recommends approval of Parcel Map 37104, which is owned by Catherine R. Kormos and Boris Molina. The project is located on the northeast corner of Alessandro Boulevard and Jeranella Court.

DISCUSSION

On January 26, 2017, the Planning Commission of the City of Moreno Valley approved project PEN16-0103 (Parcel Map 37104). The proposed project is a parcel map to subdivide 1.1 gross acres of land at the northeast corner of Jeranella Court and Alessandro Boulevard from one legal parcel into two parcels. No new land development is proposed at this time with this subdivision. The property is presently developed with four existing single-family homes. The project site is located within a Residential 3 (R3) zoning district. No public improvements agreement is necessary.

Parcel Map No. 37104 is in substantial conformance with the approved tentative map. The Conditions of Approval have been met for map recordation. The developer has requested that the map be approved for recordation.

ENVIRONMENTAL

Planning staff, as is typical with all planning projects, has reviewed the request in accordance with the latest edition of the California Environmental Quality Act (CEQA) Guidelines and has determined the project qualifies for an exemption under the provisions of CEQA as a Class 15 Categorical Exemption, CEQA Guidelines, Section 15315 Minor Land Divisions.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow the parcel map to be recorded.*
2. Do not approve and do not authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the parcel map to be recorded.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Larry Gonzales
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Michael Lloyd, P.E.
Engineering Division Manager

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

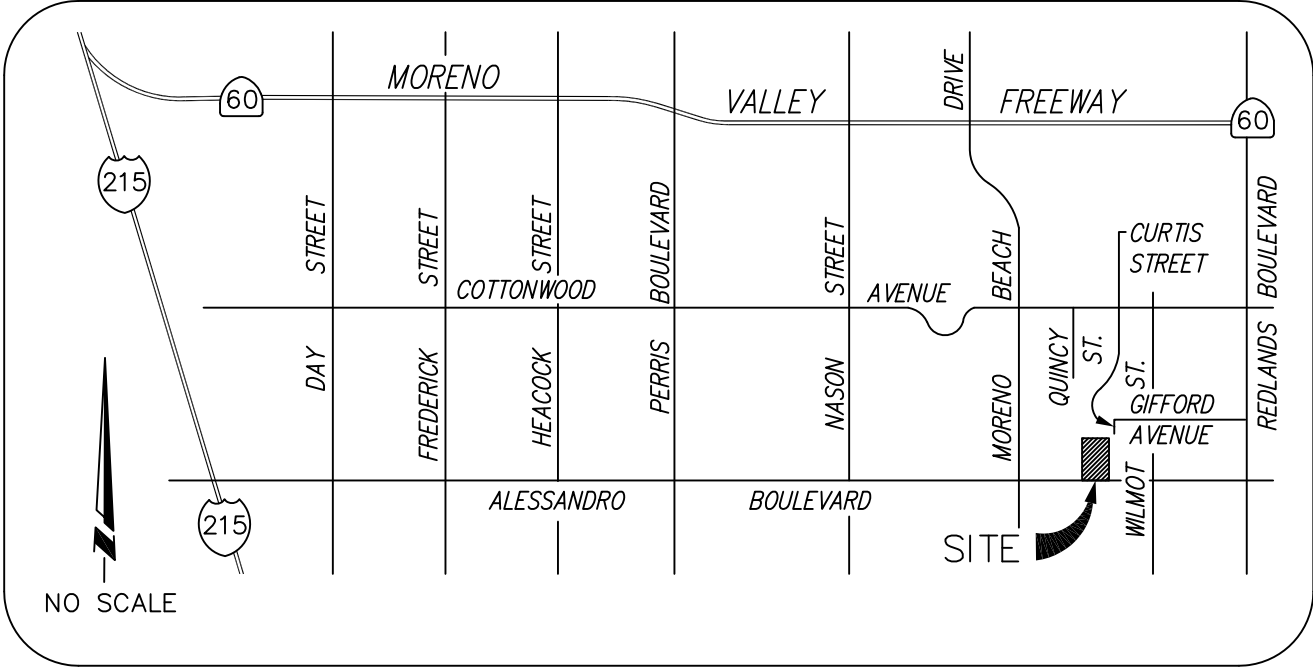
Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

- 1. Vicinity Map PEN16-0103 (PM 37104)

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/24/17 5:34 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 10:45 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:31 PM



Attachment: Vicinity Map PEN16-0103 (PM 37104) (2600 : PEN16-0103 (PM 37107) - APPROVE PARCEL MAP 37104)

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT
LAND DEVELOPMENT DIVISION

PEN16-0103
PM 37104



Report to City Council

TO: Mayor and City Council

FROM: Betsy Adams, Parks & Community Services Director

AGENDA DATE: May 16, 2017

TITLE: AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY FESTIVITIES ON TUESDAY, JULY 4, 2017

RECOMMENDED ACTION

Recommendations:

1. Authorize the closure of the following streets between the hours of 6 a.m. and 12 noon for the purpose of conducting the Fourth of July Parade scheduled to take place on July 4, 2017.
 - a. Frederick Street between Centerpoint Drive and Cactus Avenue;
 - b. Towngate Boulevard between Frederick Street and Heritage Way;
 - c. Towngate Boulevard between Frederick Street, Eucalyptus Avenue and Memorial Way;
 - d. Brabham Street between Frederick Street and Andretti Street;
 - e. Eucalyptus Avenue between Pan Am Boulevard and Kochi Drive;
 - f. Atlantic Circle east of Frederick Street;
 - g. Dracaea Avenue between Pan Am Boulevard and Kochi Drive;
 - h. Cottonwood Avenue between Pan Am Boulevard and Dunhill Drive;
 - i. Bay Avenue between Kristina Court and Courage Street;
 - j. Alessandro Boulevard between Elsworth and Graham Street;
 - k. Brodiaea Avenue at Frederick Street;
 - l. Resource Way between Frederick Street and Corporate Way;
 - m. Corporate Way between Calle San Juan de Los Lagos and Resource Way;
 - n. Calle San Juan De Los Lagos between Frederick Street and Veterans Way;
 - o. Veterans Way between Cactus Avenue and Alessandro Boulevard;
 - p. New Hope Drive between Veterans Way and Elsworth Street;

- q. Veterans Way between Cactus Avenue and Alessandro Boulevard;
Goldencrest between Newhope Drive and Veterans Way
2. Authorize the closure of Dracaea Avenue between Morrison Street and Mascot Street, between the hours of 6 a.m. and 11 p.m., Tuesday, July 4, 2017, for the purpose of conducting the Fourth of July Family FunFest and Fireworks Program scheduled to take place on July 4, 2017.
3. For a short period of time and immediately following the fireworks display, authorize one-way traffic on various streets, and the closure of traffic lanes, in the vicinity of Morrison Park to be directed by the Moreno Valley Police Department.

SUMMARY

The 2017 Independence Day festivities will take place on July 4, 2017. Staff is requesting that City Council authorize certain street closures for the City's Independence Day festivities. Street closures for both the parade and the Family FunFest site are similar to the closures for the 2016 event. The parade will start at 9:30 a.m. on Frederick Street, south of Alessandro Boulevard. The Family FunFest and fireworks display will be held at Mountain View Middle School and Morrison Park, starting at 2 p.m. and ending at 9 p.m. respectively.

DISCUSSION

The recommended street closures for both the parade and the festival site are similar to the closures for the Independence Day festivities in 2016.

1. Parade Discussion
The parade will take place on July 4, 2017. Parade participants will enter north onto Veterans Way from Cactus Avenue and check in near San Juan De Los Lagos. Staging for the parade will take place on Calle San Juan de Los Lagos, Corporate Way, and Resource Way. The parade route will begin on Frederick Street at Alessandro Boulevard and go north on Frederick Street to Towngate Boulevard, turn west on Towngate Boulevard, turn north onto Heritage Way and disband into the parking lot located between the rear of the Burlington Coat Factory store and the Regency Theater in the TownGate Shopping Center. The parade will begin promptly at 9:30 a.m. and conclude prior to 12 noon. Staff is anticipating approximately 5,000 participants and spectators for the parade.

The street closures being requested will allow sufficient time for safe passage during the event for all event participants and spectators. Traffic entering and/or leaving commercial establishments will be restricted during the parade. All barricades at intersections will be removed no later than 12 noon. Police officers will be stationed at the following major intersections for safety purposes.

- Cactus Avenue and Frederick Street
- Alessandro Boulevard and Frederick Street

- Cottonwood Avenue and Frederick Street
- Frederick Street and Towngate Boulevard
- Towngate Boulevard and Heritage Way
- Veterans Way and Alessandro Boulevard
- Heritage Way and Town Circle

2. FunFest and Fireworks Display Discussion

Festivities will continue on July 4, 2017 from 2 p.m. to 9:30 p.m. with the Family FunFest activities at Mountain View Middle School/Morrison Park. Staff is anticipating approximately 15,000 spectators to attend the festivities. There will be food, arts and crafts, game booths, and entertainment. This year's festival will again include a beer garden. The main stage will provide enjoyment for the entire family. There will be several entertainers this year. As a grand finale, the event will conclude with a fireworks extravaganza at 9 p.m., which will be simulcast with patriotic music by KOLA (99.9 FM).

Presale tickets for the event are available at the Moreno Valley Conference and Recreation Center from June 1 to July 1. Cost is \$2 per person or \$10 for a family (up to six people). On July 4, entry is free between 2 p.m. and 4 p.m. After 4 p.m., entry fee is \$3 per person. Military service members with valid identification and children under five are free.

Based on past years, the Moreno Valley Police Department and the Transportation Division are recommending closure of the certain streets to allow sufficient time for safe passage before, during, and after the event for all participants and spectators. Barricades placed at intersections designated for one-way traffic will be removed no later than 11 p.m. Police officers will be stationed at major intersections as directed by the Moreno Valley Police Department.

As part of the Fourth of July planning process, businesses and residents that are potentially impacted by the street closures will receive written notification of the street closures scheduled to take place.

ALTERNATIVES

1. Approve street closures as recommended.
2. Provide direction to staff on alternate parade route and/or street closures.

FISCAL IMPACT

The operating budget for portions of the 2017 Independence Day festivities are allocated in various expenditure accounts of the Moreno Valley Community Services District (Zone A) for FY 2016/2017 and FY 2017/2018 and initially to Account No. 5011-50-58-35317 for FY 2016/2017 and FY 2017/2018. Planned expenditures for the 2017 event are summarized below:

Expenditure Category	\$
600000 – Personnel Services	42,000
620000 – Contractual Services	79,000
630000 – Materials & Supplies	12,000
Total	133,000

Additional expenditures regarding street closures are covered in the operating budgets of both the Police and Public Works Departments.

Revenue of \$30,000 for the Independence Day Festivities is included in the FY 2016/2017 and FY 2017/2018 budget. Additionally, Parks and Community Services Department staff is currently seeking additional funding from event sponsors.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Kevin Callister
Acting Community Services Supervisor

Department Head Approval:
Betsy Adams
Interim Director of Parks and Community Services

Concurred By:
Eric Lewis
City Traffic Engineer

Concurred By:
Joel Ontiveros
Police Chief

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life

6. Youth Programs

Objective 1.5: Showcase Moreno Valley’s unique assets.

Objective 2.3: Promote the concept of community policing with residents and Department members.

Objective 5.5: Promote a healthy community and lifestyle.

Objective 6.2: Improve health, wellness and fitness for Moreno Valley youth through recreation and sports programs.

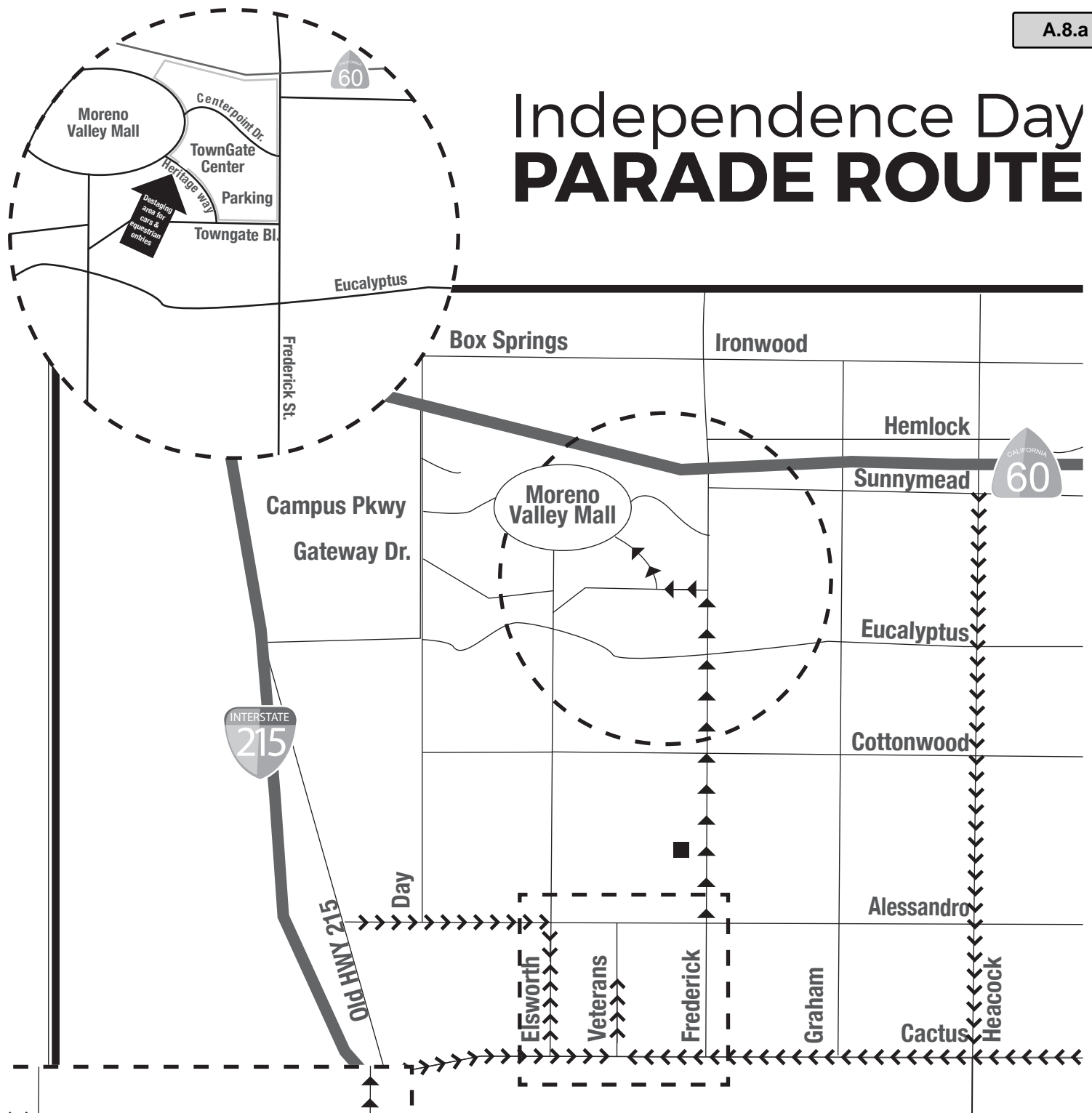
ATTACHMENTS

- 1. 2017 July 4 Parade Route Map
- 2. 2017 July 4 Street Closure Map FunFest

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/28/17 8:23 AM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 12:29 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:30 PM

Independence Day PARADE ROUTE



Attachment: 2017 July 4 Parade Route Map (2598 : AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY

IMPORTANT - PLEASE READ

Check-in and staging begins at 7:30 a.m.
Parade will begin at promptly 9:30 a.m.

(All handicapped parking is accessible **only** via Cactus & Veteran's Way.
You must have valid handicapped permit with you)

PARADE VEHICLES & VIP ONLY -

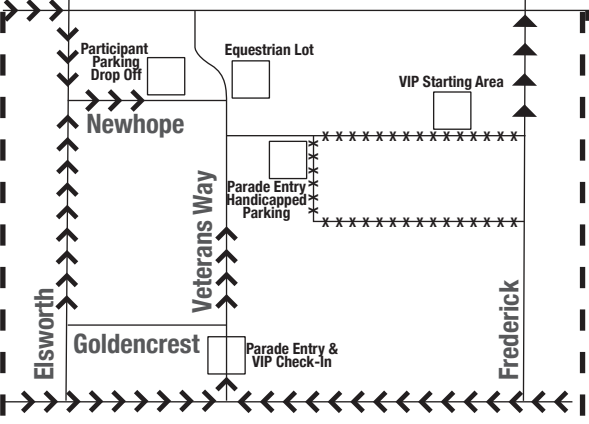
Please report to check-in area located on Veterans Way and Cactus Ave.
All Parade Vehicles, Equestrian Entries & VIP's must enter from Cactus Ave.

NEW PARADE PARTICIPANTS PARKING & DROP OFFS

Access to parade parking lot & drop off area @ Elsworth & Newhope.
All vehicles not in the parade must enter @ Elsworth & Newhope.

LEGEND

- ◀ Parade Route
- X Staging Area
- > Check-In
- Approach Route
- Judging Stand



2017 4th of July Family FunFest Street Closure



Closure at Morrison and Draceae
Closure at Draceae and Mascot

Attachment: 2017 July 4 Street Closure Map FunFest (2598 : AUTHORIZATION TO CLOSE PUBLIC STREETS FOR THE INDEPENDENCE DAY



Report to City Council

TO: Mayor and City Council

FROM: Allen Brock, Community Development Director

AGENDA DATE: May 16, 2017

TITLE: IMPLEMENTATION OF THE MSHCP LOCAL DEVELOPMENT MITIGATION FEE CPI ADJUSTMENT

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution No. 2017-26. A Resolution of the City Council of the City of Moreno Valley, California, Approving an Increase to the Multi-species Habitat Conservation Plan (MSHCP) Mitigation Fee to Reflect the Increase in the Consumer Price Index (CPI).

SUMMARY

This report recommends City Council approval of a Resolution authorizing a fee adjustment to the existing Multi-Species Habitat Conservation Plan (MSHCP) mitigation fees based on an increase in the Consumer Price Index (CPI). The Western Riverside County Regional Conservation Authority (WRC-RCA) Board of Directors recently took action to approve a 1.97% CPI adjustment for Fiscal Year 2017-2018. The City's adopted MSHCP fee ordinance requires corresponding CPI adjustments to be approved by City Council.

DISCUSSION

The City of Moreno Valley is one of 19 member agencies that participate in the Multiple Species Habitat Conservation Plan (MSHCP). The MSHCP is an important policy document that protects 146 native species of plants and animals. As identified on the agency's website, "the regional effort to set aside habitat and protect species allows for the development and transportation infrastructure necessary for a healthy economy to move ahead without sacrificing our region's environment and quality of life."

The Multi-Species Habitat Conservation Agency fee was initially adopted by the City in

2004 in conjunction with implementation of the MSHCP. The City Council has taken prior actions to make CPI adjustments in 2007, 2008, and 2016.

On March 6, 2017, the WRC-RCA Board of Directors took action to approve the annual CPI fee adjustment of 1.97% for Fiscal Year 2016-2017 (Attachment 1). As a comparison, the most recent prior CPI adjustment in 2016 was 2.03%. WRC-RCA sent notification letters to member cities describing the adopted fee increase and requested corresponding action by the cities. The City's adopted MSHCP ordinance specifically allows for CPI adjustments to the MSHCP fees if approved by the City Council. Upon authorization, the proposed adjustment would become effective on July 1, 2017.

As provided for in Section 15061(b)(3) of the CEQA Guidelines, the proposed fee adjustment is an activity that is exempt from the California Environmental Quality Act (CEQA) as the action taken will not have a significant impact on the environment.

ALTERNATIVES

1. Approve the proposed fee resolution and implement the 1.97% fee increase. ***Staff recommends this alternative as it is consistent with the action of the WRC-RCA Board of Directors and the City's approved agreements pertaining to the MSHCP.***
2. Take action to not approve the proposed 1.97% fee increase. ***Staff does not recommend this alternative as it would be inconsistent with agreements pertaining to the MSHCP and create a potential financial liability for the City.***

FISCAL IMPACT

The Multi-Species Habitat Conservation Agency fee is a pass-through fee to the WRC-RCA for the purpose of habitat conservation. The CPI increase will have no direct fiscal impact on the City. If the City does not approve the CPI adjustment, the City could become liable for not collecting the fees recommended by the WRC-RCA Board of Directors.

NOTIFICATION

Not applicable.

PREPARATION OF STAFF REPORT

Prepared By:
Mark Gross
Senior Planner

Department Head Approval:
Allen Brock
Community Development Director

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 5.5: Promote a healthy community and lifestyle.

ATTACHMENTS

- 1. MSHCP Fee Adjustment Resolution
- 2. RCA Letter dated March 21, 2017

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/25/17 1:37 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 10:23 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:30 PM

RESOLUTION NO. 2017-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AN INCREASE TO THE MULTI-SPECIES HABITAT CONSERVATION PLAN MITIGATION FEE TO REFLECT THE INCREASE IN THE CONSUMER PRICE INDEX

WHEREAS, the City of Moreno Valley ("City") is a member agency of the Western Riverside County-Regional Conservation Authority (WRC-RCA), a joint powers agency comprised of the County of Riverside and eighteen cities in Western Riverside County; and

WHEREAS, the WRC-RCA is charged with administration of the Multi-Species Habitat Conservation Plan (MSHCP) and mitigation fee program; and

WHEREAS, the member agencies of the WRC-RCA recognize that periodic adjustments, based on increases in the Consumer Price Index (CPI), are necessary to the MSHCP mitigation fee to assist with funding of the implementation of the MSHCP Plan; and

WHEREAS, on April 24, 2007, the WRC-RCA Board of Directors requested that member agencies include a provision in their local fee ordinance to allow for future CPI increases to be approved by resolution; and

WHEREAS, Section 3.48.050 of the City of Moreno Valley's Municipal Code specifically allows for CPI adjustments to be approved by City Council Resolution if the adjustments to the fees are justified based on inflation; and

WHEREAS, on March 6, 2017, the WRC-RCA Board of Directors recommended the implementation of a 1.97% CPI adjustment; and

WHEREAS, City staff has reviewed the CPI fee adjustment and recognizes that the adjustment is consistent with the criteria outlined in the City's Municipal Code; and

WHEREAS, the fees collected pursuant to this Resolution shall be used by the Western Riverside County-Regional Conservation Authority for habitat purposes consistent with the implementing documents of the MSHCP; and

WHEREAS, the levying of a CPI increase has been reviewed by the City Council and City staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and it has been determined that the recommended CPI fee increase is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

1
Resolution No. 2017-26
Date Adopted: May 16, 2017

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

In accordance with Section 3.48.050 of the Moreno Valley Municipal Code there is hereby approved the following fee schedule for MSHCP mitigation fees which replaces the prior fee schedule set forth in Resolution 2016-31:

1. The following fee schedule reflecting a 1.97% increase in the MSHCP mitigation fees based on the CPI for the Los Angeles metropolitan area is hereby approved and adopted:

Residential, density less than 8.0 dwelling units per acre	\$ 2,031/unit
Residential, density 8.1 and 14.0 dwelling units per acre	\$ 1,300/unit
Residential, density greater than 14.1 dwelling units per acre	\$ 1,056/unit
Commercial and Industrial (per acre)	\$ 6,914

2. All fees established by this Resolution, shall, when collected, be paid to the City Treasurer for deposit into a trust account for transmittal to the Western Riverside County-Regional Conservation Authority.

3. If any provision, clause, sentence or paragraph of this Resolution or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect any other provision or application of the provisions of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are hereby declared to be severable.

4. The fees approved, increased and established herein shall become effective July 1, 2017.

2
Resolution No. 2017-26
Date Adopted: May 16, 2017

Approved and adopted this 16th day of May, 2017.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

3
Resolution No. 2017-26
Date Adopted: May 16, 2017

Attachment: MSHCP Fee Adjustment Resolution [Revision 3] (2597 : Implementation of the MSHCP Local Development Mitigation Fee CPI

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jaquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2017-26 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of May, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

4
Resolution No. 2017-26
Date Adopted: May 16, 2017

Attachment: MSHCP Fee Adjustment Resolution [Revision 3] (2597 : Implementation of the MSHCP Local Development Mitigation Fee CPI

Board of Directors

Chairman
Marion Ashley
County of Riverside

George Moyer
City of Banning

Julio Martinez
City of Beaumont

Jeffrey Hewitt
City of Calimesa

Vicki Warren
City of Canyon Lake

Eugene Montanez
City of Corona

Clint Lorimore
City of Eastvale

Michael Perciful
City of Hemet

Verne Lauritzen
City of Jurupa Valley

Natasha Johnson
City of Lake Elsinore

Matt Liesemeyer
City of Menifee

Jeffrey J. Giba
City of Moreno Valley

Vice-Chairman
Jonathan Ingram
City of Murrieta

Kevin Bash
City of Norco

David Starr Rabb
City of Perris

Andy Melendrez
City of Riverside

Crystal Ruiz
City of San Jacinto

Maryann Edwards
City of Temecula

Timothy Walker
City of Wildomar

Kevin Jeffries
County of Riverside

John Tavaglione
County of Riverside

Chuck Washington
County of Riverside

Vacant
County of Riverside

Executive Staff

Charles Landry
Executive Director

303 10th Street, Suite 320
Riverside, California 92501

P.O. Box 1667
Riverside, California 92502-1667

Phone: (951) 955-9700
Fax: (951) 955-8873
www.wrc-rca.org

March 21, 2017

Michelle Dawson, City Manager
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

**RE: RCA BOARD ACTION TO APPROVE IMPLEMENTING THE MSHCP
LOCAL DEVELOPMENT MITIGATION FEE CPI ADJUSTMENT FOR
FISCAL YEAR 2018**

Dear Ms. Dawson:

The MSHCP calls for an automatic annual CPI adjustment to local development mitigation fees collected to fund the implementation of the Plan. Fee ordinances adopted by the County and Cities reflect this requirement. Based on the CPI increase from December 2015 to December 2016, MSHCP fees will increase 1.97% effective July 1, 2017.

On March 6, 2017, the RCA Board of Directors took action to approve implementing the CPI adjustment for Fiscal Year 2018 and directed RCA staff to inform the County and Cities of this action.

Member Agencies are required to implement the automatic CPI adjustment, effective July 1, 2017, and begin collecting fees at the Fiscal Year 2018 rates, as outlined in the attached.

If you have any questions or need additional information, please feel free to call me at (951) 955-9700.

Sincerely,

Honey Bernas
Director of Administrative Services

Attachment

cc: Jeffrey Giba, RCA Board Member
Allen Brock, Director of Community Development
Marshall Eyerman, Chief Financial Officer

RECEIVED

MAR 27 2017

City Attorney's Office
City of Moreno Valley

**Board of Directors**

Chairman
Marion Ashley
County of Riverside

George Moyer
City of Banning

Julio Martínez
City of Beaumont

Jeffrey Hewitt
City of Calimesa

Vicki Warren
City of Canyon Lake

Eugene Montanez
City of Corona

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City of Eastvale

Michael Percitall
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Verne Lauritzen
City of Jurupa Valley

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City of Lake Elsinore

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City of Menifee

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Vice-Chairman
Jonathan Ingram
City of Murrieta

Kevin Bash
City of Norco

David Starr Rabb
City of Perris

Andy Melendrez
City of Riverside

Crystal Ruiz
City of San Jacinto

Maryann Edwards
City of Temecula

Timothy Walker
City of Wildomar

Kevin Jelfries
County of Riverside

John Tavaglione
County of Riverside

Chuck Washington
County of Riverside

Vacant
County of Riverside

Executive Staff

Charles Landry
Executive Director

3403 10th Street, Suite 320
Riverside, California 92501

P.O. Box 1667
Riverside, California 92502-1667

Phone: (951) 955-9700
Fax: (951) 955-8873
www.wrc-rca.org

WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

LOCAL DEVELOPMENT MITIGATION FEE SCHEDULE FOR FISCAL YEAR 2018 (Effective July 1, 2017 – June 30, 2018)

Fee Category	Fee
Residential, density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$ 2,031
Residential density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$ 1,300
Residential density greater than 14.0 dwelling Units per acre (fee per dwelling unit)	\$ 1,056
Commercial (fee per acre)	\$ 6,914
Industrial (fee per acre)	\$ 6,914



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: APPROVAL TO PURCHASE STANDARDIZED VEHICLES THROUGH THE HGAC NATIONWIDE GOVERNMENT PROCUREMENT SERVICE (HGACBUY) AND AWARD TO COWBOY CHRYSLER/DODGE/JEEP/RAM, GRAPEVINE DODGE/CHRYSLER/JEEP, AND LOVE FIELD CHRYSLER/DODGE/JEEP/RAM, FOR THE PURCHASE OF FORTY-TWO VEHICLES, AND AWARD TO SOUTHWEST TRAFFIC SYSTEMS, INCORPORATED, FOR THE PURCHASE OF VARIOUS VEHICLE LIGHTING PACKAGES

RECOMMENDED ACTION

Recommendations:

1. Approve purchase of standardized vehicles through HGACBuy, a national cooperative purchasing program.
2. Award to Cowboy Chrysler, Dodge, Jeep and Ram, Silsbee, TX, for the purchase of thirty-six (36) vehicles as follows: fifteen (15) 2017 Ram 1500 Standard Cab trucks; five (5) 2017 Ram 1500 Quad Cab trucks; one (1) 2017 Ram 1500 Crew Cab truck; three (3) 2017 Ram 3500 Standard Cab trucks; two (2) 2017 Ram 3500 Crew Cab trucks; two (2) 2017 Ram 3500 Standard Cab Chassis trucks with service bodies; three (3) 2017 Ram 3500 Crew Cab Chassis trucks with service bodies; and five (5) 2017 Ram 3500 Crew Cab Chassis trucks with animal services bodies.
3. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Cowboy Chrysler, Dodge, Jeep and Ram in the amount of \$1,158,692.29.
4. Award to Grapevine DCJ, LLC, for the purchase of three (3) 2017 Jeep Wranglers.

5. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Grapevine DCJ, LLC in the amount of \$97,832.61.
6. Award to Love Field Chrysler Dodge Jeep Ram for the purchase of three (3) 2017 Ram 5500 chassis trucks with service beds.
7. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Love Field Chrysler Dodge Jeep Ram in the amount of \$219,787.00.
8. Award to Southwest Traffic Systems, Inc., Phoenix, AZ, the purchase of forty-two (42) vehicle lighting packages.
9. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Southwest Traffic Systems, Inc. in the amount of \$137,427.75.

SUMMARY

This report recommends use of the Houston Galveston Area Council Buy program (HGACBuy), a national cooperative purchasing program, to purchase City vehicles. HGACBuy provides significant cost savings and improves the efficiency and effectiveness of City purchases by utilizing an existing and proven contracting program via a piggyback process.

HGACBuy offers a variety of vehicles from various manufacturers that include Chevrolet, Chrysler, Dodge, Ford, Freightliner, GMC, Jeep, Nissan, Ram and Toyota. The HGACBuy program has taken the necessary steps to provide a competitive bid process that meets our award process requirements. Information regarding the HGACBuy program was presented to the Finance Subcommittee on February 28, 2017.

DISCUSSION

At the December 1, 2015 City Council Meeting, the City Council directed staff to explore alternative vehicle replacement purchase options and provide findings to the Finance Subcommittee for review.

City of Moreno Valley Maintenance and Operations Fleet Staff have worked diligently to identify the most cost effective and efficient purchasing method for future vehicle and equipment purchases. Use of cooperative purchase programs, such as HGACBuy, has proven to provide significant cost savings over other procurement methods for the following reasons:

1. Reduced vehicle costs by leveraging national buying power;
2. Vendor contracts are awarded in compliance with the City's procurement policies;
3. Contract pricing is not subject to geographic variables which can result in higher vehicle prices in the Southern California area.

HGACBuy Cooperative Purchasing Agreement contracts currently in effect were competitively solicited and awarded. Staff finds that the HGACBuy contract provides the most competitive pricing and highest quality equipment to the City, thereby offering the best value.

The Public Works Department's Maintenance and Operations Division staff recently performed a pilot test purchase through the HGACBuy program. This purchase was made to validate that the process would be advantageous to the City. The pilot test purchase confirmed that the HGACBuy program provides a cost-effective and efficient solution for standardized vehicle purchases and provides a savings of 25% - 40% when compared to local dealer advertised commercial fleet pricing for similarly equipped models.

The Public Works Department has developed a standard list of makes/models available through the HGACBuy program. This standard list will be reevaluated on a periodic basis to determine the vehicle by platform (full-size trucks, heavy-duty trucks, sedans, vans/sport utility vehicles) that best meets the following:

- Vehicle needs and functional requirements (based on intended use and program assignment)
- Low lifecycle cost
- Standardization practices (limit the number of makes/models to streamline the maintenance process)

The forty-two (42) vehicles proposed to be purchased have been identified as requiring immediate replacement in order to support City services. Replacement needs and priority are based on a combination of age, maintenance history, mileage, and critical program support.

- Forty-one of the forty-two units recommended for purchase will replace existing service and maintenance related vehicles, ranging in age from 9 to 19 years.
- Existing vehicles have exceeded their normal life cycles and most have exceeded 100,000 miles.
- Replacing these vehicles is imperative to maintain service levels provided by a wide range of City programs.
- The additional vehicle is required to support street maintenance field operations.

The first group purchase of vehicles will utilize three HGACBuy vendors. Each vendor within the HGACBuy program is authorized to sell specific makes and models. The three vendors; Cowboy CDJR, Grapevine DSC, and Love Field Chrysler Dodge Jeep Ram, will provide the forty-two (42) vehicles as listed below and further detailed in Exhibit B.

Vehicle Type	Qty	Model Year of Vehicle to be Replaced	Vehicle Type	Qty	Model Year of Vehicle to be Replaced
Animal Services Truck	1	2005	Capital Projects Truck	1	2006
	4	2008			
			Land Development Truck	1	2006
Facilities Maintenance Truck	1	2000			
				2	2006
	1	2005	Special Districts Truck	1	2007
Building & Safety Trucks	2	2006			
			Traffic Signal Truck	1	1999
	1	2002			
	1	2006		1	2000
Code Compliance Trucks	1	2007	Signing & Striping Trucks	1	2004
	2	2008			
			Concrete Maintenance Truck	1	2001
Electric Utility Truck	1	2006		1	1998
				1	1999
	1	2000	Graffiti/Weed Abatement Trucks	1	2003
Fire Prevention Trucks	1	2002		1	2008
	2	2006		1	2003
Parks Ranger Trucks	1	2008	Street Maintenance Trucks	1	2007
	1	2001			
Parks & Open Space Trucks	1	2004	Catch Basin Maintenance Truck	1	N/A
	2	2003			
Parks Maintenance Trucks	2	2004			

Nearly all vehicles being replaced will be sold through the City’s standard surplus process. A small number of vehicles will be retained for limited, backup use until it is no longer economically feasible to do so.

Vehicle lighting packages are a necessary accessory for many City vehicles to enhance

safety by providing high visibility and traffic control when the units are operating in the field. City vehicles are often used to support work within public right-of-way areas, as well as in emergency response situations. Tomar Electronics lighting systems have been utilized with recently purchased vehicles and meet all safety and operational needs for fleet vehicles. Southwest Traffic Systems, Inc. is a single-source vendor and the authorized distributor of Tomar Electronics light bars and emergency lighting. Use of Tomar Electronics lighting products is recommended to standardize safety lighting and controls. Standardized safety lighting and controls on City vehicles yield greater operational and maintenance efficiencies.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. **(Staff recommends this action as it is consistent with the best practice of replacing vehicles that exceed their useful life to support a cost-effective fleet replacement/maintenance program and provide reliable vehicles and equipment for City programs).**
2. Reject any or all of the recommended actions as presented in this staff report. **(Staff does not recommend this action as this may result in excessive maintenance costs to maintain existing vehicles and equipment, which have exceeded their normal lifecycle, and may result in related potential downtime of a City program supported by the vehicle or equipment).**

FISCAL IMPACT

The total expenditure for vehicle purchases is \$1,613,739.65. This purchase is funded through Capital Equipment Replacement funds appropriated within the General Fund and approved in the FY 2015/16 – 2016/17 Budget by the City Council on June 23, 2015. No additional appropriation is being requested or required to complete this purchase.

NOTIFICATION

N/A

PREPARATION OF STAFF REPORT

Prepared By:
Robert Lemon
Maintenance & Operations Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.,
Public Works Director/City Engineer

Concurred By:
Rix Skonberg
Purchasing & Facilities Division Manager

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**
2. **Public Safety**
3. **Library**
4. **Infrastructure**
5. **Beautification, Community Engagement, and Quality of Life**
6. **Youth Programs**

ATTACHMENTS

1. Exhibit A - Vehicle Standardization
2. Exhibit B - Vehicle Cost Details
3. Exhibit C - Cowboy CDJR Ram 1500 Std Cab 4x2
4. Exhibit D - Cowboy CDJR Ram 1500 Std Cab 4x4
5. Exhibit E - Cowboy CDJR Ram 1500 Quad Cab 4x4
6. Exhibit F - Cowboy CDJR Ram 1500 Crew Cab 4x4
7. Exhibit G - Cowboy CDJR Ram 3500 Std Cab 4x2
8. Exhibit H - Cowboy CDJR Ram 3500 Std Cab 4x4
9. Exhibit I - Cowboy CDJR Ram 3500 Crew Cab 4x4
10. Exhibit J - Cowboy CDJR Ram 3500 Std Cab Chassis SRW 4x2
11. Exhibit K - Cowboy CDJR Ram 3500 Std Cab Chassis DWR 4x2
12. Exhibit L - Cowboy CDJR Ram 3500 Crew Cab Chassis SRW 4x4
13. Exhibit M - Cowboy CDJR Ram 3500 Crew Cab Chassis SRW 4x2
14. Exhibit N - HGACBuy - Cowboy Motor Company, LC - Contract VE11-15
15. Exhibit O - Grapevine DCJ Jeep Wrangler 2-Door
16. Exhibit P - HGACBuy - Grapevine DCJ, LLC - Contract VE11-15
17. Exhibit Q - Love Field CDJR Ram 5500 Std Cab Chassis
18. Exhibit R - Love Field CDJR Ram 5500 Crew Cab Chassis
19. Exhibit S - HGACBuy - Love Field CDJR - Contract HT06-16
20. Exhibit T - Southwest Traffic Systems Light Bar 975L & 970L - 3 units
21. Exhibit U - Southwest Traffic Systems - Light Bar 975L & 970L - 5 units
22. Exhibit V - Southwest Traffic Systems - Light Bar 970L - 34 units

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	5/01/17 4:49 PM
City Attorney Approval	<u>✓ Approved</u>	5/04/17 3:47 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:54 PM

City of Moreno Valley Fleet Standardization - Exhibit A

As an essential element of the development of a comprehensive Vehicle and Equipment Replacement Program, the City has standardized the City's fleet into nine models as detailed below. Standardizing a fleet greatly reduces fleet diversity thereby creating operational efficiencies and other organizational benefits.

The elements considered in developing the standardized vehicle list included the following:

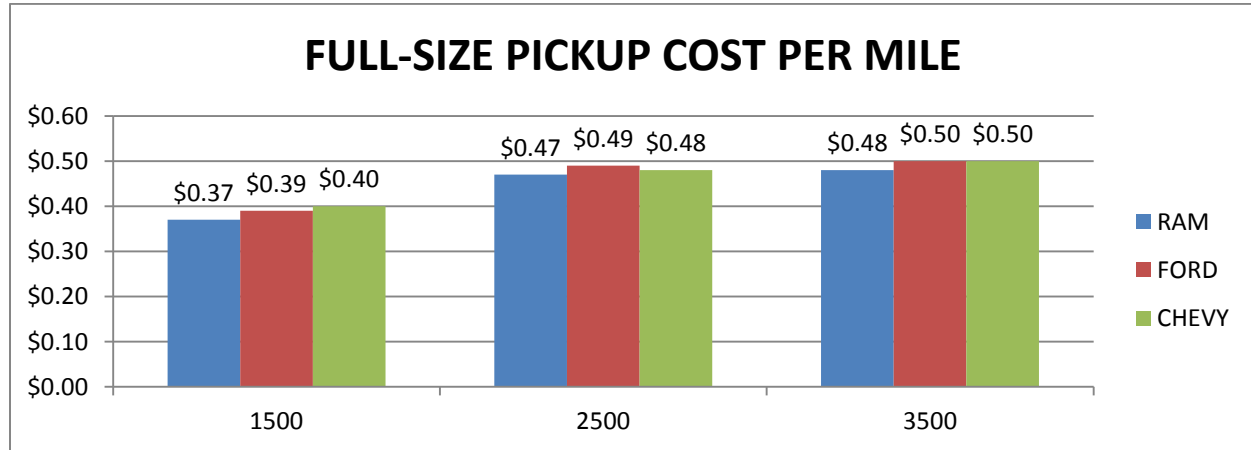
- Vehicle needs and functional requirements (based on intended use and program assignment)
- Low lifecycle cost
- Standardization practices (limited number of makes/models)

In the interest of fleet standardization, the following vehicle platforms have been identified including the vehicle recommendations for each platform:

- Full-Size Trucks
 - Ram 1500
 - Ram 3500
 - Ram 5500
- Heavy-Duty Trucks
 - Ford F-750
 - Freightliner
- Sedans
 - Ford Taurus
 - Ford Fusion (Electric)
- Van/Sport Utility Vehicles (SUV)
 - Dodge/Ram Van
 - Jeep Wrangler

City of Moreno Valley Fleet Standardization - Exhibit A

Full-Size Trucks: The Full-Size Truck platform represents the largest vehicle platform utilized by the City of Moreno Valley, and comprises approximately 62% of the overall fleet. Primary consideration for the vehicle recommendation in this platform is total cost of ownership, also referred to as life cycle cost. As represented in the graph below, the Ram brand represents the lowest total cost of ownership in this category.



*Source: Government-fleet.com, Automotive-fleet.com, Vincentric.com*Key data elements measured include fuel costs, repair costs, maintenance costs, and opportunity costs.

Heavy Duty Trucks: The Heavy Duty Truck platform is the second largest vehicle platform and comprises approximately 9% of the fleet. This platform is comprised of work vehicles, such as dump trucks, street sweepers, vacuum trucks, etc. These Heavy Duty trucks are subject to stringent emissions regulations that govern the fuel type and engine style, but also need to perform adequately in the heavy duty construction industry. The primary consideration for the vehicle recommendations in this platform are vehicle needs/functional requirements. The Ford F-750 and Freightliner brands represent the best combination of functionality and regulatory compliance.

Sedans: The Sedan platform represents a relatively small percentage of the fleet. The primary consideration for the vehicle recommendations in this platform are vehicle needs/functional requirements, including diversification of alternative fuel vehicles and integration of electric vehicles into the City's fleet, where practical.

Vans/Sport Utility Vehicles: The Van/Sport Utility Vehicle (SUV) platform also represents a relatively small percentage of the fleet. The primary considerations for these vehicles are the vehicle needs/functional requirements, including various cases in which a large passenger capacity, large cargo capacity, or short/narrow wheel base are necessary.

Other: The remainder of the fleet is comprised of specialty equipment such as riding mowers, utility vehicles, tractors, backhoes which fall outside the Fleet Standardization adopted by the City.

As outlined above, the Fleet Standardization Plan includes a total of four manufacturers (Dodge/Ram, Ford, Freightliner, and Jeep) and nine models. This practice will provide critical benefits to aid staff in developing a superior fleet maintenance program by increasing driver safety, streamlining vehicle purchases, and optimizing vehicles within the fleet.



Ram 1500



Ram 3500



Ram 5500



Ford F-750



Freightliner



Ford Taurus

© 2013 Ford Motor Company



Ford Fusion Electric



Ram Promaster



Jeep Wrangler

Attachment: Exhibit A - Vehicle Standardization (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE GOVERNMENT PROCUREMENT

EXHIBIT B

<u>Vendor</u>	<u>Vehicle Type/Product</u>	<u>Program</u>	<u>Department</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Cowboy CDJR	Ram 1500 Std Cab	Building & Safety	Comm Development	3	\$21,096.68	\$63,290.04
Cowboy CDJR	Ram 1500 Std Cab	Catch Basin Maintenance	Public Works	1	\$21,096.68	\$21,096.68
Cowboy CDJR	Ram 1500 Std Cab	Code Compliance	Comm Development	5	\$21,096.68	\$105,483.40
Cowboy CDJR	Ram 1500 Std Cab	Graffiti/Weed Abatement	Public Works	2	\$21,096.68	\$42,193.36
Cowboy CDJR	Ram 1500 Std Cab	Parks & Open Space	Parks & Comm Services	1	\$21,096.68	\$21,096.68
Cowboy CDJR	Ram 1500 Std Cab	Parks Maintenance	Parks & Comm Services	1	\$21,096.68	\$21,096.68
				<u>13</u>		<u>\$274,256.84</u>
Cowboy CDJR	Ram 1500 Std Cab 4x4	Fire Prevention	Fire	2	\$25,188.50	\$50,377.00
				<u>2</u>		<u>\$50,377.00</u>
Cowboy CDJR	Ram 1500 Quad Cab 4x4	Capital Projects	Public Works	1	\$28,436.15	\$28,436.15
Cowboy CDJR	Ram 1500 Quad Cab 4x4	Electric Utility	Fin & Mgmt Services	1	\$28,436.15	\$28,436.15
Cowboy CDJR	Ram 1500 Quad Cab 4x4	Land Development	Public Works	1	\$28,436.15	\$28,436.15
Cowboy CDJR	Ram 1500 Quad Cab 4x4	Special Districts	Public Works	2	\$28,436.15	\$56,872.30
				<u>5</u>		<u>\$142,180.75</u>
Cowboy CDJR	Ram 1500 Crew Cab 4x4	Special Districts	Public Works	1	\$30,562.65	\$30,562.65
				<u>1</u>		<u>\$30,562.65</u>
Cowboy CDJR	Ram 3500 Std Cab	Graffiti/Weed Abatement	Public Works	1	\$29,062.00	\$29,062.00
Cowboy CDJR	Ram 3500 Std Cab	Parks & Open Space	Parks & Comm Services	1	\$29,062.00	\$29,062.00
				<u>2</u>		<u>\$58,124.00</u>
Cowboy CDJR	Ram 3500 Std Cab 4x4	Graffiti/Weed Abatement	Public Works	1	\$30,185.20	\$30,185.20
				<u>1</u>		<u>\$30,185.20</u>
Cowboy CDJR	Ram 3500 Crew Cab 4x4	Street Maintenance	Public Works	2	\$35,249.75	\$70,499.50
				<u>2</u>		<u>\$70,499.50</u>

Attachment: Exhibit B - Vehicle Cost Details [Revision 3] (2585 : APPROVAL OF UTILIZATION OF HGAC

EXHIBIT B

<u>Vendor</u>	<u>Vehicle Type/Product</u>	<u>Program</u>	<u>Department</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Cowboy CDJR	Ram 3500 Std Cab w/Service Body	Facilities Maintenance	Admin Services	1	\$37,219.50	\$37,219.50
				<u>1</u>		<u>\$37,219.50</u>
Cowboy CDJR	Ram 3500 Std Cab DRW w/Service Body	Traffic Signals	Public Works	1	\$36,933.50	\$36,933.50
				<u>1</u>		<u>\$36,933.50</u>
Cowboy CDJR	Ram 3500 Crew Cab 4x4 w/ Service Body	Parks Maintenance	Parks & Comm Services	3	\$40,118.20	\$120,354.60
				<u>3</u>		<u>\$120,354.60</u>
Cowboy CDJR	Ram 3500 Crew Cab w/Animal Body	Animal Services	Admin Services	5	\$61,599.75	\$307,998.75
				<u>5</u>		<u>\$307,998.75</u>
<u>Cowboy CDJR Sub Total:</u>				<u>36</u>		<u>\$1,158,692.29</u>
Grapevine DCJ	Jeep Wrangler 2- door	Park Ranger	Parks & Comm Services	3	\$32,610.87	\$97,832.61
<u>Grapevine DCJ Sub Total:</u>				<u>3</u>		<u>\$97,832.61</u>
Love Field CDJR	Ram 5500 Std Cab w/ Service Body	Signing & Striping	Public Works	2	\$75,352.00	\$150,704.00
				<u>2</u>		<u>\$150,704.00</u>
Love Field CDJR	Ram 5500 Crew Cab w/ Service Body	Concrete Maintenance	Public Works	1	\$69,083.00	\$69,083.00
				<u>1</u>		<u>\$69,083.00</u>
<u>Love Field CDJR Sub Total:</u>				<u>3</u>		<u>\$219,787.00</u>
<u>Vehicle Total:</u>				<u>42</u>		<u>\$1,476,311.90</u>
Southwest Traffic Systems	Light Bar 975L	N/A	N/A	3		\$8,712.84
Southwest Traffic Systems	Light Bar 975L & 970L	N/A	N/A	5		\$21,344.35
Southwest Traffic Systems	Light Bar 970L	N/A	N/A	34		\$107,370.56
<u>Southwest Traffic Systems Sub Total:</u>				<u>42</u>		<u>\$137,427.75</u>
<u>Vehicle Lighting Systems Total:</u>				<u>42</u>		<u>\$137,427.75</u>

Attachment: Exhibit B - Vehicle Cost Details [Revision 3] (2585 : APPROVAL OF UTILIZATION OF HGAC

EXHIBIT B

Vehicle Sub Totals:	\$1,476,311.90
Vehicle Lighting Systems Sub Total:	<u>\$137,427.75</u>
Vehicle & Lighting Systems Purchase Grand Total:	\$1,613,739.65

Attachment: Exhibit B - Vehicle Cost Details [Revision 3] (2585 : APPROVAL OF UTILIZATION OF HGAC

HGACBuy	CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only	Contract No.:	VE11-15	Date Prepared:	4/6/2017
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This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: bobl@moval.org	Email: fleetsales@outlook.com

Product Code: J07	Description: 2016 RAM 1500 REGULAR CAB 4X2
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 16,787.0

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
		2016 RAM 1500 REGULAR CAB 6'4"	
		3.6L V6 GAS ENGINE/8 SPEED AUTO TRANS	
AJH POWER WINDOWS LOCKS AND REMOTES	\$ 735.00	PW7 BRIGHT WHITE	
RECEIVER HITCH	\$ 87.00	VINLY 40/20/40 SEATING, RUBBER FLOORS	
5% DISCOUNT ON FACTORY OPTIONS	\$ (82.32)	POWER WINDOWS/LOCKS	
SPRAY IN BEDLINER	\$ 355.00	RECEIVER HITCH	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	120 DAYS ARO	
		CONFIRMING CALIFORNIA EMISSIONS WITH CHRYSLER	
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 1,289.0

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
CONCESSION DIFFERENCE	\$ 1,260.00		
2 EXTRA KEYS/FOBS	\$ 665.00		
Subtotal From Additional Sheet(s):			
Subtotal C:			\$ 1,925.0

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 11

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 13	X	Subtotal of A + B + C:	\$ 20,001.68	=	Subtotal D:	\$ 260,021.0
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E. H-GAC Order Processing Charge (Amount Per Current Policy) Subtotal E: \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 13 UNITS \$1095.00	\$ 14,235.00		
Subtotal F:			\$ 14,235.0

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 274,256.0

Attachment: Exhibit C - Cowboy CDJR Ram 1500 Std Cab 4x2 [Revision 1] (2585 - APPROVAL OF UTILIZATION OF HGAC NATIONWIDE)

Exhibit D



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-15

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: bobl@moval.org	Email: fleetsales@outlook.com

Product Code: J07	Description: 2016 RAM 1500 REGULAR CAB
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 16,787.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
		2016 RAM 1500 REGULAR CAB 6'4" BED	
		3.6L V6, 8 SPD AUTO TRANS	
AJH POWER WINDOWS LOCKS AND REMOTES	\$ 735.00	PW7 BRIGHT WHITE	
RECEIVER HITCH	\$ 87.00	VINLY 40/20/40 SEATING, RUBBER FLOORS	
UPGRADE TO 4X4	\$ 3,958.00	POWER WINDOWS/LOCKS	
DSA LIMITED SLIP AXLE	\$ 395.00	RECEIVER HITCH	
5% DISCOUNT ON FACTORY OPTIONS	\$ (343.50)	120 DAYS ARO	
SPRAY IN BEDLINER	\$ 355.00	CONFIRMING CALIFORNIA EMISSIONS WITH CHRYSLER	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00		
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 5,381.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
CONCESSION DIFFERENCE	\$ 1,260.00		
2 EXTRA KEYS/FOBS	\$ 665.00		
Subtotal From Additional Sheet(s):			
Subtotal C:			\$ 1,925.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 9%

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 2	X Subtotal of A + B + C: \$ 24,093.50	=	Subtotal D: \$ 48,187.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 2 UNITS \$1095.00	\$ 2,190.00		
Subtotal F:			\$ 2,190.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 50,377.00

Attachment: Exhibit D - Cowboy CDJR Ram 1500 Std Cab 4x4 [Revision 1] (2585 - APPROVAL OF UTILIZATION OF HGAC NATIONWIDE)

Exhibit E

A.10.e



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-15

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J08	Description: 2016 RAM 1500 QUAD CAB 4X2 DS1L41
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 20,770.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
UPGRADE TO 4X4	\$ 3,210.00	2016 RAM 1500 QUAD CAB 4X2 64" PICK UP BED	
DSA LIMITED SLIP AXLE	\$ 395.00	5.7L V8, 8 SPD AUTO TRANS	
5.7L V8/8 SPD AUTO TRANS	\$ 1,750.00	PW7 BRIGHT WHITE	
DISCOUNT ON FACTORY OPTIONS	\$ (310.85)	VINYL 40/20/40 SEATING, RUBBER FLOORS	
SPRAY IN BEDLINER	\$ 355.00	POWER WINDOWS/LOCKS	
TOW PACKAGE	\$ 87.00		
UA1 UCONNECT 3.0	\$ 195.00		
SKID PLATES AND TOW HOOKS	\$ 225.00	120 DAYS ARO	
		CONFIRMING CALIFORNIA EMISSIONS WITH CHRYSLER	
		Subtotal From Additional Sheet(s):	\$ -
		Subtotal B:	\$ 5,906.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 665.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	\$ 665.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 5	X Subtotal of A + B + C: \$ 27,341.15	=	Subtotal D: \$ 136,705.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 5 UNITS \$1095.00 EACH	\$ 5,475.00		
		Subtotal F:	\$ 5,475.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 142,180.00

Attachment: Exhibit E - Cowboy CDJR Ram 1500 Quad Cab 4x4 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit F

A.10.f



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.:

VE11-15

Date Prepared:

4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J09	Description: 2017 RAM 1500 CREW CAB 4X2
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 23,016.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.

(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
5.7L V8 HEMI GASOLINE ENGINE	\$ 1,750.00	2017 RAM 1500 CREW CAB 4X4 5'7" PICK UP BED	
DSA LIMITED SLIP AXLE	\$ 395.00	5.7L V8 / 8 SPD AUTO TRANS	
		PW7 BRIGHT WHITE	
4X4 CREW CAB UPGRADE	\$ 3,100.00	VINYL 40/20/40 SEATING	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	POWER WINDOWS/LOCKS	
SPRAY IN BEDLINER	\$ 355.00		
5% DISCOUNT ON FACTORY OPTIONS	\$ (305.35)		
ADB PROTECTION GROUP, SKID PLATES, TOW HOOKS	\$ 225.00		
RECEIVER HITCH	\$ 87.00		
		Subtotal From Additional Sheet(s):	\$ -
		Subtotal B:	\$ 5,801.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.

(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
CONCESSION DIFFERENCE	\$ -		
2 EXTRA KEYS/FOBS	\$ 650.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	\$ 650.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 1	X	Subtotal of A + B + C:	\$ 29,467.65	=	Subtotal D:	\$ 29,467.65
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E. H-GAC Order Processing Charge (Amount Per Current Policy) Subtotal E: \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 1 UNIT \$1095.00 EACH	\$ 1,095.00		
		Subtotal F:	\$ 1,095.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 30,562.65

Attachment: Exhibit F - Cowboy CDJR Ram 1500 Crew Cab 4x4 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit G



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J15	Description: 2017 RAM 3500 REGULAR CAB 4X2 D23L62
--------------------------	--

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 25,915.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
XMF SPRAY IN BEDLINER	\$ 355.00	2017 RAM 3500 REGULAR CAB 4X2 8' BED	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	5.7L V8 HEMI, 6 SPD AUTO TRANS	
AJH REMOTE POWER AND ENTRY GROUP	\$ 615.00	PW7 BRIGHT WHITE	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00	VINYL 40/20/40 SEATING, RUBBER FLOORS	
5% DISCOUNT ON FACTORY OPTIONS	\$ (73.00)	POWER WINDOWS/LOCKS	
		RECEIVER HITCH AND 7 PIN CONNECTOR	
		120 DAYS ARO	
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 1,387.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 665.00		
Subtotal From Additional Sheet(s):			
Subtotal C:			\$ 665.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 2	X	Subtotal of A + B + C: \$ 27,967.00	=	Subtotal D: \$ 55,934.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 2 UNITS \$1095.00 EACH	\$ 2,190.00		
Subtotal F:			\$ 2,190.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 58,124.00

Attachment: Exhibit G - Cowboy CDJR Ram 3500 Std Cab 4x2 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit H

A.10.h



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J15	Description: 2017 RAM 3500 REGULAR CAB 4X2 D23L62
--------------------------	--

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 25,915.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
XMF SPRAY IN BEDLINER	\$ 355.00	2017 RAM 3500 REGULAR CAB 4X4 8' BED	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	6.4L V8 HEMI, 6 SPD AUTO TRANS	
AJH REMOTE POWER AND ENTRY GROUP	\$ 615.00	PW7 BRIGHT WHITE	
5% DISCOUNT ON FACTORY OPTIONS	\$ (195.80)	VINYL 40/20/40 SEATING, RUBBER FLOORS	
UPGRADE TO 4X4	\$ 1,611.00	POWER WINDOWS/LOCKS	
DK3 ELECTRIC SHIFT ON THE FLY	\$ 295.00	RECEIVER HITCH AND 7 PIN CONNECTOR	
ADB PROTECTION GROUP-SKID PLATES	\$ 50.00		
6.4L V8 HEMI	\$ 500.00	120 DAYS ARO	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00		
		Subtotal From Additional Sheet(s):	\$ -
		Subtotal B:	\$ 3,720.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
CONCESSION DIFFERENCE	\$ (1,210.00)		
2 EXTRA KEYS/FOBS	\$ 665.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	\$ (545.00)

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** -2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 1	X Subtotal of A + B + C: \$ 29,090.20	=	Subtotal D: \$ 29,090.20
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 1 UNITS \$1095.00 EACH	\$ 1,095.00		
		Subtotal F:	\$ 1,095.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 30,185.20

Attachment: Exhibit H - Cowboy CDJR Ram 3500 Std Cab 4x4 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit I



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J16	Description: 2017 RAM 3500 CREW CAB 4X2 D23L91
--------------------------	---

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 27,910.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
D28L92 4X4 UPGRADE	\$ 3,510.00	2017 RAM 3500 CREW CAB 4X4 8' BED	
ESA 6.4L V8 HD HEMI	\$ 500.00	6.4L V8 HEMI, 6 SPD AUTO TRANS	
ADB PROTECTION GROUP SKID PLATE AND TOW HOOKS	\$ 50.00	PW7 BRIGHT WHITE	
DSA LIMITED SLIP AXLE	\$ 395.00	VINYL 40/20/40 SEATING, RUBBER FLOORS	
DK3 ELECTRIC SHIFT ON THE FLY	\$ 245.00	POWER WINDOWS/LOCKS	
DISCOUNT	\$ (284.25)	RECEIVER HITCH AND 7 PIN CONNECTOR	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00		
XMF SPRAY IN BEDLINER	\$ 495.00	120 DAYS ARO	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00	CALIFORNIA EMISSIONS	
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 5,400.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 665.00		
8' BED	\$ 179.00		
Subtotal From Additional Sheet(s):			
Subtotal C:			\$ 844.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 3%

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 2	X Subtotal of A + B + C: \$ 34,154.75	=	Subtotal D: \$ 68,309.50
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587 MILES X 2 UNITS \$1095.00 EACH	\$ 2,190.00		
Subtotal F:			\$ 2,190.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 70,499.50

Attachment: Exhibit I - Cowboy CDJR Ram 3500 Crew Cab 4x4 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit J



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA (FACILITY MAINT)	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: bobl@moval.org	Email: fleetsales@outlook.com

Product Code: J18	Description: 2017 RAM 3500 REGULAR CAB AND CHASSIS 4X2 DD3L64
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 25,479.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
6.4L HEMI	INC	2017 RAM 3500 REGULAR CAB AND CHASSIS DRW	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	6.4L V8 HEMI, 6 SPD AUTO TRANS	
AJH REMOTE POWER AND ENTRY GROUP	\$ 850.00	PW7 BRIGHT WHITE	
5% DISCOUNT ON FACTORY OPTIONS	\$ (84.50)	VINYL 40/20/40 SEATING, RUBBER FLOORS	
SPARE TIRE	\$ 350.00	POWER WINDOWS/LOCKS	
34 SERVICE BODY 60" CA VERTICAL OPEN TOP	\$ 8,723.00	SINGLE REAR WHEEL	
AR9 SINGLE REAR WHEEL	\$ (400.00)	60" CA	
		120 -150 DAYS ARO	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00	CITY OF MORENO VALLEY TO TAKE DELIVERY FROM	
TOW PACKAGE WILL NEED TO BE IN BODY QUOTE		SCELZI AFTER BODIES ARE INSTALLED.	
TRAILER TOW N/A ON CAB AND CHASSIS		Subtotal From Additional Sheet(s):	\$ -
			Subtotal B: \$ 9,928.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 664.00	WEIGHT CERTIFICATE	\$ 28.00
			Subtotal From Additional Sheet(s):
HAZARDOUS WASTE DISPOSAL FEE	\$ 25.00		
			Subtotal C: \$ 717.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 1	X	Subtotal of A + B + C: \$ 36,124.50	=	Subtotal D: \$ 36,124.50
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 1 UNITS \$1095.00 EACH	\$ 1,095.00		
			Subtotal F: \$ 1,095.00

Delivery Date: 120 -150 DAYS **G. Total Purchase Price (D+E+F):** \$ 37,219.50

Attachment: Exhibit J - Cowboy CDJR Ram 3500 Std Cab Chassis SRW 4x2 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC



CONTRACT PRICING WORKSHEET
For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	MORENO VALLEY, CALIFORNIA (TRAFFIC SIGNAL MAINT)	Contractor:	COWBOY CDJR
Contact Person:	BOB LINTON	Prepared By:	JARROD RUNNELS
Phone:	951-413-3174	Phone:	409-895-3858
Fax:		Fax:	409-895-3884
Email:	boobl@moval.org	Email:	fleetsales@outlook.com

Product Code:	J18	Description:	2017 RAM 3500 REGULAR CAB AND CHASSIS 4X2 DD3L64
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 25,479.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
6.4L HEMI	INC	2017 RAM 3500 REGULAR CAB AND CHASSIS DRW	
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	6.4L V8 HEMI, 6 SPD AUTO TRANS	
AJH REMOTE POWER AND ENTRY GROUP	\$ 850.00	PW7 BRIGHT WHITE	
5% DISCOUNT ON FACTORY OPTIONS	\$ (84.50)	VINYL 40/20/40 SEATING, RUBBER FLOORS	
SPARE TIRE	\$ 350.00	POWER WINDOWS/LOCKS	
34 SERVICE BODY 60" CA DRW VERTICAL OPEN TOP	\$ 8,723.00	DUAL REAR WHEEL	
DISCOUNT ON BODY	\$ (686.00)	60" CA	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00	120-150 DAYS ARO	
		MORENO VALLEY TO TAK DELIVERY FROM	
TOW PACKAGE WILL NEED TO BE IN BODY QUOTE		SCELZI AFTER BODIES ARE INSTALLED	
TRAILER TOW N/A ON CAB AND CHASSIS			
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 9,642.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 664.00	WEIGHT CERTIFICATE	\$ 28.00
HAZARDOUS WASTE FEE	\$ 25.00		
Subtotal C:			\$ 717.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered:	1	X Subtotal of A + B + C:	\$ 35,838.50	=	Subtotal D:	\$ 35,838.50
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E. H-GAC Order Processing Charge (Amount Per Current Policy) Subtotal E: \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587MILES X 1 UNITS \$1095.00 EACH	\$ 1,095.00		
Subtotal F:			\$ 1,095.00

Delivery Date: 120 -150 DAYS **G. Total Purchase Price (D+E+F):** \$ 36,933.50

Attachment: Exhibit K - Cowboy CDJR Ram 3500 Std Cab Chassis DWR 4x2 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Exhibit L



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/6/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA (PARK MAINT)	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J19	Description: 2017 RAM 3500 CREW CAB & CHASSIS 4X2
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 27,167.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
		2017 RAM 3500 CREW CAB AND CHASSIS 4X4 60" CA	
ESA 6.4L V8 HD HEMI	\$ -		
4X4 UPGRADE	\$ 1,611.00	PW7 BRIGHT WHITE	
XEF TRANSFER SKID PLATE	\$ 95.00	VINYL 40/20/40 SEATING, RUBBER FLOORS	
DK3 ELECTRIC SHIFT ON THE FLY	\$ 270.00	POWER WINDOWS/LOCKS	
DISCOUNT	\$ (140.80)	34 SERVICE BODY 60" CA VERTICAL OPEN TOP	\$ 8,723.00
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	108' LONG BODY	\$ 141.00
AR9 SINGLE REAR WHEEL GROUP	\$ (400.00)	120 -150 DAYS ARO	
TBB FULL SIZE SPARE TIRE	\$ 350.00	CITY OF MORENO VALLEY TO TAKE DELIVERY FROM	
XHC TRAILER BRAKE CONTROLLER	\$ 295.00	SCELZI AFTER BODIES ARE INSTALLED	
Subtotal From Additional Sheet(s):			\$ -
Subtotal B:			\$ 11,139.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2 EXTRA KEYS/FOBS	\$ 664.00	WEIGHT CERTIFICATE	\$ 28.00
Subtotal From Additional Sheet(s):			
HAZARDOUS WASTE DISPOSAL FEE	\$ 25.00		
Subtotal C:			\$ 717.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 3	X Subtotal of A + B + C: \$ 39,023.20	=	Subtotal D: \$ 117,069.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY 1587 MILES X 3 UNITS \$1095.00 EACH	\$ 3,285.00		
Subtotal F:			\$ 3,285.00

Delivery Date: 120 -150 DAYS **G. Total Purchase Price (D+E+F):** \$ 120,354.00

Attachment: Exhibit L - Cowboy CDJR Ram 3500 Crew Cab Chassis SRW 4x4 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Exhibit M

A.10.m



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: VE11-13

Date Prepared: 4/13/2011

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: MORENO VALLEY, CALIFORNIA	Contractor: COWBOY CDJR
Contact Person: BOB LINTON	Prepared By: JARROD RUNNELS
Phone: 951-413-3174	Phone: 409-895-3858
Fax:	Fax: 409-895-3884
Email: boobl@moval.org	Email: fleetsales@outlook.com

Product Code: J19	Description: 2017 RAM 3500 CREW CAB & CHASSIS 4X2
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$ 27,167.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
		2017 RAM 3500 CREW CAB AND CHASSIS 4X2 60" CA	
ESA 6.4L V8 HD HEMI	\$ -	6.4L V8 HEMI, 6 SPD AUTO TRANS	
		PW7 BRIGHT WHITE	
		VINYL 40/20/40 SEATING, RUBBER FLOORS	
		POWER WINDOWS/LOCKS	
DISCOUNT	\$ (10.25)	63 DEERSKIN PKG ACCM6G PACKAGE PER DEERSKIN QUOTE	\$ 34,995.00
UA1 UCONNECT 3.0 BLUETOOTH	\$ 195.00	DISCOUNT	\$ (4,112.00)
AR9 SINGLE REAR WHEEL GROUP	\$ (400.00)	120 DAYS ARO	
TBB FULL SIZE SPARE TIRE	\$ 350.00	CALIFORNIA EMISSIONS	
TOW PACKAGE WILL NEED TO IN BODY QUOTE		Subtotal From Additional Sheet(s):	\$ -
TRAILER TOW N/A ON CAB AND CHASSIS		Subtotal B:	\$ 31,017.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
TRAILER BRAKE CONTROLLER	\$ 295.00		
2 EXTRA KEYS/FOBS	\$ 665.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	\$ 960.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 2

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 5	X Subtotal of A + B + C: \$ 59,144.75	=	Subtotal D: \$ 295,723.00
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E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** \$ -

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
DELIVERY TO DEERSKIN 260 MILES X 5 UNITS \$455.00 EACH	\$ 2,275.00		
DELIVERY FROM DEERSKIN MFG TO MORENO VALLEY	\$ 10,000.00		
\$2000.00 EACH			
		Subtotal F:	\$ 12,275.00

Delivery Date: 120 DAYS **G. Total Purchase Price (D+E+F):** \$ 307,998.00

Attachment: Exhibit M - Cowboy CDJR Ram 3500 Crew Cab Chassis SRW 4x2 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Exhibit N

Current Model Cars, Light Trucks & Police Motorcycles

Page 1 of 4

A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
COWBOY MOTOR COMPANY LC
Silsbee, Texas

This Contract is made and entered into by the **Houston-Galveston Area Council of Governments**, hereinafter referred to as **H-GAC**, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND, **Cowboy Motor Company LC** hereinafter referred to as the **CONTRACTOR**, having its principal place of business at 1355 Highway 96 South, Silsbee, Texas 77656.

ARTICLE 1:**SCOPE OF SERVICES**

The parties have entered into a **Current Model Cars, Light Trucks & Police Motorcycles** Contract to become effective as of November 1, 2015, and to continue through October 31, 2017 (the "Contract"), subject to extension upon mutual agreement of the **CONTRACTOR** and **H-GAC**. **H-GAC** enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as **END USER**, for the purchase of **Current Model Cars, Light Trucks & Police Motorcycles** offered by the **CONTRACTOR**. The **CONTRACTOR** agrees to sell **Current Model Cars, Light Trucks & Police Motorcycles** through the **H-GAC** Contract to **END USERS**.

ARTICLE 2:**THE COMPLETE AGREEMENT**

The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Bid Specifications No:VE11-15, including any relevant suffixes
4. **CONTRACTOR's** Response to Bid No:VE11-15, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3:**LEGAL AUTHORITY**

CONTRACTOR and **H-GAC** warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4:**APPLICABLE LAWS**

The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5:**INDEPENDENT CONTRACTOR**

The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of **H-GAC** or **CONTRACTOR**. No provision of this Contract or act of **H-GAC** in performance of this Contract shall be construed as making **CONTRACTOR** the agent, servant or employee of **H-GAC**, the State of Texas or the United States Government. Employees of **CONTRACTOR** are subject to the exclusive control and supervision of **CONTRACTOR**. **CONTRACTOR** is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6:**END USER AGREEMENTS**

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement with the **CONTRACTOR** through this Contract and that the term of said Agreement may exceed the term of the **H-GAC** Contract. However this acknowledgement is not to be construed as **H-GAC's** endorsement or approval of the End User Agreement terms and conditions. **CONTRACTOR** agrees not to offer to, agree to or accept from **END USER** any terms or conditions that conflict with or contravene those in **CONTRACTOR's** **H-GAC** contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between **CONTRACTOR** and any **END USER** which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that **CONTRACTOR** will no longer be able to enter into any new End User Agreements with **END USERS** pursuant to this Contract. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any End User Agreements surviving termination of this Contract between **H-GAC** and **CONTRACTOR**.

H:\CONTRACTS\Current Model Cars, Light Trucks & Police Motorcycles\Cowboy Motor Company LC VE11-15.7

Attachment: Exhibit N - HGACBuy - Cowboy Motor Company, LC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF

ARTICLE 7:**SUBCONTRACTS & ASSIGNMENTS**

CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to **H-GAC**. **H-GAC** reserves the right to accept or reject any such change. **CONTRACTOR** shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. **H-GAC** shall be liable solely to **CONTRACTOR** and not to any of its Subcontractors or Assignees.

ARTICLE 8:**EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS**

CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to **END USER** under this Contract. **H-GAC**, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of **CONTRACTOR**. Failure to provide access to records may be cause for termination of this Contract. **CONTRACTOR** shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. **CONTRACTOR** further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that **H-GAC'S** duly authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9:**REPORTING REQUIREMENTS**

CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Bid Specifications. If **CONTRACTOR** fails to submit to **H-GAC** in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10:**MOST FAVORED CUSTOMER CLAUSE**

If **CONTRACTOR**, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **CONTRACTOR** shall notify **H-GAC** within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein **CONTRACTOR** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER**. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **CONTRACTOR** is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, **CONTRACTOR** shall within ten (10) business days notify **H-GAC** in writing, setting forth the detailed reasons **CONTRACTOR** believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. **H-GAC**, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between **H-GAC** and **CONTRACTOR** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to **H-GAC**.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure. *EXCEPTION: This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.*

ARTICLE 11:**SEVERABILITY**

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12:**DISPUTES**

Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of **H-GAC** or his designee, who shall reduce his decision to writing and provide notice thereof to **CONTRACTOR**. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, **CONTRACTOR** requests a rehearing from the Executive Director of **H-GAC**. In connection with any rehearing under this Article, **CONTRACTOR** shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. **CONTRACTOR** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Contract and in accordance with **H-GAC'S** final decision.

ARTICLE 13: LIMITATION OF CONTRACTOR'S LIABILITY

Except as specified in any separate writing between the CONTRACTOR and an END USER, CONTRACTOR's total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC described in Article 14, is limited to the price of the particular products/services sold hereunder, and CONTRACTOR agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will CONTRACTOR be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. CONTRACTOR understands and agrees that it shall be liable to repay and shall repay upon demand to END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14: LIMIT OF H-GAC'S LIABILITY AND INDEMNIFICATION OF H-GAC

H-GAC's liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of CONTRACTOR's negligent act or omission under this Contract. CONTRACTOR shall notify H-GAC of the threat of lawsuit or of any actual suit filed against CONTRACTOR relating to this Contract.

ARTICLE 15: TERMINATION FOR CAUSE

H-GAC may terminate this Contract for cause based upon the failure of CONTRACTOR to comply with the terms and/or conditions of the Contract; provided that H-GAC shall give CONTRACTOR written notice specifying CONTRACTOR'S failure. If within thirty (30) days after receipt of such notice, CONTRACTOR shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then H-GAC may, at its option, place CONTRACTOR in default and the Contract shall terminate on the date specified in such notice. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation was received by CONTRACTOR.

ARTICLE 16: TERMINATION FOR CONVENIENCE

Either H-GAC or CONTRACTOR may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. CONTRACTOR may be entitled to payment from END USER for services actually performed; to the extent said services are satisfactory to END USER. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation is received by CONTRACTOR.

ARTICLE 17: CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS

CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by H-GAC, the State of Texas, and the acts and regulations of any funding entity. CONTRACTOR agrees to notify H-GAC of any suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18: GOVERNING LAW & VENUE

This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between END USER and CONTRACTOR are to be resolved in accord with the law and venue rules of the state of purchase. CONTRACTOR shall immediately notify H-GAC of such disputes.

ARTICLE 19: PAYMENT OF H-GAC ORDER PROCESSING CHARGE

CONTRACTOR agrees to sell its products to END USERS based on the pricing and other terms of this Contract, including, but not limited to, the payment of the applicable H-GAC order processing charge. On notification from an END USER that an order has been placed with CONTRACTOR, H-GAC will invoice CONTRACTOR for the applicable order processing charge. Upon delivery of any product/service by CONTRACTOR and acceptance by END USER, CONTRACTOR shall, within thirty (30) calendar days or ten (10) business days after receipt of payment, whichever is less, pay H-GAC the full amount of the applicable order processing charge, whether or not CONTRACTOR has received an invoice from H-GAC. For sales made by CONTRACTOR based on this contract, including sales to entities without Interlocal Contracts, CONTRACTOR shall pay the applicable order processing charges to H-GAC. Further, CONTRACTOR agrees to encourage entities who are not members of H-GAC's Cooperative Purchasing Program to execute an H-GAC Interlocal Contract. H-GAC reserves the right to take appropriate actions including, but not limited to, contract termination if CONTRACTOR fails to promptly remit H-GAC's order processing charge. In no event shall H-GAC have any liability to CONTRACTOR for any goods or services an END USER procures from CONTRACTOR.

ARTICLE 20:

LIQUIDATED DAMAGES

Any liquidated damages terms will be determined between CONTRACTOR and END USER at the time END USER's purchase order is placed.

ARTICLE 21:

PERFORMANCE AND PAYMENT BONDS FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB) and offered pricing should reflect this cost saving. However, CONTRACTOR must be prepared to offer a PPB to cover any specific order if so requested by END USER. CONTRACTOR shall quote a price to END USER for provision of any requested PPB, and agrees to furnish the PPB within ten (10) days of receipt of END USER's purchase order.

ARTICLE 22:

CHANGE OF CONTRACTOR STATUS

CONTRACTOR shall immediately notify H-GAC, in writing, of ANY change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name, and shall also advise whether or not this Contract shall be affected in any way by such change. H-GAC shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Contract.

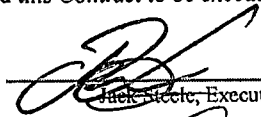
ARTICLE 23:

LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD /IF APPLICABLE/

CONTRACTOR will for the duration of this Contract maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any CONTRACTOR'S license is not renewed, or is denied or revoked, CONTRACTOR shall be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to H-GAC upon request.

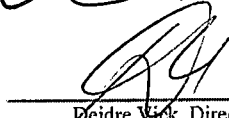
IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for Houston-Galveston
Area Council, Houston, Texas:



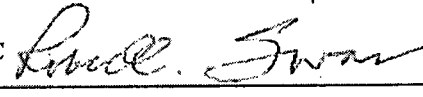
Jack Steele, Executive Director

Attest for Houston-Galveston
Area Council, Houston, Texas:



Deidre Wick, Director of Public Services
Date: 11/12, 2015

Signed for Cowboy Motor Company LC
Silsbee, Texas:



Printed Name & Title: ROBERT C. SWAN, FLEET DIRECTOR
Date: 11-9 2015

Attest for Cowboy Motor Company LC
Silsbee, Texas:



Printed Name & Title: Mary Falgout Fleet Admin Mgr.
Date: 11-9 2015

Attachment: Exhibit N - HGACBuy - Cowboy Motor Company, LC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Attachment A						
Cowboy Motor Company LC						
Current Model Cars, Light Trucks & Police Motorcycles						
Contract No. VE11-15						
HGAC Prod. Code	MFG.	Current Model Year Bld	Vehicle Line or Category	Mfg. Body Code	Model / Description	Base Price
B02	Chrysl	2016	Large Size	LXCH48	Chrysler 300 Limited, 4-door sedan, RWD, 3.6-Liter V6 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$26,415.00
C02	Dodge	2016	Large Cars	LDDM48	Dodge Charger SE, 4-door, RWD, 3.6-Liter V6 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$23,574.00
C03	Dodge	2016	Police Vehicle	LDDE48	Dodge Charger Pursuit, 4-door Large Size, RWD, 3.6-Liter V6 24-Valve VVT Engine, 5-Speed AutoStick Automatic Transmission, Complete with all manufacturer's standard equipment	\$21,964.00
C05	Dodge	2016	Compact Cars	LADH22	Dodge Challenger SXT, 2-door Compact car, rear wheel drive, 3.6-Liter V6 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$24,881.00
C06	Dodge	2016	Minivan - 2WD	RTKH53	Dodge Grand Caravan SE, FWD, 3.6-Liter V6 24-Valve VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$20,732.00
H03	Jeep	2016	Sport Utility Vehicle - 2WD	MKTE74	PATRIOT 4X2, FWD, 2.0-Liter I4 DOHC 16-Valve Dual VVT Engine, 5-Speed Manual Transmission, Complete with all manufacturer's standard equipment	\$13,706.00
H04	Jeep	2016	Sport Utility Vehicle - 2WD	MKTE49	COMPASS 4X2, FWD, 2.0L DOHC 16V dual VVT 4-Cylinder Engine, 5-Speed Manual Transmission, Complete with all manufacturer's standard equipment	\$17,042.00
H05	Jeep	2016	Sport Utility Vehicle - 2WD	KLTL74	CHEROKEE 4X2, RWD, 2.4-Liter I4 MultiAir Engine, FWD, 2.4L I4 MULTIAIR ENGINE, 9-SPD 948TE FWD/AWDAUTO TRANS, Complete with all manufacturer's standard equipment	\$19,779.00
H06	Jeep	2016	Sport Utility Vehicle - 2WD	WKTH74	GRAND CHEROKEE 4X2, RWD, 3.6L V6 24V VVT ENGINE, 8-SPD AUTO 845RE TRANS Complete with all manufacturer's standard equipment	\$27,153.00
J07	Ram	2016	Pick Up	DS1L61	1500 Regular Cab 4x2, 120.5" WB, 3.6L V6 Flex Fuel 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$16,787.00
J08	Ram	2016	Pick Up	DS1L41	1500 Quad Cab 4X2, 140.5" WB, 3.6L V6 Flex Fuel 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$20,770.00
J09	Ram	2016	Pick Up	DS1L98	1500 Crew Cab 4x2, 140.5" WB, 3.6L V6 Flex Fuel 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$23,016.00
J10	Ram	2016	Police Pick Up	DS6T98	1500 Special Service, 140.5"WB, 5.7L HEMI V8 VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$25,997.00
J11	Ram	2016	Regular Cab	DJ2L62	Regular Cab 2500 4X2, 140.5"WB, 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$19,997.00
J12	Ram	2016	Crew cab	DJ2L91	Crew Cab 2500 4X2, 149.4"WB, 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$24,602.00

Attachment A
Cowboy Motor Company LC
 Current Model Cars, Light Trucks & Police Motorcycles
 Contract No. VE11-15

HGAC Prod. Code	MFG.	Current Model Year Bid	Vehicle Line or Category	Mfg. Body Code	Model / Description	Base Price
J13	Ram	2016	Mega Cab	DJ2H81	Mega Cab 2500 4X2, 160.5"WB, 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$30,982.00
J14	Ram	2016	CNG	DJ7L92	2500 Crew Cab, 27A PKG 5.7L V8 HEMI CNG Engine with VVT, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$31,608.00
J15	Ram	2016	Regular Cab	D23L62	Regular Cab 3500 SRW 4X2, 140" WB, 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$25,915.00
J16	Ram	2016	Crew cab	D23L91	Crew Cab 3500 SRW 4X2 (148.9" WB, 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$27,910.00
J17	Ram	2016	Mega Cab	D23H81	Mega Cab 3500 SRW 4X2 (160 in WB 6 FT 4 IN box) 5.7L V8 HEMI VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$35,640.00
J18	Ram	2016	Cab Chassis	DD3L63	Regular Cab Chassis 3500 SRW 4 x 2, 143.5" WB, 6.4-Liter V8 HD HEMI Engine, 6-Speed Automatic Transmission, GVWR 13,500#, Complete with all manufacturer's standard equipment	\$25,479.00
J19	Ram	2016	Cab Chassis	DD3L93	Crew Cab Chassis 3500 SRW 4 x 2, (172.4 in WB - CA of 60 in), 6.4-Liter V8 Heavy Duty HEMI Engine, 6-Speed Automatic Transmission, GVWR 10,500#, Complete with all manufacturer's standard equipment	\$27,167.00
PROGRAM VEHICLES (Bidder to add a third character if different pricing for different vehicles)						
L01	Ram				Under 15,000 miles	\$175.00
L02	Ram				Between 15,000 miles and 25,000 miles	\$175.00
FLOOR PLAN INTEREST & OPEN LOT INSURANCE						
M01					Floor Plan Interest (percentage per day, i.e. .05%)	0.05%
M02					Open Lot Insurance (percentage per day, i.e. .05%)	0.02%

Attachment: Exhibit N - HGACBuy - Cowboy Motor Company, LC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Exhibit O

A.10.o



CONTRACT PRICING WORKSHEET For Standard Equipment Purchases

Contract No.: VE-11-15

Date Prepared: 4/5/2017

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency: CITY OF MORENO VALLEY	Contractor: GRAPEVINE DODGE CHRYSLER JEEP
Contact Person: BOB LINTON	Prepared By: JOE WENGER
Phone: 9514133174	Phone: 817-410-7528
Fax:	Fax: 817-410-7502
Email: BOBL@MOVAL.ORG	Email: JWENGER@GRAPEVINEDCJ.COM

Product Code: H01	Description: WRANGLER 2 DR SPORT
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A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 22,889.

B. Published Options - Itemize below - Attach additional sheet if necessary - Include Option Code in description if applicable

(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
24S PREFERRED PACKAGE	3332	AUTOMATIC TRANSMISSION	IN
MX3 3 PIECE HARD TOP	976.57		
DSA ANTI SPIN DIFFERENTIAL	485.1	DME 3.73 RATIO	68
RSC SIRIUS RADIO (REQ W/BLUETOOTH)	215.6		
		AAJ CONNECTIVITY/BLUETOOTH	68
AJP POWER CONVENIENCE GROUP	1563.1	AHT TOW GROUP	48
		Subtotal From Additional Sheet(s):	
		Subtotal B:	8419.

C. Unpublished Options - Itemize below - Attach additional sheet if necessary

(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
2016-2017 COST INCREASE	802		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	8

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 3

D. Total Cost before any other applicable Charges, Trade-Ins, Allowances, Discounts, Etc. (A+B+C)

Quantity Ordered: 3	X Subtotal of A + B + C:	32110.87	=	Subtotal D: 96332.
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E. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
H-GAC FEE	600	FREIGHT	
		COURTESY DELIVERY FEE PER VEHICLE AT A	9
		LOCAL DEALER SUBJECT TO VERIFICATION	
		300-350 EACH	
		Subtotal E:	15

Delivery Date: 90-120 EST **F. Total Purchase Price (D+E):** 97832.61

Attachment: Exhibit O - Grapevine DCJ Jeep Wrangler 2-Door [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
GRAPEVINE DCJ, LLC
Grapevine, Texas

This Contract is made and entered into by the **Houston-Galveston Area Council of Governments**, hereinafter referred to as **H-GAC**, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND, **Grapevine DCJ, LLC** hereinafter referred to as the **CONTRACTOR**, having its principal place of business at 2601 William D. Tate Avenue, Grapevine, Texas 76051.

ARTICLE 1: SCOPE OF SERVICES

The parties have entered into a **Current Model Cars, Light Trucks & Police Motorcycles** Contract to become effective as of November 1, 2015, and to continue through October 31, 2017 (the "Contract"), subject to extension upon mutual agreement of the **CONTRACTOR** and **H-GAC**. **H-GAC** enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as **END USER**, for the purchase of **Current Model Cars, Light Trucks & Police Motorcycles** offered by the **CONTRACTOR**. The **CONTRACTOR** agrees to sell **Current Model Cars, Light Trucks & Police Motorcycles** through the **H-GAC** Contract to **END USERS**.

ARTICLE 2: THE COMPLETE AGREEMENT

The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Bid Specifications No:VE11-15, including any relevant suffixes
4. **CONTRACTOR's** Response to Bid No:VE11-15, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3: LEGAL AUTHORITY

CONTRACTOR and **H-GAC** warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4: APPLICABLE LAWS

The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5: INDEPENDENT CONTRACTOR

The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of **H-GAC** or **CONTRACTOR**. No provision of this Contract or act of **H-GAC** in performance of this Contract shall be construed as making **CONTRACTOR** the agent, servant or employee of **H-GAC**, the State of Texas or the United States Government. Employees of **CONTRACTOR** are subject to the exclusive control and supervision of **CONTRACTOR**. **CONTRACTOR** is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6: END USER AGREEMENTS

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement with the **CONTRACTOR** through this Contract and that the term of said Agreement may exceed the term of the **H-GAC** Contract. However this acknowledgement is not to be construed as **H-GAC's** endorsement or approval of the End User Agreement terms and conditions. **CONTRACTOR** agrees not to offer to, agree to or accept from **END USER** any terms or conditions that conflict with or contravene those in **CONTRACTOR's** **H-GAC** contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between **CONTRACTOR** and any **END USER** which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that **CONTRACTOR** will no longer be able to enter into any new End User Agreements with **END USERS** pursuant to this Contract. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any End User Agreements surviving termination of this Contract between **H-GAC** and **CONTRACTOR**.

Attachment: Exhibit P - HGACBuy - Grapevine DCJ, LLC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

ARTICLE 7:**SUBCONTRACTS & ASSIGNMENTS**

CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to **H-GAC**. **H-GAC** reserves the right to accept or reject any such change. **CONTRACTOR** shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. **H-GAC** shall be liable solely to **CONTRACTOR** and not to any of its Subcontractors or Assignees.

ARTICLE 8:**EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS**

CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to **END USER** under this Contract. **H-GAC**, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of **CONTRACTOR**. Failure to provide access to records may be cause for termination of this Contract. **CONTRACTOR** shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. **CONTRACTOR** further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that **H-GAC'S** duly authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9:**REPORTING REQUIREMENTS**

CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Bid Specifications. If **CONTRACTOR** fails to submit to **H-GAC** in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10:**MOST FAVORED CUSTOMER CLAUSE**

If **CONTRACTOR**, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **CONTRACTOR** shall notify **H-GAC** within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein **CONTRACTOR** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER**. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **CONTRACTOR** is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, **CONTRACTOR** shall within ten (10) business days notify **H-GAC** in writing, setting forth the detailed reasons **CONTRACTOR** believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. **H-GAC**, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between **H-GAC** and **CONTRACTOR** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to **H-GAC**.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure. *EXCEPTION: This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.*

ARTICLE 11:**SEVERABILITY**

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12:**DISPUTES**

Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of **H-GAC** or his designee, who shall reduce his decision to writing and provide notice thereof to **CONTRACTOR**. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, **CONTRACTOR** requests a rehearing from the Executive Director of **H-GAC**. In connection with any rehearing under this Article, **CONTRACTOR** shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. **CONTRACTOR** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Contract and in accordance with **H-GAC'S** final decision.

ARTICLE 13:**LIMITATION OF CONTRACTOR'S LIABILITY**

Except as specified in any separate writing between the CONTRACTOR and an END USER, CONTRACTOR's total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC described in Article 14, is limited to the price of the particular products/services sold hereunder, and CONTRACTOR agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will CONTRACTOR be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. CONTRACTOR understands and agrees that it shall be liable to repay and shall repay upon demand to END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14:**LIMIT OF H-GAC'S LIABILITY AND INDEMNIFICATION OF H-GAC**

H-GAC's liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of CONTRACTOR's negligent act or omission under this Contract. CONTRACTOR shall notify H-GAC of the threat of lawsuit or of any actual suit filed against CONTRACTOR relating to this Contract.

ARTICLE 15:**TERMINATION FOR CAUSE**

H-GAC may terminate this Contract for cause based upon the failure of CONTRACTOR to comply with the terms and/or conditions of the Contract; provided that H-GAC shall give CONTRACTOR written notice specifying CONTRACTOR'S failure. If within thirty (30) days after receipt of such notice, CONTRACTOR shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then H-GAC may, at its option, place CONTRACTOR in default and the Contract shall terminate on the date specified in such notice. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation was received by CONTRACTOR.

ARTICLE 16:**TERMINATION FOR CONVENIENCE**

Either H-GAC or CONTRACTOR may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. CONTRACTOR may be entitled to payment from END USER for services actually performed; to the extent said services are satisfactory to END USER. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation is received by CONTRACTOR.

ARTICLE 17:**CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS**

CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by H-GAC, the State of Texas, and the acts and regulations of any funding entity. CONTRACTOR agrees to notify H-GAC of any suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18:**GOVERNING LAW & VENUE**

This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between END USER and CONTRACTOR are to be resolved in accord with the law and venue rules of the state of purchase. CONTRACTOR shall immediately notify H-GAC of such disputes.

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ARTICLE 23:

LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD [IF APPLICABLE]

CONTRACTOR will for the duration of this Contract maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any CONTRACTOR'S license is not renewed, or is denied or revoked, CONTRACTOR shall be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to H-GAC upon request.


IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for Houston-Galveston
Area Council, Houston, Texas:




Jack Steele, Executive Director

Attest for Houston-Galveston
Area Council, Houston, Texas:



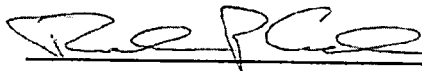
Deidre Vick, Director of Public Services
Date: Oct 8, 2015

Signed for Grapevine DCJ, LLC
Grapevine, Texas:



Printed Name & Title: Dennis Thomas, Fleet mgr
Date: 10-1 2015

Attest for Grapevine DCJ, LLC
Grapevine, Texas:



Printed Name & Title: Rosway Pearson, Fax Director
Date: 10-1 2015

Attachment: Exhibit P - HGACBuy - Grapevine DCJ, LLC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Attachment A
Grapevine Chrysler Dodge Jeep
 Current Model Cars, Light Trucks & Police Motorcycles
 Contract No. VE11-15

HGAC Prod. Code	MFG.	Current Model Year Bid	Vehicle Line or Category	Mfg. Body Code	Model / Description	Base Price
C08	Dodge	2016	Sport Utility Vehicle - 2WD	WDDL75	Dodge Durango SXT, RWD, 3.6-Liter V6 24-Valve VVT Engine, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$25,220.00
C09	Dodge	2016	Police Utility Vehicle - 2WD	WDDE75	Dodge Durango Special Service, RWD, 3.6-Liter V6, 8-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$24,050.00
H01	Jeep	2016	Sport Utility Vehicle - 4WD	JKJL72	WRANGLER SPORT, 4X4, 3.6-Liter V6 24-Valve VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$22,889.20
H02	Jeep	2016	Sport Utility Vehicle - 4WD	JKJM74	WRANGLER UNLIMITED SPORT 4X4, 3.6-Liter V6 24-Valve VVT Engine, 6-Speed Automatic Transmission, Complete with all manufacturer's standard equipment	\$26,349.80
PROGRAM VEHICLES (Bidder to add a third character if different pricing for different vehicles)						
L01					Under 15,000 miles	\$1,000.00
L02					Between 15,000 miles and 25,000 miles	\$1,000.00
FLOOR PLAN INTEREST & OPEN LOT INSURANCE						
M01					Floor Plan Interest (percentage per day, i.e. .05%)	0.02%
M02					Open Lot Insurance (percentage per day, i.e. .05%)	0.02%

Attachment: Exhibit P - HGACBuy - Grapevine DCJ, LLC - Contract VE11-15 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC

Exhibit R

A.10.r



CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only

Contract No.: HT06-16

Date Prepared: 4/18/2017

*This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents **MUST** be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.*

Buying Agency: Moreno Valley	Contractor: Lovefield- CDJR
Contact Person: Bob Linton	Prepared By: Tim Middlebrooks
Phone: 951-413-3174	Phone: 972-707-9438
Fax:	Fax: 214-350-0085
Email: bobl@moval.org	Email: tmiddlebrooks@freedomfleetsales.com

Product Code: K2	Description: 2017 Reg Cab 5500 Cab Chassis
-------------------------	---

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 31,500.

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
6.4 L Gas	N/C	Crew Cab	2,821.
84 CA	158.00		
Trailer Brake Group	251.00		
		Subtotal From Additional Sheet(s):	
White		Subtotal B:	32

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
Bluetooth	195		
Remote Keyless Entry	190.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	3

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 1

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered: 1	X	Subtotal of A + B + C: 35115	=	Subtotal D: 351
----------------------------	---	-------------------------------------	---	------------------------

E. H-GAC Order Processing Charge (Amount Per Current Policy) **Subtotal E:** 10

F. Trade-Ins / Other Allowances / Special Discounts / Freight / Installation

Description	Cost	Description	Cost
Custom Speeded Body from Scelzi Ent	32,968	DS Code T7174	
		Subtotal F:	329

Delivery Date: TBD **G. Total Purchase Price (D+E+F):** 690

Attachment: Exhibit R - Love Field CDJR Ram 5500 Crew Cab Chassis [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC NATIONWIDE

Exhibit S**Medium and Heavy Trucks & Truck Bodies**

Page 1 of 4

A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
LOVE FIELD CHRYSLER DODGE JEEP RAM
Dallas, Texas

This Contract is made and entered into by the **Houston-Galveston Area Council of Governments**, hereinafter referred to as **H-GAC**, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND, **Love Field Chrysler Dodge Jeep Ram**, hereinafter referred to as the **CONTRACTOR**, having its principal place of business at 2888 West Mockingbird Lane, Dallas, Texas 75235.

ARTICLE 1: SCOPE OF SERVICES

The parties have entered into a **Medium and Heavy Trucks & Truck Bodies** Contract to become effective as of June 1, 2016, and to continue through May 31, 2018 (the "**Contract**"), subject to extension upon mutual agreement of the **CONTRACTOR** and **H-GAC**. **H-GAC** enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as **END USER**, for the purchase of **Medium and Heavy Trucks & Truck Bodies** offered by the **CONTRACTOR**. The **CONTRACTOR** agrees to sell **Medium and Heavy Trucks & Truck Bodies** through the **H-GAC** Contract to **END USERS**.

ARTICLE 2: THE COMPLETE AGREEMENT

The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Bid Specifications No: **HT06-16**, including any relevant suffixes
4. **CONTRACTOR's** Response to Bid No: **HT06-16**, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3: LEGAL AUTHORITY

CONTRACTOR and **H-GAC** warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4: APPLICABLE LAWS

The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5: INDEPENDENT CONTRACTOR

The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of **H-GAC** or **CONTRACTOR**. No provision of this Contract or act of **H-GAC** in performance of this Contract shall be construed as making **CONTRACTOR** the agent, servant or employee of **H-GAC**, the State of Texas or the United States Government. Employees of **CONTRACTOR** are subject to the exclusive control and supervision of **CONTRACTOR**. **CONTRACTOR** is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6: END USER AGREEMENTS

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement with the **CONTRACTOR** through this Contract and that the term of said Agreement may exceed the term of the **H-GAC** Contract. However this acknowledgement is not to be construed as **H-GAC's** endorsement or approval of the End User Agreement terms and conditions. **CONTRACTOR** agrees not to offer, agree to or accept from **END USER** any terms or conditions that conflict with or contravene those in **CONTRACTOR's** **H-GAC** contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between **CONTRACTOR** and any **END USER** which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that **CONTRACTOR** will no longer be able to enter into any new End User Agreements with **END USERS** pursuant to this Contract. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any End User Agreements surviving termination of this Contract between **H-GAC** and **CONTRACTOR**.

ARTICLE 7:**SUBCONTRACTS & ASSIGNMENTS**

CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to **H-GAC**. **H-GAC** reserves the right to accept or reject any such change. **CONTRACTOR** shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. **H-GAC** shall be liable solely to **CONTRACTOR** and not to any of its Subcontractors or Assignees.

ARTICLE 8:**EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS**

CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to **END USER** under this Contract. **H-GAC**, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of **CONTRACTOR**. Failure to provide access to records may be cause for termination of this Contract. **CONTRACTOR** shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. **CONTRACTOR** further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that **H-GAC'S** duly authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9:**REPORTING REQUIREMENTS**

CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Bid Specifications. If **CONTRACTOR** fails to submit to **H-GAC** in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10:**MOST FAVORED CUSTOMER CLAUSE**

If **CONTRACTOR**, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **CONTRACTOR** shall notify **H-GAC** within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein **CONTRACTOR** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER**. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **CONTRACTOR** is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, **CONTRACTOR** shall within ten (10) business days notify **H-GAC** in writing, setting forth the detailed reasons **CONTRACTOR** believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. **H-GAC**, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between **H-GAC** and **CONTRACTOR** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to **H-GAC**.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure. **EXCEPTION: This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.**

ARTICLE 11:**SEVERABILITY**

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12:**DISPUTES**

Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of **H-GAC** or his designee, who shall reduce his decision to writing and provide notice thereof to **CONTRACTOR**. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, **CONTRACTOR** requests a rehearing from the Executive Director of **H-GAC**. In connection with any rehearing under this Article, **CONTRACTOR** shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. **CONTRACTOR** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Contract and in accordance with **H-GAC'S** final decision.

ARTICLE 13:**LIMITATION OF CONTRACTOR'S LIABILITY**

Except as specified in any separate writing between the CONTRACTOR and an END USER, CONTRACTOR's total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC described in Article 14, is limited to the price of the particular products/services sold hereunder, and CONTRACTOR agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will CONTRACTOR be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. CONTRACTOR understands and agrees that it shall be liable to repay and shall repay upon demand to END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14:**LIMIT OF H-GAC'S LIABILITY AND INDEMNIFICATION OF H-GAC**

H-GAC's liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will H-GAC be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless H-GAC, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of CONTRACTOR's negligent act or omission under this Contract. CONTRACTOR shall notify H-GAC of the threat of lawsuit or of any actual suit filed against CONTRACTOR relating to this Contract.

ARTICLE 15:**TERMINATION FOR CAUSE**

H-GAC may terminate this Contract for cause based upon the failure of CONTRACTOR to comply with the terms and/or conditions of the Contract; provided that H-GAC shall give CONTRACTOR written notice specifying CONTRACTOR'S failure. If within thirty (30) days after receipt of such notice, CONTRACTOR shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then H-GAC may, at its option, place CONTRACTOR in default and the Contract shall terminate on the date specified in such notice. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation was received by CONTRACTOR.

ARTICLE 16:**TERMINATION FOR CONVENIENCE**

Either H-GAC or CONTRACTOR may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. CONTRACTOR may be entitled to payment from END USER for services actually performed; to the extent said services are satisfactory to END USER. CONTRACTOR shall pay to H-GAC any order processing charges due from CONTRACTOR on that portion of the Contract actually performed by CONTRACTOR and for which compensation is received by CONTRACTOR.

ARTICLE 17:**CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS**

CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by H-GAC, the State of Texas and the acts and regulations of any funding entity. CONTRACTOR agrees to notify H-GAC of any suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18:**GOVERNING LAW & VENUE**

This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between END USER and CONTRACTOR are to be resolved in accord with the law and venue rules of the state of purchase. CONTRACTOR shall immediately notify H-GAC of such disputes.

ARTICLE 19:**PAYMENT OF H-GAC ORDER PROCESSING CHARGE**

CONTRACTOR agrees to sell its products to END USERS based on the pricing and other terms of this Contract, including, but not limited to, the payment of the applicable H-GAC order processing charge. On notification from an END USER that an order has been placed with CONTRACTOR, H-GAC will invoice CONTRACTOR for the applicable order processing charge. Upon delivery of any product/service by CONTRACTOR and acceptance by END USER, CONTRACTOR shall, within thirty (30) calendar days or ten (10) business days after receipt of payment, whichever is less, pay H-GAC the full amount of the applicable order processing charge, whether or not CONTRACTOR has received an invoice from H-GAC. For sales made by CONTRACTOR based on this contract, including sales to entities without Interlocal Contracts, CONTRACTOR shall pay the applicable order processing charges to H-GAC. Further, CONTRACTOR agrees to encourage entities who are not members of H-GAC's Cooperative Purchasing Program to execute an H-GAC Interlocal Contract. H-GAC reserves the right to take appropriate actions including, but not limited to, contract termination if CONTRACTOR fails to promptly remit H-GAC's order processing charge. In no event shall H-GAC have any liability to CONTRACTOR for any goods or services an END USER procures from CONTRACTOR.

ARTICLE 20:

LIQUIDATED DAMAGES

Any liquidated damages terms will be determined between CONTRACTOR and END USER at the time END USER's purchase order is placed.

ARTICLE 21:

PERFORMANCE AND PAYMENT BOND FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB), and offered pricing should reflect this cost saving. However, CONTRACTOR must be prepared to offer a PPB to cover any specific order if so requested by END USER. CONTRACTOR shall quote a price to END USER for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of END USER's purchase order.

ARTICLE 22:

CHANGE OF CONTRACTOR STATUS

CONTRACTOR shall immediately notify H-GAC, in writing, of ANY change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name, and shall also advise whether or not this Contract shall be affected in any way by such change. H-GAC shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Contract.


ARTICLE 23:

LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD [IF APPLICABLE]

CONTRACTOR will, for the duration of this Contract, maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any CONTRACTOR'S license is not renewed, or is denied or revoked, CONTRACTOR shall be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to H-GAC upon request.


IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for **Houston-Galveston**
Area Council, Houston, Texas:



Jack Steele, Executive Director

Attest for **Houston-Galveston**
Area Council, Houston, Texas:



Daidre Vick, Director of Public Services

Date: May 26, 2016


Signed for **Love Field Chrysler Dodge Jeep Ram**
Dallas, Texas:



Printed Name & Title: Tim Middlebrooks Government Sales

Date: May 18th, 2016

Attest for **Love Field Chrysler Dodge Jeep Ram**
Dallas, Texas:



Printed Name & Title: Bob Stall, Dir. Gov. Sales

Date: May 18th, 2016

Attachment A
Love Field Chrysler Dodge Jeep Ram
Medium and Heavy Trucks & Truck Bodies
Contract No.: HT06-16

MFGR	HGAC PRODUCT CODE	MODEL	OFFEROR	BASE PRICE
Ram	K1	4500 4x2 Regular Cab	Love Field DJR	\$29,400
Ram	K2	5500 4x2 Regular Cab	Love Field DJR	\$30,300

Attachment: Exhibit S - HGACBuy - Love Field CDJR - Contract HT06-16 [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC



Southwest Traffic Systems, Inc.

Quotation

DATE	BID DATE	SALESPERSON
April, 2017		
OWNER	PROJECT NAME	PROJECT NO.
City of Moreno Valley		

Item No.	Qty	Description	Price/Each	Extended
1	3	975L-4809-C01 48" Traffic Advisor w/Corner LED's 20' Digital Cable	\$595.00/ea	\$1,785.00
2	6	UCLED-20-W (White)	\$59.00/ea	\$354.00
3	6	RECT-16LS-AW	\$75.00/ea	\$450.00
4	3	940L-DCP Controller	\$275.00/ea	\$825.00
5	6	BCN-CR1B-A (12 LED Lamps)	\$450.00/ea	\$2,700.00
		Sub-Total		\$6,114.00
		Tax @ 7.75%		\$473.84
		Shipping		\$100.00
		Installation	\$675.00/ea	\$2,025.00
		Total		\$8,712.84

Quotation Valid for 45 Days
Delivery: 30 Days
Terms: Net 30

Price does not include: Installation.

Thank You,
Southwest Traffic Systems

Attachment: Exhibit T - Southwest Traffic Systems Light Bar 975L & 970L - 3 units [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC



Southwest Traffic Systems, Inc.

Quotation

DATE	BID DATE	SALESPERSON
April, 2017		
OWNER	PROJECT NAME	PROJECT NO.
City of Moreno Valley		

Item No.	Qty	Description	Price/Each	Extended
1	5	975L-4809-C01 48" Traffic Advisor w/Corner LED's 20' Power Cable	\$595.00/ea	\$2,975.00
2	10	UCLED-20-W (White)	\$59.00/ea	\$590.00
3	10	RECT-16LS-AW	\$75.00/ea	\$750.00
4	5	940L-SIREN-R Controller	\$595.00/ea	\$2,975.00
5	5	970L-5309-0101 Includes: (15) Std. Pwr. LED's (4) Dual Color Corners (1) TRX Takedown (2) TRX Rear Work Lights Also Includes: 15' Digital Cable 2017 Dodge Ram Adjustable Mounting Bracket Built-In Traffic Advisor	\$1,650.00/ea	\$8,250.00
		Sub-Total		\$15,540.00
		Tax @ 7.75%		\$1,204.35
		Shipping		\$100.00
		Installation	\$900.00/ea	\$4,500.00
		Total		\$21,344.35

Quotation Valid for 45 Days
Delivery: 30 Days
Terms: Net 30

Price does not include: Installation.

Thank You,
Southwest Traffic Systems



Southwest Traffic Systems, Inc.

Quotation

DATE	BID DATE	SALESPERSON
March, 2017		
OWNER	PROJECT NAME	PROJECT NO.
City of Moreno Valley	2017 Dodge Ram	

Item No.	Qty	Description	Price/Each	Extended
		970L-5309-0101 Includes: (15) Std. Pwr. LED's (4) Dual Color Corners (1) TRX Takedown (2) TRX Rear Work Lights Also Includes: 15' Digital Cable 2017 Dodge Ram Adjustable Mounting Bracket Built-In Traffic Advisor		
1	34		\$1,650.00/ea	\$56,100.00
2	68	UCLED-20-W (White)	\$59.00/ea	\$4,012.00
3	68	RECT-16LS-A/W	\$75.00/ea	\$5,100.00
4	34	940L-DCP Controller	\$275.00/ea	\$9,350.00
		Sub-Total		\$74,562.00
		Tax @ 7.75%		\$5,778.56
		Shipping		\$680.00
		Installation (34 Vehicles)	\$775.00 /per vehicle	\$26,350.00
		Total		\$107,370.56

Quotation Valid for 45 Days
Delivery: 30 Days
Terms: Net 30

Thank You,
Southwest Traffic Systems

Attachment: Exhibit V - Southwest Traffic Systems - Light Bar 970L - 34 units [Revision 1] (2585 : APPROVAL OF UTILIZATION OF HGAC



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 16, 2017

TITLE: ANNUAL STATEMENT OF INVESTMENT POLICY

RECOMMENDED ACTION

Recommendation:

1. Adopt the Annual Statement of Investment Policy.

SUMMARY

Staff recommends that the City Council review and adopt the Annual Statement of Investment Policy.

California Government Code Sections 53601 and 53646, respectively, delineate the types of investments allowed, define various restrictions governing these investments and suggest a periodic review of the investment report and investment policy by the governing body of the local agency. The City's Investment Policy has established a review process whereby the Council reviews and adopts the policy annually. The policy identifies allowable investments, the reporting process related to the investments, safekeeping measures in maintaining assets and the roles of staff in the management of the investment program.

The Finance Subcommittee performed their annual review of the Investment Policy at their meeting on April 25, 2017.

DISCUSSION

The City's Investment Policy calls for the policy to be reviewed and adopted annually by the City Council. The policy was last revised in July 2015 to reflect changes to the Government Code regarding allowable investment types. The policy was certified by both the Association of Public Treasurers of the United States and Canada (APT US&C)

and the California Municipal Treasurer's Association in June 2012 and has been resubmitted to both entities for recertification

The Investment Policy has been reviewed by both staff and our investment management firms, Chandler Asset Management and Insight Asset Management. Based on this review, there have been no changes made to the policy.

ALTERNATIVES

1. Adopt Annual Statement of Investment Policy. *Staff recommends this alternative since this will allow for the timely review and adoption of the policy for the coming fiscal year.*
2. Do not adopt Annual Statement of Investment Policy and provide staff with additional direction. *Staff does not recommend this alternative since it will not allow for a timely review and adoption process prior to the start of the new fiscal year.*

FISCAL IMPACT

No fiscal impact.

NOTIFICATION

Posting of Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life

6. Youth Programs

ATTACHMENTS

1. Investment Policy 05-16-2017

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/12/17 8:01 AM
City Attorney Approval	<u>✓ Approved</u>	4/13/17 11:52 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:30 PM

INVESTMENT POLICY

PURPOSE: The City Council of the City of Moreno Valley (City) and its related authorities and agencies recognizes its responsibility to properly direct the investments of funds under its care. It is the purpose of this policy to provide guidelines for the prudent investment of unexpended funds in a manner which allows for maximum security, while at the same time providing the best investment return to meet the daily cash flow demands of the City, and conform to all applicable statutes pertaining to the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy supersedes.

I. Scope

- A.** Investments for the City and its related authorities and agencies will be made on a pooled basis including the City of Moreno Valley the City of Moreno Valley Housing Authority, the Moreno Valley Community Services District, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Public Financing Authority, and the Moreno Valley Industrial Development Authority. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:
1. General Fund
 2. Special Revenue Funds
 3. Debt Service Funds
 4. Capital Project Funds
 5. Internal Service Funds
 6. Agency Funds
 7. Enterprise Funds
- B.** The City Council has the authority to allow investments that do not follow this policy as long as such investments are recommended by the City Manager and City Treasurer, and expressly authorized by the City Council.
- C.** At the time this policy is adopted, the portfolio may hold investments which were made in the past and in accordance with previous policies and existing State law, but do not meet the provisions of this policy. These past investments are grandfathered as permissible investments. The City may choose to hold these investments until maturity; however, their maturity cannot be extended without the expressed authorization of the City Council.
- D.** Funds excluded from this policy
1. **Bond Proceeds.** Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy. The overriding policy for the investment of bond proceeds will be dictated by the bond documents governing such funds as long as the documents are approved by the City Council or related governing board.
 2. **Deferred Compensation Plans.** Investments related to the City's deferred compensation plans are not subject to this policy since third-party administrators manage them and the individual plan participant's direct investment and mutual fund selection. Deferred compensation plans must be approved by the City Council.

Approved by: City Council
December 17, 1996

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II. Prudence

- A. Prudent Investor Standard: Management of the City's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

- B. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

III. Objectives

- A. The City's investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary objectives of safety, liquidity and a reasonable market rate of return.

1. **Safety** – Safety of principal is the foremost objective of the investment program. The City will undertake investments in a manner that ensures the preservation of capital in the portfolio taken as a whole.
2. **Liquidity** – The City will maintain sufficient cash and short-term investment instruments which, together with projected revenues, will provide sufficient liquidity so that the City will be able to meet all operating requirements which might be reasonably anticipated including an amount to cover reasonably estimated contingencies.
3. **Reasonable market rate of return (Yield)** – The City's investment portfolio will be designed with the objective to attain a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

- B. The investment function will have the ongoing objectives of: assuring compliance with Federal, State and local laws governing the investment of public funds, maintaining reserves for long-term projects and contingencies, and establishing quality standards and limits related to the type of investments made and with which institutions investments are placed.

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IV. Delegation of Authority

- A. The City of Moreno Valley Municipal Code specifies that the City Council will appoint the City Treasurer. By resolution, the City Council has appointed the Chief Financial Officer to serve as the City Treasurer. The Treasurer serves as the chief investment officer for the City and is authorized to invest or deposit the City's funds in accordance with this policy, California Government Code Sections 53600 and 53630 et seq., and all other related Federal and State laws. The City Treasurer also serves as the Treasurer for the City of Moreno Valley Housing Authority, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Community Services District and other related City entities. In the absence of the City Treasurer, and unless otherwise delegated, the Treasury Operations Division Manager/Assistant City Treasurer will serve as the Acting Treasurer. The City Treasurer may appoint deputy treasurers to act on behalf of the City. The City Treasurer will provide written authorization in delegating any of his/her authority.
- B. The City Manager will provide periodic oversight to the investment function which includes but is not limited to reviewing monthly investment reports issued by the City Treasurer.
- C. The City Council's primary responsibilities over the investment function include approving the Investment Policy, annually reviewing such policy, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and other unique financing transactions, and authorizing any deviations from the City's investment policies.
- D. The Finance Sub-Committee of the City Council will provide oversight to the investment function through the periodic review of the investment report at their committee meetings.
- E. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

V. Investment Procedures

- A. The City Treasurer shall establish internal procedures for the operation of the investment program consistent with this policy. These procedures shall include, but are not limited to, the following items:
 - 1. Safekeeping
 - 2. Master repurchase agreements
 - 3. Wire transfer agreements
 - 4. Collateral/Depository agreements
 - 5. Broker/Dealer relationships
- B. Cash handling and cash management are integral components of an effective investment management program. In keeping with the Administrative Policy on Cash Control, the aforementioned procedure manual shall include references to the following:
 - 1. Cash collection practices
 - 2. Depository practices
 - 3. Cash flow issues
 - 4. Cash flow projections
 - 5. Anti-theft/Anti-fraud practices
 - 6. Banking agreements

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- 7. Accounting practices
- C. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.
- D. Allocation of Pool Interest
 - 1. All interest earnings related to the investment pool will be allocated to the General Fund unless specifically directed by Federal or State statute, City Council directive or contractual agreement.
 - 2. The allocation methodology will be maintained by the City Treasurer.

VI. Ethics and Conflict of Interest

- A. All officials, staff members and consultants, involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which may impair their ability to make impartial investment decisions. Officials, staff members, and consultants, will disclose to the City Manager any financial interests with a financial institution, provider, dealer or broker that conducts business with the City.
- B. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the City's cash and investment portfolio.
- C. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the City Manager prior to the execution of any transactions. The providers must disclose the percentage share and approximate dollar amount share to the City prior to the execution of any transactions.

VII. Investment Controls

- A. The City Manager shall oversee and ensure that the City Treasurer implements and maintains a system of internal investment controls and segregated responsibilities of the investment function in order to prevent the following:
 - 1. Fraud
 - 2. Theft
 - 3. Loss of principal
 - 4. Loss of control over funds
 - 5. Inaccurate reporting
 - 6. Negligence
 - 7. Over-reliance on a single employee for investment decisions
- B. Internal controls should include but are not limited to (for a more specific list of internal controls see the investment management plan):
 - 1. Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction)
 - 2. Reconciliation of investment report and cash balances
 - 3. Dual authorization of transactions

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- C. An external auditor will review the investment program annually in order to provide reasonable assurance that policy and procedures are complied with.

VIII. Authorized Financial Dealers and Institutions

- A. The City Treasurer will obtain financial information from qualified institutions to determine if the institution markets in securities appropriate to the City's needs, can assign qualified sales representatives, and can provide written agreement to abide by the conditions set forth in the City of Moreno Valley Investment Policy.
1. The City may engage the services of investment advisory firms to assist in the management of the portfolio (discretionary portfolio management) and investment advisors may utilize their own list of approved broker/dealers. The list of approved firms maintained by the investment advisor shall be provided to the City on an annual basis or upon request. The investment advisor will certify that they have read and are willing to comply with the City's investment policy.
 2. In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will meet the following criteria and provide the required information to the City Treasurer.
- B. The City Treasurer will maintain a list of financial institutions and broker/dealers authorized to provide investment services to the City who are authorized to provide investment services in the State of California. An eligible designation does not guarantee that the City will do business with the firm or institution.
- C. The following criteria will be used in determining investment providers
1. Broker/Dealers: The purchase by the City of any investment other than those purchased directly from the issuer shall be purchased from a broker/dealer firm designated as a "Primary Government Dealer" by the Federal Reserve Bank of New York or a regional dealer that qualifies under SEC Rule 15C3-1 (uniform net capital rule).
 2. Banks: The City shall only purchase securities from banks which meet all of the following criteria:
 - a. Nationally or State chartered banks
 - b. Registered as investment securities dealers with the Securities and Exchange Commission
 - c. Independently rated "A" or higher by two nationally recognized statistical ranking organizations
 3. Investment Bankers, Underwriters and Financial Advisors: The purchase by the City of any investments from these providers in the course of completing a bond transaction must be expressly authorized by the City Council after such a provider discloses their commission, spread or fee in approximate dollar amount. Otherwise, the acquisition of such investments must be procured from the broker/dealers customarily used by the City.
 4. The Federal Reserve Bank: Direct purchases of Treasury bills, notes and bonds from the U.S. Federal Reserve Banks branches are allowed and are exempt from quality requirements.

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- D.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide the following information to the City Treasurer:
- 1.** A completed City of Moreno Valley Broker/Dealer Questionnaire
 - 2.** Audited financial statements
 - 3.** Proof of Financial Industry Regulatory Authority (FINRA) certification
 - 4.** Trading resolution
 - 5.** Proof of state registration
 - 6.** Certification of having read and willingness to comply with City's investment policy
- E.** In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will provide the following information to the City Treasurer.
- F.** The City Treasurer will conduct an annual review of the financial condition and registrations of brokers/dealers on the City's approved list.
- G.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which or with which the City invests.
- H.** Certificates of deposit will not be placed with an institution once it has received a Cease and Desist order from any bank regulatory agency.

IX. Authorized and Suitable Investments (with quality and limitation guidelines)

- A.** The California Government Code sections 53600 et seq. governs the allowable investments into which a local government agency can enter. These Government Code sections also stipulate as to the portfolio percentage limits and investment quality standards for some but not all permitted investments. The Government Code sections provide a starting point for establishing the City quality standards, percentage limits and maturity levels. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.
- B.** Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security as detailed below, the limit or maximum allowable is determined by the portfolio size or composition at the close of the date on which the security is purchased.
- C.** Following is a table summarizing allowable investments for the City. This table summarizes and is consistent with California Government Code Sections 53600 and 53630 et seq.

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INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	— none —	— none —
U.S. Treasury Obligations	5 years	— none —	— none —
State Obligations —CA and Others	5 years	— none —	— none —
CA Local Agency Obligations	5 years	— none —	— none —
U.S Agency Obligations	5 years	— none —	— none —
Bankers' Acceptances	180 days	40%	— none —
Commercial Paper —Select Agencies	270 days	25% of the agency's invested funds	"A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Commercial Paper —Other Agencies	270 days	40% of the agency's invested funds	A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Negotiable Certificates of Deposit	5 years	30%	— none —
CD Placement Service	5 years	30%	— none —
Repurchase Agreements	1 year	— none —	— none —
Medium-Term Notes	5 years	30%	"A" rating by a NRSRO(1)
Supranational Securities (Only International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank are approved issuers)	5 years	30%	"AA" rating by a NRSRO(1)
Mutual Funds and Money Market Mutual Funds	n/a	20%	Multiple
Collateralized Bank Deposits	5 years	— none —	— none —
Mortgage Pass-Through Securities/Asset Backed Securities/Collateralized Mortgage Backed Securities	5 years	20% (2)	"AA" rating by a NRSRO(1)
Bank/Time Deposits	5 years	— none —	— none —
County Pooled Investment Funds	n/a	— none —	— none —
Joint Powers Authority Pool	n/a	— none —	Multiple
Local Agency Investment Fund (LAIF)	n/a	— none —	— none —

(1) NRSRO=Nationally Recognized Statistical Rating Organization

(2) The combination of Mortgage Pass-Through, Asset Backed and Collateralized Mortgage Backed securities may not exceed 20% of the portfolio.

D. Investment Pools: A thorough investigation of an Investment Pool account is required prior to investing, and on a continual basis. The investigation must include information, if available, on the following items before investing:

1. A description of eligible investment securities, and a written statement of investment policy.
 2. A description of interest calculations and distribution and how gains and losses will be treated.
 3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.
 4. A description of who may invest in the program, how often and what is the allowable size of deposits and withdrawals, and any limitations as to number of transactions.
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5. A schedule for receiving statements and portfolio listings.
 6. Are reserves, retained earnings, etc. utilized by the pool?
 7. Is the pool eligible for bond proceeds and/or will it accept such proceeds?
- E.** Repurchase Agreements are legal and authorized by policy. In order to invest in repurchase agreements the City must obtain a signed Master Repurchase Agreement from the participating bank or broker/dealer.
- F.** Prohibited Investment Transactions and Derivatives:
1. The Government Code specifically prohibits certain types of investment instruments for municipalities. In addition to those prohibitions, the following investments are not permitted:
 - a. Reverse Repurchase Agreements
 - b. Financial futures or financial option contracts
 - c. Security lending
 2. Additionally the City shall not invest in any security that could result in zero interest accrual if held to maturity.
 3. Due to the complexity of the securities market and ever-changing market conditions, it is difficult to define derivatives and specifically prohibit their acquisition. Therefore, the City desires to limit the potential risk of derivatives by specifically prohibiting the most common types of derivatives with certain market exposures. These prohibited derivatives include but are not limited to: inverse floaters, interest only securities derived from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, futures contracts, interest rate futures contracts, foreign currency futures contracts, option based derivatives, option contracts, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.
 4. Leveraging
 - a. The City may not purchase investments on a margin or through a margin account.
 - b. The General Portfolio may not be leveraged by more than 30% through the issuance of tax and revenue anticipation notes (TRANS). The proceeds of any TRANS issue are to be invested in accordance with the guidelines in this policy, with investment maturities not to exceed the life of the TRANS.
 - c. The City may not leverage its investments through the use of reverse repurchase agreements.

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X. Collateralization

- A.** Bank Deposits: Under provisions of the Government Code, California banks and savings and loan associations are required to secure the City's deposits by pledging government securities with a value of 110% of principal and accrued interest. State law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.
- B.** Certificates of Deposit:
 - 1.** The market value of securities that underlay certificates of deposit shall be valued at 110% of the market value of principal and accrued interest.
 - 2.** The City Treasurer, at his/her discretion may waive the collateral requirement for deposits up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation.
- C.** Repurchase Agreements
 - 1.** The market value of securities that underlay certificates of deposit shall be valued at 102% of the market value of principal and accrued interest.
 - 2.** The value shall be adjusted no less than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102% no later than the next business day.
- D.** A clearly marked evidence of ownership, safekeeping receipt, must be supplied to the City and retained.
- E.** The City chooses to limit collateral to US Treasuries.
- F.** Collateral will always be held by an independent third-party with whom the entity has a current written custodial agreement.
- G.** The right of collateral substitution is granted based on the approval of the City Treasurer and City Manager.

XI. Safekeeping, Custody and Competitive Bids

- A.** Third-party safekeeping is required for all investments. Securities may be maintained by a banking institution or a broker/dealer firm for safekeeping as long as the securities are held in the City's name.
- B.** Third-party safekeeping arrangements will be approved by the City Treasurer and will be corroborated by a written custodial agreement.
- C.** All investment transactions of the City will be conducted using standard delivery vs. payment (DVP) procedures.
- D.** All securities held by the safekeeping custodian on behalf of the City shall have the City of Moreno Valley as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Moreno Valley as the payee.

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- E. All bank deposits will be FDIC insured or deposited with institutions that comply with the State collateral requirements for public funds.
- F. Securities used as collateral for repurchase agreements with a maturity from one to seven days can be held in safekeeping by a third party bank trust department or by the broker/dealer's safekeeping institution, acting as the agent for the City, under the terms of a custody agreement executed by the selling institution and by the City specifying the City's "perfected" ownership of the collateral.
- G. All investment transactions shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.

XII. Diversification and Credit Risk Management

- A. Investments contained within the portfolio will be diversified by security type, institution and maturity.
- B. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio.
- C. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.
- D. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences; and,
- E. If securities owned by City are downgraded by any nationally recognized statistical ratings organization to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - 1. If a security is downgraded, the City Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - 2. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

XIII. Maximum Maturities

- A. The City Treasurer will maintain sufficient liquidity in cash and short-term investments, which together with projected revenue receipts will meet the cash flow requirements of the City for the upcoming six months.
 - B. The City will not directly invest in securities maturing more than five years away from the settlement date. In any case, where a cash flow is matched with an investment which exceeds the five year limit, the investment must be approved by the City Council.
 - C. The average weighted maturity of the general portfolio shall not exceed 3 years. The general portfolio does not include bond proceeds or deferred compensation funds.
 - D. To the extent possible, longer-term investment maturities will be spaced so that a portion of such investments mature each year to cover unanticipated emergencies.
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XIV. Performance Standards

- A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints.
- B. The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a market benchmark Index of similar securities, as determined by the City Treasurer.
- C. Market Return (Benchmark): The City's investment strategy is active. Given this strategy, the basis used by the Treasurer to determine whether market return is being achieved shall be to identify a benchmark which reflects a portfolio structure that is comparable to the City's portfolio. *An example as it pertains to the long term portion of the portfolio would be the Bank of America Merrill Lynch Index of 1to 5 Year Government securities.*

XV. Reporting

- A. The City Treasurer will provide a monthly report to the City Manager and City Council which will include the following information by security held at the end of the reporting period:
 - 1. Investment Type
 - 2. Issuer
 - 3. Maturity Date
 - 4. Par Value
 - 5. Market Value
 - 6. Book Value
 - 7. Weighted Average Maturity
 - 8. Source of Market Valuation
 - 9. Monies maintained within the treasury
 - 10. Funds, investments and loans that are under the management of contracted parties
- B. Quarterly, and within 60 days of the completion of the quarter, the City Treasurer will submit a report to the City Council in open public meeting with the same investment information provided to the City Manager and City Council on a monthly basis with the addition of the following data:
 - 1. A description of the compliance with the statement of investment policy, or manner in which the portfolio is not in compliance.
 - 2. A statement denoting the ability of the City to meet cash flow requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

XVI. Investment Policy Adoption

- A. Annually, the City Treasurer will render to the City Council a Statement of Investment Policy, including any changes or revisions, to be reviewed and approved at a public meeting.

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XVII. Record Retention

- A. The following investment or cash management documents will be maintained in accordance with Chapter 2.60 of Title 2 of the City of Moreno Valley Municipal Code:
1. Investment Reports and supporting documentation
 2. Third-party statements of assets held
 3. Investment permanent files
 4. Market pricing documentation

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Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AS AMENDMENT NO. 18

RECOMMENDED ACTION

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2017-27, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said district.

SUMMARY

Approval of the proposed resolution will certify annexation of 8 parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) ("District"). This action affects one property owner, not the general citizens or taxpayers of the City.

The City requires property owners of new development projects to mitigate the cost of certain impacts created by the proposed development (i.e. the ongoing cost for operation and maintenance of public landscaping and/or street lights installed by the development). As a condition of approval, the property owners are required to provide an ongoing funding source to maintain those improvements. The City created CFD No. 2014-01 to provide the development community with a financing mechanism to assist in satisfying the requirement. After a property owner elects to annex their property into the District and the City Council approves the annexation, the special tax can be levied on the property tax bill(s) of the annexed parcel(s). Revenue generated by the District provides a funding source to operate and maintain only those improvements within the District.

As a condition of approval of its development project, Beazer Homes Holdings Corp (“Property Owner”) has elected to annex the parcels of their project into the District. Annexing into the District will satisfy the condition to provide a funding source for the ongoing maintenance and operation of public improvements (street lighting). The Property Owner submitted a Landowner Petition approving the annexation. The City Clerk has confirmed the petition is valid.

DISCUSSION

District Formation

The District was formed by adoption of Resolution No. 2014-25 to provide an alternative financing tool for the development community. It provides a mechanism to fund the operation and maintenance of street lighting services and maintenance of public landscaping. After a landowner approves annexation of their property into the District and the City Council approves the annexation, the City is authorized to levy a special tax onto the annual property tax bill(s). Residential Tract 31618 (southwest corner of Moreno Beach Dr. and Bay Ave.) formed the original boundaries of the District. Since formation of the District, 19 additional landowners have authorized annexation of their properties into the District.

The Rate and Method of Apportionment of Special Tax (RMA) for the District describes the different special tax rate areas, services provided, and the formula to calculate the special tax rate for each of the tax rate areas. Several special tax rate layers were created to accommodate a variety of scenarios to ensure costs are fairly shared between property owners. For example, there is a tax rate layer for “single-family residential street lighting” and one for “street lighting for property other than single-family residential” (e.g. commercial, industrial, or multifamily projects). Different tax rate layers are needed for street lighting because the spacing and size/type of lights differ based on the type of development. Likewise, there are several tax rate areas for maintenance of public landscaping. A property owner’s proportionate share of landscape maintenance costs will vary depending upon the total square footage of landscaping to be maintained for that development and the number of properties sharing in the cost.

Annexation to the District

On February 10, 2015, the City Council adopted Ordinance No. 889, which designated the entire territory of the City as a future annexation area for the District. Adoption of the Ordinance provides a simplified process for the development community to annex into the District. Annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service(s) they are receiving.

The Property Owner is approved to develop 274 single-family residential lots as part of Tentative Tract 36933. As a condition of approval, the project is required to provide an

ongoing funding source for maintenance of street lights installed on public streets as part of the development. Information for the parcels under development ("Subject Property") is shown in the following table:

Property Owner/Project	Assessor's Parcel Number(s)	Location	Amendment No.
Beazer Homes Holdings Corp Tentative Tract 36933 P15-066 274 single-family residential lots	488-090-028, 488-090-061, 488-090-077, 488-090-078, 488-091-025, 488-091-031, 488-091-053, 488-091-073	south side of Eucalyptus Ave. at Fir Ave.	18

The Property Owner has two options to satisfy the condition of approval:

- 1) Submit a Landowner Petition approving annexation of the Subject Property into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bill(s) of the Subject Property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area. The Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at the Subject Property allowing for a special election of the landowner to be conducted; or
- 2) Establish a homeowner or property owner association to provide the ongoing maintenance and operation of the improvements.

The Property Owner elected to annex the Subject Property into CFD No. 2014-01 and have the special tax applied to the annual property tax bill. The City Clerk received and reviewed the Property Owner's Landowner Petition and confirmed the Property Owner unanimously approved the annexation of the Subject Property into the District (Attachment 3). Adoption of the attached resolution (Attachment 1) adds the Subject Property to the tax rate area(s) identified in the table in the Fiscal Impact section of this report and directs the recordation of the boundary map (Attachment 2) and amended notice of special tax lien for Amendment No. 18.

Successful completion of the annexation process satisfies the project's condition of approval to provide an ongoing funding source for street lighting on public streets.

ALTERNATIVES

1. Adopt the proposed resolution. *Staff recommends this alternative as it will annex the Subject Property into CFD No. 2014-01 at the request of the Property Owner and satisfies the condition of approval for the proposed development.*
2. Do not adopt the proposed resolution. *Staff does not recommend this alternative as it is contrary to the Property Owner's request, will not satisfy the condition of approval, and may delay development of the project.*

- 3. Do not adopt the proposed resolution but rather continue the item to a future City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owner from satisfying the condition of approval and may delay development of the project.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services for each tax rate area. If the revenue received from the maximum special tax will exceed what is necessary to fund the services within each tax rate area, a lower amount will be applied to the property tax bills for all properties within the affected tax rate area. The special tax can only be applied to a property tax bill of a parcel wherein the property owner has previously provided approval. The maximum estimated special tax revenue which can be generated from this project is detailed below:

Property Owner	Service/ Tax Rate Area	No. of Parcels ¹	FY 2016/17 Maximum Special Tax	Estimated FY 2016/17 Maximum Special Tax for the Project ²
Beazer Homes Holdings Corp	Single-Family Residential Street Lighting SL-01	274	\$217.61/parcel	\$59,625.14
¹ Based on proposed parcel configuration. The special tax calculation will be based on final development of the project. ² The special tax applied to the property tax bill will be based on the needs of the District, which may be lower, but cannot exceed the maximum special tax.				

The maximum special tax rates are subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. Each year, the City Council must authorize any proposed CPI adjustment prior to the levy of the special tax onto the property tax bills. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a 2/3^{rds} approval of the qualified electors (landowners or registered voters depending upon the number of registered voters) within the affected tax rate area.

NOTIFICATION

Annexation materials were mailed to the Property Owner on March 23, 2017. A cover letter, Landowner Petition, RMA, and an envelope to return the completed petition were included.

PREPARATION OF STAFF REPORT

Prepared by:
Jennifer A. Terry
Sr. Management Analyst

Department Head Approval:
Ahmad R. Ansari, P.E.,
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel
Special Districts Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

- 1. Resolution Ordering Annexation
- 2. Boundary Map CFD 2014-01
- 3. Certificate of Election Official

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/21/17 2:51 PM
City Attorney Approval	<u>✓ Approved</u>	4/25/17 8:53 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:29 PM

RESOLUTION NO. 2017-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council levied an annual special tax against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 889 designated the entire territory of the City as a future annexation area for the CFD and approved the second amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcels listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel (the "Annexation Parcels") to the CFD; and

WHEREAS, the Annexation Parcels are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 18 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcels to the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct and are herein incorporated.

2. Annexation Approved. The Annexation Parcels are hereby added to and part of the CFD with full legal effect. The Annexation Parcels are subject to the Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

1
Resolution No. 2017-27
Date Adopted: May 16, 2017

Attachment: Resolution Ordering Annexation [Revision 1] (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO

3. Description of Services. The following is a general description of all services (the "Services") provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

The Annexation Parcels will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcels associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any

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Resolution No. 2017-27
Date Adopted: May 16, 2017

preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 16th day of May, 2017.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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Resolution No. 2017-27
Date Adopted: May 16, 2017

Attachment: Resolution Ordering Annexation [Revision 1] (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Patricia Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2017-27 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of May, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

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Resolution No. 2017-27
Date Adopted: May 16, 2017

Attachment: Resolution Ordering Annexation [Revision 1] (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO

EXHIBIT A

List of Annexation Parcel(s)

Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
Amendment No. 18	488-090-028 488-090-061 488-090-077 488-090-078 488-091-025 488-091-031 488-091-053 488-091-073	Street Lighting Services	SL-01

Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.

The parcels associated with the boundary map constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.

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Resolution No. 2017-27
Date Adopted: May 16, 2017

Attachment: Resolution Ordering Annexation [Revision 1] (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO

EXHIBIT B

**AMENDMENT NO. 18 TO BOUNDARIES
OF CITY OF MORENO VALLEY COMMUNITY
FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)**

**CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

(This map amends, by adding the additional territory shown herein, the boundary map for City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, Riverside County, State of California, prior recorded at book 75 of Maps of Assessment and Community Facilities Districts at page 88, in the office of the County Recorder for the County of Riverside, State of California.)

VICINITY MAP
NOT TO SCALE

SHEET 1 OF 1

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____ 2017.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE ATTACHED MAP SHOWING AMENDED BOUNDARIES OF THE CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2017, BY THE RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____ 2017, AT THE HOUR OF _____ O'CLOCK _____ P.M. IN ROOM _____, PAGE(S) _____ OF MAP(S) OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND NEIGHBORHOOD NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 23, 2014 IN BOOK 75 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 88 AS INSTRUMENT NO. 2014-008114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA, TENTATIVELY PROPOSED FOR ANNEXATION TO THE TERRITORY WITH THE CONDITION THAT THE PARCELS WITHIN THAT TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNERS OR PARTNERS OF EACH PARCEL ON PARCELS AT THE TIME THAT PARCELS ON THESE PARCELS ARE ANNEXED RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 77, PAGE 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-008114, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TENTATIVELY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REPERTING THEREON.

THE LINES AND DIMENSIONS OF EACH LOT ON PARCELS SHOWN ON THIS SECTION SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY RECORDER'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY RECORDER'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF EACH LOT ON PARCELS.

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	488-000-028
2	488-000-061
3	488-000-077
4	488-000-078
5	488-001-025
6	488-001-031
7	488-001-053
8	488-001-073

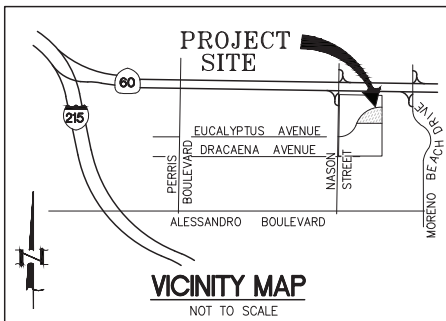
Legend
City Reference Number
Addressed Area: 61-08, 816-11
1 inch = 200 feet

MDS
134515 and/or address: 88-1388, 816/761

Attachment: Resolution Ordering Annexation [Revision 1] (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO

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Resolution No. 2017-27
Date Adopted: May 16, 2017

**AMENDMENT NO. 18 TO BOUNDARIES
OF CITY OF MORENO VALLEY COMMUNITY
FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)**



CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(This map amends, by adding the additional territory shown herein, the boundary map for City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, Riverside County, State of California, prior recorded at book 76 of Maps of Assessment and Community Facilities Districts at page 69, in the office of the County Recorder for the County of Riverside, State of California.)

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201__.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF THE CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201__, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 201__, AT THE HOUR OF _____ O'CLOCK _____ M, IN BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA (TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT THE PARCELS WITHIN THAT TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNEXED) RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 77, PAGE 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-0481134, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINE AND DIMENSIONS OF SUCH LOTS OR PARCELS.



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	488-090-028
2	488-090-061
3	488-090-077
4	488-090-078
5	488-091-025
6	488-091-031
7	488-091-053
8	488-091-073

Legend

- Map Reference Number
 - Additional Area to CFD 2014-01
- 1 inch = 200 feet

MDS MORSE SCHULTZ
PLANNERS ENGINEERS SURVEYORS
159720\MAPPING\AMENDMENT NO. 18.DWG 8/22/2016

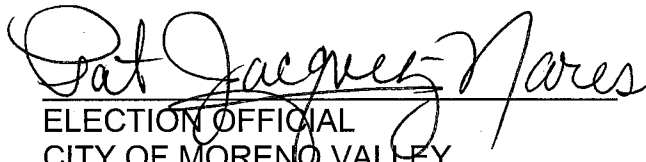
**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on April 11, 2017, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 18

WITNESS my hand this 11th day of April, 2017.


ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official (2566 : PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO COMMUNITY



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 16, 2017

TITLE: GRANT OF EASEMENT TO SOUTHERN CALIFORNIA EDISON FOR THE KARMA SWITCHYARD PORTION OF APN 312-250-016

RECOMMENDED ACTION

Recommendations:

1. Approve the Grant of Easement to Southern California Edison for the Switchyard portion of APN 312-250-016.
2. Authorize the City Manager to execute said Grant of Easement to Southern California Edison for the Switchyard portion of APN 312-250-016.

SUMMARY

On November 18, 2014, the City Council approved acquisition of Parcel 3 of Parcel Map 13202, resulting in APN 312-250-016, as a future electrical substation site. The Kitching Substation Project is now under construction. Pursuant to the Interconnection Facilities Agreement approved by City Council on September 6, 2016, the City shall grant an easement to Southern California Edison (SCE) for the Switchyard for its operation and maintenance.

This item was presented to the Utilities Commission on April 26, 2017.

DISCUSSION

The Interconnection Facilities Agreement describes the terms regarding the facilities and upgrades on SCE's electrical system needed to accommodate the Kitching Substation Project. The Project consists of the construction of a Substation, owned and maintained by Moreno Valley Utility, and a Switchyard, which serves as the point of connection between Moreno Valley Utility's electrical distribution system and SCE's

electrical system. The Switchyard will be owned and maintained by SCE.

The Grant of Easement is necessary to allow Southern California Edison to operate, maintain, repair and access the Switchyard portion of the project, and is required under Section 9.9 of the Interconnection Facilities Agreement.

The Grant of Easement was prepared by Southern California Edison and reviewed by staff. The legal description and plat were prepared by a licensed land surveyor.

ALTERNATIVES

1. Approve the Grant of Easement to Southern California Edison and authorize the City Manager to execute the Grant of Easement. *This will allow Southern California Edison to operate and maintain the Switchyard.*
2. Do not approve the Grant of Easement to Southern California Edison nor authorize the City Manager to execute the Grant of Easement. *This will prevent Southern California Edison from operating and maintaining the Switchyard and will prevent Moreno Valley Utility from supplying additional power needed to accommodate electrical load growth in the City's south industrial area.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Notification was provided through publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Clement Jimenez
Senior Engineer, P.E.

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

Concurred By:
Jeannette Olko
Electric Utility Division Manager

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**
2. **Public Safety**
3. **Library**

- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

ATTACHMENTS

- 1. Grant of Easement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/12/17 7:39 AM
City Attorney Approval	<u>✓ Approved</u>	4/13/17 9:46 AM
City Manager Approval	<u>✓ Approved</u>	4/27/17 5:42 PM

RECORDING REQUESTED BY
SOUTHERN CALIFORNIA EDISON
COMPANY

WHEN RECORDED MAIL TO
SOUTHERN CALIFORNIA EDISON
COMPANY
2 INNOVATION WAY, 2ND FLOOR
POMONA, CA 91768
ATTN: TITLE & VALUATION

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT OF EASEMENT

KARMA SUBSTATION

Location: City of Moreno Valley
A.P.N.: 312-250-016
RP File No. ACQ203383775
SCE Doc No. 512502

DOCUMENTARY TRANSFER TAX \$ _____	Serial No. 71326A Service Order No. 801545397
_____ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE	Approved Real Properties Dept.
_____ SO. CALIF. EDISON CO. SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	BY GS DATE 10/24/16

CITY OF MORENO VALLEY, a municipal corporation, hereinafter called "Grantor", does hereby grant to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns, hereinafter called "Grantee", an easement to construct, use, maintain, alter, add to, repair, replace, inspect and/or remove buildings, structures, poles, towers, transformers, fences, concrete pads and other fixtures, appliances and property which said Grantee, its successors and assigns, may find necessary or convenient for the maintenance and operation of an electrical substation in, under, on, along and across that certain real property of the Grantor situated in the City of Moreno Valley, County of Riverside, State of California, described as follows:

Parcel 3 as shown by Parcel Map No. 13202, on file in Book 79, Page 7 of Parcel Maps, Records of Riverside County, California.

Substation Site:

Said substation is more particularly shown on the Exhibit "A" and more particularly depicted on the Exhibit "B", both attached hereto and by this reference made a part hereof.

Grantor also hereby grants to Grantee, its successors and assigns, the right to clear and to keep clear said electrical substation site, electrical and communication systems right of way, guy wires and anchors, access road, and rights of way for ingress and egress, free from explosives, buildings, equipment, brush, combustible material and any and all other structures and obstructions of any kind, and the right to trim or remove any tree or shrub which, in the opinion of the Grantee, may endanger said electrical substation, electrical and communication systems, guy wires and anchors, access road and ingress or egress, or any part thereof, or interfere with the exercise of the rights herein granted.

Grant of Easement
City of Moreno Valley to
S.C.E.Co., a corp.
Serial No. 71326A
RP File No.: ACQ203383775

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____,
20_____.

CITY OF MORENO VALLEY, a municipal
corporation

By _____
Name _____
Title _____

By _____
Name _____
Title _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Grant of Easement
City of Moreno Valley to
S.C.E.Co., a corp.
Serial No. 71326A
RP File No.: ACQ203383775

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT 'A'
LEGAL DESCRIPTION

Karma Substation

Serial 71326A

That portion of Parcel 3 as shown on Parcel Map No. 13202, as filed in Book 79, Page 7 of Parcel Maps, Official Records of Riverside County, located in Section 32, Township 3 South, Range 3 West, S.B.M., in the City of Moreno Valley, County of Riverside, State of California, more particularly described as follows:

Being the northerly 145.00 feet of the easterly 179.00 feet of said Parcel 3.

Excepting therefrom Strip No. 1, lying easterly of the following described line;

Commencing at the northeast corner of said Parcel 3;

Thence along the northerly line of said Parcel 3 North 88°50'24" West 6.00 feet to the westerly line of the easterly 6.00 feet of said Parcel 3 and the **True Point of Beginning**;

Thence along said westerly line South 00°17'47" West 25.58 feet;

Thence South 45°17'47" West 5.66 feet to a line parallel with and distant westerly 4.00 feet, measured at right angles to said westerly line;

Thence along said parallel line South 00°17'47" West 50.69 feet;

Thence South 44°42'13" East 5.66 feet to said westerly line;

Thence along said westerly line South 00°17'47" West 42.98 feet;

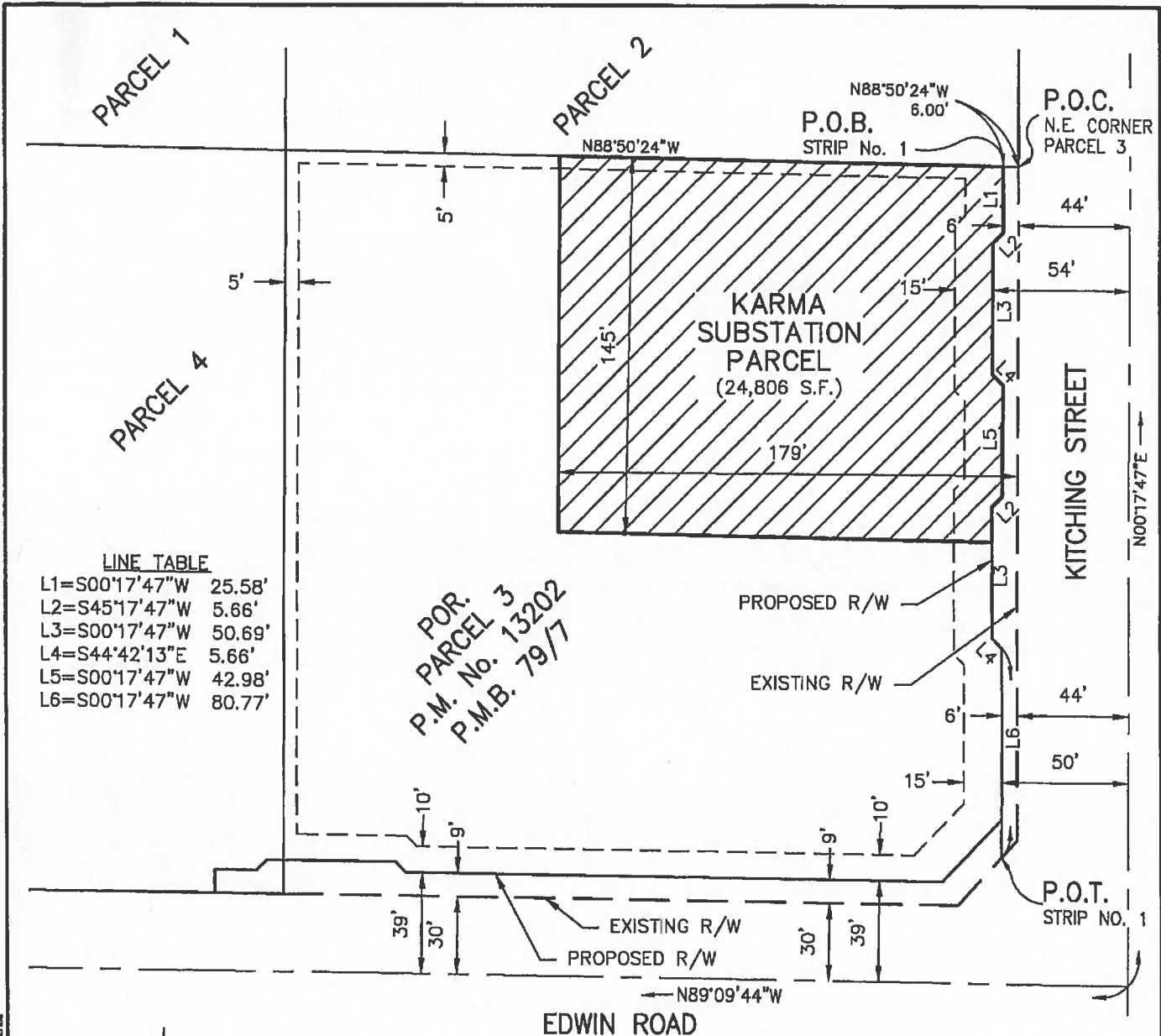
Thence South 45°17'47" West 5.66 feet to said parallel line;

Thence along said parallel line South 00°17'47" West 50.69 feet;

Thence South 44°42'13" East 5.66 feet to said westerly line;

Thence along said westerly line South 00°17'47" West 80.77 feet to the southeasterly line of said Parcel 3 and the **Point of Termination**;

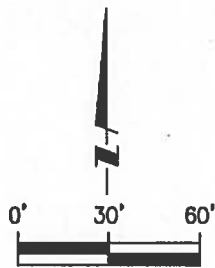
The above described parcel of land contains 24,806 square feet (0.57 acres) more or less.



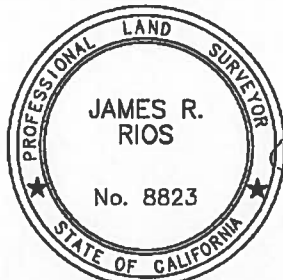
LINE TABLE

L1=S00°17'47"W	25.58'
L2=S45°17'47"W	5.66'
L3=S00°17'47"W	50.69'
L4=S44°42'13"E	5.66'
L5=S00°17'47"W	42.98'
L6=S00°17'47"W	80.77'

POR.
PARCEL 3
P.M. No. 13202
P.M.B. 79/77



SCALE: 1"=60'
SEC. 32, T.3S., R.3W., S.B.M.



THIS EXHIBIT WAS PREPARED
UNDER MY DIRECTION:

JAMES R. RIOS
DATE 10/05/2016

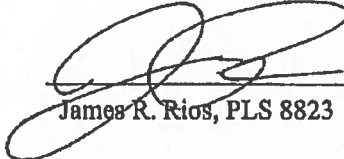
LEGEND

- INDICATES KARMA SUBSTATION PARCEL AREA 24,806 SQ. FT. (0.57 ACRES) MORE OR LESS
- INDICATES SETBACK LINE
- INDICATES CENTERLINE
- - - INDICATES EXISTING R/W

APN: 312-250-018	SHEET 1 OF 1	SCALE 1" = 60'
EXHIBIT "B" KARMA SUBSTATION	PSOMAS 1500 Iowa Avenue, Suite 210 Riverside, Ca 92507 (951) 787-8421 www.paomas.com	DRAFTED JRR
		CHECKED TRG
		DATE AUG 8, 2018
		JOB NUMBER 4MOR040421

R:\4MOR040421\SURVEY\EDUALS\Karma Substation.dwg 10/05/16 13:53 - James Rios

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.


James R. Rios, PLS 8823

10/05/2016
Date:





Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 16, 2017

TITLE: ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITIES DEVELOPMENT IMPACT FUND AND THE ANIMAL SHELTER DEVELOPMENT IMPACT FEE FUND

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution 2017-28, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing Amendment No. 4 to the Loan Agreement Between the City of Moreno Valley and the Police Facility Development Impact Fee and the Animal Shelter Development Impact Fee.

SUMMARY

Staff recommends that the City Council adopt the proposed resolution approving Amendment No. 4 to the interfund loan agreement between the General Fund and the Police Facilities Development Impact Fee Fund (Police DIF) for \$4,290,500 and the Animal Services Facilities Development Impact Fees Fund (Animal Services DIF) for \$100,000.

Due to the timing of development impact revenues, the Police Facility DIF and the Animal Shelter DIF are currently reporting cash balances which will require loans from the General Fund to comply with Generally Accepted Accounting Principles. These loans will be updated annually until such time as the revenues received by the Development Impact Fee funds are sufficient to extinguish the loan balances.

DISCUSSION

The City Council has approved the levy of a fee to mitigate the impacts of new development on various public facilities pursuant to the California Mitigation Fee Act. These fees are collected and recorded in separate funds pending the allocation of available funds for capital projects or to pay debt service on public facilities or improvements that were constructed from bond proceeds.

The following paragraphs discuss the use of funds or commitment of funds for debt service in order to construct facilities or purchase land for future expansion through either the selling of bonds or short-term loans from the General Fund. At the time of the authorization of the transactions, it was anticipated that the development impact fee program would provide the levels of revenue required to repay the loans or meet the annual debt service payments. In 2008 with the beginning of the recent recession, the City experienced a significant decline in new development which resulted in the decline in development impact fee revenues. The development impact fee accounts have been forced to utilize available cash balance to continue to meet the annual debt service requirements or loan repayment. In the case with these two funds, the debt service or repayment requirements have depleted their cash balances to zero and will require loans from the General Fund until they have enough revenues to repay the loans or are able to meet their annual debt service requirements. Generally Accepted Accounting Principles (GAAP) require that cash balances cannot be in a negative position at year-end and in the past, short-term loans from the General Fund were utilized to meet this requirement. The original loan was adopted in 2013 and amendments to that loan have been made in the subsequent years. The table below provides a brief recap of the history of this loan agreement and the related amendments.

Development Impact Fee Fund Loan Agreement and Amendment History				
	PD DIF	Rec Center DIF	Shelter DIF	Arterial Streets DIF
Original Loan Agreement (Resolution 2013-59)	\$3,000,000	\$145,000	\$175,000	\$0
Amendment # 1 (Resolution 2014-45)	\$500,000	-\$35,000	-\$13,000	\$360,000
Amendment # 2 (Resolution 2015-38)	\$0	-\$50,000	-\$15,000	-\$360,000
Amendment # 3 (Resolution 2016-33)	\$585,000	-\$60,000	-\$10,000	\$0
Amendment # 4	\$205,500	\$0	-\$37,000	\$0
Current Loan Amount	\$4,290,500	\$0	\$100,000	\$0

The following table shows the activity for the current fiscal year and the ending loan balances to be recorded in June 2017. If approved, these entries will be recorded for June 30, 2017 and then the funds will be re-evaluated in June 2018.

Fund	Loan Balance 6/30/16	Repayment	Loan Increase	Loan Balance 6/30/17
Police Facilities DIF	\$4,085,000	\$0	\$205,500	\$4,290,500
Animal Shelter DIF	\$137,000	\$37,000	\$0	\$100,000

- *Police Facility Development Impact Fees: From \$4,085,000 to \$4,290,500*

In June 2005, the City issued the 2005 Lease Revenue Bonds totaling \$48,205,000. Included in the approved projects for the bonds were various projects which were to be repaid through the utilization of Development Impact Fees that were to be collected from developers in future years. These projects included the expansion of the Public Safety Building, the construction of the Emergency Operations Center (EOC) building, Fire Station 58 and various arterial street projects. The bond documents called for the repayment of this bond over the following 30 years with the final payment occurring in November 2035. In 2013 and 2014 these initial bonds were refinanced to reduce the overall debt service payment. The revenue stream from development impact fees for Arterial Streets, Police Facility and Fire Facilities was pledged to meet these annual debt service requirements associated to each of the funds. The payment of existing debt service has been identified as the first priority from the development fee funds. The annual debt service requirement attributable to the Police Facility DIF is approximately \$642,000 annually until 2022 and then steps down to \$580,000 per year until FY 2036. During FY 2016/17 Police Facilities DIF fund had revenues totaling \$438,500 while debt service payments totaled \$644,000.

- *Animal Shelter Development Impact Fees: From \$137,000 to \$100,000*

During Fiscal Year 2006, the City had the opportunity to purchase the vacant property adjacent to the existing Animal Shelter. Animal Shelter Development Impact fees were identified as the appropriate funding source as this purchase would be able to address future growth needs. As new DIF revenues come in, they are utilized to repay the loan provided by the General Fund. Revenues of \$37,000 were available during Fiscal Year 2016/2017 which have been used to retire a portion of the loan.

ALTERNATIVES

1. Adopt proposed resolution approving the Amendment No. 4 to the Loan Agreement approved in Resolution 2013-59 approving a loan from the General Fund to the Police Facility Development Impact Fee fund (\$4,290,500), and the Animal Shelter Development Impact Fee fund (\$100,000). *Staff recommends this alternative because this authorizes the recordation of the revised loan amounts to address current cash balances in these funds and allows the City to remain in compliance with Generally Accepted Accounting Principles.*
2. Do not adopt proposed resolution approving the Amendment No. 4 to the Loan Agreement and provide staff with other direction. Staff does not recommend this alternative because it will not address the current cash balances in these funds and the City's financial statements may not comply with Generally Accepted Accounting Principles.

FISCAL IMPACT

The total loan balance amount of \$4,390,500 from the General Fund will continue to be

designated as non-spendable until repaid. As Development Impact Fee revenues related to the Police Facility Development Impact Fee and Animal Shelter Impact Fee accounts are received, they will be applied to continue to reduce the outstanding loan amounts for these funds.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Resolution No. 2017-28
- 2. Exhibit A - Resolution No. 2017-28

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/21/17 2:50 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 10:11 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:28 PM

RESOLUTION NO. 2017-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AN AMENDMENT NO. 4 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITY DEVELOPMENT IMPACT FEE AND THE RECREATION CENTER DEVELOPMENT IMPACT FEE FUND.

WHEREAS, the City Council levies a fee for the mitigation of the impacts of new development on the City’s Police Facilities and the Animal Shelter and related facilities pursuant to the California Mitigation Fee Act (California Government Code Section 6600 et seq.); and

WHEREAS, the City collects and records these fees in separate funds called the Police Facilities Development Impact Fee Fund and the Animal Shelter Development Impact Fee Fund; and

WHEREAS, the City has made disbursement from these funds that have resulted in negative cash balances in the Police Facility Development Impact Fee Fund (\$4,290,500) and the Animal Shelter Development Impact Fee Fund (\$93,700); and

WHEREAS, the City has a need to resolve the negative cash balances in these accounts; and

WHEREAS, on June 25, 2013 the City Council approved Resolution 2013-59 authorizing the original Loan Agreement between the General Fund and the Recreation Center DIF (\$145,000) and the Police Facility DIF (\$3,000,000) and the Animal Shelter DIF (\$175,000); and

WHEREAS, on June 10, 2014 the City Council approved Resolution 2014-45 authorizing Amendment No. 1 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$110,000) the Police Facility DIF (increased to \$3,500,000) and the Animal Shelter DIF (decreased to \$162,000); and

WHEREAS, on June 9, 2015 the City Council approved Resolution 2015-38 authorizing Amendment No. 2 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$60,000) the Police Facility DIF (remained at \$3,500,000) and the Animal Shelter DIF (decreased to \$147,000); and

WHEREAS, on June 7, 2016 the City Council approved Resolution 2016-33 authorizing Amendment No. 3 to the original Loan Agreement between the General Fund and the Recreation Center DIF (decreased to \$0) the Police Facility DIF (increased to \$4,085,000) and the Animal Shelter DIF (decreased to \$137,000); and

1
Resolution No. 2017-28
Date Adopted: May 16, 2017

Attachment: Resolution No. 2017-28 [Revision 3] (2559 : ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO THE LOAN

WHEREAS, the City desires to loan funds from the General Fund to the Police Facilities Development Impact Fee Fund (\$4,290,500) and the Animal Shelter Development Impact Fee Fund (\$100,000) in amounts sufficient to cover the negative cash balances; and

WHEREAS, the City desires to partially repay the General Fund for the loan of funds to the Animal Shelter DIF (\$37,000); and

WHEREAS, the City anticipates receiving future Police Facilities Development Impact Fees and Animal Shelter Development Impact Fees to repay these loans to the General Fund

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

BE IT RESOLVED that the Loan Agreement-Amendment No. 4 included as Exhibit A is hereby approved, authorizing the Loan Agreement from the General Fund and continuing the funding of the loans to the Police Facility DIF (\$4,290,500) and the Animal Shelter DIF (\$100,000).

APPROVED AND ADOPTED this 16th day of May, 2017.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

2
Resolution No. 2017-28
Date Adopted: May 16, 2017

Attachment: Resolution No. 2017-28 [Revision 3] (2559 : ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO THE LOAN

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2017-28 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of May, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2017-28
Date Adopted: May 16, 2017

Attachment: Resolution No. 2017-28 [Revision 3] (2559 : ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO THE LOAN

LOAN AGREEMENT
AMENDMENT NO. 4

The City of Moreno Valley is authorizing this AMENDMENT TO THE LOAN AGREEMENT (“Amendment 4”) as an interfund loan entered into as of the sixteenth day of May 2017, authorizing the transfer of funds by and between the CITY OF MORENO VALLEY GENERAL FUND (herein the “General Fund”) and the CITY OF MORENO VALLEY POLICE FACILITY DEVELOPMENT IMPACT FEE FUND (herein the “Police Facility DIF and the CITY OF MORENO VALLY ANIMAL SHELTER DEVELOPMENT IMPACT FEE FUND (herein the “Animal Shelter DIF”).

RECITALS

- A. Pursuant to the provision of the California Mitigation Fee Act (California Government Code Section 66000 et seq.), the City Council of the City of Moreno Valley has approved the levy of a Police Facility Development Impact Fee and an Animal Shelter Development Impact Fee to collect fees to mitigate the impact of new development on the City’s Police and Animal Shelter facilities.
- B. The City has negative cash balances in the Police Facility DIF, and the Animal Shelter DIF .
- C. These cash balances are the result of the construction of facilities or the purchase of land for future expansion.
- D. The Police Facility DIF and Animal Shelter DIF continue to receive revenues related to new development projects within the City.
- E. The City desires to loan the Police Facility DIF and the Animal Shelter DIF funds in an amount sufficient to offset the negative cash balances related to these funds.

AGREEMENT

- 1. The City has applied cash collected during Fiscal Year 2016/17 by the the Animal Shelter DIF (\$37,000) towards the repayment of the outstanding loan.

Fund	Loan Balance 6/30/2016	Loan Repayment	Increase to Loan Amount	Loan Balance 6/30/2017
Police Facility DIF	\$4,085,000	\$0	\$205,500	\$4,290,500
Animal Shelter DIF	\$137,000	\$37,000	\$0	\$100,000

4
Resolution No. 2017-28
Date Adopted: May 16, 2017

Attachment: Exhibit A - Resolution No. 2017-28 [Revision 2] (2559 : ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO

- 2. City staff is directed to make necessary appropriation adjustments to effectuate this loan.
- 3. City staff is directed to appropriately record this loan in the City's General Ledger system and subsequent financial reports, as necessary.
- 4. This loan is considered to be non-interest bearing.
- 5. The funds will be repaid by June 30, 2018.
- 6. If the funds are not repaid on or before June 30, 2018 in full, the City Council will reconsider this matter.

IN WITNESS WHEREOF, the parties have executed the Amendment 3 as of the date first above written.

CITY OF MORENO VALLEY

By:

Michelle Dawson
City Manager

ATTEST:

Pat Jacquez-Nares
City Clerk

APPROVED AS TO FORM:

City Attorney

5
Resolution No. 2017-28
Date Adopted: May 16, 2017

Attachment: Exhibit A - Resolution No. 2017-28 [Revision 2] (2559 : ADOPT RESOLUTION NO. 2017-28 AUTHORIZING AMENDMENT NO. 4 TO



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO BOULEVARD / ELSWORTH STREET INTERSECTION - PROJECT NO. 801 0047

RECOMMENDED ACTION

Recommendations:

1. Award a construction contract to O'Duffy Bros., Inc., 29254 Duffy Street, Romoland, CA 92585, for the Alessandro Boulevard and Elsworth Street Intersection Improvement.
2. Authorize the City Manager to execute a contract with O'Duffy Bros., Inc.
3. Authorize the issuance of a Purchase Order for O'Duffy Bros., Inc. in the amount of \$1,007,303 (\$915,730 bid amount plus 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract with O'Duffy Bros., Inc. up to, but not exceeding, the contingency amount of \$91,573 subject to the approval of the City Attorney.
5. Authorize a budget adjustment of \$40,000 of Measure A (2001) available from the Transportation Operating Budget (Signing and Striping).
6. Authorize an appropriation of an additional \$184,250 as revenue and \$184,250 as expense in the Public Works General Capital Projects Fund (3002) for the relocation of EMWD waterline facilities

SUMMARY

This report recommends approval of a contract with O'Duffy Bros., Inc. for the construction of the Alessandro Boulevard and Elsworth Street Intersection Improvement project. The project is funded by the Federal Highway Safety Improvement Program (HSIP) and Measure A (2001) funds, and has been approved in the Fiscal Year 2016/2017 Capital Improvement Plan (CIP). The report also recommends appropriation of additional \$40,000 of Measure A available from Transportation Operating Budget for signing and striping to supplement the matching funds, as well as the appropriation of additional revenue for EMWD's reimbursement.

DISCUSSION

This project will improve safety and efficiency and accommodate all users by modifying the existing traffic signals at Alessandro Boulevard and Elsworth Street including removing median-mounted traffic signal poles, improving vehicular head placement, removing steep cross-gutters and replacing them with catch basins connected to an existing storm drain system, implementing advanced dilemma zone protection, installing Americans with Disability Act (ADA) compliant pedestrian access ramps, and installing new signing and striping. This project receives federal HSIP funding in the amount of \$760,500 and the City utilizes Measure A funds as matching funds for the project.

The California Department of Transportation (Caltrans) determined on April 14, 2015 that this project is a Categorical Exclusion under the National Environmental Policy Act (NEPA), Section 23 CFR 771.117(c). This project was determined as Class 1 Categorical Exemption as defined in Section 15301(c) of the California Environmental Quality Act (CEQA) and Section 4.6B of the City's Rules and Procedures for implementation of CEQA.

On October 18, 2016 the City Council approved a reimbursement agreement with EMWD for relocation of its waterline facilities as required to avoid conflicts with the proposed improvements. The City Council also authorized revenue and expense appropriations of \$98,230 in the Public Works General Capital Projects Fund (3002) for the waterline relocation work.

The bidding documents were completed in February 2017. As identified in the bidding documents, the scope of work was categorized to include the base bid and two alternate bids to have EMWD's waterline relocation work and non-participating federal funding work items separated out from the base bid.

The project was advertised for construction bids in February 2017 and formal bidding procedures were followed in conformance with the Public Contract Code. Bids were received via the electronic bid management system, PlanetBids, on March 27, 2017, and one (1) responsive bid was received from the O'Duffy Bros., Inc. The City received non-responsive bids from the following companies (in alphabetical order): All American Asphalt, Hillcrest Contracting, Inc., Leonida Builders, Inc., Sequel Contractors, Inc., and Sully-Miller. These companies did not meet the mandatory requirements.

The lowest responsible bidder is determined by comparing the cumulative total for all bid items and additive items for all responsive bids as stipulated in the Bidding Documents. Staff has reviewed the bid by O'Duffy Bros., Inc. and finds it to be the lowest responsible bidder in possession of a valid license and bid bond. No outstanding issues were identified through review of the references submitted by O'Duffy Bros., Inc. in their bid.

The total cost for EMWD's work from the bid results is \$282,480 (bid amount of \$256,800 plus 10% contingency). The City Council is requested to authorize additional revenue appropriation in the amount of \$184,250 in the Capital Projects fund (3002) to the reimbursement agreement with EMWD. Combining with the prior approved appropriation of \$98,230 the total revenue appropriation is \$282,480 to provide sufficient budget for EMWD's work.

The total bid amount submitted by O'Duffy Bros., Inc. was \$959,395. Due to limited budget, and in order to reduce the bid amount to \$915,730, staff has re-evaluated the scope of work for the project and was able to eliminate several minor work items. These items include a residential driveway, median landscape, catch basin screens, and abandonment of an old water line which do not have significant impacts on the quality and completeness of the project.

Staff is recommending the City Council approve the purchase order for O'Duffy Bros., Inc. in the amount of \$1,007,303 (\$915,730 bid amount plus 10% contingency). The contingency of 10% of the bid amount is recommended to account for any latent or unforeseen circumstances encountered during construction, and to allow flexibility to respond to resident requests during construction.

Approval of the recommended actions would support Objective 4 of the *Momentum MoVal* Strategic Plan: "Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery."

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely construction of the Alessandro Boulevard and Elsworth Street Intersection Improvement.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will delay the timely construction of the Alessandro Boulevard and Elsworth Street Intersection Improvement, and result in the loss of HSIP funding.*

FISCAL IMPACT

The Cycle 5 HSIP grant for the Alessandro Boulevard at Elsworth Street intersection improvements will provide for reimbursement of up to \$760,500. The matching requirement for the grant is 10%. The City utilizes Measure A funds as matching funds to the HSIP grant. Staff is recommending the City Council to authorize a budget adjustment and transfer of \$40,000 of Measure A funds available from Transportation Operating Budget to supplement the required matching funds.

EMWD is responsible for reimbursing the City to total cost of its waterline relocation work. The project is fully funded by Measure A funds (Fund 2001) and included in the Fiscal Year 2016/2017 CIP. There is no impact to the General Fund.

Category	Fund	GL Account No.	Type (Rev/Exp)	FY 16/17 Budget	Proposed Adjustments	FY 16/17 Amended Budget
Receipt of EMWD Funds	PW General Capital Projects (3002)	G/L: 3002-99-99-93002-500600	Rev	\$3,018,650	\$184,250	\$3,202,900
CIP	PW General Capital Projects (3002)	G/L: 3002-70-77-80001-720199 PN: 801 0047 3002-99	Exp	\$1,605,832	\$184,250	\$1,790,082
				\$98,230	\$184,250	\$282,480
General Ledger Account	Measure A (2001)	G/L: 2001-70-76-45122-611110	Exp	\$631,525	(\$40,000)	\$591,525
CIP	Measure A (2001)	G/L: 2001-70-77-80001-720199 PN: 801 0047 2001-99	Exp	\$6,443,585	\$40,000	\$6,483,585
				\$780,170	\$40,000	\$820,170

AVAILABLE FUNDS FOR CONSTRUCTION IN FISCAL YEAR 2016-2017:

Alessandro Boulevard / Elsworth Street Intersection Improvement
Measure A Funds

(Account No. 2001-70-77-80001 Project No. 801 0047 70 77)	\$780,170
Proposed appropriation of Measure A Funds	
(Account No. 2001-70-77-80001 Project No. 801 0047 70 77)	\$40,000
EMWD Reimbursement	
(Account No. 3002-70-77-80001 Project No. 801 0047 70 77)	\$98,230
Proposed appropriation of EMWD Reimbursement	
(Account No. 3002-70-77-80001 Project No. 801 0047 70 77)	\$184,250
Total	\$1,102,650

ESTIMATED PROJECT RELATED COSTS:

Bid Document Updates	\$45,000
Construction Contract.....	\$1,007,300
Geotechnical Services.....	\$20,000
Survey Services	\$15,000
Project Administration and Inspection	\$15,000
Total	\$1,102,300

ANTICIPATED PROJECT SCHEDULE:

Start Construction.....June 2017
Complete Construction.....December 2017

NOTIFICATION

All utilities, adjacent property owners, law enforcement, fire department, and other emergency services responders in the area will be notified in a timely manner prior to the start of construction work.

PREPARATION OF STAFF REPORT

Prepared By:
Margery Lazarus
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Henry Ngo, P.E.
Capital Projects Division Manager

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

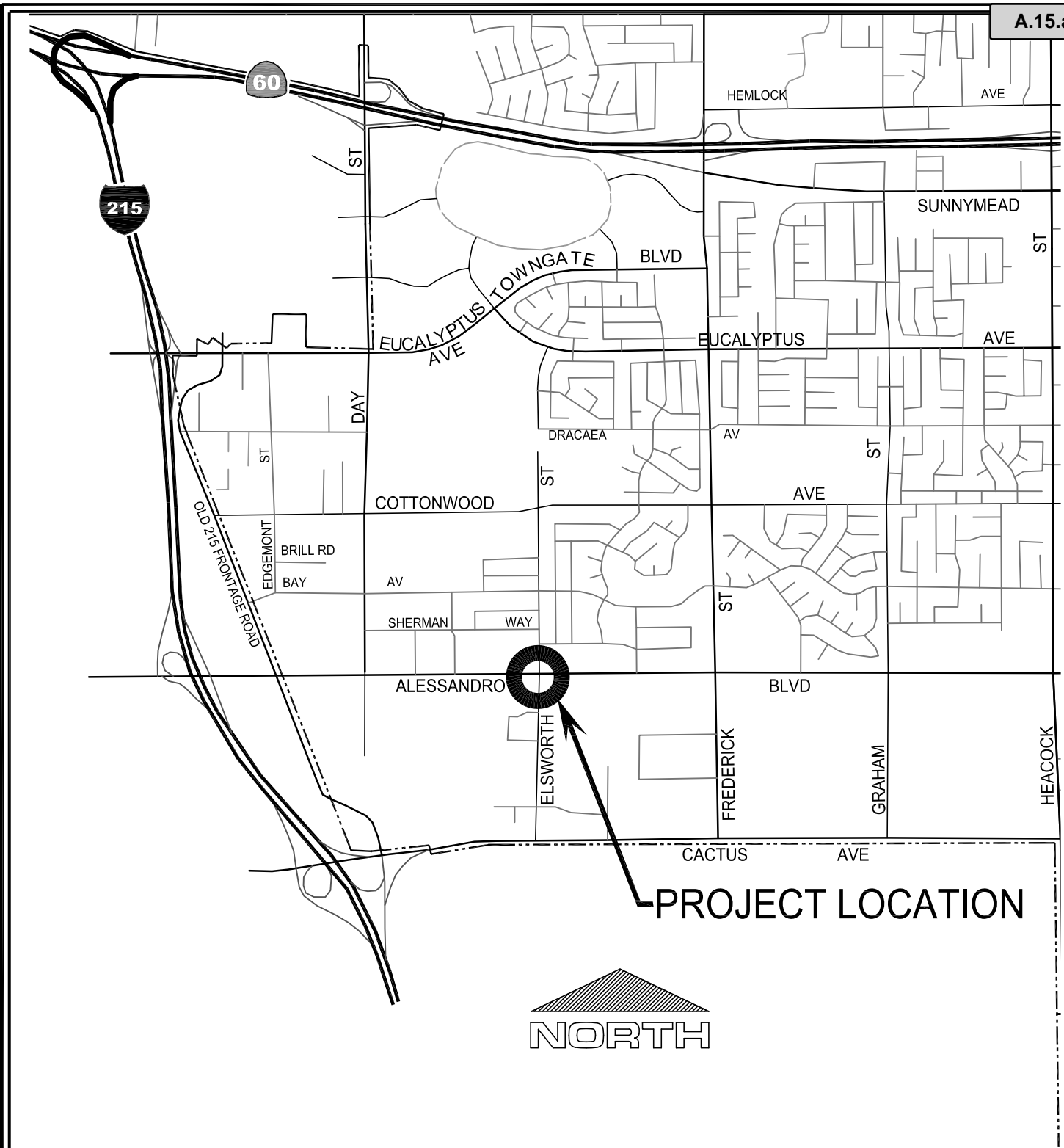
ATTACHMENTS

1. Location Map

2. Agreement

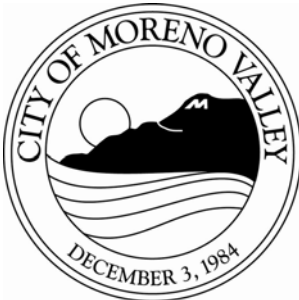
APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/26/17 9:10 AM
City Attorney Approval	<u>✓ Approved</u>	4/25/17 5:38 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:28 PM



Attachment: Location Map (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

Date: 12 Dec 12 - 4:40 pm
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User: deepoks



LOCATION MAP

Public Works Department
Transportation Division

Scale: None

ALESSANDRO BOULEVARD AND
ELSWORTH STREET INTERSECTION
IMPROVEMENT PROJECT

Agreement No. _____

AGREEMENT

PROJECT NO. 801 0047 70 77

**ELSWORTH ST. AND ALESSANDRO BLVD.
Intersection Improvements**

THIS Agreement, effective as of the date signed by the City of Moreno Valley, is by and between the City of Moreno Valley, a municipal corporation, County of Riverside, State of California, hereinafter called the "City" and **O’Duffy Bros., Inc.**, hereinafter called the "Contractor."

That the City and the Contractor for the consideration hereinafter named, agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of the following, which are incorporated herein by this reference:

- A. Governmental approvals, including, but not limited to, permits required for the Work
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. This Agreement
- D. Addenda Nos. 1 inclusive, issued prior to the opening of the Bids
- E. City Special Provisions, including the General Provisions and Technical Provisions
- F. Standard Specifications for Public Works Construction (“Greenbook”) – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- G. Reference Specifications/Reference Documents other than those listed in paragraph 2, below
- H. Project Plans
- I. City Standard Plans
- J. Caltrans Standard Plans
- K. Other Agency Standard Plans
- L. The bound Bidding Documents
- M. Contractor’s Certificates of Insurance and Additional Insured Endorsements
- N. Contractor’s Bidder’s Proposal and Subcontractor Listing
- O. Bidder’s DBE Commitment Form
- P. City of Moreno Valley Supplementary General Conditions
- Q. City of Moreno Valley Caltrans Contractor Supplementary General Conditions

In the event of conflict or discrepancy between any of the Contract Documents, the provisions placing a more stringent requirement on the Contractor shall prevail. The Contractor shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by City in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Contractor, the controlling provision shall be that which is found in the document with higher precedence in accordance with the above order of precedence.

2. REFERENCE DOCUMENTS. The following Reference Documents are not considered Contract Documents and are made available to the Contractor prior to the Bid Deadline for informational purposes:

- A. None

3. SCOPE OF WORK. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work described in the Contract Documents, except as otherwise provided in the Plans, Standard Specifications, or City Special Provisions to be the responsibility of others.

4. PAYMENT.

4.1. Contract Price and Basis for Payment. In consideration for the Contractor's full, complete, timely, and faithful performance of the Work required by the Contract Documents, the City shall pay Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items and Alternate Bid Items, if any, set forth the Bidder's Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Base Bid Items and Alternate Bid Items, if any, awarded by the City is Nine Hundred Fifteen Thousand, Seven Hundred Thirty Dollars (\$ 915,730.00) ("Contract Price"). The Alternate Bid Items selected by the City and included in the Contract are: 1 and 2. It is understood and agreed that the quantities set forth in the Bidder's Proposal for which unit prices are fixed are estimates only and that City will pay and Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder's Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the City Engineer.

4.2. Payment Procedures. Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Article 9 of the Standard Specifications, as modified by Article 9 of the City Special Provisions.

5. CONTRACT TIME.

A. Initial Notice to Proceed. After the Agreement has been fully executed by the Contractor and the City, the City shall issue the "Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials." The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials constitutes the date of commencement of the Contract Time of **Ninety (90) Working Days**. The Contract Time includes the time necessary to fulfill preconstruction requirements, place the order of materials, and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials shall further specify that Contractor must complete the preconstruction requirements and order materials within **Twenty (20) Working Days** after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Critical preconstruction requirements include, but are not limited to, the following:

- Submitting and obtaining approval of Traffic Control Plans
- Submitting and obtaining approval of the Stormwater Pollution Prevention Plan (SWPPP)/Water Pollution Control Plan (WPCP)
- Submitting and obtaining approval of critical required submittals
- Installation of the approved Project Identification Signs
- Obtaining an approved no fee Encroachment Permit
- Obtaining a Temporary Use Permit for a construction yard
- Notifying all agencies, utilities, residents, etc., as outlined in the Bidding Documents

- Completion of all pre-construction activities under Environmental Mitigations

If the City's issuance of a Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials is delayed due to Contractor's failure to return the fully executed Agreement and insurance and bond documents within ten (10) Working Days after Contract award, then Contractor agrees to the deduction of one (1) Working Day from the number of days to complete the Project for every Working Day of delay in the City's receipt of said documents. This right is in addition to and does not affect the City's right to demand forfeiture of Contractor's Bid Security if Contractor persistently delays in providing the required documentation.

B. Notice to Proceed with Construction. After all preconstruction requirements are met and materials have been ordered in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements and Notice to Proceed with Order of Materials, the City shall issue the "Notice to Proceed with Construction," at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

6. LIQUIDATED DAMAGES AND CONTROL OF WORK

6.1. Liquidated Damages. The Contractor and City (collectively, the "Parties") have agreed to liquidate damages with respect to Contractor's failure to order all materials in accordance with the Notice to Proceed with Order of Materials and/or failure to fulfill the preconstruction requirements, and/or failure to complete the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Contractor acknowledges and agrees that the liquidated damages are intended to compensate the City solely for Contractor's failure to meet the deadline for completion of the Work and will not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

In the event that Contractor fails to order all materials in accordance with the Notice to Proceed with Order of Materials and/or fails to fulfill the preconstruction requirements and/or fails to complete the Work within the Contract Time, Contractor agrees to pay the City **\$910.00 per Calendar day** that completion of the Work is delayed beyond the Contract Time, as adjusted by Contract Change Orders. The Contractor will not be assessed liquidated damages for delays occasioned by the failure of the City or of the owner of a utility to provide for the removal or relocation of utility facilities.

The Contractor and City acknowledge and agree that the foregoing liquidated damages have been set based on an evaluation of damages that the City will incur in the event of late completion of the Work. The Contractor and City acknowledge and agree that the amount of such damages are impossible to ascertain as of the date of execution hereof and have agreed to such liquidated damages to fix the City's damages and to avoid later disputes. It is understood and agreed by Contractor that liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that the City will have the right to deduct liquidated damages against progress payments or retainage and that the City will issue a Change Order or Construction Change Directive and reduce the Contract Price accordingly. In the event the remaining unpaid Contract Price is insufficient to cover the full amount of liquidated damages, Contractor shall pay the difference to the City.

6.2. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in Section 2-11 of the Special Provisions.

6.3. **Owner is Exempt from Liability for Early Completion Delay Damages.** While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the Owner is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever, including but not limited to, delay cause by Owner or other Excusable Compensable Delay. See Section 6-6 of the Standard Specifications and City Special Provisions regarding compensation for delays.

7. INSURANCE.

7.1. **General.** The Contractor shall procure and maintain at its sole expense and throughout the term of this Agreement, any extension thereof, Commercial General Liability, Automobile Liability, and Workers' Compensation Insurance with such coverage limits as described herein.

7.2. **Additional Insured Endorsements.** The Contractor shall cause the insurance required by the Contract Document to include the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives as an additional insureds. For the Commercial General Liability coverage, said parties shall be named as additional insureds utilizing either:

1. Insurance Services Office ("ISO") Additional Insured endorsement CG 20 10 (11/85); or
2. ISO Additional Insured endorsement CG 20 10 (10/01) and Additional Insured Completed Operations endorsement CG 20 37 (10/01); or
3. Substitute endorsements providing equivalent coverage, approved by the City.

The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. The coverage shall contain no special limitations on the scope of protection afforded to such additional insureds. Coverage for such additional insureds does not extend to liability to the extent prohibited by Insurance Code Section 11580.4.

7.3. **Waivers of Subrogation.** All policies of insurance required by the Contract Documents shall include or be endorsed to provide a waiver by the insurers of any rights of recovery or subrogation that the insurers may have at any time against the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives.

7.4. **Primary Coverage.** All policies and endorsements shall stipulate that the Contractor's (and the Subcontractors') insurance coverage shall be primary insurance as respects the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives, and shall be excess of the Contractor's (and its Subcontractors') insurance and shall not contribute with it.

7.5. **Coverage Applies Separately to Each Insured and Additional Insured.** Coverage shall state that the Contractor's (and its Subcontractors') insurance shall apply separately to each insured or additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage shall apply to any claim or suit brought by an additional insured against a named insured or other insured.

7.6. **Self-Insurance.** Any self-insurance (including deductibles or self-insured retention in excess of \$50,000) in lieu of liability insurance must be declared by Contractor and approved by the City in writing prior to execution of the Agreement. The City's approval of self-insurance, if any, is within the City's sole discretion and is subject to the following conditions:

1. Contractor must, at all times during the term of the Agreement and for a period of at least **one (1)** year after completion of the Project, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions, maintain and upon Owner's reasonable request provide evidence of:
 - (a) Contractor's "net worth" (defined as "total assets" [defined as all items of value owned by the Contractor including tangible items such as cash, land, personal property and equipment and intangible items such as copyrights and business goodwill]) minus total outside liabilities must be reflected in a financial statement for the prior fiscal year reflecting sufficient income and budget for Contractor to afford at least one loss in an amount equal to the amount of self-insurance;
 - (b) financial statements showing that Contractor has funds set aside/budgeted to finance the self-insured fund (i.e., Contractor has a program that fulfills functions that a primary insurer would fill; and
 - (c) a claims procedure that identifies how a claim is supposed to be tendered to reach the financing provided by the self-insured fund.
2. If at any time after such self-insurance has been approved Contractor fails to meet the financial thresholds or otherwise fails to comply with the provisions set forth in this Paragraph 7, at the option of the City:
 - (a) the Contractor shall immediately obtain and thereafter maintain the third party insurance required under this Paragraph 7 and otherwise on the terms required above; or
 - (b) the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or

- (c) the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration, and defense expenses.

7.7. **Insurer Financial Rating.** Insurance companies providing insurance hereunder shall be rated A:VII or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

7.8. **Notices to City of Cancellation or Changes.** Each insurance policy described in this Paragraph 7 shall contain a provision or be endorsed to state that coverage will not be cancelled without **thirty (30) days'** prior written notice by certified or registered mail to the City (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to the City), except that cancellation for non-payment of premium shall require (10) days prior written notice by certified or registered mail. If an insurance carrier cancels any policy or elects not to renew any policy required to be maintained by Contractor pursuant to the Contract Documents, Contractor agrees to give written notice to the City at the address indicated on the first page of the Agreement. Contractor agrees to provide the same notice of cancellation and non-renewal to the City that is required by such policy(ies) to be provided to the First Named Insured under such policy(ies). Contractor shall provide confirmation that the required policies have been renewed not less than seven (7) days prior to the expiration of existing coverages and shall deliver renewal or replacement policies, certificates and endorsements to the City Clerk within fourteen (14) days of the expiration of existing coverages. Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City Clerk copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

7.9. **Commercial General Liability.** Coverage shall be written on an ISO Commercial General Liability "occurrence" form CG 00 01 (10/01 or later edition) or equivalent form approved by the City for coverage on an occurrence basis. The insurance shall cover liability, including, but not limited to, that arising from premises operations, stop gap liability, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The policy shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 (11/85). Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground (x, c, u) property damage. Contractor shall provide Products/Completed Operations coverage to be maintained continuously for a minimum of **one (1) year** after Final Acceptance of the Work, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions.

Contractor shall maintain Commercial General Liability insurance with the following minimum limits: \$1,000,000 per occurrence / \$2,000,000 aggregate / \$2,000,000 products-completed operations.

7.10. **Business Automobile Liability.** Coverage shall be written on ISO form CA 00 01 (12/93 or later edition) or a substitute form providing equivalent coverage for owned, hired, leased and non-owned vehicles, whether scheduled or not, with \$1,000,000 combined single limit per accident for bodily injury and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.11. **Workers' Compensation.** Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

1. Provide copy of permissive self-insurance certificate approved by the State of California; or
2. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of **\$1,000,000** per accident; or
3. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12. **Subcontractors' Insurance.** The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

8. **BONDS.** The Contractor shall furnish a satisfactory Performance Bond meeting all statutory requirements of the State of California on the form provided by the City. The bond shall be furnished as a guarantee of the faithful performance of the requirements of the Contract Documents as may be amended from time to time, including, but not limited to, liability for delays and damages (both direct and consequential) to the City and the City's Separate Contractors and consultants, warranties, guarantees, and indemnity obligations, in an amount that shall remain equal to one hundred percent (100%) of the Contract Price.

The Contractor shall furnish a satisfactory Labor and Materials Payment Bond meeting all statutory requirements of the State of California on the form provided by the City in an amount that shall remain equal to one hundred percent (100%) of the Contract Price to secure payment of all claims, demands, stop notices, or charges of the State of California, of material suppliers, mechanics, or laborers employed by the Contractor or by any Subcontractor, or any person, firm, or entity eligible to file a stop notice with respect to the Work.

All bonds shall be executed by a California-admitted surety insurer. Bonds issued by a California-admitted surety insurer listed on the latest version of the U.S Department of Treasury Circular 570 shall be deemed accepted unless specifically rejected by the City. Bonds issued by sureties not listed in Treasury Circular 570 must be accompanied by all documents enumerated in California Code of Civil Procedure Section 995.660(a). The bonds shall bear the same date as the Contract. The attorney-in-fact who executes the required bonds on behalf of the surety shall affix thereto a certified and current copy of the power of attorney. In the event of changes that increase the Contract Price, the amount of each bond shall be deemed to increase and at all times remain equal to the Contract Price. The signatures shall be acknowledged by a notary public. Every bond must display the surety's bond number and incorporate the Contract for construction of the Work by reference. The terms of the bonds shall provide that the surety agrees that no change, extension of time, alteration, or modification of the Contract Documents or the Work to be performed thereunder shall in any way affect its obligations and shall waive notice of any such change, extension of time, alteration, or modification of the Contract Documents. The surety further agrees that it is obligated under the bonds to any successor, grantee, or assignee of the City.

Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

Should any bond become insufficient, or should any of the sureties, in the opinion of the City, become non-responsible or unacceptable, the Contractor shall, within ten (10) Calendar Days after receiving notice from the City, provide written documentation to the Satisfaction of the City that Contractor has secured new or additional sureties for the bonds; otherwise the Contractor shall be in default of the Contract. No further payments shall be deemed due or will be made under Contract until a new surety(ies) qualifies and is accepted by the City.

Contractor agrees that the Labor and Materials Payment Bond and Faithful Performance Bond attached to this Agreement are for reference purposes only, and shall not be considered a part of this Agreement. Contractor further agrees that said bonds are separate obligations of the Contractor and its surety, and that any attorney's fee provision contained in any payment bond or performance bond shall not apply to this Agreement. In the event there is any litigation between the parties arising from the breach of this Agreement, each party will bear its own attorneys' fees in the litigation.

9. RECORDS. The Contractor and its Subcontractors shall maintain and keep books, payrolls, invoices of materials, and Project records current, and shall record all transactions pertaining to the Contract in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Moreno Valley, Riverside County, the State of California, the Federal Government, and to any authorized representative thereof for purposes of audit and inspection at all reasonable times and places. All such books, payrolls, invoices of materials, and records shall be retained for at least three (3) years after Final Acceptance.

10. INDEMNIFICATION.

10.1. General. To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless), the City of Moreno Valley, its City Council, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and all of their respective officials, officers, directors, employees, commission members, representatives and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor ("Indemnity Claims"). Such Indemnity Claims include, but are not limited to, claims for:

- A. Any activity on or use of the City's premises or facilities;
- B. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;

- C. The failure of Contractor or the Work to comply with any Applicable Law, permit or orders;
- D. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
- E. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor's warranties, representations or agreements set forth in the Contract Documents;
- F. Any failure to coordinate the Work with City's Separate Contractors;
- G. Any failure to provide notice to any party as required under the Contract Documents;
- H. Any failure to act in such a manner as to protect the Project from loss, cost, expense or liability;
- I. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
- J. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the City) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
- K. Any liability imposed by Applicable Law including, but not limited to criminal or civil fines or penalties;
- L. Any dangerous, hazardous, unsafe or defective condition of, in or on the Site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors;
- M. Any operation conducted upon or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
- N. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
- O. Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Contractor or Owner arising out of Contractor's Work, for which the Contractor is responsible; and
- P. Any and all claims against the City seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Project, including all incidental or consequential damages resulting to the City from such claims.

10.2. **Effect of Indemnitees' Active Negligence.** Contractor's obligations to indemnify and hold the Indemnitees harmless **exclude** only such portion of any Indemnity Claim which is attributable to the active negligence or willful misconduct of the Indemnitee, provided such active negligence or willful misconduct is determined by agreement of the parties or by findings of a court of competent jurisdiction. In instances where an Indemnitee's active negligence accounts for only a percentage of the liability for the Indemnity Claim involved, the obligation of Contractor will be for that entire percentage of liability for the Indemnity Claim not attributable to the active negligence or willful misconduct of the Indemnitee(s). Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 11. Subject to the limits set forth herein, the Contractor,

at its own expense, shall satisfy any resulting judgment that may be rendered against any Indemnitee resulting from an Indemnity Claim. The Indemnitees shall be consulted with regard to any proposed settlement.

10.3. Independent Defense Obligation. The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor's obligation to defend the Indemnitee(s) shall be at Contractor's sole expense, and not be excused because of the Contractor's inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise asserts that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. The Contractor shall respond within thirty (30) Calendar Days to the tender of any Indemnity Claim for defense and/or indemnity by an Indemnitee, unless the Indemnitee agrees in writing to an extension of this time. The defense provided to the Indemnitees by Contractor shall be by well qualified, adequately insured and experienced legal counsel acceptable to the City.

10.4. Intent of Parties Regarding Scope of Indemnity. It is the intent of the parties that the Contractor and its Subcontractors of all tiers shall provide the Indemnitees with the broadest defense and indemnity permitted by Applicable Law. In the event that any of the defense, indemnity or hold harmless provisions in the Contract Documents are found to be ambiguous, or in conflict with one another, it is the parties' intent that the broadest and most expansive interpretation in favor of providing defense and/or indemnity to the Indemnitees be given effect.

10.5. Waiver of Indemnity Rights Against Indemnitees. With respect to third party claims against the Contractor, to the fullest extent permitted by law, the Contractor waives any and all rights to any type of express or implied indemnity against the Indemnitees.

10.6. Subcontractor Requirements. In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor's Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such Subcontractors' Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Paragraph 11.

10.7. No Limitation or Waiver of Rights. Contractor's obligations under this Paragraph 11 are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Contractor's indemnification and defense obligations set forth in this Paragraph 11 are separate and independent from the insurance provisions set forth in the Contract Documents, and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Paragraph 11 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or

other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.8. **Withholding to Secure Obligations.** In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.9. **Survival of Indemnity Obligations.** Contractor's obligations under this Paragraph 11 are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

11. **SUCCESSORS AND ASSIGNS.** The Parties bind themselves, their heirs, executors, administrators, successors and assigns the covenants, agreements and obligations contained in the Contract Documents. The Contractor shall not, either voluntarily or by action of law, assign any right or obligation of the Contractor under the Contract Documents without prior written consent of the City.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CITY OF MORENO VALLEY, Municipal Corporation

O'Duffy Bros., Inc.

BY: _____
City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

<u>INTERNAL USE ONLY</u>	
APPROVED AS TO LEGAL FORM:	

City Attorney	

Date	
RECOMMENDED FOR APPROVAL:	

Public Works Director/City Engineer	

Date	

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR:

Signature(s) must be accompanied by a completed notary certificate of acknowledgement attached hereto. A general partner must sign on behalf of a partnership. **Two (2)** corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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DESCRIPTION OF THE ATTACHED DOCUMENT

AGREEMENT SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

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 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CONTRACTOR'S BONDS

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CONTRACTOR'S BOND
00600

CITY OF MORENO VALLEY
Project No. 801 0047 70 77

BOND NO. _____
PREMIUM \$ _____

**FAITHFUL PERFORMANCE BOND
(100% of Total Contract Price)**

PROJECT NO. 801 0047 70 77

**ELSWORTH ST. AND ALESSANDRO BLVD.
Intersection Improvements**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City," has awarded to O'Duffy Bros., Inc., as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City Manager, and identified as **Project No. 801 0047 70 77**, and all Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City of Moreno Valley, County of Riverside in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Contract Documents and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgement is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Faithful Performance Bond shall not be considered a part of the Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Faithful Performance Bond is a separate obligation of the Contractor and its Surety, and that any attorneys' fee provision contained in this Faithful Performance Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract Documents or to the Work to be performed thereunder, or the Provisions accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Work or the Provisions.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____
Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this
_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California
County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION INSTRUCTIONS FOR COMPLETING THIS FORM

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FAITHFUL PERFORMANCE BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

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CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CITY OF MORENO VALLEY
Project No. 801 0047 70 77

BOND NO. _____
PREMIUM \$ _____

**LABOR AND MATERIALS PAYMENT BOND
(100% of Total Contract Amount)**

PROJECT NO. 801 0047 70 77

**ELSWORTH ST. AND ALESSANDRO BLVD.
Intersection Improvements**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City", has awarded to **O'Duffy Bros., Inc.**, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City Manager, and identified as **Project No. 801 0047 70 77**, and Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond to secure the payment of claims of laborers, mechanics, material men, and other persons, as provided by law;

NOW, THEREFORE, we the undersigned Contractor and _____, as Surety are held and firmly bound unto the City of Moreno Valley, County of Riverside, in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said Contractor, his or her or its heirs, executors, administrator, successors or assigns, or subcontractors, shall fail to pay any of the persons described in the State of California Civil Code, Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his or her subcontractors, pursuant to Section 13020, of the Unemployment Insurance Code, with respect to such work and labor, that the Surety or Sureties herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In the event suit is brought upon this bond by the City or other person entitled to bring such an action and judgment is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Labor and Materials Payment Bond shall not be considered a part of the Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Labor and Materials Payment Bond is a separate obligation of the Contractor and its Surety, and that any attorneys' fee provision contained in this Labor and Materials Payment Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

This bond shall inure to the benefit of any of the persons described in the State of California Civil Code Section 3181, to give a right of action to such persons or their assigns in any suit brought upon this bond.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CITY OF MORENO VALLEY
Project No. 801 0047 70 77

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____
Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this
_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

PAYMENT BOND
00602-2

Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

DESCRIPTION OF THE ATTACHED DOCUMENT

LABOR AND MATERIALS PAYMENT BOND
SIGNATURE PAGE

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

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Attachment: Agreement (2533 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO O'DUFFY BROS. FOR THE ALESSANDRO

EXHIBIT F
CITY OF MORENO VALLEY
SUPPLEMENTARY GENERAL CONDITIONS

The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.

- (1) CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
- (2) CITY may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
- (3) CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CITY and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
- (4) CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)
- (5) CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
- (6) CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).
- (7) CONTRACTOR shall observe CITY requirements and regulations pertaining to reporting included in the General Conditions.
- (8) Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CITY.

- (9) Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CITY. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.
- (10) CONTRACTOR shall provide access by the City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (11) CONTRACTOR shall retain all required records for three years after CITY makes final payments and all other pending matters relating to the Agreement are closed.
- (12) CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)
- (13) CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

City of Moreno Valley

O'Duffy Bros., Inc.

BY: _____
City Manager

Date

BY: _____
TITLE: _____
(Select only one please)
(President or Vice President)

Date

<u>INTERNAL USE ONLY</u>
Approved as to Legal Form:
_____ City Attorney
_____ Date
Recommended for Approval:
_____ Public Works Director/City Engineer
_____ Date

BY: _____
TITLE: _____
(Corporate Secretary)

Date

SUPPLEMENTARY GENERAL CONDITIONS
00603-2



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Betsy Adams, Parks & Community Services Director

AGENDA DATE: May 16, 2017

TITLE: NAME THE CONFERENCE AND RECREATION CENTER RENTAL ROOM THE "GARDEN ROOM"

RECOMMENDED ACTION

Recommendation:

1. Approve the Parks and Recreation Commission's recommendation to the City Council to name the Conference and Recreation Center rental room as the "Garden Room."

SUMMARY

This report recommends naming the Conference and Recreation Center rental room as the "Garden Room."

DISCUSSION

When the Conference and Recreation Center (CRC) was designed and constructed in 2005, approximately 2,400 square feet in the northwest corner of the building was designated for compatible commercial use with the intent to generate revenue to help offset operating costs for the building. The Community Services District (CSD) licensed use of this space as a fitness center to Fitness 19 for ten (10) years. In late 2014, Fitness 19 requested to terminate the license early. A settlement agreement was negotiated and the license terminated in March 2015.

During this time period, the CSD issued a request for letters of interest for the long-term compatible use of this space. In August 2015, the CSD licensed use of this space to ResCare for Moreno Valley Youth Opportunity Center operations. The monthly

payment under the license agreement maintained the same revenue level the CSD previously received for the fitness center, \$4,000 per month.

In July 2016, the CSD received ResCare's notice of intent to terminate the license agreement. SiaTech Moreno Valley Charter School, which was providing services in this space through a partnership with Rescare, requested to enter into a short-term license for a portion of the space. The CSD granted this licensed use, at \$2,000 per month, from September 2016 through March 2017.

The unanticipated vacancy of the CRC commercial use space twice in a two year period called for the Parks and Community Services (PCS) Department reevaluate the best long-term use for this space. In terms of large conference rentals, the CRC has been at a disadvantage because it only has two small breakout rooms, Alessandro A and Alessandro B, which each have a 50 seat capacity. The "Garden Room" currently has a 50 seat capacity which can be increased to 100 seats with minor walkway and exit door improvements. In terms of room rentals across all CSD buildings, the rooms seating 100 are the most popular, with the TownGate Community Center and Cottonwood Golf Center rooms fully rented many weekends. At the CRC, there is a need for room seating for church services, wedding receptions, birthday parties and baby showers.

Transitioning the CRC commercial use space from long-term licensing to a rental room was discussed with the Parks and Recreation Commission on April 13, 2017. The Commission toured the space as part of the discussion. After viewing the room and seeing its proximity to the CRC's north garden area, the Commission voted to recommend to the City Council naming it the "Garden Room." The City's General Management Policy #2.6, included as in attachment, requires the Parks and Recreation Commission to review and approve the proposed name for each park or facility which is then forwarded to the City Council for final review and approval.

ALTERNATIVES

The City Council, as the CSD Board, may either approve or not approve the Parks and Recreation Commission's recommendation to name the converted CRC rental room as the "Garden Room." If approved, the PCS Department will develop marketing materials for the room to be available for rent this summer. If the name is not approved, the item will return to the Parks and Recreation Commission to consider other names for recommendation to the Council. Under this alternative, the space would be referred to as the CRC Rental Room until an official name is reviewed and approved by the Council.

FISCAL IMPACT

There is no cost to naming the "Garden Room" other than way-finding signage within the CRC, which will be a nominal expense. In terms of future revenue generated by the "Garden Room," staff anticipates \$2,100 per month in the first year, with subsequent years being considerably higher.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Betsy Adams
Interim Parks and Community Services Director

Department Head Approval:
Betsy Adams
Interim Parks and Community Services Director

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

See the Discussion section above for details of how this action supports the City Council's Strategic Priorities.

ATTACHMENTS

- 1. Gen Mgmt Policy 2.6

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/20/17 5:54 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 10:51 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:31 PM

PARK NAMING POLICY

PURPOSE: The rapid development of the City of Moreno Valley's park system will afford an exciting opportunity to appropriately name each new park/facility that is constructed within our City. To facilitate this process, the following guidelines have been adopted.

POLICY:

I. Approval of Name:

- A. Public participation in the name selection process will be encouraged.
- B. Proposed names for parks and recreation facilities will be solicited by staff and submitted to the Parks and Recreation Commission for review and approval.
- C. After approval of the Parks and Recreation Commission, the proposed name(s) will be forwarded to the City Council for final review and approval.

II. Criteria for Selection of Names:

- A. The park/facility may be named after a dedicated City street, avenue, or boulevard.
- B. The park/facility may be named after a housing tract that the project is located within.
- C. If the park/facility is located adjacent to a school site, the park may bear the same name as the school.
- D. A park/facility may be named after various significant or historical features that are unique to Moreno Valley, i.e. geographical features, historical events, native birds and/or wildlife, etc.
- E. Although there are many fine individuals both living and deceased who have made significant contributions to the development of the City of Moreno Valley, it shall be the policy of the Parks and Recreation Commission to not consider naming parks in honor of individual persons. Consideration may be given to naming buildings and/or other facilities in honor of individual persons.

Approved by: City Council

September 3, 1991

Revised 6/8/04



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL SERVICES

RECOMMENDED ACTION

Recommendations:

1. Approve the First Extension Agreement with Leivas Lighting, Inc., 6320 Brockton Ave., Suite A, Riverside, CA 92506, to provide landscape lighting and electrical maintenance services in public landscape areas totaling \$30,500 for fiscal year (FY) 2017/18.
2. Authorize the City Manager to execute the First Extension Agreement with Leivas Lighting, Inc.
3. Authorize the issuance of purchase orders for FY 2017/18 to Leivas Lighting, Inc. in the not-to-exceed amount consistent with the approved agreement.
4. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the agreement, provided sufficient funding appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

SUMMARY

This item is for approval of the First Extension Agreement for landscape lighting and electrical maintenance services with Leivas Lighting, Inc. (“Contractor”). An Independent Contractor Agreement (“Agreement”) was awarded for fiscal year (FY) 2016/17 with the option of extending it for four additional one-year terms. Extensions shall only be entered into provided sufficient funding appropriations and program approvals have been granted by the City Council, the Contractor has provided satisfactory performance of the services, and both parties agree to extend the Agreement.

Funding for the landscape maintenance services (e.g. landscape lighting and electrical services) is provided through a property owner approved parcel charge, real property assessment, or special tax (“parcel charge”) collected as part of the property tax bill. Only those properties receiving benefit from the public landscaping pay the parcel charge.

DISCUSSION

On September 6, 2016, the City Council approved the Agreement with the Contractor to provide landscape lighting and electrical maintenance services in the City’s landscape maintenance districts. The Agreement may be extended up to four additional one-year terms, provided sufficient funding appropriations and program approvals have been granted by the City Council, the Contractor has provided satisfactory performance of the services, and both parties agree to extend the Agreement. The Contractor is sufficiently providing the services and has accepted the City’s invitation to extend the Agreement for FY 2017/18.

The City and Community Services District (CSD) established landscape maintenance districts to fund the cost of maintaining public landscaping. Property owners within the landscape districts pay a parcel charge as part of their annual property tax bill to fund the ongoing maintenance of the public landscaping. Revenue collected from the parcel charge is restricted and can only be used for landscape maintenance services in the area for which it is collected.

The scope of the maintenance services for the Agreement is categorized as “base work” or “additional work”:

“Base work” is the regular, monthly illumination testing of landscape and monument light fixtures. The cost for this service is a set monthly cost.

“Additional work” may include, but is not limited to: replacement of or repairs to bulbs, timers, photo sensors, wiring, conduit or irrigation controller electrical systems. The cost of these services varies based on need and the additional work unit prices as listed in the Agreement.

To ensure the Agreement for FY 2017/18 has approval for both City and CSD landscape districts, staff is seeking approval from the CSD Board to authorize the City Manager to approve the First Extension Agreement. This approval includes associated purchase

orders and all future amendments/extensions available, in accordance with the terms of the Agreement and subject to the approval of the City Attorney.

This action meets the Strategic Plan Priorities by managing and maximizing Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Approve the First Extension Agreement for landscape lighting and electrical maintenance services with Leivas Lighting, Inc. and related recommended actions as presented in this staff report. *Staff recommends this alternative to provide uninterrupted maintenance of public landscape areas.*
2. Do not approve the First Extension Agreement with Leivas Lighting, Inc. *Staff does not recommend this alternative as it may cause an interruption in the maintenance of public landscape areas. Additional costs may be incurred to obtain another contractor with no guarantee that a more qualified contractor can be found at a better cost.*

FISCAL IMPACT

Administration and maintenance costs to provide public landscape maintenance services is funded through a property owner approved parcel charge, which is levied on the property tax bills. Revenue from the parcel charge can only be used for landscape maintenance services associated with the public landscaping in the respective landscape maintenance districts. Costs for these services are included in the City's FY 2017/18 Proposed Budget and are allocated in the amounts as shown in the following table.

FY 2017/18						
GL ACCOUNT/PROJECT	AREA	BASE WORK ¹		ANNUAL COST	ADDITIONAL WORK ²	TOTAL
		MONTHLY COST				
5014-70-79-25721-620920 SD LMD ZN 01-TG	01	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,320.00	\$ 4,400.00
5014-70-79-25721-620920 SD LMD ZN 01A-RP	01A				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 02-HS	02	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 1,320.00	\$ 2,400.00
5014-70-79-25721-620920 SD LMD ZN 03-MVRW	03	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,520.00	\$ 4,600.00
5014-70-79-25721-620920 SD LMD ZN 03A-LPP	03A				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 04-MVRE	04				\$ 2,000.00	\$ 2,000.00
5014-70-79-25721-620920 SD LMD ZN 05-SR	05				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 06-MF	06				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 07-CEL	07				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 08-SM	08				\$ 1,000.00	\$ 1,000.00
5014-70-79-25721-620920 SD LMD ZN 09-SV	09				\$ 1,000.00	\$ 1,000.00
2050-70-79-25722-620920	CFD 2014-01				\$ 1,000.00	\$ 1,000.00
5111-70-79-25704-620920	D				\$ 1,000.00	\$ 1,000.00
5013-70-79-25713-620920	E-7	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,220.00	\$ 4,300.00
5013-70-79-25714-620920	E-8				\$ 1,000.00	\$ 1,000.00
5112-70-79-25719-620920	M	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 220.00	\$ 1,300.00
5114-70-79-25720-620920	S				\$ 1,000.00	\$ 1,000.00
2008-70-29-20450-620920	WQB				\$ 500.00	\$ 500.00
	Total		\$ 450.00	\$ 5,400.00	\$ 25,100.00	\$ 30,500.00
¹ Base Work includes monthly illumination testing.						
² Additional Work includes replacement of or repairs to landscape lighting or irrigation controller electrical systems.						

The term of the First Extension Agreement is for FY 2017/18, pending Council approval of the FY 2017/18 Proposed Budget. The City has the option to extend it for three additional one-year terms. The Agreement is subject to an annual Consumer Price Index (CPI) inflation adjustment, at the discretion of the City and appropriate City Council funding and program approvals. The following table is the estimated five-year value of the Agreement (excluding any potential CPI adjustment).

Landscape Lighting and Electrical Maintenance Services						
			Potential Extensions			
	FY 2016/17 Agreement	FY 2017/18 1st Extension	FY 2018/19 2nd Extension ⁵	FY 2019/20 3rd Extension ⁵	FY 2020/21 4th Extension ⁵	Total
Base Work ^{1,2}	\$ 4,050.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 25,650.00
Additional Work ^{3,4}	\$ 19,700.00	\$ 25,100.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 121,600.00
Total	\$ 23,750.00	\$ 30,500.00	\$ 31,000.00	\$ 31,000.00	\$ 31,000.00	\$ 147,250.00

¹ FY 2016/17 was for 9 months of monthly testing; Agreement started in October 2016.
² Base work is for monthly testing.
³ Additional work is unanticipated /emergency repairs, parts and labor.
⁴ Additional work amounts are estimated and may fluctuate in any given year based on the area's ability to support the services and City Council approval of appropriate funding levels.
⁵ Amounts listed for future extensions/amendments are estimated based on information known at the present time. Actual amounts may vary depending on the addition/removal of service areas and/or equipment.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad Ansari, P. E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

See the Discussion section above for details of how this action supports the City Council's Strategic Priorities.

ATTACHMENTS

- 1. First Extension Agreement FY 2017/18
- 2. Agreement FY 2016/17

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/24/17 3:28 PM
City Attorney Approval	<u>✓ Approved</u>	4/28/17 10:53 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:35 PM

FIRST EXTENSION AGREEMENT
FOR FY 2017/18
PROJECT NO. SD 2016-12

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

THIS FIRST EXTENSION AGREEMENT is made and entered into by and between the City of Moreno Valley and the Moreno Valley Community Services District (hereafter collectively, "City") and Leivas Lighting, Inc. (hereafter, "Contractor").

RECITALS

WHEREAS, the City and Contractor entered into an independent contractor agreement, hereinafter referred to as "Agreement", dated October 12, 2016, for lighting and electrical maintenance services associated with Project No. SD 2016-12 LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES for fiscal year (FY) 2016/17 at a total compensation amount of \$23,750.00 (\$4,050.00 for Base Work and \$19,700.00 for Additional Work); and,

WHEREAS, lighting and electrical maintenance services provided under the Agreement are being satisfactorily performed.

SECTION 1. EXTENSION TO ORIGINAL AGREEMENT

1.1. Pursuant to the terms of the Agreement, the City and Contractor wish to enter into a First Extension Agreement for FY 2017/18 under the following terms:

1.2. The term shall commence on July 1, 2017 and shall terminate on June 30, 2018.

1.3. In accordance with Exhibit D, Section 1.B of the Agreement, this is the first of four possible extensions of the Agreement.

1.4. Lighting and electrical maintenance service locations shall be those areas included within the City and District's public landscape areas.

1.5. Testing of lighting locations (Base Work) shall be at those areas identified on the maps attached hereto as Exhibit A – First Extension and at the frequencies detailed in Exhibit B – First Extension attached hereto.

SECTION 2. COMPENSATION FOR FIRST EXTENSION AGREEMENT:

2.1. For the period of this First Extension Agreement and except where additional compensation is specifically provided for in the Agreement, the City will pay the Contractor for all work (labor, materials, supplies, equipment, etc.) performed under

FIRST EXTENSION AGREEMENT (FY 2017/18)
 PROJECT NO. SD 2016-12
 LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

this First Extension Agreement as more fully described in Sections 2.2 and 2.4 below,
THIRTY THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$30,500.00)

2.2. For “Base Work” and consistent with the payment terms (Exhibit C) of the Agreement, compensation shall be based on the number of tests performed per month at the rate listed in Exhibit B – First Extension. Payments are remitted one month in arrears, on the last day of the month based on the number of tests performed at the testing frequency detailed in Exhibit B – First Extension. The total contract amount for Base Work during the twelve (12) month extension period shall not exceed **FIVE THOUSAND FOUR HUNDRED AND 00/100 DOLLARS (\$5,400.00)**.

2.3. Notwithstanding Exhibit C, Section 2 of the Agreement, for the period of this First Extension Agreement and except as specifically approved by subsequent action of the City Council, District Board or City Manager as directed by the City Council, District Board, the Director or their designated appointee may not authorize additional work pursuant to this First Extension Agreement in excess of the cumulative total of **TWENTY-FIVE THOUSAND ONE HUNDRED AND 00/100 DOLLARS (\$25,100.00)** which is more fully described in Exhibit B – First Extension.

SECTION 3. DEPARTMENT OF INDUSTRIAL RELATIONS:

3.1. Contractor and all approved subcontractors must provide proof of contractor registration with the California Department of Industrial Relations annually. Registration can be filed on the following website:

<https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRRegistrationForm>

SECTION 4. ORIGINAL AGREEMENT:

4.1. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

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

City of Moreno Valley and Moreno Valley
Community Services District

Contractor: Leivas Lighting, Inc.

By: _____
Title: City Manager and City Manager,
Acting in the capacity of District
Manager to the Moreno Valley
Community Services District

By: _____
Title: (President or Vice President)

Date: _____

Date: _____

Affix Corporate Seal Below

By: _____
Title: Corporate Secretary or Assistant
Secretary

INTERNAL USE ONLY

ATTEST:

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head

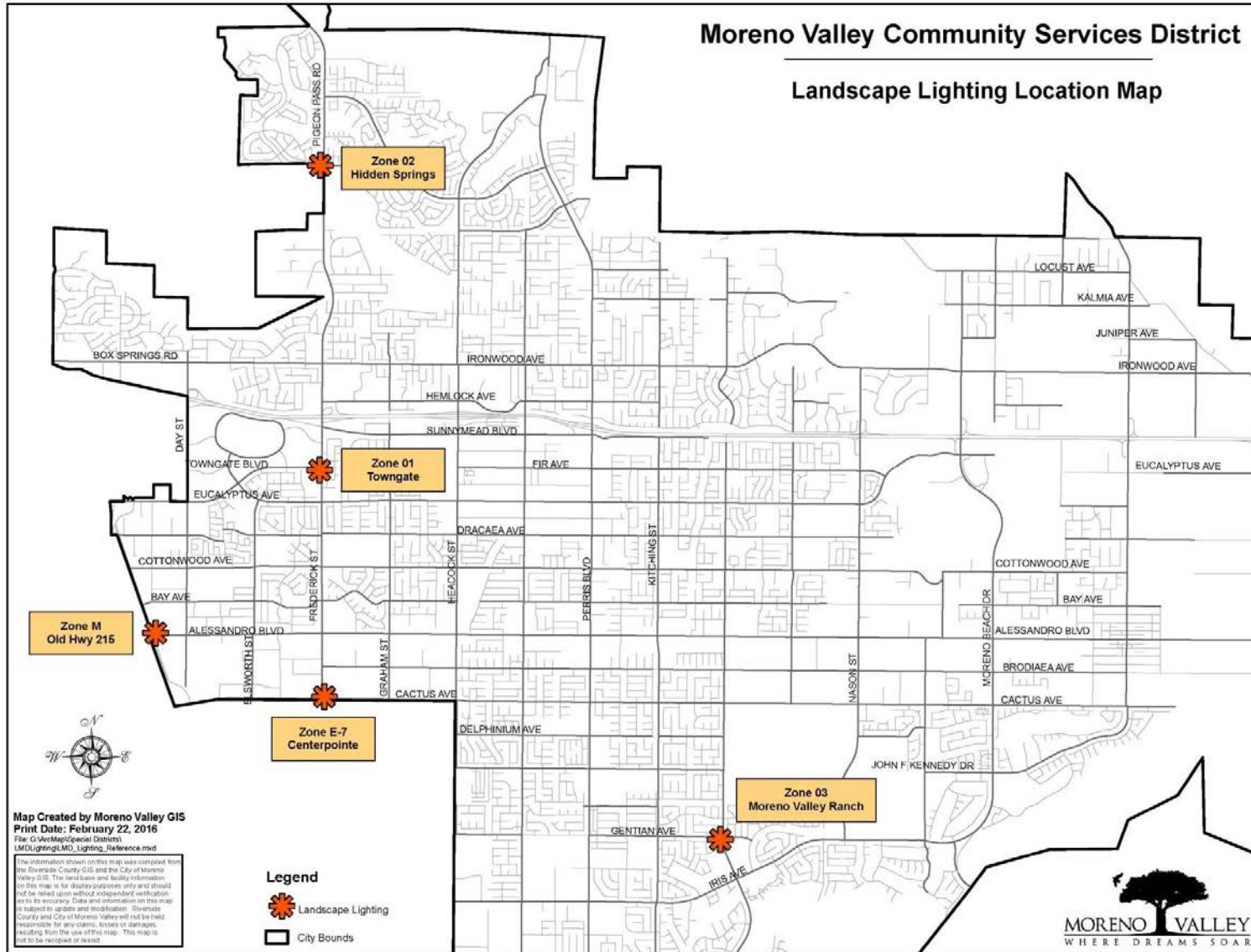
Date

Date: _____

Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

EXHIBIT A.1 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION

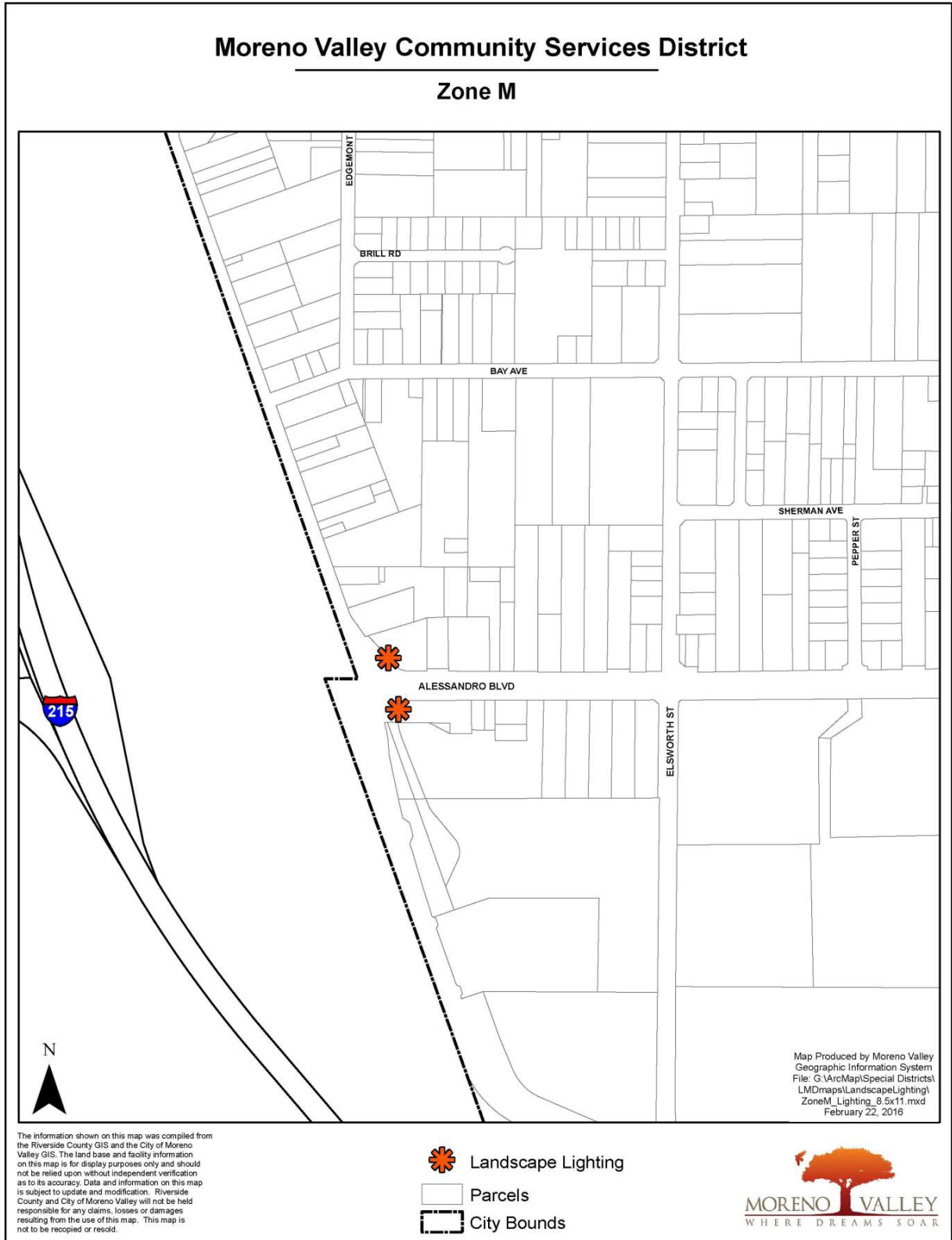
FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

EXHIBIT A.2 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607) : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

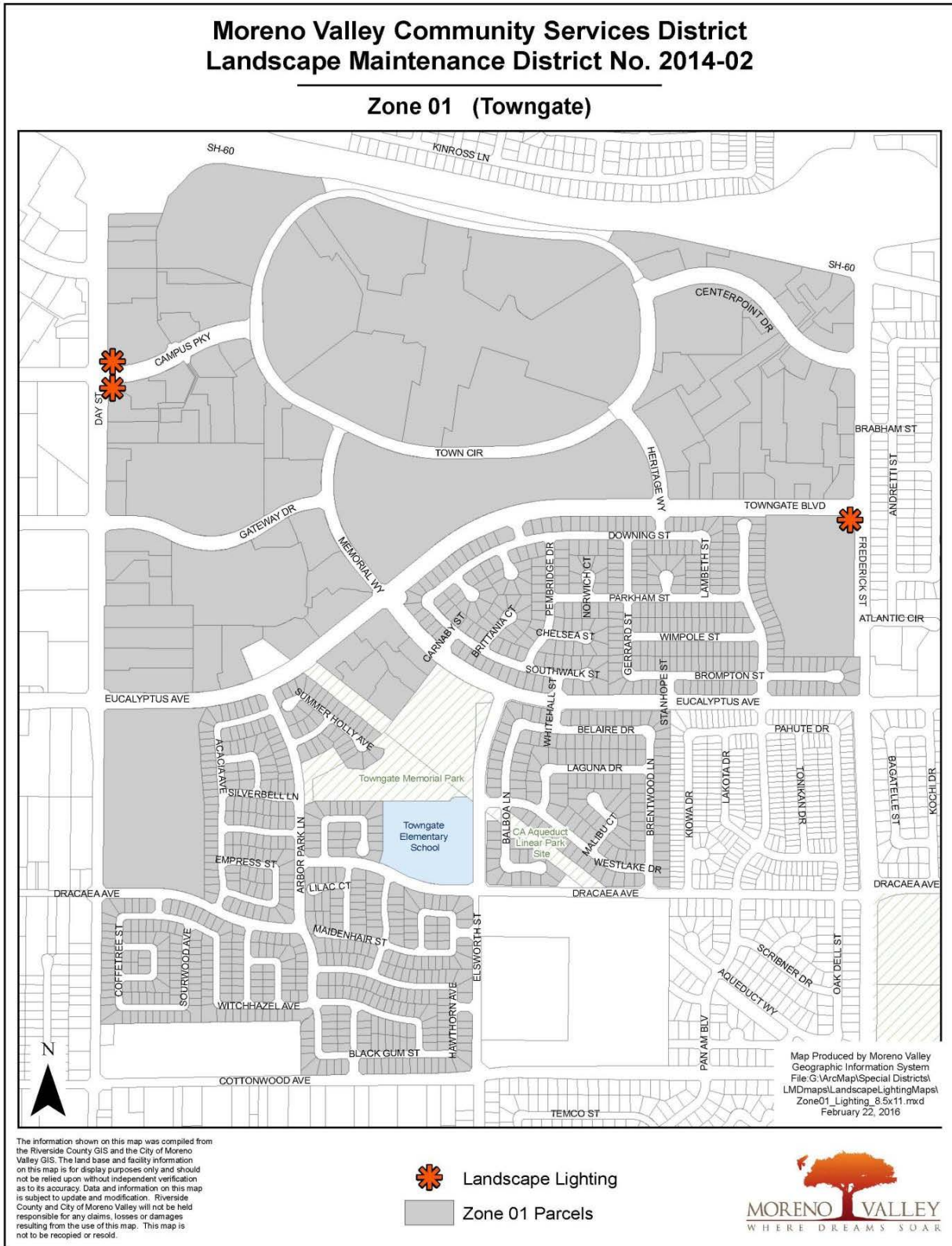
EXHIBIT A.3 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

EXHIBIT A.4 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

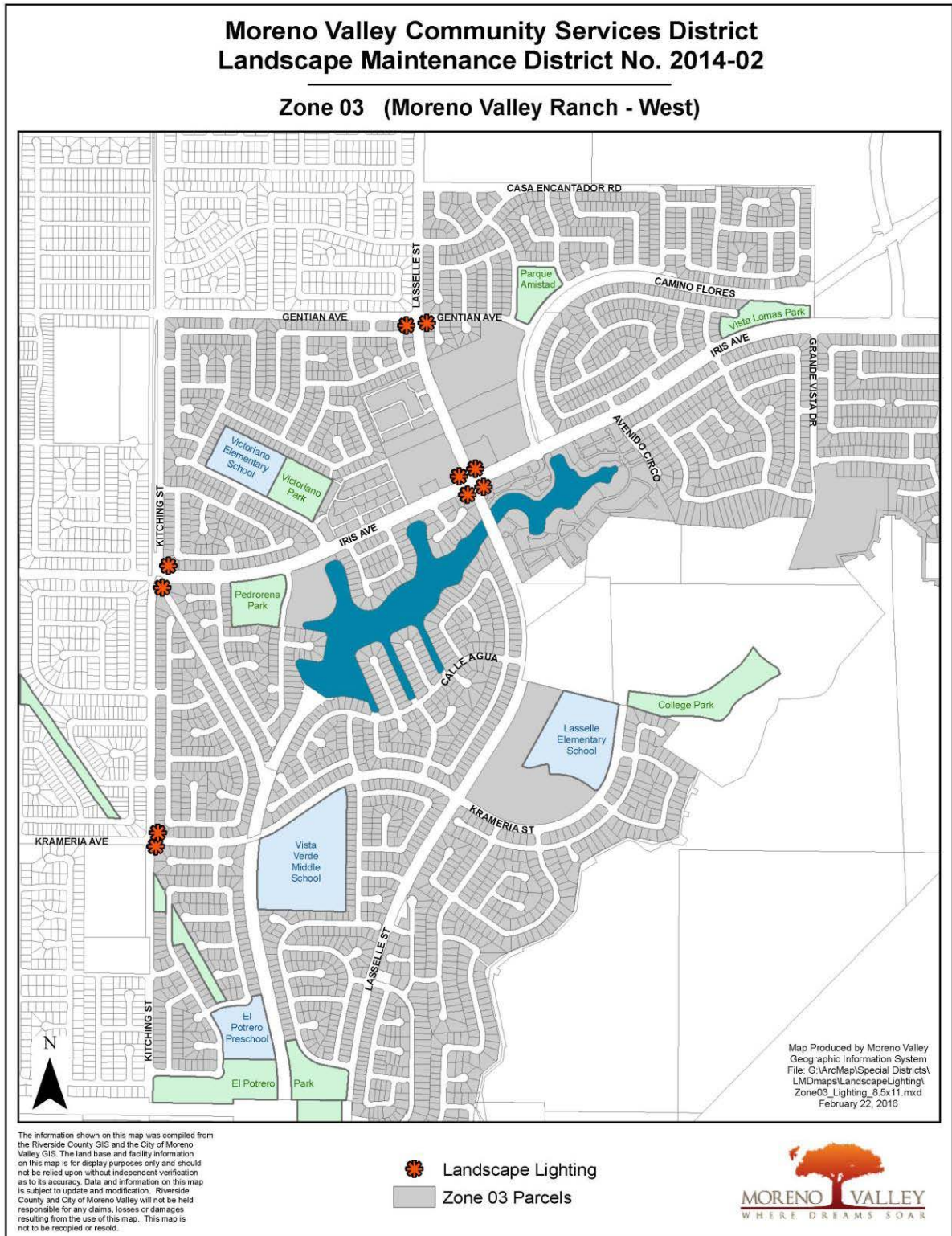
EXHIBIT A.5 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

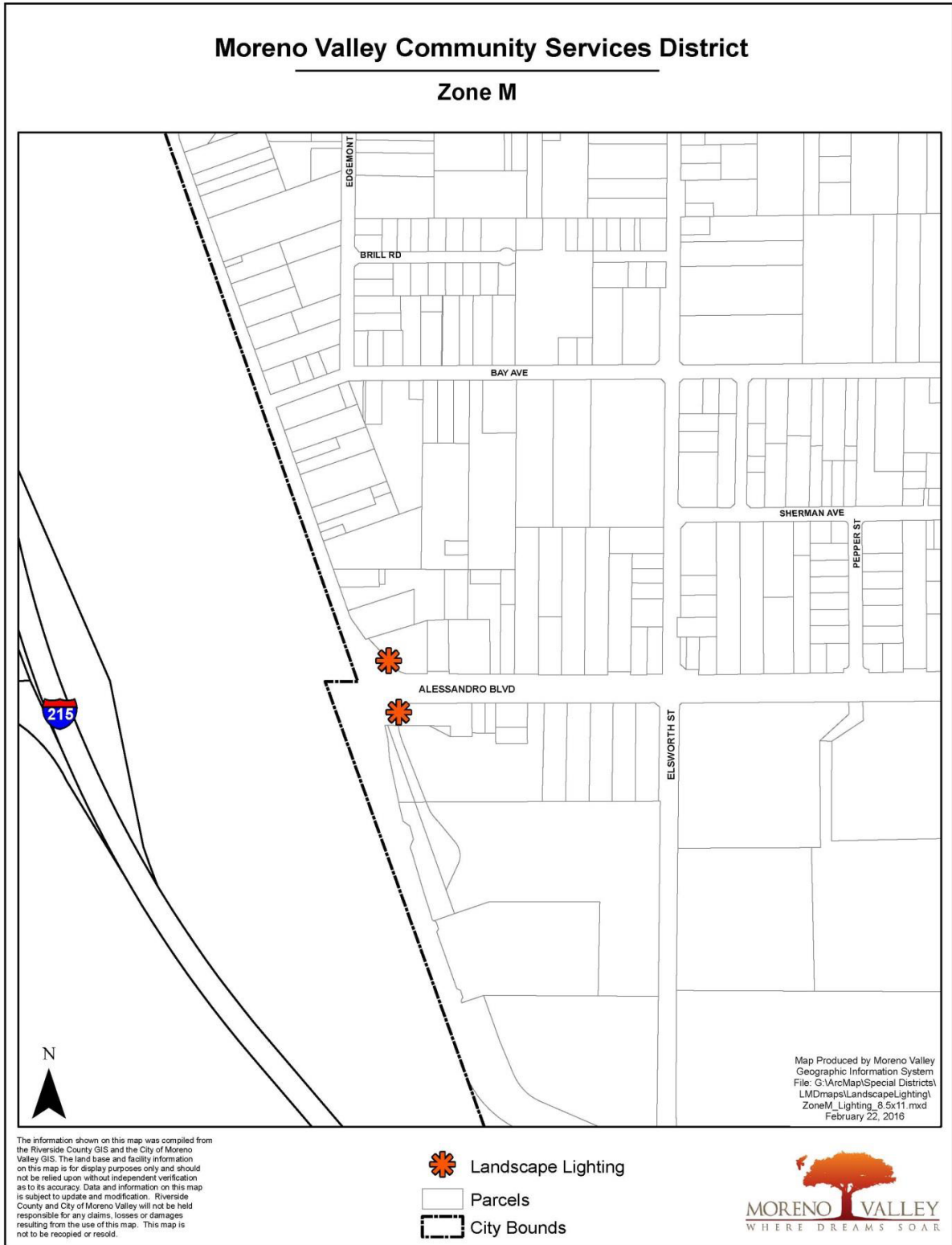
EXHIBIT A.6 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

FIRST EXTENSION AGREEMENT (FY 2017/18)
PROJECT NO. SD 2016-12
LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

EXHIBIT A.7 – FIRST EXTENSION



Attachment: First Extension Agreement FY 2017/18 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND

FIRST EXTENSION AGREEMENT (FY 2017/18)
 PROJECT NO. SD 2016-12
 LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE

EXHIBIT B – FIRST EXTENSION

FY 2017/18					
AREA		BASE WORK ¹		ADDITIONAL WORK ²	TOTAL
		MONTHLY COST	ANNUAL COST		
01	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,320.00	\$ 4,400.00
01A				\$ 1,000.00	\$ 1,000.00
02	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 1,320.00	\$ 2,400.00
03	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,520.00	\$ 4,600.00
03A				\$ 1,000.00	\$ 1,000.00
04				\$ 2,000.00	\$ 2,000.00
05				\$ 1,000.00	\$ 1,000.00
06				\$ 1,000.00	\$ 1,000.00
07				\$ 1,000.00	\$ 1,000.00
08				\$ 1,000.00	\$ 1,000.00
09				\$ 1,000.00	\$ 1,000.00
CFD 2014-01				\$ 1,000.00	\$ 1,000.00
D				\$ 1,000.00	\$ 1,000.00
E-7	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 3,220.00	\$ 4,300.00
E-8				\$ 1,000.00	\$ 1,000.00
M	Illumination Testing	\$ 90.00	\$ 1,080.00	\$ 220.00	\$ 1,300.00
S				\$ 1,000.00	\$ 1,000.00
WQB				\$ 500.00	\$ 500.00
Total		\$ 450.00	\$ 5,400.00	\$ 25,100.00	\$ 30,500.00
¹ Base Work includes monthly illumination testing. ² Additional Work includes replacement of or repairs to landscape lighting or irrigation controller electrical systems.					

INDEPENDENT CONTRACTOR AGREEMENT

RFP NO. SD-2016-12

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

This Agreement, herein referred to as "Agreement" or "Contract" is made by and between the City of Moreno Valley, a California municipal corporation and/or the Moreno Valley Community Services District, a Community Services District established pursuant to Section 61000 and following of the California Government Code, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92553 hereinafter referred to as "City" and Leivas Lighting, Inc, a Corporation, with its principal place of business at 6370 Brockton Ave., Suite A, Riverside, CA 92506, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and
- B. Contractor desires to perform and assume responsibility for the provision of professional landscape lighting and electrical maintenance contracting services required by the City based upon on the term and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional landscape lighting and electrical maintenance contracting services and is licensed in the State of California; if applicable;
- C. The City desires to engage Contractor to render such services for landscape lighting and electrical maintenance as set forth in this agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

Contractor's Name	Leivas Lighting
Street Address 1	6370 Brockton Ave., Suite A
Street Address 2	
City, State, Zip	Riverside, CA 92506
Mailing Address 1 (if Different)	12570 Brown Street
Mailing Address 2	
City, State, Zip	Perris, CA 92570
Business Phone (with area code)	951.686.4046
Cell or Mobile Phone (with area code)	
Other Contact Number (with area code)	
Fax Number (with area code)	
Email Address	randy@leivaslighting.com
Social Security Number	
Business License Number	
Federal Tax ID Number	20-4968002
Contractor's License Number & Classification	950195/C-10

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The City's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be from October 1, 2016 to June 30, 2017 unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.
- E. Contractor's Proposal, including but not limited to the Bid Schedule, Additional Work Price List, Contract Proposal, Proposed Project Work Schedule, Contractor Information, Certification of Non-Discrimination, and List of Subcontractors, are described in Exhibit "E" attached hereto and incorporated by this reference.

3. STANDARD TERMS AND CONDITIONS:

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: Randy Leivas.
- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates Randy Leivas, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall

supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.

- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds,

if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to this Agreement

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

“Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy.”

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date

of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.

- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- O. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- P. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- Q. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- R. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose

Contractor: Leivas Lighting, Inc.
 Contractor Name
 12570 Brown Street

Mailing Address	Perris, CA 92570
City, State, Zip	Randy Leivas
Attention:	951.686.4046
Telephone number	randy@leivaslighting.com
Email address	

City: CITY OF MORENO VALLEY
 14331 Frederick Street, Suite 2
 P. O. Box 88005
 Moreno Valley, CA 92552-0805
 Attn: Special Districts Division

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- S. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- T. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- U. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- V. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- W. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- X. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Y. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- Z. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null

and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW:

SIGNATURE PAGE

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

City of Moreno Valley/City of Moreno Valley Community Services District

By: [Signature]
Title: City Manager, acting in the capacity of District Manager to the Moreno Valley Community Services District
Date: 10.12.16

Contractor

By: [Signature]
Title: President or Vice President
Date: 9/15/16

INTERNAL USE ONLY

ATTEST:

City Clerk

AS APPROVED TO LEGAL FORM:

[Signature]
City Attorney

10-11-16
Date

RECOMMENDED FOR APPROVAL:

[Signature]
Department Head

9/19/16
Date

By: [Signature]
Title: Corporate Secretary or Assistant Secretary
(If applicable)
Date: 9/15/16

Affix Corporate Seal Below
(If applicable)



EXHIBIT A – GENERAL PROVISIONS

RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

1. GENERAL PROVISIONS - SCOPE OF WORK

- A. The Contractor shall furnish all labor, equipment, and materials necessary for the maintenance, repair, and replacement of landscape and monument light fixtures, bulbs, timers, photo sensors, wiring, conduit, and irrigation controller electrical systems within the boundaries of the various zones of the District as determined in the resolutions of the City Council establishing said zones, and as said boundaries may have been heretofore or may be hereafter altered, and as more particularly shown on the Location Map or Maps attached at the end of this exhibit, Exhibit A.
- B. The Contractor shall be responsible for carefully reviewing the site(s), and verifying each location of proposed work included in the Proposal. The Contractor shall not be relieved of his/her/its liability under this Agreement, nor shall the City be held liable for any loss sustained by the Contractor as a result of any variance between conditions as referred to in the Technical Provisions, and the actual conditions revealed during the examination of the locations of the proposed work.
- C. All work shall be performed in accordance with the General and Technical Provisions of this Contract and in accordance with an approved service schedule, as approved by the Director.

2. GENERAL PROVISIONS - SCHEDULING OF WORK

- A. The Contractor will adhere to the monthly work schedule submitted as a part of the Contractor's RFP, and incorporated herein by this reference. These schedules, and any approved revisions thereto, will be used by the City as a basis for determining Contractor's satisfactory performance.
- B. Revisions to monthly work schedules may not be implemented without the prior written approval of the Director. The Contractor is required to submit proposed revisions regarding monthly work schedules in writing to the City at the address as set forth in Section 3, paragraph R of the Independent Contractor Agreement at least ten (10) working days prior to commencing work per the proposed revisions.
- C. Failure to submit proposed revisions concerning work schedules by the time limits established hereinabove may result in the Contractor becoming liable to the City for non-performance penalties per Exhibit C, Section 4.

- D. The above provisions shall not be construed to eliminate the Contractor's responsibility for complying with the requirement to notify the Director for Specialty type maintenance as set forth immediately hereinafter.
- E. For the purposes of this Contract, "Working Days" are Mondays through Fridays, excluding holidays as provided herein. The hours of on-site maintenance service will be from 7:00 a.m. to 4:30 p.m., not including mobilization to or from work site, on those days maintenance is to be provided pursuant to the work schedule as approved by the Director. Any work the Contractor proposes to perform outside of the days and hours set forth hereinabove, as well as on legal City holidays, shall not be undertaken without the prior written approval of the Director.

The following days have been designated as holidays by the City:

New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	4th Friday in November
Christmas Eve	December 24
Christmas Day	December 25

If a holiday falls upon a Sunday, the following Monday shall be the day the holiday is observed. If a holiday falls upon a Saturday, the preceding Friday shall be the day the holiday is observed. If a scheduled maintenance service day falls on a designated holiday, the Contractor shall submit a proposed make-up day for the Director's approval.

3. GENERAL PROVISIONS - FUNCTIONS AND RESPONSIBILITIES

- A. For award of the Contract to a Contractor who has not performed landscape lighting and electrical maintenance services for the site(s) as identified within this Contract for the prior year's contracting term, the Director and Contractor shall conduct an inspection of all sites covered under this Contract as soon as practicable after its execution, and prior to commencement of Contractor's operations. Following said inspection, the Contractor shall submit to the Director a written affidavit certifying the actual condition of the site(s) relative to the City Specifications, including but not limited to the nature and extent of any

deficiencies noted by the Contractor, and acknowledged by the Director. The Contractor is hereby advised that this affidavit shall serve as the benchmark for the Director's evaluation of Contractor's performance under this Agreement. Failure to maintain site(s) up to this established standard may result in the City deducting payment of all or part of the Contractor's compensation, as described in Exhibit C, Section 3.

- B. The Contractor shall on an ongoing basis maintain a monthly log that records all work performed by the Contractor. Said log shall be in a form and content acceptable to the Director (see Exhibit G, Monthly Report Form), and shall be submitted to the Director by the tenth day of each month, one (1) month in arrears.
- C. The monthly payment for the work so reported will not be authorized until such report (Monthly Report) is received, and approved by the Director.
- D. The Director may require the Contractor to attend meetings with the City field staff at some fixed interval to review the Contractor's operations, and schedule future work as may be ordered by the Director. Failure to attend regularly scheduled meetings may result in the assessment of non-performance penalties per Exhibit C, Section 4.
- E. The Contractor shall maintain an office at some fixed place, and be listed in the telephone directory in Contractor's own name or in the Contractor's company name.
- F. Contractor shall at all times employ some responsible person(s) to receive phone calls and take the necessary action regarding all inquiries, complaints, and/or emergency calls that may be received from the Director or other authorized individuals or agencies as listed in Exhibit A, Section 3., paragraph H. below. This person(s) shall be reachable twenty-four (24) hours per day, seven (7) days a week.
- G. During normal working hours, the Contractor's Supervisor or designated employee responsible for providing maintenance services to the City shall be directly available for immediate notification through some type of reliable electronic means, including but not limited to, mobile or cellular phone. The Contractor or Contractor's designated employee shall confirm said notification within one (1) hour of receipt. An answering service will be considered an acceptable substitute for coverage only during periods outside of normal working hours, provided Contractor is advised of emergency calls within one (1) hour of receipt of the call by the answering service and within twenty-four (24) hours after receipt of non-emergency calls by the answering service. The above provision for Contractor's communication with the City is the minimum acceptable standard under this Contract. Failure to capably provide regular communication may result in the Contractor being assessed non-performance penalties, per Exhibit C, Section 4.
- H. The Contractor shall respond to an emergency call from any of the parties listed herein this section no later than two (2) hours following first notification by

telephone, written email, written mailed correspondence or facsimile transmission. In situations involving emergency repair work after normal working hours, the Contractor shall dispatch qualified personnel, and equipment to reach the site within two (2) hours of first notification. An emergency may be called by the following individuals or agencies at any time:

- | | |
|---------------------------------------|----------------------------------|
| 1. City Manager | 6. Landscape Services Supervisor |
| 2. Director of Public Works | 7. Street Maintenance Supervisor |
| 3. Police Department | 8. Landscape Services Inspector |
| 4. Fire Department | |
| 5. Special Districts Division Manager | |

Contractor's emergency response and any necessary corrective work shall be considered Additional Work as defined in Exhibit C, Section 2, unless said emergency is determined to have been caused by an act or omission attributable to the Contractor.

4. GENERAL PROVISIONS - CONTRACTOR'S STAFF

- A. The Contractor shall provide sufficient personnel to perform all work in accordance with the Specifications set forth herein. All of the Contractor's maintenance personnel shall be supervised at the work site(s) by a qualified Supervisor in the employ of the Contractor. Work Site Supervisors must be able to demonstrate to the satisfaction of the Director that they possess adequate technical background, and communication skills to perform the intended services. Adequate and competent supervision shall be provided for all work done by the Contractor's employees to ensure accomplishment of high quality work, which will be acceptable to the Director. Any order or communication given to the Work Site Supervisor shall be deemed to have been delivered to the Contractor.
- B. The Contractor and his employees and subcontractors, if any, shall conduct themselves in a proper, professional, and efficient manner at all times, and shall cause the least possible inconvenience to the public.
- C. The Director may require the Contractor to remove from the work site any employee(s) deemed careless, incompetent, or otherwise objectionable, whose continued employment on the job is considered to be contrary to the best interests of the City.
- D. The Contractor shall require each employee performing work under the Contract to adhere to basic public works standards of working attire, including but not limited to wearing of proper clothing, proper shoes, and other gear required by applicable Safety Regulations.

Shirts shall be worn at all times, and shall be buttoned. Approved safety vests shall be worn by Contractor's employees when working on parkway medians, monuments, parkways, and other high traffic-hazard areas as determined by the Director. Failure to comply with the above requirements may make the

Contractor liable for assessment of non-performance penalties, per Exhibit C, Section 4.

- E. The Contractor shall establish an identification system for Contractor's personnel which clearly indicates to the public the name of the Contractor. The identification system shall be furnished at the Contractor's expense and may include appropriate attire, and/or name badges as specified by the Director.

5. GENERAL PROVISIONS - EMPLOYMENT OF APPRENTICES

The provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code regarding the employment of properly registered apprentices may apply to this Contract if the Contractor, or any subcontractors thereunder, employs workers in any apprenticeable craft or trade. It is the Contractor's sole responsibility to comply with the Labor Code sections cited above. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the California Department of Industrial Relations.

6. GENERAL PROVISIONS - COMPLAINTS

- A. All complaints shall be responded to as soon as possible after notification, but in all cases within twenty-four (24) hours, to the satisfaction of the Director. If any complaint is not satisfactorily responded to within twenty-four (24) hours, the Director shall be notified immediately of the reason for not remedying the complaint followed by a written report to the Director within five (5) working days. If the complaints are not remedied within the time specified, and to the satisfaction of the Director, the Director may correct the specific complaint by using an alternative source. The total cost incurred by the District to effect necessary remedies will be deducted from the payments owing to the Contractor from the City, per Exhibit C, Section 3.
- B. The Contractor shall maintain a written log of all complaints, the date and time thereof, and the action taken pursuant thereto, or the reason for non-action. Said log shall be submitted to the Director monthly as set forth in Exhibit A, Section 3, paragraph B.
- C. In addition to the provisions of Exhibit A, Section 6, paragraph A, in the event of a failure by the Contractor to satisfactorily remedy a complaint in a timely manner or for any other breach of this Agreement by Contractor, the City may immediately upon written notice to the Contractor terminate this Agreement.

7. GENERAL PROVISIONS - SAFETY

- A. The Contractor agrees to perform all work as outlined in the provisions listed herein in such a manner as to meet all accepted standards for safe practices and to safely maintain equipment, machines, and materials, and prescribe and employ all precautions and safety procedures related to other hazards consequential to the work; and accepts additionally the sole responsibility for complying with all local, State, Federal and other legal requirements including but not limited to, full compliance with the terms of any and all applicable OSHA and Cal/OSHA Safety Orders at all times so as to protect all persons, including

Contractor's employees and subcontractors, agents of the City, District, materialmen, vendors, members of the public and others from foreseeable injury, or damage to their property.

- B. The Contractor's operations shall be conducted in such a manner as to cause the least possible obstruction, and inconvenience to public traffic. The Contractor shall furnish, erect and maintain such fences, barriers, lights and warning signs as may be deemed necessary by the Director, or any duly constituted public safety official.

Contractor's work area traffic control, including but not limited to type and placement of signs, barricades, and delineators, shall be in accordance with the "Manual of Uniform Traffic Control Devices, 2012 (or most current revised version) California Supplement" Part 6 Temporary Traffic Control.

Contractor's work should not encroach into open lanes of traffic between the hours of 7:00 a.m. and 8:30 a.m., or between the hours of 3:30 p.m. and 6:00 p.m.

- C. The Contractor shall maintain all work sites free of hazards to persons or property resulting from Contractor's operations. The Contractor shall inspect for all potential hazards at said areas under maintenance, and keep a log indicating date inspected, and action taken. Said log shall be submitted to the Director monthly as set forth in Section 3, paragraph B above. Any hazardous condition noted by the Contractor, which is not a result of Contractor's operations, shall be immediately reported to the Director.
- D. The Contractor shall cooperate fully with the City in the investigation of any accidental injury or death occurring on the site, including a complete written report thereof to the Director within five (5) working days following the occurrence.
- E. Failure to comply with the provisions of this section of Exhibit A may result in payment deduction per Exhibit C, Section 3, or assessment of non-performance penalties per Exhibit C, Section 4. Repeated failure to comply with the provisions of this section may result in termination of the Agreement, per the terms of the independent Contractor Agreement, Section 3, paragraph N.

8. LICENSES AND PERMITS

The Contractor shall, without additional expense to the City, possess all licenses and permits, including but not limited to a valid City Business License, required for the performance of the work under this Contract.

9. PREVAILING WAGE

- A. Pursuant to provision of Section 1773 of the Labor Code of the State of California, the City of Moreno Valley has obtained the general prevailing rate of per diem wages applicable for the work to be done, including but not limited to: straight time, overtime and holiday work; travel and subsistence payments; employee payments of health and welfare, vacation, pension, and similar purposes. Said rate and scale are on file with the Public Works Department of

the City of Moreno Valley, and copies will be made available to any interested party on request. These rates shall be the minimum wage rates for this project. Throughout the term of this Contract, the Contractor will be required to post a copy of said rate, and scale as required by the Labor Code.

- B. Pursuant to provisions of Section 1775 of the Labor Code, the Contractor shall forfeit as penalty to the City of Moreno Valley, not more than fifty dollars (\$50.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinabove stipulated for any work done under the attached Agreement, by the Contractor or by any subcontractor under Contractor's direction and control, in violation of the provisions of said Labor Code.

10. PAYROLL RECORDS

- A. The Contractor, and any subcontractor thereunder, shall keep complete accurate payroll records for each workman employed by Contractor/subcontractor in connection with this Contract, as required by California Labor Code Section 1776.
- B. The Contractor, and any subcontractor thereunder, shall make available to the City upon its request certified payroll records for each workman employed in connection with this Contract as required by California Labor Code Section 1776.
- C. The City may withhold from Contractor's progress payments the penal sum of twenty-five dollars (\$25.00) per calendar day (or portion thereof) for each worker employed in connection with this Contract should Contractor, or any subcontractors thereunder, fail to strictly comply with California Labor Code 1776 after receiving written notice of non-compliance.

11. SUBSTITUTION OF SECURITIES

Pursuant to California Public Contract Code Section 22300, the Contractor will be permitted the substitution of securities for any monies withheld by the City of Moreno Valley to ensure performance under the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City of Moreno Valley, or with a state or federally chartered bank as the escrow agent, who shall pay such monies to the Contractor. Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, and standby letters of credit. The Contractor shall be the beneficial owner of any securities substituted for monies withheld, and shall receive any dividends or interest thereon. The Contractor shall give the City written notice within thirty (30) days after the Contract is awarded that it desires to substitute securities for money that would ordinarily be withheld. If the substituted securities are deposited into an escrow, the escrow shall be governed by a written escrow agreement in a form which is substantially similar to the agreement set forth in Section 22300 of the Public Contract Code.

12. CONTRACTOR'S LIABILITY

The Contractor shall be responsible for all damages to people and/or property that occur as a result of the fault or negligence attributable to the Contractor in connection

with the performance under this Agreement. Any and all restitution or repairs deemed necessary by the Director to remedy such damages shall be furnished and performed at the Contractor's sole expense, and shall be completed within the time limits established by the Director.

13. CONTRACTORS LICENSE

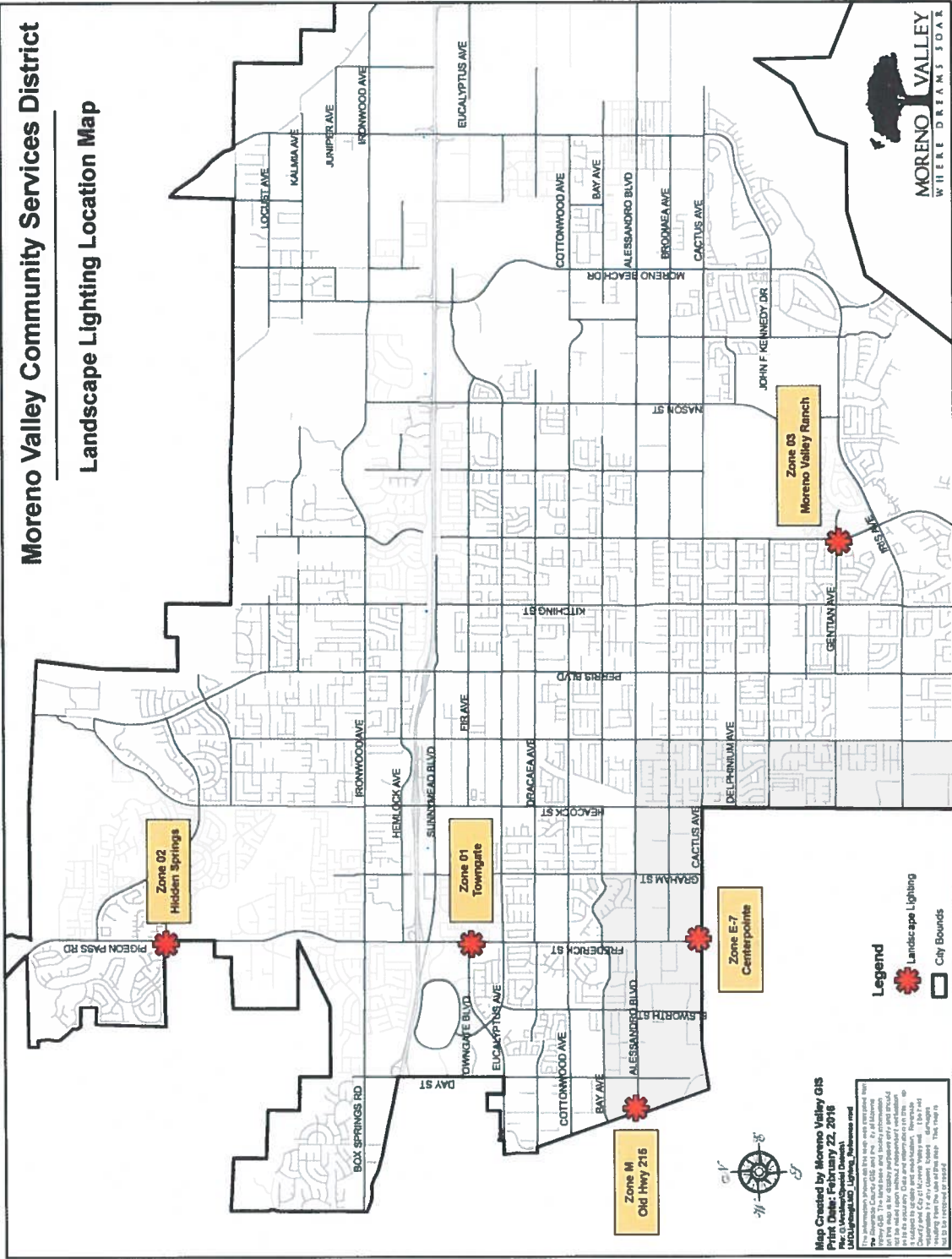
Contractors are required by law to be licensed, and regulated by the Contractors' State License Board. Contractor will comply with all applicable licensing laws, and regulations. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, 9821 Business Park Driver, Sacramento, CA 95827. Mailing address: P.O. Box 26000, Sacramento, CA 95826.

14. TECHNICAL PROVISIONS

- A. Contractor shall perform monthly (once per month) illumination tests of landscape and monument light fixtures in Community Service Districts (CSD) Zone E-7 (Centerpointe) and M (Monuments), and Landscape Maintenance District 2014-02 Zone 01 (Towngate), Zone 02 (Hidden Springs), and Zone 03 (Moreno Valley Ranch – West).
- B. Contractor shall perform electrical repairs, replacements, etc. in compliance with The National Electrical Code, 2014 Edition (or most current), as published by the National Fire Protection Association as well as applicable Federal, State, and local agency laws and regulations.
- C. All electrical equipment used shall conform to the standards of the National Electrical Manufacturers Association (NEMA), the Underwriters Laboratories Inc. (UL), or the Electronic Industries Association as described in Section 209 of the "Greenbook" Standard Specifications for Public Works Construction 2015 Edition.

15. PROJECT LOCATIONS MAPS

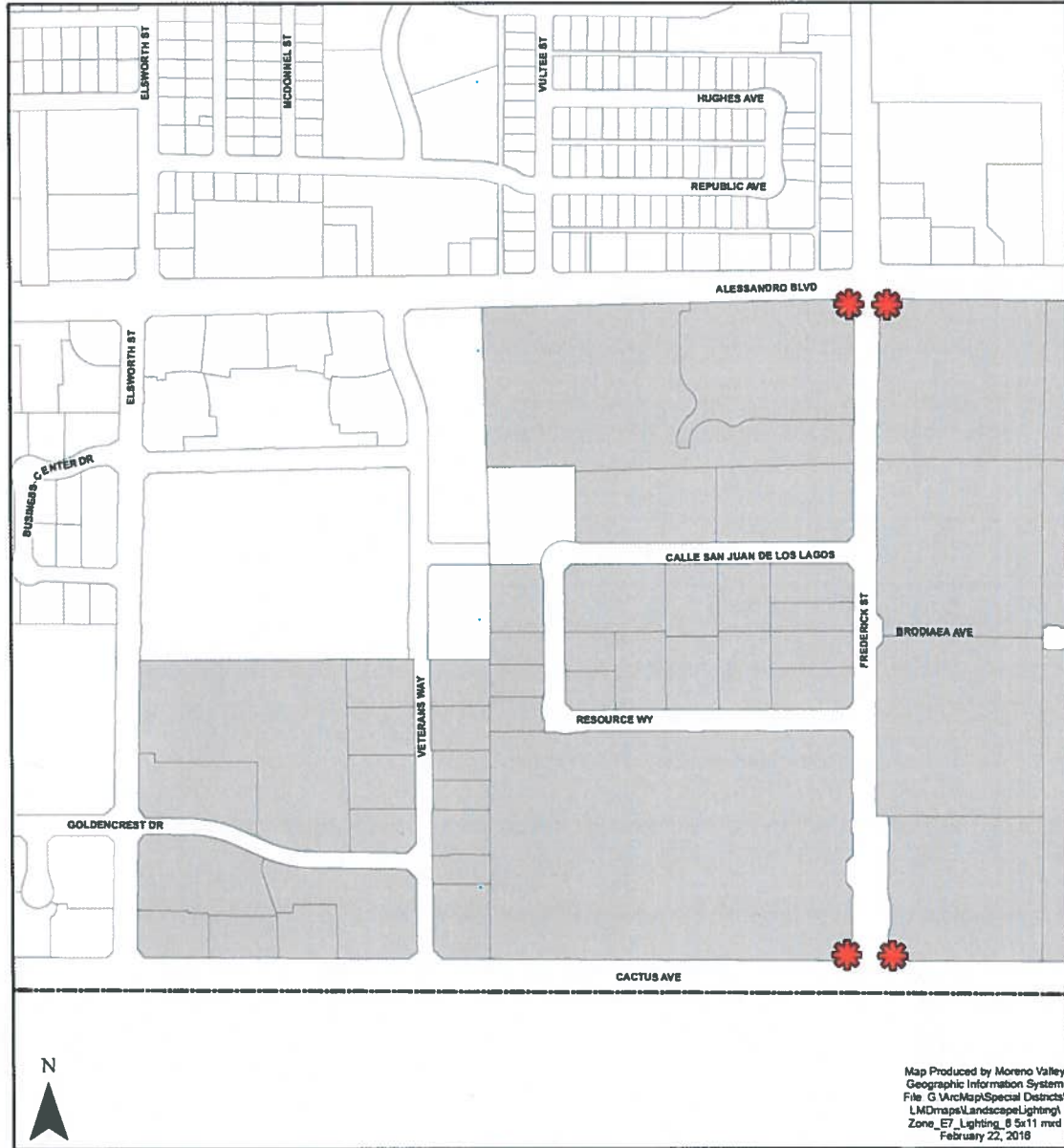
ZONE	LOCATIONS	MAINTENANCE
E-7	4	Illumination Testing
M	2	Illumination Testing
01	3	Illumination Testing
02	1	Illumination Testing
03	10	Illumination Testing



RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES
EXHIBIT A – GENERAL PROVISIONS– Page 11 of 15

Moreno Valley Community Services District
Zone E-7



The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or re-used.

-  Landscape Lighting
-  Zone E-7 Parcels
-  City Bounds

Map Produced by Moreno Valley
Geographic Information System
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February 22, 2016



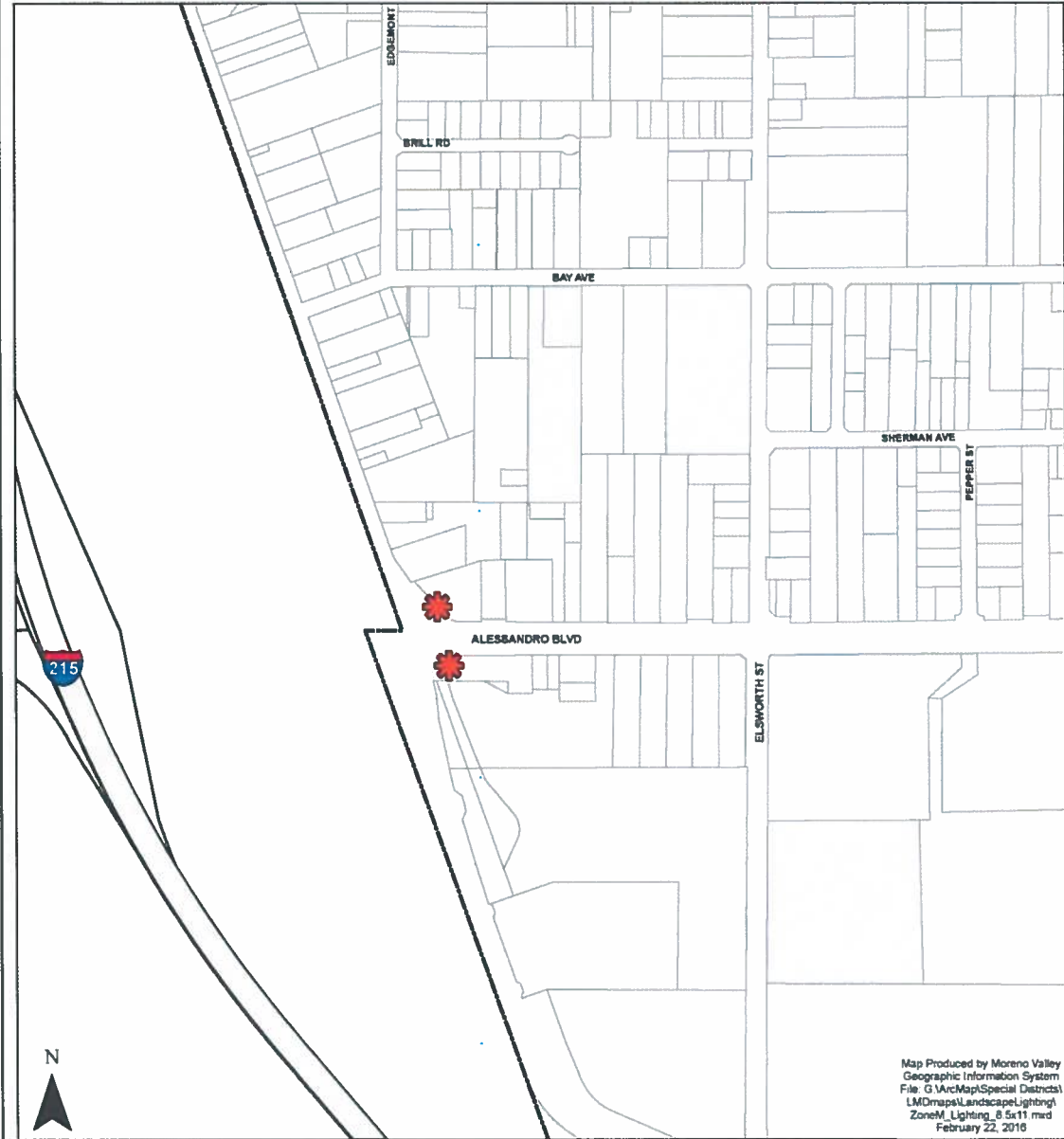
RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

EXHIBIT A – GENERAL PROVISIONS– Page 12 of 15

Moreno Valley Community Services District

Zone M



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-  Landscape Lighting
-  Parcels
-  City Bounds

Map Produced by Moreno Valley
 Geographic Information System
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 February 22, 2016



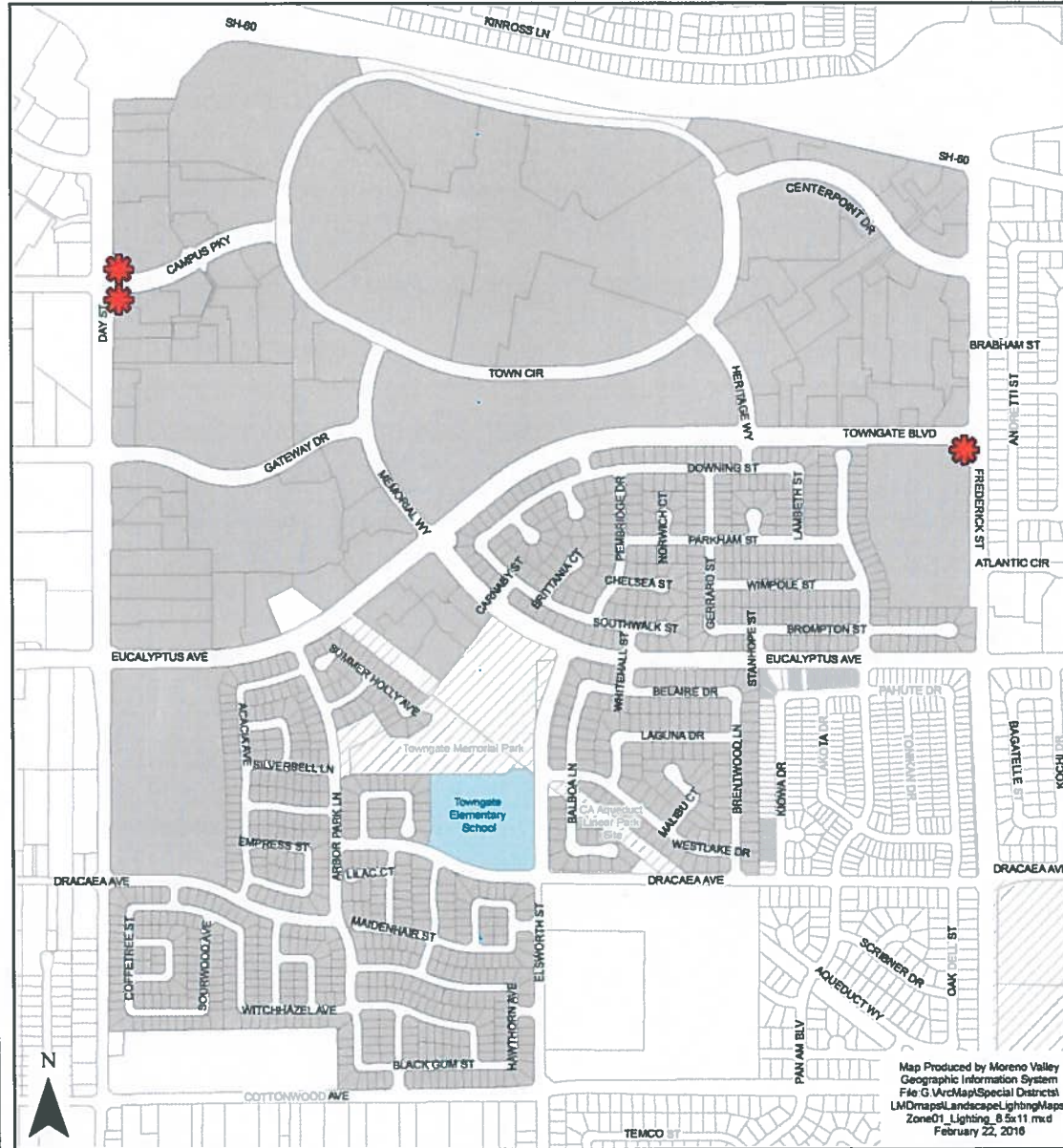
RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

EXHIBIT A – GENERAL PROVISIONS– Page 13 of 15



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 01 (Towngate)



Map Produced by Moreno Valley
Geographic Information System
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LMDmaps\LandscapeLighting\Map8
Zone01_Lighting_8.5x11.mxd
February 22, 2016

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-  Landscape Lighting
-  Zone 01 Parcels



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 02 (Hidden Springs)



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-  Landscape Lighting
-  Zone 02 Parcels
-  Landscaped Open Space

Map Produced by Moreno Valley Geographic Information System
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February 22, 2016



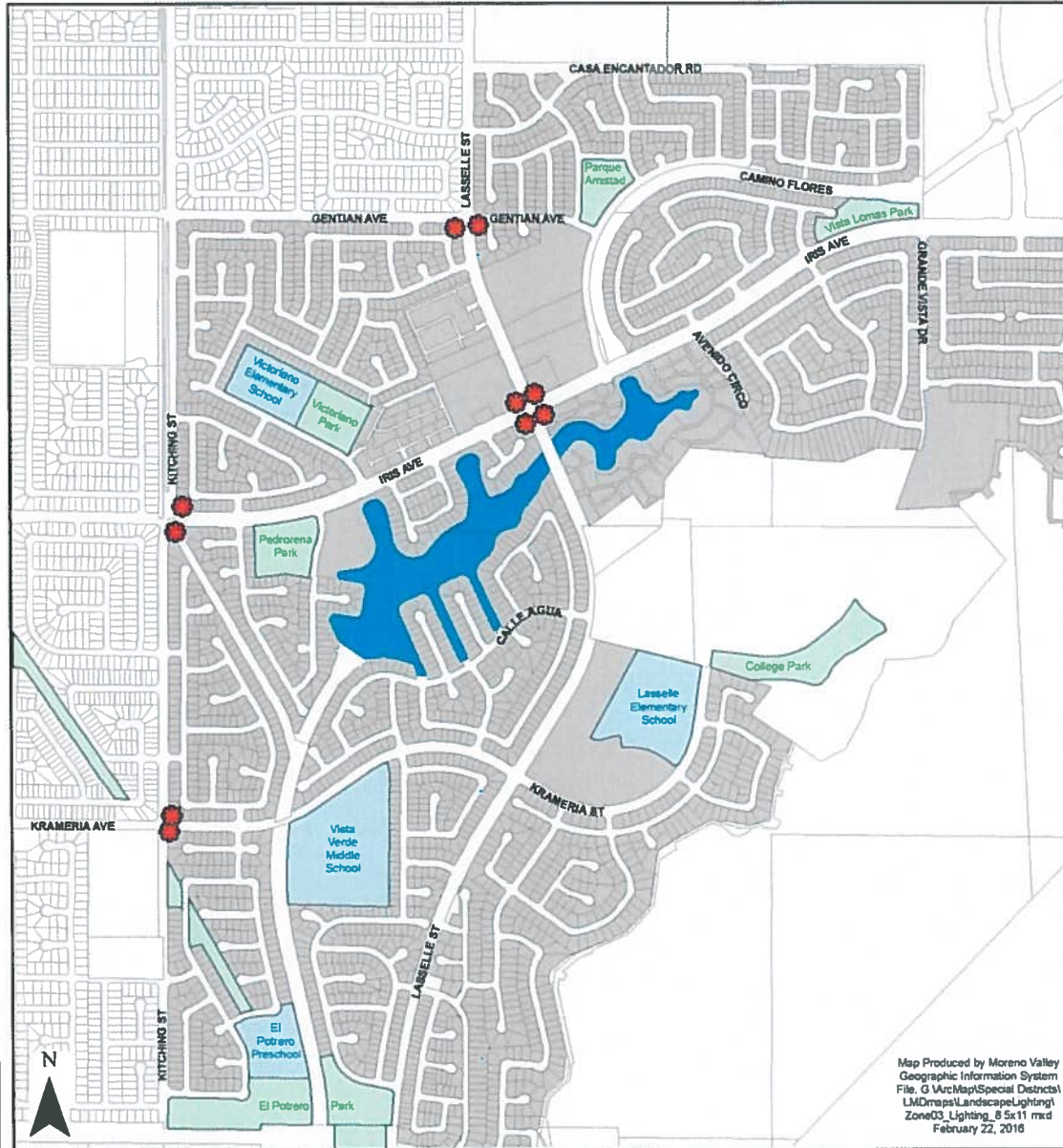
RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

EXHIBIT A – GENERAL PROVISIONS– Page 15 of 15

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 03 (Moreno Valley Ranch - West)



Map Produced by Moreno Valley
 Geographic Information System
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 February 22, 2016

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
-  Landscape Lighting
-  Zone 03 Parcels



EXHIBIT B: CITY RESPONSIBILITIES

RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

1. CONTRACT SUPERVISION

- A. The Contract shall be administered on behalf of the Director of Public Works of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director."
- B. The Director will decide all questions which may arise as to the manner of performance and completion per schedule, acceptable fulfillment of the Contract by the Contractor, interpretation of the Specifications, and compensation to include completion of work by alternate sources.

2. IRRIGATION CONTROLLER ELECTRICAL SYSTEMS

The City shall manage the operation of all automatically controlled irrigation systems, including but not limited to irrigation controller programming and scheduling. The Contractor shall monitor the operation of, and maintain said irrigation systems as required by the Director. The contractor shall, at the direction of the Director, facilitate the repair of irrigation controller electrical systems. Any necessary corrective work shall be considered Additional Work as defined in Exhibit C, Section 2,

3. UTILITIES

It shall be the City's duty to provide the utilities necessary for landscape lighting (i.e., electricity and communications) and to maintain landscape appurtenances (i.e., electrical meters and irrigation pedestals). The City will pay the electricity and communications costs used in the sites covered by this Contract. The Contractor shall report any interruption of these services for whatever reason immediately upon Contractor's observation of same to the Director.

EXHIBIT C: PAYMENT TERMS

RFP NO. SD-2016-12

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

1. CONTRACTOR'S COMPENSATION

A. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: <http://www.moreno-valley.ca.us/edd/b-b-resources.shtml>.

B. The Contractor will electronically submit an invoice to the District as provided in this Agreement for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice in accordance with the terms as stated herein Exhibit C, subsection 1. No payment(s) shall be made until the reports, listed herein, have been submitted and approved. At no time will the City pay for more service than have been satisfactorily completed and the City's determination of the amount due shall be final.

The Contractor will submit all invoices electronically to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to 951.413.3073.

The Contractor will electronically submit copies of invoices and reports to the Special Districts Division at specialdistricts@moval.org. Calls may also be directed to the Special Districts Division at 951.413.3480.

C. Except where additional compensation is specifically provided for in this Contract, the City will pay the Contractor for all work (labor, material, supplies, equipment, etc.) performed under this Contract the total amount of four hundred and fifty dollars and 00/100 (\$450.00) per month, one (1) month in arrears, on the last day of the month. The total contract amount for nine (9) months shall not exceed Four thousand and fifty dollars and 00/100 (\$4,050.00), as outlined in the attached table, except as provided for herein Exhibit C, Section 2 below.

D. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not

incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moreno-valley.ca.us/city_hall/forms.shtml.

- E. The minimum information required on all invoices includes:
1. Vendor Name, Mailing Address and Phone Number
 2. Invoice Date
 3. Vendor Invoice Number
 4. City – provided Reference Number (Project Title)
 5. Detailed work hours by class title (e.g. manager, technician or specialist), services performed, and rates, explicit portion of a contract amount or detailed billing information is sufficient to justify the invoice amount: single or lump sum amounts without detail are not acceptable.
- F. The City shall pay the Contractor for all invoiced and authorized maintenance services within thirty (30) days of receipt of invoice for the same.
- G. Should this Contract commence or terminate on other than the first day of a calendar month, the Contractor's compensation for that partial calendar month shall be prorated at the rate of 1/30 of the full month rate per day for the number of days during which the Contract is effective.
- H. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the City.
- I. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

2. ADDITIONAL WORK

- A. During the term of this Contract the City may, at its discretion, authorize the Contractor to perform certain Additional Work as included in Exhibit C, Section 2, paragraph C, herein, in addition to the work set forth in Exhibit A, Section 1, General Provisions - Scope of Work.

If the City determines it to be in the City's best interest, said Additional work may include: Acts of God (i.e., earthquake damage, storm damage), or vandalism, theft, and acts or omissions by third parties.

Compensation for all such Additional Work shall be calculated either: at the prices set forth by the Contractor in Exhibit E, Schedule II, Section B or at a price based on the Contractor's written estimate (lump sum, time and materials, or cost plus basis), as determined by the Director. Except as set forth herein Exhibit C,

Section 2, paragraph B, below, the Contractor shall not perform any such Additional Work without first obtaining express written authorization from the City.

- B. Notwithstanding the above requirement for prior written authorization, when a condition exists wherein there is imminent danger of injury to the public or damage to property, the City may verbally authorize the work to be performed upon receiving a verbal estimate from the Contractor. Within twenty-four (24) hours after receiving a verbal authorization, the Contractor must submit a written estimate to the City for written approval. Whenever immediate action is required to prevent impending injury, death, or property damage to the facilities being maintained, the City may, after reasonable attempt to notify the Contractor, cause such action to be taken by the City's work force.
- C. Routine repairs to landscape lighting and electrical maintenance areas shall be considered Additional Work to the extent that the Contractor shall charge only for materials used to perform said repairs at Contractor's cost plus a percentage of that cost, as set forth in Exhibit E, Schedule II, section B, and the applicable rate per labor unit, as set forth in Exhibit E, Schedule II, section B, lines 1 and 2. For the purposes of this Contract, routine landscape lighting repairs are defined as replacement of existing bulbs, timers, photo sensors, wiring, conduit, on applicable landscape and monument light fixtures or irrigation controller electrical systems that have been rendered inoperable due to: 1) normal "wear and tear", and 2) vandalism or theft (which includes acts or omissions by third parties).
- D. Except as specifically approved by subsequent action of the City Council and/or District Board of Directors, the Director may not authorize Additional Work pursuant to paragraphs A, B, and C above in excess of the cumulative total of **NINETEEN THOUSAND, SEVEN HUNDRED AND ZERO/100 DOLLARS (\$19,700.00)** for each contract year during the term of this Contract.

3. PAYMENT DEDUCTIONS

The City may deduct payment to such extent as may be necessary to protect the City from loss due to:

- A. Work required in the General or Technical Provisions which is: not performed, not performed to the standards set forth therein, not performed at or within the time(s) specified therein, or is incomplete;
- B. Claims filed or reasonable evidence indicating probable filing of claims by laborers, materialmen, subcontractors, or third parties.

4. NON-PERFORMANCE PENALTIES

The Contractor may become liable for payment of non-performance penalties for failure to: provide adequate communications; provide adequate work area safety; complete "Specialty" operations in a timely manner as set forth in the General Provisions; submit notifications or reports required by the Contract, or General Provisions at the intervals

Exhibit C
Page 4 of 5

and/or frequencies set forth therein, or; perform work as required by the General Provisions at the intervals and/or frequencies as set forth therein, or as set forth in Contractor's approved work schedule, or as directed by the City. For each of the categories set forth hereinabove, the penal sum of \$100.00 (one hundred dollars) per working day will be assessed for each working day the deficiencies remain uncorrected.

If non-performance penalties are to be assessed, the Contractor will be notified immediately by written email, facsimile transmission, letter, or by telephone.

The Contractor will not be assessed non-performance penalties for delays caused by the City or by the owner of a utility to provide for the removal or relocation of utility facilities.

Service Area	GL ACCOUNT	LOCATIONS	BASE WORK ² MAINTENANCE	FY 2016/17 ¹			TOTAL
				MONTHLY COST BASE WORK	ANNUAL COST BASE WORK	ADDITIONAL WORK ³	
E-7	5013-70-79-25713-620910	4	Illumination Testing	\$ 90.00	\$ 810.00	\$ 4,000.00	\$ 4,810.00
M	5112-70-79-25719-620910	2	Illumination Testing	\$ 90.00	\$ 810.00	\$ 600.00	\$ 1,410.00
01	2014-70-79-25721-620910 SD LMD ZN 01-TG	3	Illumination Testing	\$ 90.00	\$ 810.00	\$ 3,500.00	\$ 4,310.00
02	2014-70-79-25721-620910 SD LMD ZN 02-HS	1	Illumination Testing	\$ 90.00	\$ 810.00	\$ 1,000.00	\$ 1,810.00
03	2014-70-79-25721-620910 SD LMD ZN 03-MV/RW	10	Illumination Testing	\$ 90.00	\$ 810.00	\$ 4,000.00	\$ 4,810.00
01A	2014-70-79-25721-620910 SD LMD ZN 01A-RP					\$ 600.00	\$ 600.00
03A	2014-70-79-25721-620910 SD LMD ZN 03A-LPP					\$ 600.00	\$ 600.00
04	2014-70-79-25721-620910 SD LMD ZN 04-MV/RE					\$ 1,200.00	\$ 1,200.00
05	2014-70-79-25721-620910 SD LMD ZN 05-SR					\$ 600.00	\$ 600.00
06	2014-70-79-25721-620910 SD LMD ZN 06-MF					\$ 600.00	\$ 600.00
07	2014-70-79-25721-620910 SD LMD ZN 07-CEL					\$ 600.00	\$ 600.00
08	2014-70-79-25721-620910 SD LMD ZN 08-SM					\$ 600.00	\$ 600.00
WOB	2008-70-29-20450					\$ 600.00	\$ 600.00
E-8	5013-70-79-25714-620910					\$ 600.00	\$ 600.00
S	5114-70-79-25720-620910					\$ 600.00	\$ 600.00
	Total			\$ 450.00	\$ 4,050.00	\$ 19,700.00	\$ 23,750.00

¹ FY 2016/17 is for 9 months of monthly testing

² Base Work includes routine, monthly testing of lighting fixtures. FY 2016/17 amount assumes start date of October 1, 2016.

³ Additional Work includes repairs to lighting and irrigation controller pedestals throughout the landscape districts

EXHIBIT D: TERM OF CONTRACT**RFP NO. 2016-012****LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES****1. TERM OF CONTRACT**

- A. Following approval by all parties, the Contract will commence on October 1, 2016, and shall terminate June 30, 2017 (9) months thereafter.
- B. At the expiration of its term, the Contract may be extended for up to four (4) additional twelve (12) month periods with the concurrence of all parties. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least thirty (30) days prior to the expiration of the initial term of the Contract or any extension thereof.
- C. In considering the option to extend the Contract, as set forth in paragraph B above, the City shall determine the following:
- That the Contractor's performance during the preceding twelve months has been satisfactory, and;
- That any request for increase of Contractor's compensation is based on an annual inflation adjustment based on the percentage increase calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.
- D. At the expiration of its term, and with the concurrence of all parties, the Contract may be extended for up to three (3) additional periods of thirty (30) days each, subject to all terms and conditions in effect during the current term of the Contract. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least fifteen (15) days prior to the expiration of the initial term of this Contract, or any extensions thereof.
- E. It should be noted that multiyear contracts may be continued each fiscal year only after funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley and the City Council acting in the capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District. In the event that the City Council and/or the City Council acting in the capacity as President and Members of the Board of Directors for the Moreno Valley Community Services District does not grant necessary funding appropriations and/or program approval, the affected multiyear contract becomes null and void effective July 1st of the fiscal year for which such approvals have been denied.



EXHIBIT E: PROPOSAL SUBMITTAL DOCUMENTS

RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

RFP NO. 2016-012

LANDSCAPE LIGHTING AND ELECTRICAL MAINTENANCE SERVICES
ATTACH ADDITIONAL SHEETS AS NECESSARY FOR COMPLETE RESPONSES

I: SCHEDULE I – VENDOR INFORMATION

A. Company Name: Leivas Lighting
TYPE

- Sole proprietor
- Partnership
- Corporation

B. Company Physical Address
(Street) 10370 Brockton Ave., Ste A.
(City, State, Zip) Riverside, CA 92506

C. Company Mailing Address
(Street) 12570 Brown Street
(City, State, Zip) Perris, CA 92570

D. Business Phone Number (951) 686-4046

E. Satellite Office Address (if applicable):

F. Satellite Office Phone Number (_____) _____

G. Contractor's Licensing Information:

1. License number/Classification/Name Style: 950195/C-10
2. Number of Years Operating Under the Above License Name Style: 10
3. License Expiration Date: 7/31/2016
4. Current License Status: Active
5. Prior actions against this License? Yes No
6. If Yes, list the citation type and how it was resolved:

H. Company's Federal Identification No.: 20-4968002

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

I. Name and Title(s) of Company Officers:

Randy Leivas - President _____
Richard Leivas - CFO _____

J. Number of years the company has performed electrical maintenance services:

10

K. Number of years the company has performed electrical maintenance services for public agencies: 8

L. Current Electrical Maintenance Operations

The City recognizes that the information provided in answer to this question is proprietary in nature and therefore the City will keep this information confidential to the extent permitted by law.

Total number of electrical maintenance contracts: 5

Percentage of total contracts with public agencies: 60%

Total dollar value of electrical maintenance contracts: \$260,000.00

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

II: SCHEDULE I – REFERENCES

Attach Responses to this question on additional sheets – One sheet per reference

- A. List a minimum of three (3) references for public agency electrical maintenance contracts that are either current and/or have been successfully completed within the last two (2) years.
- B. Reference responses must include:
1. Name and address of agency;
 2. Name and telephone number of agency person responsible for administering contract;
 3. Contract name(s) / number(s);
 4. Annual contract amount(s);
 5. Number of locations maintained per contract(s);
 6. Location(s) of contract areas – we will visit site(s);
 7. Length of contract(s).
- C. The following reference questions will be asked of each agency referenced:
1. How many (number of) contracts and years under contract?
 2. What are/were the Scope of the contract(s), acreage amounts, location(s)?
 3. What are/were the Contract amount(s)?
 4. Do/did they have adequate (quantity/quality) staffing?
 5. How are/were the Training/Technical skills (i.e., Equipment Operation/Safety)?
 6. Does staff have the ability to comprehend/speak English?
 7. How are/were the appearance, uniforms, and use of safety equipment?
 8. Do/did they have availability of additional personnel for extra work/special projects?
 9. Is/was the equipment used in good working order?
 10. Do/did they have an effective in-company communications system?
 11. How is/was the knowledge of project/contract standards?
 12. Do/did they have the ability to respond to complaints/requests in a timely fashion?
 13. Are/were they willing to resolve questions, disputes, and deficiencies short of “formal” sanctions (i.e., monetary penalties, contract deductions, liquidated damages, claims against bonds)?
 14. How accurate & timely is/was billing/invoicing?
 15. Have Contract(s) been successfully completed to term?
 16. Would you accept future proposals/bids from this company?

III: SCHEDULE I –PROPOSED PROJECT WORK SCHEDULES

Following this page is a blank Monthly Schedule Sheet.

Proposers are to complete this schedule sheet by writing in their proposed schedule for performing the services services listed in Exhibit A - Technical Provisions, Section 14.

If selected, the awarded Contractor will provide the City within 30 days after contract execution, mapped work schedules for areas

A. Monthly Schedule Sheet

1. List all tasks specified to be performed on a weekly or monthly basis for landscape lighting maintenance areas described herein in the box corresponding to the day of the week/month the work is proposed to be performed.
2. Be sure to include administrative tasks such as report submittals, meetings, etc.
3. Fill in the schedule sheet for the entire month. Schedule sheets that are not completed for the entire month will be considered to be non-responsive.

MONTHLY SCHEDULE SHEET

PROPOSED PROJECT WORK SCHEDULES

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
WEEK #1 Zone-M, E7, E1, E2, E3,				
WEEK #2				
WEEK #3				
WEEK #4				

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

IV: SCHEDULE I – COMMUNICATIONS AND TRAFFIC SAFETY

A. Communications:

Exhibit A, Section 3 General Provisions – Functions and Responsibilities requires the selected Contractor possess and maintain an effective company-wide communications system. The Contractor must also designate responsible staff to be available on a twenty-four (24) hour basis to receive, and respond to emergency calls.

Describe your company's internal communications system, both in the office and in the field, and how it will enable your company to provide the communication capability as required in Scope of Services specifications. Also, describe how your company will provide the required twenty-four (24) hour communication capability. Use additional sheets as necessary to provide a full and comprehensive response.

B. Traffic safety:

Exhibit A, Section 7 General Provisions – Safety requires the selected Contractor provide safe and effective work area traffic control, per Caltrans' "Manual On Uniform Traffic Control Devices 2012 (or most current revised version) California Supplement, Part 6, Temporary Traffic Control". Please describe your company's general traffic control practices and training, and how your company intends, if selected, to conduct work area traffic control operations to provide service for this project. Use additional sheets as necessary to provide a full and comprehensive response.

VI: SCHEDULE I – CERTIFICATION OF NON-DISCRIMINATION

Pursuant to California Labor Code Section 1735, as added by Chapter 643 statutes of 2039, and as amended,

No discrimination shall be made in the employment of persons upon Public Works because of race, religion creed, color, national origin, ancestry, physical handicaps, mental condition, marital status or sex of such persons, except as provided in Section 12940, of the California Labor Code and every Contractor of Public Works violating this section is subject to all penalties imposed for a violation of the Chapter.

I certify that I have read, and understand the foregoing:

SIGNATURE *Randy Leivas*

PRINTED NAME Randy Leivas

TITLE President

COMPANY NAME Leivas Lighting

DATE 6/29/16

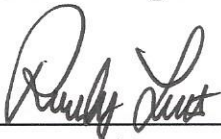
Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

VII: SCHEDULE I – PROPOSAL AFFIRMATION

With regard to the information provided hereinabove (Exhibit E: Proposal Submittal Documents), I affirm that:

- All information provided is true and correct to the best of my knowledge, and;
- I understand that a materially false statement willfully or fraudulently made in connection with this proposal may result in the termination of any Contract between the City of Moreno Valley, the Moreno Valley Community Services District and Leivas Lighting, and further, the aforesaid company may be barred from participation in future City contracts and be subject to possible criminal prosecution, and;
- I have legal authority to bind Leivas Lighting to the terms of this affirmation (See "INSTRUCTIONS TO PROPOSER", Section D – Signature of Contract Proposal).

For the proposal to be valid, this sheet must be returned with the proposal submission and fully completed with a legible signature and date

SIGNATURE 

PRINTED NAME Randy Leivas

TITLE President

COMPANY NAME Leivas Lighting

DATE 6/29/16

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

I: SCHEDULE II – PROPOSAL SCHEDULE

PROPOSER: LEIVAS LIGHTING
(Company Name)

A. LANDSCAPE LIGHTING MAINTENANCE:

ZONE	LOCATIONS	MAINTENANCE	COST PER MONTH	COST PER 12 MONTHS
E-7	4	Illumination Testing	\$ 90.00	\$ 1080.00
M	2	Illumination Testing	\$ 90.00	\$ 1080.00
01	3	Illumination Testing	\$ 90.00	\$ 1080.00
02	1	Illumination Testing	\$ 90.00	\$ 1080.00
03	10	Illumination Testing	\$ 90.00	\$ 1080.00
Total			\$ 450.00	\$ 5400.00

The total amount of the service shall be the combined Total 12 Month Cost for each of the Zones as identified in the table above.

Figures: 5400 and 00 /100's Dollars
Words: Fifty Four Hundred Dollars and 00 /100's Dollars

All work shall be performed in accordance with the terms and conditions of this Independent Contractor Agreement, which includes all General and Technical Provisions as outlined herein. Any modification to the number of occurrences for any service shall be made per written direction by the City. Service occurrences may be modified with 30 days advance written notice by the City.

The Contractor shall furnish all labor, equipment, and materials necessary to provide maintenance of landscape lighting as set forth in Exhibit A of this Contract, and; any and all addenda issued prior to the opening of Proposals; any Change Orders issued after the execution of the Independent Contractor Agreement and its attached exhibits.

Addendum No(s). _____ has/have been received and is/are made a part of this proposal.

[Signature] PRESIDENT
(Authorized Signature and Title) 6/29/16
(Date)

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

B. ADDITIONAL WORK PRICE LIST

THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT


Prices for Additional Work and Repairs shall include, but are not limited to, those situations where Additional Work may be required, as referenced in Exhibits A and C.

UNIT PRICES (Includes all labor and materials)

1. Repair Work	@	\$	<u>80.00</u>	/hour
2. Emergency Repairs	@	\$	<u>80.00</u>	/hour
3. Replacement parts at the Contractor's price plus			<u>15%</u>	%

Advance notice of 1 hour(s) is/are required for service during Contractor's normal business hours.

PROPOSER: Leivas Lighting
(Company Name)


(Authorized Signature and Title) 6/20/16
(Date)

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

II: SCHEDULE II - CONTRACT PROPOSAL

The undersigned declares that he/she has carefully examined the location(s) of the proposed work, that he/she has examined the Specifications and has read the accompanying Instructions to Proposers, and hereby proposes and agrees, if this proposal is accepted, to enter into a Contract with the City for the good and faithful performance thereof, to furnish all material and do all work required to complete the said work in accordance with the Specifications, in the time and manner therein prescribed, for the unit cost and lump sum amounts set forth in the proposal and as listed as follows. The undersigned further declares that the representations made herein are made under penalty of perjury.

TOTAL BASE COMPENSATION AMOUNT (From Exhibit E, Schedule II A. "Proposal Schedule"):

_____ (Dollar Amount in Words)

\$ _____ (Dollar Amount in Figures)

Date: _____

Proposer: Leivas Lighting
(Company Name)

By: [Signature]
(Signature)

Title: President

State License Number and Classification: 950195 / C-10

If a corporation, complete the following:

INCORPORATED UNDER LAWS OF THE STATE OF California

(Corporate Seal) PRESIDENT [Signature]
SECRETARY _____



Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

III: SCHEDULE II - NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA)
COUNTY OF Riverside)§

(NAME) Laura Kahmis Notary Public, affiant

being first duly sworn, deposes and says:

That he or she Randy Leivas of
(Sole Owner, Partner or other proper title)

Leivas Lighting
(Contractor)

the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Bidder's Name: Randy Leivas

Bidder's Address: 10370 Brockton Ave., Ste. A
Riverside, CA 92506

Telephone No.: (951) 686-4046

Randy Leivas 6/29/16

(Signature of Bidder)

President
(Title)

ALL SIGNATURES MUST BE NOTARIZED

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Riverside)
On 6/29/16 before me, Laura Kahnis Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Randy Leiva
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Laura Kahnis
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Affidavit Document Date: 6/29/16
Number of Pages: 1 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Randy Leiva
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: President & Owner
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Attachment: Agreement FY 2016/17 (2607 : APPROVE THE FIRST EXTENSION AGREEMENT FOR LANDSCAPE LIGHTING AND ELECTRICAL

REFERENCES

City of Moreno Valley

P.O. Box 88005

Moreno Valley, CA 92552-0805

CONTACT INFO: Daniel Monto: Senior Landscaping Service Inspector/951-413-3485/danielm@moval.org

Annual Contract Amount: \$1,800.00

Number of Locations Maintained Per Contract: 5

Location of Contact Areas:

Zone E1: Day St. & Camps Pkwy, Towngate & Frederick

Zone E2: Pigeon Pass & Hidden Springs

Zone E3: Laselle & Gentian, Laselle & Iris, Kitching & Iris, Kitching & Krameria

Zone E7: Cactus & Fredrick, Alessandro & Frederick

Zone M: Alessandro & 215 Fwy

Length of Contract: 4 Years

REFERENCES

City of Moreno Valley

P.O. Box 88005

Moreno Valley, CA 92552-0805

CONTACT INFO: Daniel Monto: Senior Landscaping Service Inspector/951-413-3485/danielm@moval.org

Annual Contract Amount: \$30,542.78

Number of Locations Maintained Per Contract: 5

Location of Contact Areas:

Zone E1: Day St. & Camps Pkwy, Towngate & Frederick

Zone E2: Pigeon Pass & Hidden Springs

Zone E3: Laselle& Gentian, Laselle & Iris, Kitching & Iris, Kitching & Krameria

Zone E7: Cactus & Fredrick, Alessandro & Frederick

Zone M: Alessandro & 215 Fwy

Length of Contract: 4 Years

REFERENCES (Cont.)

Orange County Sheriff

Development Facilities Operation

431 The City Drive South

Orange, CA 92868

CONTACT INFO: John Radu 714-935-6841/jradu@ocsd.org

Annual Contract Amount: \$98,000

Number of Locations Maintained Per Contract: 9

Location of Contact Areas:

HEADQUARTERS: 550 N. Flower St., Santa Ana, CA 92703

CORONER/MORGE: 1071 W. Santa Ana Blvd., Santa Ana, CA 92703

BRAD GATES: 320 N. Flower St., Santa Ana, CA 92703

LOMA RIDGE: 2644 Santiago Canyon Rd., Orange, CA 92676

STANTON STATION: 1110 Cedar St., Stanton, CA 90680

ALISO STATION: 11 Journey, Aliso Viejo, CA 92656

RESEARCH & DEVELOPMENT: 431 The City Dr., Orange, CA 92868

KATELLA TRAINING: 1900 W. Katella Ave., Orange, CA 92867

SADDLEBACK STATION: 20202 Windrow Dr., Lake Forest, CA 92630

Length of Contract: 5 Years

REFERENCES (Cont.)

Orange County Sheriff

Development Facilities Operation

431 The City Drive South

Orange, CA 92868

CONTACT INFO: John Radu 714-935-6841/jradu@ocsd.org

Annual Contract Amount: \$98,000 (not to exceed \$196,000.00 in 2 Years)

Number of Locations Maintained Per Contract: 9

Location of Contact Areas:

HEADQUARTERS: 550 N. Flower St., Santa Ana, CA 92703

CORONER/MORGE: 1071 W. Santa Ana Blvd., Santa Ana, CA 92703

BRAD GATES: 320 N. Flower St., Santa Ana, CA 92703

LOMA RIDGE: 2644 Santiago Canyon Rd., Orange, CA 92676

STANTON STATION: 1110 Cedar St., Stanton, CA 90680

ALISO STATION: 11 Journey, Aliso Viejo, CA 92656

RESEARCH & DEVELOPMENT: 431 The City Dr., Orange, CA 92868

KATELLA TRAINING: 1900 W. Katella Ave., Orange, CA 92867

SADDLEBACK STATION: 20202 Windrow Dr., Lake Forest, CA 92630

Length of Contract: 5 Years

REFERENCES (Cont.)

Four Seasons at Palm Springs Community Association

3800 Four Seasons Blvd.

Palm Springs, CA 92262

CONTACT INFO: Jim Rush/760-323-3008/jrush@euclidmanagement.com

Annual Contract Amount: \$11,500.00

Number of Locations Maintained Per Contract: 1

Location of Contact Areas:

The Lodge (Interior/Exterior)

3800 Four Seasons Blvd.

Palm Springs, CA 92262

Length of Contract: 1 Year (Continuing on month-month basis after initial 12-month contract is expired)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE SCHEDULE FOR NEW AND EXISTING RESIDENTIAL, COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE DEVELOPMENT PROPOSED FISCAL YEAR (FY) 2017/2018 ANNUAL RATES

RECOMMENDED ACTION

Recommendations:

1. Conduct a Public Hearing to consider all public testimony on the “NPDES Regulatory Rate Schedule for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development” as provided in the Public Notice.
2. Adopt Resolution No. 2017-29. A Resolution of the City Council of the City of Moreno Valley, California, Authorizing and Approving the Levy of the National Pollutant Discharge Elimination System (NPDES) Regulatory Rate for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development of the County of Riverside Property Tax Roll.

SUMMARY

This report recommends that the City Council conduct a Public Hearing to consider all public testimony on the proposed National Pollutant Discharge Elimination System (NPDES) Regulatory Rates for Fiscal Year (FY) 2017/2018. The proposed rates have been adjusted for inflation reflecting the latest applicable consumer price index. NPDES Regulatory Rate revenues support specific services provided by the Storm Water Management Program, and have been included in the FY 2017/2018 Proposed Budget.

DISCUSSION

The NPDES regulatory rates are necessary to fund the costs of the storm water management services for the discharge of storm water runoff into municipally owned drainage facilities for pollution control from benefiting parcels.

Proposition 218

Proposition 218, approved in the November 1996 election as a constitutional amendment, specifically addresses the ability of public agencies to collect taxes, fees, charges, and/or assessments as an incidence of property ownership. The City of Moreno Valley has reviewed Proposition 218 with respect to the NPDES Regulatory Rate. Based upon this review, it has been determined that the NPDES Regulatory Rate is in compliance with Proposition 218. City policy has been to hold a Public Meeting to allow the public opportunity to address City Council, though not required under Proposition 218.

Proposed Regulatory Rates

The proposed rates shall be levied against each assessable benefiting parcel of real property that is required to comply with the City's NPDES Storm Water Management Program. The annual percentage change in the Consumer Price Index (CPI) for Los Angeles, Riverside, and Orange Counties was +1.97%. The proposed FY 2017/2018 annual rates were calculated utilizing the base fiscal year (identified in Tables 1 and 2) levy amount and the approved corresponding CPI adjustments from rate inception. The methodology utilized brings an accurate, to the penny amount of the proposed annual rates for FY 2017/2018. Staff recommends that the proposed FY 2017/2018 annual rate adjustments for inflation occur to maintain current program service levels. Rate increases are associated with increases in utility costs and maintaining program service levels.

The following tables outline the specific services provided by each level of service, the current annual rates and the proposed annual rates.

Table 1 reflects the annual rates for New and Existing Residential Development.

TABLE 1

NPDES Regulatory Rate for New and Existing Residential Development (Base FY 2003/2004)			
Service Level		Current Maximum Annual Rate FY 2016/2017	Proposed Maximum Annual Rate FY 2017/2018
LEVEL I	NPDES Administration and overhead.	\$40.47/Parcel	\$41.27/Parcel
LEVEL II	Water Quality Pond/Basin Maintenance.	\$76.89/Parcel	\$78.40/Parcel
LEVEL II-A* (Base FY 2008/2009)	Sand Filter Maintenance.	\$35.05/Parcel	\$35.74/Parcel
LEVEL III	Water Quality Pond/Basin Remediation/Reconstruction.	\$68.58/Parcel	\$69.93/Parcel
LEVEL IV	Water Quality System Retrofit.	\$156.05/Parcel	\$159.12/Parcel

Table 2 reflects the annual rates for New and Existing Common Interest, Commercial, Industrial, and Quasi-Public Use Development.

TABLE 2

NPDES Regulatory Rate for New and Existing Common Interest, Commercial, Industrial, and Quasi-Public Use Development (Base FY 2005/2006)			
Service Level		Current Maximum Annual Rate FY 2016/2017	Proposed Maximum Annual Rate FY 2017/2018
LEVEL I	NPDES Administration and overhead.	\$40.62/Parcel	\$41.42/Parcel
LEVEL II	Storm water and non-storm water runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site storm water compliance site activities; review site-specific technical reports and treatment control BMP maintenance records.	\$191.66/Parcel	\$195.44/Parcel

For FY 2017/2018, the maximum annual regulatory rate per parcel for single-family residential development is \$314.54 (includes Levels I, II, II-A and IV combined from Table 1). The Level III rate is levied when a water quality pond/basin is taken out of service for remediation/reconstruction thus replaces the Level II rate. Since the Level III rate is lower than the Level II rate, the maximum rate for residential development cannot be greater than the summation of Levels I, II, II-A and IV. The maximum annual regulatory rate for new and existing common interest, commercial, industrial, and quasi-public use development is \$236.86 (includes Levels I and II combined from Table 2).

Approving the levy of the NPDES regulatory rate for new and existing residential, common interest, commercial, industrial, and quasi-public use development meet the Strategic Plan Priorities by managing and maximizing Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Conduct Public Hearing and approve the recommended actions as presented in this staff report. *Staff recommends this alternative because these actions are needed to place the NPDES rates on the County property tax roll.*
2. Do not conduct Public Hearing and do not approve the recommended actions as presented in this staff report. *Staff does not recommend this alternative because the County of Riverside may challenge our ability to place the NPDES rates on the County property tax roll.*

FISCAL IMPACT

Regulatory rate increases due to inflation have been approved by the benefiting property owners through the mail ballot proceeding. The inflation factor is based on the annual percentage change in the Los Angeles-Riverside-Orange County CPI for calendar year 2016, which was +1.97%. Projected FY 2017/2018 revenues to be derived from the proposed rates that include the addition of newly developed parcels to be levied are \$478,207.12; an increase of \$17,821.50 over FY 2016/2017 projected revenues.

Approving annual rates less than that proposed by staff may require a decrease in both the level and quality of service from that provided and approved by benefiting property owners in the previous year. The service level provided would be adjusted according to the approved funding level.

Revenue received from the NPDES rates is restricted and can only be used within the Storm Water Management program. It is used to offset the current NPDES Permit expenses and reduce the level of General Fund support necessary to remain in compliance with unfunded federal mandates, as administered by the State. The NPDES rates are only applied to the property tax bills of those parcels where the property owners previously approved the rates to be applied to the property tax bill.

NOTIFICATION

-Publication of Agenda

-Newspaper advertising was published on April 25, 2017, May 2, 2017, and May 9, 2017 with information about the May 16, 2017 Public Hearing.

PREPARATION OF STAFF REPORT

Prepared By:
Rae Beimer
Storm Water Program Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Michael Lloyd, P.E.
Engineering Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

See the Discussion section above for details of how this action supports the City Council’s Strategic Priorities.

ATTACHMENTS

- 1. Resolution 2017-29_NPDES Reg Rate
- 2. Newspaper Advertising for Notice of Public Hearing - NPDES Reg Rate

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	5/01/17 5:50 PM
City Attorney Approval	<u>✓ Approved</u>	5/04/17 3:50 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:53 PM

RESOLUTION NO. 2017-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AND APPROVING THE LEVY OF THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE FOR NEW AND EXISTING RESIDENTIAL, COMMON INTEREST, COMMERCIAL, INDUSTRIAL, AND QUASI-PUBLIC USE DEVELOPMENT OF THE COUNTY OF RIVERSIDE PROPERTY TAX ROLL

WHEREAS, as part of the 1972 Federal Clean Water Act, the federal government mandated that public agencies comply with the NPDES program to obtain permits to discharge storm water runoff into municipally owned drainage facilities; and

WHEREAS, on January 29, 2010, the Santa Ana Regional Water Quality Control Board issued new requirements that cities must address, regarding the water pollution contained in storm water runoff to remain in compliance with federal mandates; and

WHEREAS, the City Council introduced Ordinance No. 708, on January 10, 2006, to repeal and reenact Chapter 3.50 of Title 3 of the City of Moreno Valley Municipal Code relating to the establishment and collection of the NPDES regulatory rate for new and existing residential, common interest, commercial, industrial, and quasi-public use development based on the approved NPDES regulatory rate and authorization of subsequent rate adjustments by resolution; and

WHEREAS, Sections 5473 through 5473.8 of the California Health and Safety Code provides that such services may be funded, in whole or in part, by rates which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general taxes of the City; and

WHEREAS, the City Council, has determined, and hereby does determine, that it is in the interest of the City to have the NPDES regulatory rate on new and existing residential, common interest, commercial, industrial, and quasi-public use development be so collected on the County of Riverside property tax roll; and

WHEREAS, the City Council has determined that levying a regulatory rate against each assessable parcel of real property that is required to comply with the NPDES Permit program, as hereinafter established, is necessary to fund the costs of the storm water management services for the discharge of storm water runoff into municipally owned drainage facilities for pollution control from these land uses; and

WHEREAS, the City Council heretofore caused a report to be prepared that identified each parcel of real property, which is subject to the regulatory rate, and has caused notice of said report and of the public hearing thereon to be duly given; and

1

Resolution No. 2017-29
Date Adopted: May 16, 2017

Attachment: Resolution 2017-29_NPDES Reg Rate [Revision 1] (2613 : PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT

WHEREAS, the City Council held a Public Hearing on May 16, 2017, at which time all persons wishing to be heard were heard, and at which hearing the City Council heard and considered all objections and protests, if any; and

WHEREAS, upon tabulation of the assessment ballots submitted, and not withdrawn, the City Clerk determined that the ballots submitted in opposition to the assessment do not exceed the ballots submitted in favor of the assessment; and

WHEREAS, on May 16, 2017, the City Council reviewed and considered the NPDES regulatory rate for new and existing residential, common interest, commercial, industrial, and quasi-public use development to fund the federally mandated NPDES program; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. That the foregoing recitals are true and correct and incorporated herein by this reference.
2. The City Council shall authorize collection of the NPDES regulatory rate on the County of Riverside tax bill for federally mandated NPDES requirements to address the discharge of storm water runoff into municipally owned drainage facilities.
3. The maximum rate to be collected for fiscal year (FY) 2017/2018 shall be \$314.54 per parcel for new and existing residential development, which may be subject to an annual adjustment, if necessary, based on the percentage change calculated for the prior calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics.
4. The maximum rate to be collected for FY 2017/2018 shall be \$236.86 per parcel for new and existing common interest, commercial, industrial, and quasi-public-use development, which may be subject to an annual adjustment, if necessary, based on the percentage change calculated for the prior calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics.
5. The NPDES regulatory rate, as herein confirmed, shall be collected on the tax roll at the same time and by the same persons, and in the same manner as, together with and not separately from, general taxes, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties, as provided for in Sections 5473 through 5473.8 of the California Health and Safety Code.

2
Resolution No. 2017-29
Date Adopted: May 16, 2017

- 6. The City Council made a finding that collection of the NPDES regulatory rate is in compliance with Proposition 218.
- 7. The effective date of this Resolution shall be May 16, 2017.
- 8. That all provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.
- 9. That if any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or be reason of any preemptive legislation, that such invalidity shall not affect other provisions of this Resolution that can be given effect without the invalid provision, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
- 10. That the City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 16th day of May, 2017.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

3
Resolution No. 2017-29
Date Adopted: May 16, 2017

Attachment: Resolution 2017-29_NPDES Reg Rate [Revision 1] (2613 : PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2017-29 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of May, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

4
Resolution No. 2017-29
Date Adopted: May 16, 2017

Attachment: Resolution 2017-29_NPDES Reg Rate [Revision 1] (2613 : PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT

CITY OF MORENO VALLEY
CITY COUNCIL
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a **Public Hearing** will be held before the City Council, of the City of Moreno Valley on Tuesday, May 16, 2017 at 6:00 P.M. at the City Hall Council Chambers, 14177 Frederick Street, Moreno Valley, California, to consider the following items(s):

TO REVIEW AND CONFIRM ANNUAL REGULATORY RATE SCHEDULE FOR
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) NEW
RESIDENTIAL, COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND
QUASI-PUBLIC LAND USES TO PROVIDE FOR VARIOUS NEEDED
SERVICES AS BELOW LISTED

WHEREAS, the City Council of the City of Moreno Valley has enacted Chapter 3.50 of Title 3 of the City of Moreno Valley Municipal Code by relating to the establishment and collection of the NPDES regulatory rate for new residential, common interest, commercial, industrial, and quasi-public use developments based on the approved NPDES regulatory rate and authorization of subsequent rate adjustments by resolution; and,

WHEREAS, the City Council, has determined, and hereby does determine, that it is in the interest of the City to have the NPDES regulatory rate on new residential, common interest, commercial, industrial, and quasi-public use developments be so collected on the County of Riverside property tax roll; and,

WHEREAS, the City Council has determined that levying a regulatory rate against each assessable parcel of real property that is required to comply with the NPDES Permit program is necessary and equitable to fund in part the costs of the storm water management services for the discharge of storm water runoff into municipally owned drainage facilities for pollution control from these land uses; and,

WHEREAS, such services should be provided to said assessable parcel of real property, and can most economically and conveniently be provided by the establishment of an annual rate schedule to pay such costs; and

WHEREAS, a reasonable estimate of the cost of providing the above-described services for each assessable parcel during Fiscal Year 2017/2018, including improvements and incidental expenses in connection herewith, would be per level use category as follows:

Residential NPDES Rate Schedule:

Level I (NPDES Administration and overhead) - \$41.27
Level II (Water Quality Pond/Basin Maintenance) - \$78.40

Level II-A (Sand Filter Maintenance) - \$35.74
 Level III (Water Quality Pond/Basin Remediation/Reconstruction) - \$69.93
 Level IV (Water Quality System Retrofit) - \$159.12

Common Interest, Commercial, Industrial, and Quasi-Public Land Use NPDES Rate Schedule:

Level I (NPDES Administration) - \$41.42
 Level II (Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance) - \$195.44

WHEREAS, there has been filed with the City Clerk a report describing each parcel of real property which would be subject to the above-described annual charges and the amount of the charges for each purpose; therefore

NOTICE

NOTICE IS HEREBY GIVEN THAT A REPORT HAS BEEN PREPARED CONTAINING A DESCRIPTION OF EACH PARCEL OF REAL PROPERTY WHICH IS SUBJECT TO ONE OR MORE OF THE ABOVE REFERENCED SERVICE CHARGES, AND CONTAINING THE AMOUNT OF EACH CHARGE, IF ANY, FOR EACH DESCRIBED PARCEL. A PUBLIC HEARING ON THIS REPORT WILL BE HELD BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY ON TUESDAY, MAY 16, 2017 AT 6:00 P.M., OR AS SOON THEREAFTER AS FEASIBLE IN THE CITY COUNCIL CHAMBERS OF CITY HALL, 14177 FREDERICK STREET, MORENO VALLEY, CALIFORNIA, PURSUANT TO SECTIONS 5473 THROUGH 5473.8 OF THE CALIFORNIA HEALTH AND SAFETY CODE.

Dated: April 25, 2017

s/Pat Jacquez-Nares
City Clerk

Upon request, this invitation (news release/agenda/notification) will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in these activities should direct such requests to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the activity. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility and participation in this meeting or event.



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: May 16, 2017

TITLE: PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDING

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceeding for First Industrial, LP for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate to be applied to the property tax bill.
2. Direct the City Clerk to count the returned NPDES ballot.
3. Verify and accept the results of the mail ballot proceeding as maintained by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to the Assessor's Parcel Numbers mentioned in this report.

SUMMARY

The action before the City Council is to conduct a Public Hearing for one National Pollutant Discharge Elimination System (NPDES) mail ballot proceeding. The process to accept 15 parcels into the City's NPDES funding program affects one property owner, not the general citizens or taxpayers of the City.

The City requires property owners of development projects to mitigate the cost of certain impacts created by the proposed development, such as the cost of complying with the

state and federal NPDES requirements. As a condition of approval, the property owner is required to provide an ongoing funding source to offset those costs. The City offers a funding program to assist property owners in satisfying the funding requirement. After a property owner approves the City's NPDES rate through a mail ballot proceeding, the City can levy the rate on the property tax bill of the authorized parcel(s). Attachment 2 outlines the steps to participate in the City's NPDES funding program.

The revenue generated by this program provides a funding source to monitor pollution control of storm water runoff into municipally owned drainage facilities, lessening the financial impact of compliance with the state and federal requirements on the general taxpayer in Moreno Valley.

First Industrial, LP is approved to construct a 1.4 million square foot warehouse (southwest corner of Nandina Ave. and Indian St.) (the "Property Owner"). The Property Owner has requested the City conduct a mail ballot proceeding, which if approved, will satisfy their condition of approval to provide a funding source for NPDES funding.

DISCUSSION

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The Santa Ana Regional Water Quality Control Board administers the NPDES Program through the issuance of a Permit. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. The City's current NPDES Permit requires all new development projects comply with storm water management requirements.

As a condition of approval for development projects, the Land Development Division (Public Works Department) requires property owners to provide an ongoing funding source for the NPDES Program. The City Council adopted the NPDES residential regulatory rate on June 10, 2003, and the NPDES commercial/industrial regulatory rate on January 10, 2006. These funds support the increased compliance activities related to the development. They also reduce the financial impact to the General Fund to maintain compliance with the unfunded requirements of the Permit. The City's storm water management activities include annual and periodic facility inspections for site design, NPDES permit compliance, and implementation of Best Management Practices and maintenance for specified facilities.

The Property Owner is required to provide an ongoing funding source for the NPDES program as a condition of approval. Detailed parcel information for the properties subject to the condition of approval is listed in the following table.

Property Owner/Project	Assessor's Parcel Number(s)	Location	FY 2016/17 NPDES Maximum Rate(s)
First Industrial, LP PA13-0037	316-210-002, 316-210-003, 316-210-004, 316-210-005, 316-210-006, 316-210-007, 316-210-008, 316-210-009, 316-210-010, 316-210-011, 316-210-016, 316-210-017, 316-210-018, 316-210-051, 316-210-055	Southwest corner of Nandina Ave. and Indian St.	\$232.28/parcel commercial/industrial

The Property Owner has two options to satisfy the condition of approval:

- 1) Approve the NPDES rate and authorize the City to collect the rate on the annual Riverside County property tax bill through participation in a mail ballot proceeding; or
- 2) Fund an endowment.

The Property Owner requested the City collect the NPDES rate through the annual property tax bill. Before the City can levy the rate onto the annual property tax bill, the Property Owner must first approve it and authorize the City to do so through a mail ballot proceeding. A mail ballot proceeding is a legally required process to approve new charges or an increase to existing charges levied on property tax bills (Proposition 218).

The Property Owner was mailed a notice and a ballot to cast their vote (Attachment 1). The notice detailed the purpose and amount of the charge and the potential annual inflationary adjustment. The City is required to provide the Property Owner with 45 days to review the notice and an opportunity to address the City Council. The Property Owner will have an opportunity to address the City Council during the public comment portion of the Public Hearing. The ballot is due to the City Clerk prior to the close of the Public Hearing. At the close of the Public Hearing, the ballot can be opened and counted, and results announced.

Approval of the NPDES annual rate and authorization to levy it on the annual property tax bill satisfies the project's condition of approval. In the event the Property Owner does not return their ballot, does not approve the ballot, or returns an invalid ballot (unmarked or unsigned), this condition of approval will remain unsatisfied and may delay the development.

This action meets the Strategic Plan Priorities by managing and maximizing Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Conduct the Public Hearing and upon its close, count and verify the returned ballot and accept the results. *Staff recommends this alternative as it will satisfy the project's condition of approval if the property owner approves their ballot.*
2. Open the Public Hearing and continue it to a future regular City Council meeting. *Staff does not recommend this alternative as it will delay announcement of the ballot results and may delay project development.*
3. Do not conduct the Public Hearing. *Staff does not recommend this alternative as it will delay the Property Owner from satisfying the condition of approval and may delay project development. Additional costs will be incurred by the City to restart the 45-day noticing period.*
4. Do not conduct the Public Hearing at this time but reschedule it to a date certain during a regular City Council meeting. *Staff does not recommend this alternative as it may delay project development and the City will incur additional costs to restart the 45-day noticing period.*

FISCAL IMPACT

The fiscal year (FY) 2016/17 NPDES maximum commercial/industrial regulatory rate is \$232.28 per parcel, and any division thereof. The NPDES maximum regulatory rate for FY 2017/18 and each subsequent FY is subject to an annual inflationary adjustment, provided the City Council approves such increase each year. The annual increase cannot exceed the annual inflationary adjustment without approval of the property owners subject to the charge.

Revenue received from the NPDES rate is restricted and can only be used within the storm water management program. This revenue offsets the storm water management program expenses, which reduces financial impacts to the General Fund and maintains compliance with the unfunded requirements of the Permit. The NPDES rate is only applied to the property tax bills of parcels where a mail ballot for the charge has previously been approved by the property owner.

NOTIFICATION

The ballot documents were mailed to the Property Owner at least 45-days in advance of the Public Hearing. The documents included a notice to the Property Owner, map of the project area, NPDES ballot, NPDES commercial/industrial rate schedule, instructions for marking and returning the ballot, and a postage paid return envelope addressed to the City Clerk.

Newspaper advertising for the May 16, 2017 Public Hearing was published in The Press-Enterprise on April 27, 2017 and again on May 4, 2017.

PREPARATION OF STAFF REPORT

Prepared by:
Jennifer A. Terry
Sr. Management Analyst

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel
Special Districts Division Manager

Concurred by:
Michael Lloyd
Land Development Division Manager

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

See the Discussion section above for details of how this action supports the City Council’s Strategic Priorities.

ATTACHMENTS

- 1. First Industrial Mail Ballot Docs
- 2. Flowchart

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/24/17 3:39 PM
City Attorney Approval	<u>✓ Approved</u>	4/24/17 5:19 PM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:29 PM

TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

First Industrial, LP
 Attn: Michael Goodwin
 898 N Sepulveda Blvd, Suite 175
 El Segundo, CA 92501

March 29, 2017

Subject: Mail Ballot Proceeding for the National Pollutant Discharge Elimination System (NPDES) Maximum Commercial/Industrial Regulatory for PA13-0037

Dear Mr. Goodwin:


Please find the enclosed NPDES Ballot and Official Notice. Per your request, you have chosen to satisfy Land Development's condition of approval LD52 to provide a funding source for the NPDES program by approving the rate to be applied on your property tax bill.

- **A completed ballot marked yes will satisfy the project's condition of approval LD52 to provide a funding source for the NPDES program.**
- **A completed ballot marked no or an invalid ballot (not marked and/or signed) will not satisfy the project's condition of approval LD52 to provide a funding source for the NPDES program and may delay the project obtaining a final inspection for Certificate of Occupancy.**

Please ensure that your marked and signed ballot is returned to the City Clerk's office before the May 16, 2017 Public Hearing in order for your ballot to be included in the official count. If you have any questions about the proposed program, the annual charge, or about the mail ballot proceeding process, please contact Jennifer Terry, Senior Management Analyst, with the City's Special Districts Division at 951.413.3505 Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Sincerely,

Ahmad Ansari
 Public Works Director/City Engineer



Jennifer Terry
 Senior Management Analyst

Enclosures

Attachment: First Industrial Mail Ballot Docs (2567 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

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14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

First Industrial, LP
 Attn: Michael Goodwin
 898 N Sepulveda Blvd, Suite 175
 El Segundo, CA 90245

March 29, 2017

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE FOR APNS 316-210-002, 316-210-003, 316-210-004, 316-210-005, 316-210-006, 316-210-007, 316-210-008, 316-210-009, 316-210-010, 316-210-011, 316-210-016, 316-210-017, 316-210-018, 316-210-051, AND 316-210-055

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor’s Parcel Numbers (APNs) 316-210-002, 316-210-003, 316-210-004, 316-210-005, 316-210-006, 316-210-007, 316-210-008, 316-210-009, 316-210-010, 316-210-011, 316-210-016, 316-210-017, 316-210-018, 316-210-051, and 316-210-055 the opportunity to express support for or opposition to the approval of the NPDES Maximum Commercial/Industrial Regulatory Rate and services. Approval of the NPDES Maximum Commercial/Industrial Regulatory Rate through a mail ballot proceeding fulfills Land Development Division’s Condition of Approval LD52 to provide a funding source for the NPDES financial program.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the National Pollution Discharge Elimination System (NPDES) Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

Attachment: First Industrial Mail Ballot Docs (2567 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2016/17, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$232.28 per parcel. The total amount of the NPDES rates levied for FY 2016/17 for the program as a whole was \$460,001.98.

Annual Adjustment

Beginning in FY 2017/18, the NPDES Maximum Commercial/Industrial Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APNs 316-210-002, 316-210-003, 316-210-004, 316-210-005, 316-210-006, 316-210-007, 316-210-008, 316-210-009, 316-210-010, 316-210-011, 316-210-016, 316-210-017, 316-210-018, 316-210-051, and 316-210-055 (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Commercial/Industrial Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<p style="text-align: center;"><u>Public Hearing</u> Tuesday, May 16, 2017 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)</p>

Tabulation of returned ballots will commence after the close of the public testimony portion of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Commercial/Industrial Regulatory Rate will be confirmed if the ballot is marked in favor of the NPDES rate. Approving the NPDES Maximum Commercial/Industrial Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division's Condition of Approval LD52 to provide an ongoing funding source for the NPDES financial program.

Attachment: First Industrial Mail Ballot Docs (2567 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to meet state and federally mandated NPDES Permit requirements will not satisfy the Land Development Division's Condition of Approval LD52 to provide a funding source for the NPDES financial program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval LD52 by placement of the NPDES rate on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

For More Information

If you have any questions about the mail ballot proceeding process, please contact Jennifer Terry, Senior Management Analyst, with the City's Special Districts Division at 951.413.3505 or via email at JenniferT@moval.org during the City's business hours.

Questions regarding the NPDES financial program, the annual rate, or the Land Development Division's Conditions of Approval should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.








Completing Your Ballot

Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box.** Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **Tuesday, May 16, 2017**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:





-  A check mark substantially inside a box;
-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

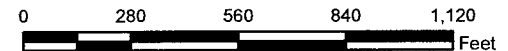
Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

Attachment: First Industrial Mail Ballot Docs (2567 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

First Industrial, LP Proposed 1.4 Million SF Warehouse

-  PA13-0037
-  Roads
-  Parcels
-  City Boundary

Map reflects all changes indicated on Riverside County Assessor Maps as of October 12, 2016.



G:\AVP\SDA\PA13-0037.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006

LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management. Level I is levied on all parcels conditioned for the NPDES Rate Schedule.			Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.		
Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics					
PARCEL RATE	Per Month	Per Year	PARCEL RATE	Per Month	Per Year
	\$3.39	\$40.62		\$15.97	\$191.66

Inflation Factor Adjustments

- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar
- FY 2014/2015 - 1.14% = (\$39.52 & \$186.49) Pursuant to City Council approval on June 10, 2014.
- FY 2015/2016 - 0.73% = (\$39.81 & \$187.85)
- FY 2016/2017 - 2.03% = (\$40.62 & \$191.66)

**OFFICIAL MAIL BALLOT for Assessor's Parcel Numbers (APNs)
 316-210-002, 316-210-003, 316-210-004, 316-210-005, 316-210-006,
 316-210-007, 316-210-008, 316-210-009, 316-210-010, 316-210-011,
 316-210-016, 316-210-017, 316-210-018, 316-210-051, and 316-210-055
 National Pollutant Discharge Elimination System (NPDES)
 Maximum Commercial/Industrial Regulatory Rate**

YES* — as property owner of the above referenced APNs, I approve the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2016/17, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$232.28 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2017/18, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities. I understand approving the ballot will satisfy the project's condition of approval to provide a funding source for the NPDES program.

NO** — as property owner of the above referenced APNs, I do not approve the NPDES Maximum Commercial/Industrial Regulatory Rate and services. The NPDES maximum commercial/industrial regulatory rate will not be levied on the annual Riverside County property tax bill. I understand that not approving the ballot will not satisfy the project's conditions of approval to provide a funding source for the NPDES program.

YES*	NO**	Weighted Ballot Count*	Fiscal Year 2016/17 NPDES Maximum Commercial/Industrial Regulatory Rate per Parcel
<input type="checkbox"/>	<input type="checkbox"/>	15	\$232.28

*Each Assessor's Parcel Number equals 1 Weighted Ballot.

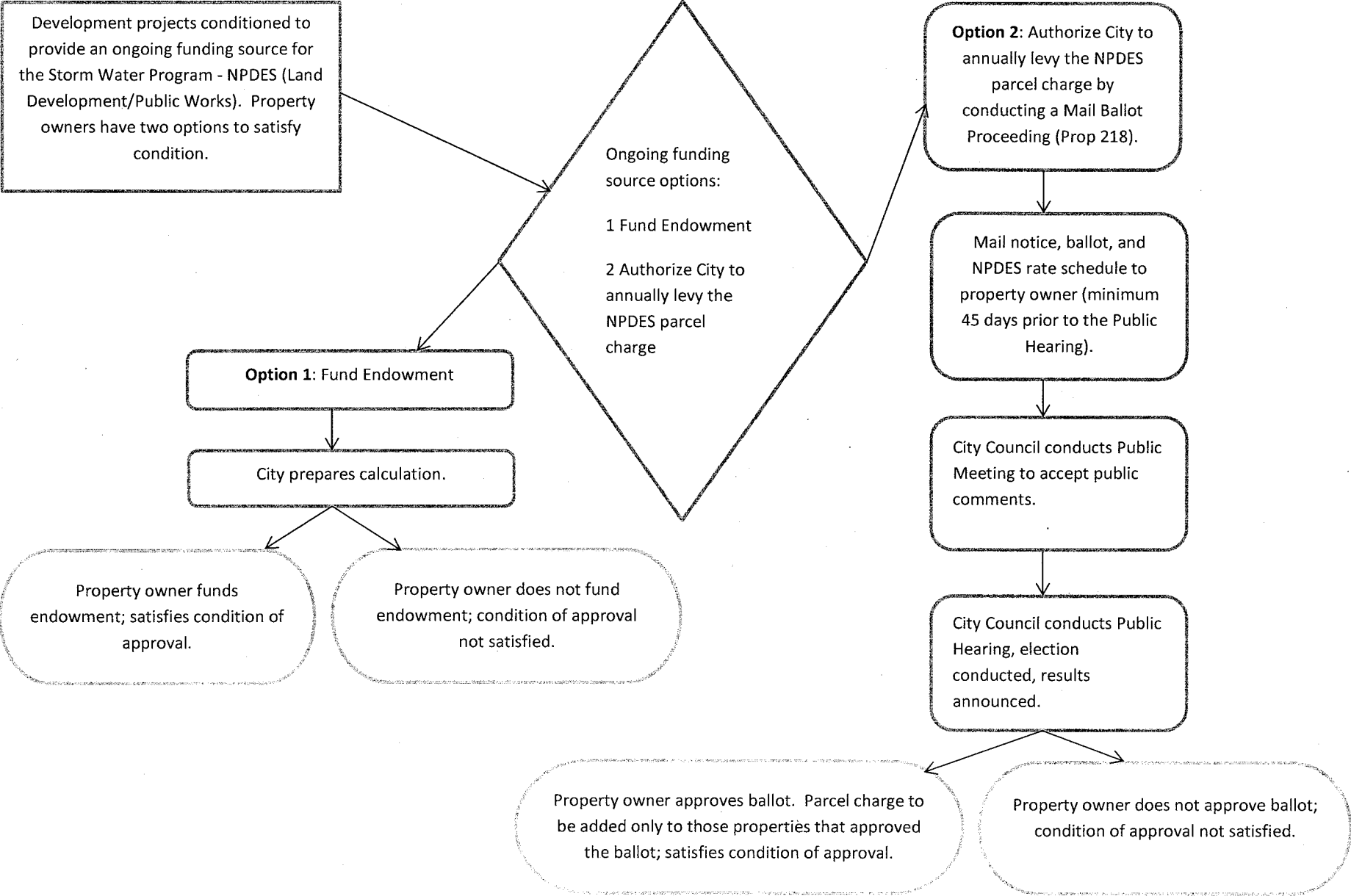
This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the public testimony portion of the Public Hearing to be held on May 16, 2017, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

 PROPERTY OWNER SIGNATURE DATE

Please remember to mark the appropriate box, sign and date the ballot, and return to the City Clerk's office in the enclosed envelope prior to the close of the public testimony portion of the May 16, 2017 Public Hearing.

Ballot(s) deemed invalid or incomplete will be discarded and a new process must be initiated in order to place the charge on the annual Riverside County property tax bill, which includes payment of the mail ballot fee.

Process Flow for Property Owners/Developers to Satisfy Funding Requirement for the Storm Water Program



This process flow is simplified for illustration purposes. Contact the Special Districts Division at 951.413.3480 for the detailed process.

November 12, 2014

Attachment: Flowchart (2567) : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 16, 2017

TITLE: AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY TO REFUND THE OUTSTANDING COMMUNITY REDEVELOPMENT AGENCY OF MORENO VALLEY 2007 TAX ALLOCATION BONDS, SERIES A.

RECOMMENDED ACTION

Recommendations: That the City Council as Successor Agency:

1. Adopt the resolution authorizing the issuance of the Tax Allocation Refunding Bonds, Series 2017 and approving the Form of Indenture, the Form of the Bond Purchase Agreement and a Form of Refunding Instructions.

SUMMARY

This report recommends the adoption of the resolution to authorize the issuance of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, Tax Allocation Refunding Bonds, Series 2017 and approve the associated Indenture of Trust, Bond Purchase Agreement and the Irrevocable Refunding Instructions.

This bond will refund the 2007 Tax Allocation Bonds which will have an outstanding principal amount of \$40,855,000 outstanding at August 2, 2017. This refunding will result in an average annual savings of \$155,336 and will free up additional property tax revenue for redistribution to the related taxing entities, which will benefit the City's General Fund.

Following the Successor Agency's actions, the documents will require the approval from the Oversight Board and the State of California Department of Finance (DOF).

Following DOF approval, the Successor Agency will be presented with resolutions approving the Preliminary Official Statement (bond offering document) and other related bond documents.

This bond refunding opportunity will be reviewed by the Oversight Board, at their meeting of May 17, 2017.

DISCUSSION

With the demise of redevelopment in the State of California, cities including Moreno Valley have been discussing the concept of continuing economic development programs using alternative funding sources. One concept Staff developed was to look at existing bond debt for refinancing opportunities at lower interest rates. As long as the term stays the same, and no new debt is incurred, it is permitted under the AB 1484 Redevelopment Elimination “cleanup” Bill. Staff has identified such an opportunity which is presented in this staff report.

In November 2007, the Community Redevelopment Agency of the City of Moreno Valley issued \$43,495,000 in 2007 Tax Allocation Bonds (the “2007 Bonds”), of which \$40,855,000 aggregate principal amount will be outstanding as of August 2, 2017. The proceeds were used to fund redevelopment projects. Repayment of the 2007 Bonds was secured by a pledge on the tax increment revenues from Moreno Valley Redevelopment Project Area.

Per the Bond Refunding Financing Plan, it is anticipated that the refinancing of the outstanding bonds will produce an average annual reduction in bond payments of \$155,336. The same reduction in annual bond payments frees up additional property tax revenues for distribution to affected taxing entities. This will result in an annual increase of available property tax revenues to the City of approximately \$19,598. The Refunding is currently structured to produce upfront savings, with majority of savings generated in the first six years and minor savings thereafter. The average annual reduction in bond payments total \$541,746 for the first six years, resulting in an increase of available property tax revenues of \$68,350 for the City on an average annual basis during this time period. The savings analyses are based on current market conditions, subject to change.

The first step in moving forward with the refunding bonds requires the Successor Agency to adopt the attached resolution which includes the Bond Refunding Financing Plan, Indenture of Trust, Irrevocable Refunding Instructions and Bond Purchase Agreement. It authorizes all of the necessary actions relating to the proposed refinancing of the outstanding bonds, including seeking subordination of existing Pass Through Obligations, approving the Indenture of Trust, Bond Purchase Agreement and Irrevocable Refunding Instructions (available for review at the City Clerk's Office), authorizing the issuance of bonds and the purchase of Bond Insurance and Surety Bond. Subsequent to adoption of the resolution by the Successor Agency, the Oversight Board has a meeting scheduled for May 17, 2017 for their consideration of adoption of the resolution accompanied by the Successor Agency Resolution. Once the Oversight

Board has approved their resolution, the next step is to forward the Oversight Board Resolution and the Successor Agency Resolution with all attachments to the California Department of Finance (DOF) who has up to sixty days to approve the Oversight Board Resolution. Staff will be requesting an expedited review of the Oversight Board Resolution by the DOF.

The final step will occur after the DOF approves the Oversight Board Resolution. Thereafter, the Successor Agency will adopt a resolution approving the Preliminary Official Statement (bond offering document) and other related bond documents. Based on the current schedule, staff anticipates this action would be scheduled for Successor Agency consideration in July/August.

Bonds	Current Average Annual Debt Service	New Average Annual Debt Service	Total Average Annual Savings	Annual Distribution to the City
2017	\$3,293,907	\$3,138,570	\$155,336	\$19,598

ALTERNATIVES

1. Adopt the resolution approving the issuance of the 2017 Tax Allocation Refunding Bonds and the related documents. *This alternative is recommended by staff since this alternative will reduce overall debt service costs and will result in additional revenue being allocated to the City for both the General Fund.*
2. Do not adopt the resolution and to not approve the issuance of the 2017 Tax Allocation Refunding Bonds. *This alternative is not recommended since this will result in no savings related to debt service costs and will not result in additional revenues being allocated to the City.*

FISCAL IMPACT

The Successor Agency has a total of \$40,855,000 aggregate principal amount of the 2007 Bonds that will be outstanding as of August 2, 2017. Staff is recommending that the Successor Agency refinance the outstanding bonds in order to reduce the average annual bond payments by \$155,336, resulting in a corresponding annual increase in property tax revenues to affected taxing entities. This will result in an average annual increase of approximately \$19,598 in property tax revenues to the City's General Fund. Staff is also recommending the refunding be structured to front load savings to produce average annual reduction in bond payments of \$541,746 for the first six years, resulting in an increase of available property tax revenues of \$68,350 for the City on an average annual basis during this time period. These are estimated savings based on current market conditions and subject to change.

NOTIFICATION

Posting of agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyeran
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Moreno Valley Successor Agency RPTTF Approving Resolution (Moreno Valley 2017 RDA Refunding)
- 2. Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017
- 3. Indenture of Trust - Moreno Valley Redevelopment Refunding 2017
- 4. Series 2007A Irrevocable Refunding Instructions - Moreno Valley
- 5. Moreno Valley 2017 TAB - Bond Purchase Contract

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	4/21/17 3:19 PM
City Attorney Approval	<u>✓ Approved</u>	4/27/17 10:43 AM
City Manager Approval	<u>✓ Approved</u>	5/04/17 3:31 PM

RESOLUTION NO. 2017-03

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY AUTHORIZING THE ISSUANCE OF ITS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, SUBORDINATE TAX ALLOCATION REFUNDING BONDS, SERIES 2017; APPROVING A FORM OF INDENTURE, A FORM OF BOND PURCHASE CONTRACT AND A FORM OF REFUNDING INSTRUCTIONS; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTION IN CONNECTION THEREWITH

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”), the City Council of the City of Moreno Valley (the “City”) created the former Community Redevelopment Agency of the City of Moreno Valley (the “Former RDA”);

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes;

WHEREAS, on December 29, 1987, the City adopted Ordinance No. 87-154 approving a redevelopment plan (the “Redevelopment Plan”) for its Moreno Valley Redevelopment Project (the “Project Area”), in accordance with the Law;

WHEREAS, the Redevelopment Plan contemplated that the Former RDA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the “Successor Agency”) to the Former RDA commencing upon the dissolution of the Former RDA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 (“AB 1484”), which modified or added to some of the provisions of ABX1 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010;

WHEREAS, in 2007, the Former RDA issued and sold \$43,495,000 aggregate principal amount of its Community Redevelopment Agency of the City of Moreno Valley, 2007 Tax Allocation Bonds, Series A, of which \$40,855,000 aggregate principal amount will be outstanding as of August 2, 2017 (the “Series 2007A Bonds”), pursuant to an Indenture of Trust with respect to the Series 2007A Bonds, dated as of October 1, 2007 (the “Prior Indenture”), by and between the Former RDA and Wells Fargo Bank, National Association, as trustee (the “2007 Trustee”), secured by and payable from tax increment revenues allocated to the Project Area, and which Series 2007A Bonds are subject to optional redemption at any time at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium;

WHEREAS, the City and the Former RDA entered into a Subordination Agreement, dated as of October 1, 2007 (the “Subordination Agreement”) under the terms of which certain Former RDA payment obligations to the City were made subordinate to the payment of debt service on the Series 2007A Bonds, and all refundings thereof, and obligations to bond insurers and sureties in connection therewith;

WHEREAS, Health & Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, the Successor Agency has solicited a report of an independent financial advisor entitled Bond Refunding Financing Plan (a copy of which is presented at this meeting) and employed such advisor in developing financing proposals for consideration by the Successor Agency and it is understood that such report, as it may be further revised, may be made available to the Department of Finance at its request;

WHEREAS, the Successor Agency has determined to issue not to exceed \$40,855,000 aggregate principal amount of its Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, Subordinate Tax Allocation Refunding Bonds, Series 2017 in one or more series, and with such other name and series designation as is deemed appropriate (the “Refunding Bonds”), for the purpose of (i) refinancing certain redevelopment activities of the Former RDA through the refunding of the Series 2007A Bonds, (ii) paying the costs of issuing the Refunding Bonds, (iii) funding a Reserve Account as may be required for the Refunding Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the Reserve Account for the Refunding Bonds;

WHEREAS, the Refunding Bonds will be issued, payable from amounts on deposit in the Redevelopment Property Tax Trust Fund of the Agency (the “RPTTF”) and allocated to the Agency’s Redevelopment Obligation Retirement Fund, pursuant to an Indenture of Trust (the “Indenture”), by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, following approval of the Successor Agency’s Oversight Board (the “Oversight Board”) of the issuance of the Refunding Bonds by the Successor Agency and upon approval by the Department of Finance of such approval by the Oversight Board, the Successor Agency will, with the assistance of bond counsel, disclosure counsel and its financial advisor, cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to persons and institutions interested in purchasing the Refunding Bonds; and

WHEREAS, there has been presented at this meeting a form of Indenture, a form of Refunding Instructions and a form of Bond Purchase Contract, each to be executed in connection with the issuance of the Refunding Bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Approval of Issuance of Refunding Bonds. The issuance of the Refunding Bonds, in order to refinance redevelopment activity pursuant to the Redevelopment Plan, which is permitted by Health and Safety Code Section 34177.5(a)(1), is hereby authorized and approved. The Refunding Bonds are authorized to be executed by the manual or facsimile signature of the Mayor of the City, acting for the Successor Agency, and attested by the manual or facsimile signature of the Clerk of the Council, acting for the Successor Agency. The Refunding Bonds, when so executed, are authorized to be delivered to the Trustee for authentication.

Section 2. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved and the Mayor, the City Manager, the Chief Financial Officer, the Treasury Operations Division Manager and the Clerk of the Council (each an “Authorized Officer,” acting for the Successor Agency) are each acting alone authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, terms of redemption and other terms of the Refunding Bonds shall be as provided in the Indenture as finally executed.

Section 3. Approval of Refunding Instructions. The form of Irrevocable Refunding Instructions (Series 2007A) to be executed and delivered by the Successor Agency and agreed to and accepted by the Trustee (the “Refunding Instructions”), presented at this meeting is hereby approved and any Authorized Officer, acting alone, is authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Refunding Instructions in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Bond Purchase Contract. The form of Bond Purchase Contract, between the Successor Agency and the Underwriter (the “Bond Purchase Contract”), presented at this meeting is hereby approved and any Authorized Officer acting alone is authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute, acknowledge and deliver the Bond Purchase Contract in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the true interest cost of the Refunding Bonds shall not exceed 4.75%, the underwriters’ discount (exclusive of original issue discount) shall not exceed 0.75%, the maturity of the Refunding Bonds date shall not exceed the maximum permitted under the Law, and, as required by Health & Safety Code Section 34177.5, (i) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (ii) the principal amount of the Refunding Bonds shall not exceed the amount required to defease and refund the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance.

Section 5. Bond Insurance and Surety Bond. If an Authorized Officer determines that it will be advantageous to the Successor Agency to purchase municipal bond insurance or a debt service reserve fund surety bond with respect to some or all of the Refunding Bonds, such officer is hereby authorized (a) to purchase such insurance or surety bond on behalf of the Successor Agency at market rates, and (b) to make such changes to the agreements and documents relating to the Refunding Bonds as may be needed to obtain such insurance or surety bond. In connection with any such surety bond, each Authorized Officer is hereby severally authorized and directed to execute and deliver an agreement on behalf of the Successor Agency, in such form as approved by such Authorized Officer, with the provider of such surety bond pursuant to which the Successor Agency would agree to reimburse such provider for any draws under such surety bond and to pay such provider any other fees and expenses related thereto as such Authorized Officer shall approve, such approval (and the approval by the Authorized Officer of the form of such agreement) to be conclusively evidenced by the execution and delivery of such agreement.

Section 6. Recovery of Costs. The Successor Agency is hereby authorized to recover its costs of issuance with respect to the Refunding Bonds including the cost of reimbursing the City for staff time and costs spent with respect to the Refunding Bonds.

Section 7. Confirmation of Subordination. As provided in the Subordination Agreement, the Successor Agency ratifies and confirms the subordination of certain Former RDA payment obligations to the City to the payment of debt service on the Refunding Bonds, as provided in the Subordination Agreement.

Section 8. Other Acts. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things, including seeking subordination of existing Pass Through Obligations, as defined in the Indenture, to execute and deliver any and all documents, including refunding escrow instructions, which in consultation with Orrick, Herrington & Sutcliffe LLP, the Successor Agency’s bond counsel, they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Refunding

Bonds, or otherwise effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

Section 9. Effective Date. This Resolution shall take effect upon adoption.

ADOPTED this May 16, 2017.

Dr. Yxstian A. Gutierrez
Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney

By: _____
City Attorney

Attachment: Moreno Valley Successor Agency RPTTF Approving Resolution (Moreno Valley 2017 RDA Refunding) [Revision 1] (2599 :

[Attach Clerk's Certificate]

Attachment: Moreno Valley Successor Agency RPTTF Approving Resolution (Moreno Valley 2017 RDA Refunding) [Revision 1] (2599 :

Bond Refunding Financing Plan

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Tax Allocation Refunding Bonds, Series 2017A

	2017 TABs A- Underlying, Surety ⁽¹⁾⁽²⁾
Refunding Bond Amount	\$37,875,000
Par Refunded	\$40,855,000
Final Maturity	8/1/2038
Average Coupon of Refunded Bonds	4.93%
Average Coupon of Refunding Bonds	5.00%
True Interest Cost (effective rate)	4.02%
Net Present Value Savings (\$)	\$2,809,154
Present Value Savings (%)	6.88%
Nominal Savings (\$)	\$3,262,066
Average Annual Savings* (\$)	\$155,336
Taxing Entities Share of Average Annual Savings:	
County General Fund	\$21,810
City Of Moreno Valley (including Moreno Valley Fire Department)	\$19,598
City Of Moreno Valley Library	\$2,735
Moreno Valley Unified School	\$39,255
Val Verde Unified School District	\$183
Riverside City Community College	\$7,822
Riverside County Superintendent Of Schools	\$6,398
Flood Control Zone 4	\$1,448
Edgemont Community Services District	\$1,440
Moreno Valley Community Services District	\$4,546
Eastern Municipal Water District	\$13,215
Western Municipal Water District	\$364
San Jacinto Basin Resource Conservation District	\$0
ERAF	\$36,522
Total	\$155,336

*Bonds are structured to provide Front-Loaded Debt Service Savings through 8/1/2027. Majority of savings are generated in the first six years.

(1) Assumes Closing Date of 8/3/2017, Market Conditions as of 3/29/2017

(2) Refunding assumes Surety at 3.0% and Bond Insurance at 80 bps

SOURCES AND USES OF FUNDS

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
2017 Tax Allocation Refunding Bonds
(Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Dated Date 08/03/2017
Delivery Date 08/03/2017

Sources:

Bond Proceeds:	
Par Amount	37,875,000.00
Premium	4,334,457.80
	<u>42,209,457.80</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit (3)	41,036,977.47
Delivery Date Expenses:	
Cost of Issuance (4)	250,000.00
Underwriter's Discount (5)	284,062.50
Bond Insurance (80 bps) (6)	527,279.83
Surety Reserve Fund (350 bps) (6)	<u>109,642.50</u>
	1,170,984.83
Other Uses of Funds:	
Additional Proceeds	1,495.50
	<u>42,209,457.80</u>

Financing Evaluated at Interest Rate Spreads to the Generic 'AAA' Municipal Yield Index ('MMD') of +90 basis points through Maturity (2038). Interest Rates Assumed in this Presentation are Based on Current Market Conditions and Similar Credits (A-). Actual Results may Differ and Stifel makes no Commitment to Underwrite at these Levels.

- (1) Bonds are Structured so as to Provide Front-Loaded Debt Service Savings
- (2) Settlement Date is Based on the Financial Advisor's Most Recent Timetable (March 28, 2017)
- (3) Escrow Fund Presumed to stay Uninvested in Cash until the Call Date of the 2007 TABs (Estimated at 32 Days Post-Closing)
- (4) Cost of Issuance is Based on Comparable Tax Allocation Transactions that have recently come to Market
- (5) Underwriter's Discount is Preliminary; Subject to Change
- (6) Bond Insurance and Surety Reserve Fund Premiums are Estimates Based on Current Market Comparables

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

BOND SUMMARY STATISTICS

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
 2017 Tax Allocation Refunding Bonds
 (Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Dated Date	08/03/2017
Delivery Date	08/03/2017
First Coupon	02/01/2018
Last Maturity	08/01/2038
Arbitrage Yield	3.779653%
True Interest Cost (TIC)	4.015488%
Net Interest Cost (NIC)	4.277618%
All-In TIC	4.219816%
Average Coupon	5.000000%
Average Life (years)	14.804
Weighted Average Maturity (years)	14.705
Duration of Issue (years)	10.713
Par Amount	37,875,000.00
Bond Proceeds	42,209,457.80
Total Interest	28,034,979.17
Net Interest	23,984,583.87
Bond Years from Dated Date	560,699,583.33
Bond Years from Delivery Date	560,699,583.33
Total Debt Service	65,909,979.17
Maximum Annual Debt Service	3,654,750.00
Average Annual Debt Service	3,139,400.97
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.500000
Total Underwriter's Discount	7.500000
Bid Price	110.694113

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	22,060,000.00	113.297	5.000%	11.729	18,866.75
Term Bond 2038	15,815,000.00	108.859	5.000%	19.092	13,600.90
	37,875,000.00			14.804	32,467.65

	TIC	All-In TIC	Arbitrage Yield
Par Value	37,875,000.00	37,875,000.00	37,875,000.00
+ Accrued Interest			
+ Premium (Discount)	4,334,457.80	4,334,457.80	4,334,457.80
- Underwriter's Discount	-284,062.50	-284,062.50	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts		-636,922.33	-636,922.33
Target Value	41,925,395.30	41,038,472.97	41,572,535.47
Target Date	08/03/2017	08/03/2017	08/03/2017
Yield	4.015488%	4.219816%	3.779653%

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

BOND PRICING

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
 2017 Tax Allocation Refunding Bonds
 (Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	08/01/2023	870,000	5.000%	2.470%	114.016				121,939.20
	08/01/2024	1,655,000	5.000%	2.680%	114.707				243,400.85
	08/01/2025	1,730,000	5.000%	2.820%	115.505				268,236.50
	08/01/2026	1,815,000	5.000%	2.990%	115.749				285,844.35
	08/01/2027	1,905,000	5.000%	3.130%	115.942				303,695.10
	08/01/2028	2,000,000	5.000%	3.270%	114.647 C	3.393%	08/01/2027	100.000	292,940.00
	08/01/2029	2,095,000	5.000%	3.410%	113.370 C	3.616%	08/01/2027	100.000	280,101.50
	08/01/2030	2,200,000	5.000%	3.500%	112.558 C	3.769%	08/01/2027	100.000	276,276.00
	08/01/2031	2,470,000	5.000%	3.590%	111.753 C	3.902%	08/01/2027	100.000	290,299.10
	08/01/2032	2,595,000	5.000%	3.670%	111.043 C	4.013%	08/01/2027	100.000	286,565.85
	08/01/2033	2,725,000	5.000%	3.740%	110.426 C	4.104%	08/01/2027	100.000	284,108.50
		<u>22,060,000</u>							<u>2,933,406.95</u>
Term Bond 2038:									
	08/01/2034	2,860,000	5.000%	3.920%	108.859 C	4.352%	08/01/2027	100.000	253,367.40
	08/01/2035	3,005,000	5.000%	3.920%	108.859 C	4.352%	08/01/2027	100.000	266,212.95
	08/01/2036	3,155,000	5.000%	3.920%	108.859 C	4.352%	08/01/2027	100.000	279,501.45
	08/01/2037	3,315,000	5.000%	3.920%	108.859 C	4.352%	08/01/2027	100.000	293,675.85
	08/01/2038	3,480,000	5.000%	3.920%	108.859 C	4.352%	08/01/2027	100.000	308,293.20
		<u>15,815,000</u>							<u>1,401,050.85</u>
		<u>37,875,000</u>							<u>4,334,457.80</u>

Dated Date	08/03/2017	
Delivery Date	08/03/2017	
First Coupon	02/01/2018	
Par Amount	37,875,000.00	
Premium	4,334,457.80	
Production	42,209,457.80	111.444113%
Underwriter's Discount	-284,062.50	-0.750000%
Purchase Price	41,925,395.30	110.694113%
Accrued Interest		
Net Proceeds	41,925,395.30	

BOND DEBT SERVICE

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
2017 Tax Allocation Refunding Bonds
(Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Dated Date 08/03/2017
Delivery Date 08/03/2017

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2018			1,883,229.17	1,883,229.17
08/01/2019			1,893,750.00	1,893,750.00
08/01/2020			1,893,750.00	1,893,750.00
08/01/2021			1,893,750.00	1,893,750.00
08/01/2022			1,893,750.00	1,893,750.00
08/01/2023	870,000	5.000%	1,893,750.00	2,763,750.00
08/01/2024	1,655,000	5.000%	1,850,250.00	3,505,250.00
08/01/2025	1,730,000	5.000%	1,767,500.00	3,497,500.00
08/01/2026	1,815,000	5.000%	1,681,000.00	3,496,000.00
08/01/2027	1,905,000	5.000%	1,590,250.00	3,495,250.00
08/01/2028	2,000,000	5.000%	1,495,000.00	3,495,000.00
08/01/2029	2,095,000	5.000%	1,395,000.00	3,490,000.00
08/01/2030	2,200,000	5.000%	1,290,250.00	3,490,250.00
08/01/2031	2,470,000	5.000%	1,180,250.00	3,650,250.00
08/01/2032	2,595,000	5.000%	1,056,750.00	3,651,750.00
08/01/2033	2,725,000	5.000%	927,000.00	3,652,000.00
08/01/2034	2,860,000	5.000%	790,750.00	3,650,750.00
08/01/2035	3,005,000	5.000%	647,750.00	3,652,750.00
08/01/2036	3,155,000	5.000%	497,500.00	3,652,500.00
08/01/2037	3,315,000	5.000%	339,750.00	3,654,750.00
08/01/2038	3,480,000	5.000%	174,000.00	3,654,000.00
	37,875,000		28,034,979.17	65,909,979.17

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

SUMMARY OF BONDS REFUNDED

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
 2017 Tax Allocation Refunding Bonds
 (Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2007 Tax Allocation Bonds, Series A, 2007:					
BOND	08/01/2018	4.000%	260,000.00	09/04/2017	100.000
	08/01/2019	4.000%	265,000.00	09/04/2017	100.000
	08/01/2020	4.125%	270,000.00	09/04/2017	100.000
	08/01/2021	4.250%	285,000.00	09/04/2017	100.000
	08/01/2022	4.300%	1,320,000.00	09/04/2017	100.000
	08/01/2023	4.500%	1,370,000.00	09/04/2017	100.000
	08/01/2024	4.500%	1,685,000.00	09/04/2017	100.000
	08/01/2025	4.500%	1,755,000.00	09/04/2017	100.000
	08/01/2026	4.600%	1,830,000.00	09/04/2017	100.000
	08/01/2027	4.625%	1,915,000.00	09/04/2017	100.000
TERM32	08/01/2032	5.000%	11,360,000.00	09/04/2017	100.000
TERM38	08/01/2038	5.000%	18,540,000.00	09/04/2017	100.000
			40,855,000.00		

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
2017 Tax Allocation Refunding Bonds
(Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Dated Date	08/03/2017
Delivery Date	08/03/2017
Arbitrage yield	3.779653%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	37,875,000.00
True Interest Cost	4.015488%
Net Interest Cost	4.277618%
All-In TIC	4.219816%
Average Coupon	5.000000%
Average Life	14.804
Par amount of refunded bonds	40,855,000.00
Average coupon of refunded bonds	4.934215%
Average life of refunded bonds	14.042
PV of prior debt to 08/03/2017 @ 3.779653%	45,788,931.76
Net PV Savings	2,809,154.44
Percentage savings of refunded bonds	6.875913%
Percentage savings of refunding bonds	7.416909%

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

SAVINGS

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
 2017 Tax Allocation Refunding Bonds
 (Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 08/03/2017 @ 3.7796531%
08/01/2018	2,245,208.76	1,883,229.17	361,979.59	349,773.02
08/01/2019	2,239,808.76	1,893,750.00	346,058.76	321,867.45
08/01/2020	2,234,208.76	1,893,750.00	340,458.76	304,942.78
08/01/2021	2,238,071.26	1,893,750.00	344,321.26	296,970.99
08/01/2022	3,260,958.76	1,893,750.00	1,367,208.76	1,134,380.16
08/01/2023	3,254,198.76	2,763,750.00	490,448.76	391,772.71
08/01/2024	3,507,548.76	3,505,250.00	2,298.76	1,567.66
08/01/2025	3,501,723.76	3,497,500.00	4,223.76	2,985.56
08/01/2026	3,497,748.76	3,496,000.00	1,748.76	1,159.31
08/01/2027	3,498,568.76	3,495,250.00	3,318.76	2,239.28
08/01/2028	3,495,000.00	3,495,000.00		
08/01/2029	3,490,000.00	3,490,000.00		
08/01/2030	3,490,250.00	3,490,250.00		
08/01/2031	3,650,250.00	3,650,250.00		
08/01/2032	3,651,750.00	3,651,750.00		
08/01/2033	3,652,000.00	3,652,000.00		
08/01/2034	3,650,750.00	3,650,750.00		
08/01/2035	3,652,750.00	3,652,750.00		
08/01/2036	3,652,500.00	3,652,500.00		
08/01/2037	3,654,750.00	3,654,750.00		
08/01/2038	3,654,000.00	3,654,000.00		
	69,172,045.10	65,909,979.17	3,262,065.93	2,807,658.94

Savings Summary

PV of savings from cash flow	2,807,658.94
Plus: Refunding funds on hand	1,495.50
Net PV Savings	2,809,154.44

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

ESCROW REQUIREMENTS

Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
2017 Tax Allocation Refunding Bonds
(Refunding of the 2007 Tax Allocation Bonds, Series A)

Front-Loaded Savings Structure

Period Ending	Interest	Principal Redeemed	Total
09/04/2017	181,977.47	40,855,000.00	41,036,977.47
	181,977.47	40,855,000.00	41,036,977.47

Attachment: Bond Refunding Financing Plan - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF

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INDENTURE OF TRUST

by and between

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Dated as of [DATED DATE]

relating to

\$ _____

**Successor Agency to the Community Redevelopment Agency of
the City of Moreno Valley
Subordinate Tax Allocation Refunding Bonds, Series 2017**



Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

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Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

THIS INDENTURE OF TRUST, dated as of [DATED DATE] (the “Indenture”), by and between the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY (the “Agency”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in Los Angeles, California, as trustee (the “Trustee”),

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the City Council of the City of Moreno Valley (the “City”) created the Community Redevelopment Agency of the City of Moreno Valley (the “Former RDA”); and

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley is the successor agency established following the dissolution of the Former RDA on February 1, 2012 pursuant to Assembly Bill X1 26 (“AB 26”); and

WHEREAS, as provided in California Health and Safety Code Section 34173(g), the Agency is a separate public entity from the City, which provides for its governance, and the two entities shall not merge; and

WHEREAS, Assembly Bill No. 1484 (“AB 1484”), a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, Senate Bill No. 107 (“AB 107”), a follow on bill to AB 26 and AB 1484, was enacted on September 22, 2015 and provides additional terms and amendments for operations of a successor agency; and

WHEREAS, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, in 2007, the Former RDA issued and sold \$43,495,000 aggregate principal amount of its Community Redevelopment Agency of the City of Moreno Valley, 2007 Tax Allocation Bonds, Series A, of which \$40,855,000 aggregate principal amount will be outstanding as of August 2, 2017 (the “Refunded Bonds”), pursuant to an Indenture of Trust with respect to the Refunded Bonds, dated as of October 1, 2007 (the “Prior Indenture”), by and between the Former RDA and Wells Fargo Bank, National Association, as trustee (the “2007 Trustee”), secured by and payable from tax increment revenues allocated to the Project Area, and which Refunded Bonds are subject to optional redemption at any time at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium;

WHEREAS, the Agency has determined to refund and defease the Refunded Bonds; and

WHEREAS, the Agency has determined to issue its Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Subordinate Tax Allocation Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in order to refund the Refunded Bonds, [fund the Reserve Account or purchase a Qualified Reserve Account Credit Instrument for deposit to the Reserve Account for the Series 2017 Bonds] and pay the costs of issuance of the Series 2017 Bonds; and

WHEREAS, the Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues (as defined herein) and certain moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, the Bonds will be issued and payable on a basis subordinate to that portion of the pledge of Tax Revenues (as defined in the respective Senior Indentures) securing the payment of principal of and interest on the Senior Bonds; and

WHEREAS, the Bonds will be issued and payable from amounts on deposit in the Redevelopment Property Tax Trust Fund; and

WHEREAS, all conditions, things and acts required by law to exist, happen and be performed precedent to and in connection with the issuance of the Series 2017 Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly empowered to issue the Series 2017 Bonds;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Agency does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 **Definitions.** Unless the context otherwise requires, the terms defined in this section shall for all purposes of the Indenture and of the Bonds and of any certificate, opinion, report, request or other document herein or therein mentioned have the meanings herein specified.

“**Additional Bonds**” shall mean all tax allocation bonds of the Agency authorized and executed pursuant to the Indenture and issued and delivered in accordance with Article IV.

“**Agency**” shall mean the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, as successor to the Former RDA in accordance with the Dissolution Act.

“**Annual Debt Service**” shall mean, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“**Authorized Denomination**” shall mean \$5,000 principal amount of Bonds, or any integral multiple thereof.

“**Average Annual Debt Service**” shall mean the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“**Bond Counsel**” shall mean counsel of recognized national standing in the field of law relating to municipal bonds.

[“**Bond Insurance Policy**” and “**2017 Bond Insurance Policy**” have the following meanings: “**Bond Insurance Policy**” shall mean, as the context suggests, each of the insurance policies or the applicable insurance policy including, without limitation, the 2017 Bond Insurance Policy, issued by the Bond Insurer guaranteeing the scheduled payment of principal of, and the interest when due on, the applicable Series of Bonds. “**2017 Bond Insurance Policy**” shall mean, respectively, the Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal of, and the interest when due on, the Insured Series 2017 Bonds, issued by the 2017 Bond Insurer and dated _____, 2017.]

[“**Bond Insurer**” and “**2017 Bond Insurer**” have the following meanings: “**Bond Insurer**” shall mean the issuer or issuers of a policy or policies of municipal bond insurance obtained by the Agency to insure the payment of principal of and interest on a Series of Bonds issued under this Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. “**2017 Bond Insurer**” shall mean _____, or any successor thereto or assignee thereof, as insurer of the Insured Series 2017 Bonds and issuer of the 2017 Reserve Policy.]

“**Bond Register**” shall mean the registration books specified as such in Section 2.13 hereof.

“**Bond Year**” shall mean (1) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding August 1, and (2) thereafter, each twelve-month period from August 2 in any calendar year to and including August 1 in the following calendar year.

“**Bonds**” shall mean the Series 2017 Bonds and all Additional Bonds.

“**Business Day**” shall mean a day of the year on which banks in Los Angeles, California, and any other place in which the Corporate Trust Office of the Trustee is located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“**City**” shall mean the City of Moreno Valley, California.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended and any regulations of the United States Department of the Treasury issued thereunder.

“**Compliance Costs**” shall mean those costs incurred by the Agency or the Trustee in connection with their compliance with the Indenture and the Continuing Disclosure Certificate that are chargeable against the Redevelopment Property Tax Trust Fund as provided in Section 5.01 and 6.16, including legal fees and charges, other related administrative costs of the Agency, fees and disbursements of consultants and professionals, rating agency fees, amounts to reimburse the Bond Insurer for draws on its Bond Insurance Policy (including any other amounts due to the 2017 Bond Insurer), and Qualified Reserve Account Credit Instruments, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 and the Tax Certificate.

“**Consultant’s Report**” shall mean a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of the Indenture to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“**Continuing Disclosure Certificate**” shall mean that Continuing Disclosure Certificate, of the Agency, dated as of [DATED DATE], relating to the Series 2017 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” shall mean such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Agency, initially being such office located in Los Angeles, California except that with respect to presentation of Bonds for registration, payment, redemption, transfer or exchange, such terms shall mean the office, or agency of the Trustee at any particular time, its corporate trust agency business shall be conducted, or such other office designated by the Trustee from time to time as its Corporate Trust Office.

“Costs of Issuance Fund” shall mean the Fund by that name established pursuant to Section 5.06 hereof.

“Costs of Issuance” shall mean all items of expense directly or indirectly payable by or reimbursable to the Agency or the City and related to the authorization, issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Escrow Agent, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the refunding of the Refunded Bonds as provided in a Costs of Issuance invoice transmitted by the Agency (which may include costs and expenses of the Agency and the City) to the Agency and the Trustee at the time of the original issuance of the Bonds to be paid from proceeds of the Bonds in accordance with Section 3.01 or as provided in a Supplemental Indenture.

“County” shall mean the County of Riverside, a political subdivision of the State of California.

“County Auditor-Controller” shall mean the Auditor-Controller of the County of Riverside.

“Dissolution Act” shall mean Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the Law.

“DOF” shall mean the State of California Department of Finance.

“Escrow Agent” shall mean Wells Fargo Bank, National Association, as prior trustee and Escrow Agent under the Escrow Agreement.

“Escrow Agreement” shall mean the Irrevocable Refunding Instructions (Series 2007A Bonds).

“Expense Account” shall mean the account established pursuant to Section 5.03 hereof.

“Federal Securities” shall mean (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually

against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Fiscal Year” shall mean the period commencing on July 1 of each year after the date of the sale and delivery of the Bonds and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year in accordance with the Law and with notice to the Trustee.

“Former RDA” shall mean the Community Redevelopment Agency of the City of Moreno Valley, created by the City Council of the City.

“Indenture” shall mean this Indenture and all Supplemental Indentures.

“Independent Certified Public Accountant” shall mean any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Agency, and who, or each of whom:

- (1) is in fact independent and not under the domination of the Agency;
- (2) does not have any substantial interest, direct or indirect, with the Agency; and
- (3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

“Independent Financial Consultant” shall mean a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

- (1) is in fact independent and not under the domination of the Agency;
- (2) does not have any substantial interest, direct or indirect, with the Agency; and
- (3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

“Independent Redevelopment Consultant” shall mean a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies and their successor agencies, appointed and paid by the Agency and who, or each of whom:

- (1) is in fact independent and not under the domination of the Agency;
- (2) does not have any substantial interest, direct or indirect, with the Agency; and
- (3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

["Insured Series 2017 Bonds"] shall mean each maturity of the Series 2017 Bonds.]

“Interest Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Interest Payment Date” shall mean any February 1 or August 1 on which interest on any Series of Bonds is scheduled to be paid, commencing February 1, 2018, with respect to the Series 2017 Bonds.

“Investment Agreement” shall mean an investment agreement or guaranteed investment contract meeting the description and the requirements contained in clause (10) of the definition of Permitted Investments herein.

“Investment Earnings” shall mean all interest earned and any realized gains and losses on the investment of moneys in any fund or account created by the Indenture or by any Supplemental Indenture.

“Law” shall mean the Community Redevelopment Law of the State of California (being Part I of Division 24 of the California Health and Safety Code, as amended), and all laws amendatory thereof or supplemental thereto including, without limitation, the Dissolution Act.

“Maximum Annual Debt Service” shall mean the largest Annual Debt Service for any Bond Year, including the Bond Year in which the calculation is made.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Officer’s Certificate” shall mean a certificate signed by the Mayor, the City Manager or the Director of Finance, acting for and on behalf of the Agency, the Executive Director of the Agency, or the City Clerk acting for the Agency.

“Outstanding” when used as of any particular time with reference to Bonds, shall mean (subject to the provisions of Section 9.02) all Bonds except:

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 11.02; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Agency pursuant to the Indenture.

“Oversight Board” shall mean the oversight board of the Agency duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“**Owner**” or “**Bondowner**” whenever employed herein shall mean the person in whose name such Bond shall be registered.

“**Parity Debt**” shall mean any additional tax allocation bonds, notes, interim certificates, debentures or other obligations issued by the Agency as permitted by the Indenture payable out of Tax Revenues and ranking on a parity with the Bonds.

“**Pass-Through Agreements**” shall mean each pass-through agreement and tax sharing agreement entered into by the Agency with respect to the Project Area.

“**Pass Through Obligations**” shall mean (i) the statutory pass-through obligations of the Agency described under Section 33607.5 of the Law, and (ii) the Pass-Through Agreements, and shall include amounts elected to be allocated pursuant to subdivision (a) of Section 33676 and Section 33607.7 or of the California Health and Safety Code.

“**Permitted Investments**” shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by local agencies (provided that the Trustee shall be entitled to rely upon any Written Request from the Agency as conclusive certification to the Trustee that the investments described therein are permitted by the general laws of the State of California applicable to investments by local agencies):

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a national banking association, bank, trust company or bank holding company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)

- GNMA-guaranteed mortgage-backed securities
- GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
- Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National Mortgage Association (“GNMA”); and (f) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having at the time of purchase “A” or better rating for the issuer’s long-term debt as provided by S&P and “A-1” or better rating for the issuer’s short-term debt as provided by S&P.

(4) The Riverside County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of “P-1” by S&P, and a long-term debt rating of no less than “A” by S&P.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P which may include the Trustee and its affiliates.

(8) Pre-refunded municipal obligations rated “AAA” by S&P meeting the following requirements:

- (a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(9) Repurchase agreements which have a maximum maturity of 30 days, or due on demand, and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” by S&P.

(11) Local Agency Investment Fund (established under Section 16429.1 of the California Government Code), provided that such investment is held in the name and to the credit of the Trustee, and provided further that the Trustee may restrict such investment if required to keep moneys available for the purposes of the Indenture.

(12) Shares in a State of California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended.

“Principal Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Principal Installment” shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds (including mandatory sinking fund payments) due on such date, if any.

“Principal Corporate Trust Office” shall mean the office of the Trustee in Los Angeles, California, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office, or agency of the Trustee at any

particular time its corporate trust agency business shall be conducted, or such other offices as it shall designate from time to time.

“Principal Payment Date” shall mean any August 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on August 1, 2018 with respect to the Series 2017 Bonds.

“Project Area” shall mean the territory comprising the Moreno Valley Redevelopment Project, approved by Ordinance No. 87-154 enacted by the City Council of the City on December 29, 1987, together with any amendments duly authorized pursuant to the Redevelopment Law.

“Qualified Reserve Account Credit Instrument” shall mean (i) the 2017 Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating to such bank or insurance company of “A” (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Account Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Term Bonds Sinking Account for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to the Trustee before the effective date of any such Qualified Reserve Account Credit Instrument.

“Rebate Fund” shall mean the Rebate Fund established pursuant to Section 6.11 hereof.

“Rebate Instructions” shall mean those calculations and directions required to be delivered to the Trustee by the Agency pursuant to the Tax Certificate.

“Rebate Requirement” shall mean the Rebate Requirement defined in the Tax Certificate.

“Recognized Obligation Payment Schedule” or “ROPS” shall mean a Recognized Obligation Payment Schedule, setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177 of the Dissolution Act, each prepared and approved from time to time pursuant to the Dissolution Act.

“Redevelopment Obligation Retirement Fund” shall mean the fund by that name established pursuant to Section 34170.5(a) of the Law and administered by the Agency.

“Redevelopment Plan” shall mean the [Amended and Restated Redevelopment Plan for the Moreno Valley Merged Redevelopment Project Area], together with any amendments to such redevelopment plan duly authorized pursuant to the Law.

“Redevelopment Property Tax Trust Fund” shall mean the fund by that name established pursuant to Section 34170.5(b) of the Law and administered by the County Auditor-Controller.

“Refunded Bonds” shall have the meaning set forth in the whereas clauses above.

“Regulations” shall mean temporary and permanent regulations promulgated or applicable under Section 103 and all related provisions of the Code.

“Related Documents” shall mean the Indenture and any other document executed by the Agency in connection with the issuance of the Series 2017 Bonds including, without limitation, the Series 2017 Bonds issued hereunder.

“Reserve Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Reserve Account Requirement” shall mean as of the date of any calculation, with respect to all Outstanding Bonds an amount equal to the lesser of (i) the Maximum Annual Debt Service attributable to the Outstanding Bonds or (ii) 125% of Average Annual Debt Service attributable to the Outstanding Bonds; provided however, that the Reserve Account Requirement when issuing a new Series of Bonds shall be the lesser of (i) or (ii) above, but limited to the addition to the Reserve Account of no more than 10% of the proceeds from the sale of such new Series of Bonds.

“Responsible Officer” shall mean any Vice-President, Assistant Vice President, Trust Officer or other officer of the Trustee having regular responsibility for corporate trust matters.

“ROPS Payment Period” shall mean a ROPS Period; provided, that if the Dissolution Act is hereafter amended such that each ROPS Period covers a fiscal period of a different length, then “ROPS Payment Period” shall mean the period during which moneys distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Act, as amended.

“ROPS Period” shall mean each annual period from July 1 to June 30, inclusive, as provided in subdivision (o) of Section 34177 of the Dissolution Act; provided, that if the Dissolution Act is hereafter amended such that each ROPS covers a fiscal period of a different length, then “ROPS Period” shall mean such other applicable period established under the Dissolution Act, as amended.

“RPTTF” or **“Redevelopment Property Tax Trust Fund”** shall mean the fund by that name established pursuant to Health and Safety Code Section 34170.5(b) and administered by the County Auditor-Controller.

“RPTTF Distribution Date” shall mean each January 2 and June 1, as specified in Section 34183 of the Dissolution Act, on which the County Auditor-Controller allocates and distributes to the Agency monies from the RPTTF for payment on enforceable obligations pursuant to an approved ROPS.

“Securities Depository” shall mean, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Trustee.

“Senior Bond Indentures” shall mean the Senior Towngate Indenture and the Senior Improvement Area No. 1 Indenture.

“Senior Improvement Area No. 1 Indenture” means the Bond Indenture, dated as of October 1, 2007, between the Community Facilities District No. 87-1 (Towngate) of the City of Moreno Valley and Wells Fargo Bank, National Association, as trustee.

“Senior Towngate Indenture” means the Bond Indenture, dated as of October 1, 2007, between the Community Facilities District No. 87-1 (Towngate) of the City of Moreno Valley and Wells Fargo Bank, National Association, as trustee.

“Senior Bonds” shall mean (i) the City of Moreno Valley Towngate Community Facilities District No. 87-1, 2007 Special Tax Refunding Bonds, originally issued in the amount of \$10,665,000, of which \$_____ are outstanding (the “Towngate Bonds”) and (ii) the City of Moreno Valley Community Facilities District No. 87-1 (Towngate) Improvement Area No. 1, Special Tax Refunding Bonds, originally issued in the amount of \$4,075,000, of which \$_____ are outstanding (the “Improvement Area No. 1 Bonds”).

“Serial Bonds” shall mean Bonds for which no Sinking Account Installments are provided.

“Series” shall mean the initial series of Series 2017 Bonds executed, authenticated and delivered and identified pursuant to the Indenture as the Series 2017 Bonds and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate series of Bonds.

“Series 2017 Bonds” shall mean the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Subordinate Tax Allocation Refunding Bonds, Series 2017.

“Sinking Account Installment” shall mean the amount of money required to be paid by the Agency on a Sinking Account Payment Date toward the retirement of any particular Term Bonds on or prior to their respective stated maturities, as set forth in the Indenture.

“Sinking Account Payment Date” shall mean any August 1 on which Sinking Account Installments on Term Bonds are scheduled to be paid, as set forth in the Indenture.

“S&P” shall mean Standard & Poor’s Financial Services LLC and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then “S&P” shall be deemed to refer to any other nationally-recognized rating agency selected by the Agency.

“Substitute Depository” shall mean the substitute depository as defined in Section 2.12.

“Supplemental Indenture” shall mean any indenture amending or supplementing the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“2017 Reserve Policy” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2017 Bond Insurer and dated _____, 2017.

“Tax Certificate” shall mean that certificate and agreement, relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Agency on the date the Series 2017 Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

“Tax Exempt” shall mean, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the owners thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Tax Increment Fund” shall mean the fund established pursuant to Section 5.01 hereof.

“Tax Revenues” shall mean all taxes annually allocated and paid to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plan available for or deposited into the RPTTF, to the extent not payable to Senior Bonds, payable with respect to Pass Through Obligations, and subject to the equal and senior claims of indebtedness, if, any.

If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

“Term Bonds” shall mean Bonds which are payable on or before their specified maturity dates from Sinking Account Installments established for that purpose.

“Term Bonds Sinking Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Trustee” shall mean Wells Fargo Bank, National Association, appointed by the Agency in Section 7.01 and acting with the duties and powers herein provided, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.02.

“Verification Report” shall mean a report of an independent firm of nationally recognized certified public accountants, or such other firm as shall be acceptable to the Bond

Insurer, addressed to the Agency, the Trustee and the Bond Insurer, verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“Written Request of the Agency” shall mean an instrument in writing signed by the Mayor, the City Manager or Chief Financial Officer, acting for and on behalf of the Agency, the Executive Director of the Agency, or the City Clerk acting for the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Agency and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions herein contained; and the agreements and covenants herein set forth to be performed on behalf of the Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any Bonds over any other Bonds.

ARTICLE II

THE BONDS; CERTAIN PROVISIONS OF THE BONDS

Section 2.01 General Authorization; Bonds. The Series 2017 Bonds and Additional Bonds may be issued at any time under and subject to the terms of the Indenture. The Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2017 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2017 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2017 Bonds in the manner and form provided in the Indenture. Accordingly, the Agency hereby authorizes the issuance of the Series 2017 Bonds for the purposes set forth in the preamble of the Indenture.

Section 2.02 Terms of Series 2017 Bonds. The Series 2017 Bonds authorized to be issued by the Agency under and subject to the terms of the Indenture and the Law shall be designated the “Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Subordinate Tax Allocation Refunding Bonds, Series 2017” and shall be in the aggregate principal amount of \$XX,000,000. The Series 2017 Bonds shall be issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Bonds maturing at any one time). The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond for each maturity of Bonds in the principal amount of the respective maturities of Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

Payment of interest on the Series 2017 Bonds shall be made to Cede & Co. as registered owner, or such other person whose name appears on the bond registration books of the Trustee as the registered owner of the Series 2017 Bonds, as of the close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the "Record Date), or if otherwise instructed, by check mailed to such registered owner at its address as it appears on such books or at such other address as it may have filed with the Trustee for that purpose prior to the Record Date.

The Series 2017 Bonds shall be numbered in consecutive numerical order from R1 upwards. The Series 2017 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Interest Payment Date, in which event they shall bear interest from _____, 2017, provided, however, that if, at the time of authentication of the Series 2017 Bond, interest is then in default on such Series 2017 Bond, such Series 2017 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment. Interest on the Series 2017 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2017 Bonds shall be dated their date of initial delivery and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Maturity Date (August 1)	Principal Amount	Interest Rate
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* Insured Series 2017 Bonds.

Principal and redemption premiums, if any, on the Series 2017 Bonds shall be payable in immediately available funds. Principal and redemption premiums, if any, and interest on the Series 2017 Bonds shall be paid in lawful money of the United States of America.

Section 2.03 Form of Series 2017 Bonds. The Series 2017 Bonds, the Trustee's authentication and registration endorsement, and the assignment to appear thereon shall be substantially in the form attached hereto as Appendix A.

Section 2.04 Redemption of Series 2017 Bonds.

(a) Optional Redemption of Series 2017 Bonds. The Series 2017 Bonds maturing on or after August 1, 2028, are subject to optional redemption before maturity on or after August 1, 2027, at the option of the Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2017 Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

(b) Mandatory Sinking Account Redemption of Series 2017 Bonds. The Series 2017 Bonds [to come].

Section 2.05 Notice of Redemption. In the case of any redemption of Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by serial numbers, Series and maturity date (and interest rate in the case of bifurcated maturities), have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, the respective series of Bonds, or portions thereof, as applicable, so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Request of the Agency given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Request of the Agency, the Trustee shall promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Section 2.06 Selection of Bonds for Redemption. Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot (subject in the case of such redemption of Insured Series 2017 Bonds to the prior written approval of the Bond Insurer), and in selecting the Bonds for redemption the Trustee shall treat each Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand

dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Agency in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

Section 2.07 Payment of Redeemed Bonds. If notice of redemption has been given or waived as provided in Section 2.05, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of a Bond, the Agency shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such authorized denominations as shall be specified by the Owner. If the Owner of the Bonds is registered to Cede & Co., payment of the redeemed Bonds shall be made without presentment.

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Agency, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Section 2.08 Purchase in Lieu of Redemption. In lieu of redemption of any Bond pursuant to the provisions of subsection (a) of Section 2.04 or Section 5.02 hereof, amounts on deposit in the Term Bonds Sinking Account may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Agency may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Bonds shall be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Bonds so purchased shall be cancelled by the Trustee forthwith and shall not be reissued. The principal of any Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year shall be credited towards and shall reduce the principal of such Term Bonds required to be redeemed on such Sinking Account Payment Date in such year.

Section 2.09 Execution of Bonds. The Mayor, [the City Manager, the Chief Financial Officer or the Treasury Operations Division Manager], acting for and on behalf of the Agency or the Executive Director of the Agency shall execute each of the Bonds on behalf of the Agency and the City Clerk shall attest each of the Bonds on behalf of the Agency. Any of the signatures of said Mayor, [the City Manager, the Chief Financial Officer or the Treasury Operations Division Manager], acting for and on behalf of the Agency, the Executive Director of the Agency and the City Clerk may be by printed, lithographed or engraved facsimile reproduction.

In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds. Any Bond may be signed and attested on behalf of the Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Agency although at the nominal date of such Bond any such person may not have been such officer of the Agency.

Except as may be provided in a Supplemental Indenture, only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinbefore recited, executed and dated by the Trustee, upon the Written Request of the Agency, shall be entitled to any benefits under the Indenture or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so registered have been duly issued and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.10 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.12, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount of the same Series, interest rate and maturity date (and interest rate in the case of bifurcated maturities). The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not be required to register the transfer of any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.11 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office for a like aggregate principal amount of Bonds of the same Series, interest rate and maturity date (and interest rate in the case of bifurcated maturities) in other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to exchange any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.12 Use of Depository. Notwithstanding any provision of the Indenture to the contrary:

(a) The Bonds shall be initially issued as provided in Section 2.01. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“Substitute Depository”);

provided that any successor of the Securities Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Agency and not objected to by the Trustee, upon (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Agency that the Securities Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of the Securities Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository which is not objected to by the Trustee can be obtained or (2) a determination by the Agency that it is in the best interests of the Agency to remove the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Written Request of the Agency to the Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Written Request of the Agency. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee together with a Written Request of the Agency to the Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order and registered in the names of such persons as are requested in such a Written Request of the Agency, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Written Request of the Agency.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Agency and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Agency; and the Agency and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Agency nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or Substitute Depository or its successor), except for the Owner of any Bond.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Agency and the Trustee shall cooperate with Cede & Co., as sole registered

Owner, and its registered assigns in effecting payment of the principal of and redemption premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 2.13 Bond Registration Books. (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times, upon reasonable notice, be open to inspection by any Bondowner or his agent duly authorized in writing or the Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

(b) The person in whose name any Bond shall be registered shall be deemed the owner thereof for all purposes thereof, and payment of or on account of the principal of, and the interest on or redemption price of by such Bond shall be made only to or upon the order in writing of such Owner, which payment shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Upon initial issuance of the Bonds, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.12 in the name of Cede & Co.

Section 2.14 Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated, or shall be believed by the Agency or the Trustee to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee, and upon the surrender of such mutilated Bond at the Corporate Trust Office or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss, and upon receipt also of indemnity for the Trustee and the Agency satisfactory to the Trustee, and upon payment by the Owner of all expenses incurred by the Agency and the Trustee, the Agency shall execute and the Trustee shall authenticate and deliver at said office a new Bond or Bonds of the same Series and maturity and for the same aggregate principal amount, of like tenor and date, bearing the same number or numbers, with such notations as the Trustee shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Agency or the Trustee upon receipt of like proof, indemnity and payment of expenses.

Any such replacement Bonds issued pursuant to this section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder. The Agency and the Trustee shall not be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

Section 2.15 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Agency for the financing or refinancing of any redevelopment project financed with proceeds of the Refunded Bonds, or by any contracts made by the Agency in connection therewith, and shall not be dependent upon the completion of the financing such redevelopment project or upon the performance by any person of his obligation with respect to such redevelopment project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE III

APPLICATION OF PROCEEDS OF BONDS

Section 3.01 Application of Proceeds of Sale of Series 2017 Bonds -- Allocation Among Funds and Accounts. The proceeds of the sale of the Series 2017 Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as set forth below:

The proceeds (net of an allocable portion of underwriter's discount [and premiums paid to the 2017 Bond Insurer for its 2017 Reserve Policy and 2017 Bond Insurance Policy]) of the sale of the Series 2017 Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

- (a) The Trustee shall deposit in the Reserve Account established pursuant to Section 5.03(d) hereof the 2017 Reserve Policy;
- (b) The Trustee shall transfer \$_____ to the Escrow Agent for deposit into the Interest Account and the Redemption Account established under the Prior Indenture, in the amounts as provided in the Irrevocable Refunding Instructions (Series 2007A Bonds); and
- (c) The Trustee shall transfer \$_____ to the Costs of Issuance Fund for the payment of the Costs of Issuance allocable to the Series 2017 Bonds.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits and transfers.

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The Agency may at any time after the issuance and delivery of the Series 2017 Bonds hereunder issue Additional Bonds hereunder payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, for the purpose of refunding bonds or other indebtedness of the Agency or the Former RDA (including, without limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or

connected with such refunding or providing for the funding of related reserves, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) A Written Request of the Agency shall have been filed with the Trustee containing a statement to the effect that the Agency shall be in compliance with all covenants set forth in the Indenture and any Supplemental Indentures, and no Event of Default shall have occurred and be continuing.

(b) The issuance of such Additional Bonds shall have been duly authorized pursuant to the Law and all applicable laws, and the issuance of such Additional Bonds shall have been provided for by a Supplemental Indenture; which shall specify the following:

(i) The authorized principal amount of such Additional Bonds;

(ii) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal Payment Dates and Sinking Account Payment Dates may occur only on Interest Payment Dates, and (ii) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iii) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2017 Bonds;

(iv) The denomination and method of numbering of such Additional Bonds;

(v) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vi) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

(vii) The amount, if any, to be deposited from the proceeds of such Additional Bonds in the Reserve Account; provided that the amount deposited in or credited to such Reserve Account shall be increased at or prior to the time such Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then Outstanding Bonds and such Additional Bonds, and that an amount at least equal to the Reserve Account Requirement on all Outstanding Bonds shall thereafter be maintained in or credited to such Reserve Account;

(viii) The form of such Additional Bonds; and

(ix) Such other provisions, as are necessary or appropriate and not inconsistent with the Indenture.

(c) Such Additional Bonds may be issued only for the purpose of refunding bonds or other indebtedness of the Agency or its Former RDA (including, without limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding and funding or providing for the funding of related reserves, and the payment of all costs incidental to or connected with such refunding, provided that the issuance of such Additional Bonds shall comply with the terms of California Health and Safety Code Section 34177.5.

The Agency shall refund outstanding Senior Bonds on a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a) of the Dissolution Act. Nothing contained in the Indenture shall limit the issuance of any tax increment bonds or other obligations of the Agency secured by a lien and charge on Tax Revenues junior to that of the Bonds.

Section 4.02 Procedure for the Issuance of Additional Bonds. All of the Additional Bonds shall be executed by the Agency for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Written Request of the Agency, but only upon receipt by the Trustee of the following documents or money or securities:

(a) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Agency as to the authentication and delivery of such Additional Bonds;

(c) An opinion of Bond Counsel to the effect that (1) the Agency has the right and power under the Law to enter into the Indenture and all Supplemental Indentures thereto, and the Indenture and all such Supplemental Indentures have been duly executed by the Agency and are valid and binding upon the Agency and enforceable against the Agency in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases), and no other authorization for the Indenture or such Supplemental Indentures is required; (2) the Indenture creates the valid pledge which it purports to create of the Tax Revenues as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (3) such Additional Bonds are valid and binding special obligations of the Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Law, and such Additional Bonds have been duly and validly

authorized and issued in accordance with the Law and the Indenture and all such Supplemental Indentures;

(d) A Written Request of the Agency containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture; and

(e) Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE V

TAX REVENUES; CREATION OF FUNDS

Section 5.01 Pledge of Tax Revenues; Tax Increment Fund. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Outstanding Bonds and any Parity Debt as provided herein. The Agency hereby irrevocably grants to the Trustee for the benefit of the 2017 Bond Insurer, the issuer of the 2017 Reserve Policy and the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and hereby pledges and assigns, the Tax Revenues, whether held by the Agency, the County Auditor-Controller or the Trustee, and all amounts in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund), including the “Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Tax Increment Fund” (hereinafter called the “Tax Increment Fund”), which is hereby created by the Agency and which fund the Agency hereby covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder or amounts are owed to the 2017 Bond Insurer or the issuer of the 2017 Reserve Policy, to the Trustee for the benefit of the 2017 Bond Insurer, the issuer of the 2017 Reserve Policy and the Owners of the Outstanding Bonds.

Notwithstanding the foregoing, there shall not be deposited with the Trustee for deposit in the Tax Increment Fund any taxes eligible for allocation to the Agency pursuant to the Law in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Tax Increment Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Article X hereof. No additional bonds payable from Tax Revenues on a basis senior to or on a parity with the Bonds will be issued except pursuant to Article IV of the Indenture.

The Agency covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues when and as received, will be received by the Agency in trust hereunder and will be transferred to the Trustee within a reasonable period of time from the receipt by the Agency thereof, for deposit by the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as specifically provided otherwise in the Indenture. All such Tax Revenues, whether received by the Agency and held in trust

pending transfer or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency. Any Tax Revenues received by the Trustee in the Tax Increment Fund (other than amounts deposited in the Reserve Account) in excess of the amounts required to be held by the Trustee in the Tax Increment Fund shall be released from the pledge and lien hereunder and transferred to the Agency and may be used for any lawful purpose of the Agency.

Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the Redevelopment Property Tax Trust Fund. In furtherance of this Section 5.01 and the Dissolution Act, and in accordance with the County Auditor-Controller's obligations as set forth in California Health and Safety Code Section 34183, the Agency shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the Redevelopment Property Tax Trust Fund, (2) allocates funds for the principal and interest payments due on the Outstanding Bonds and any Parity Debt and any deficiency in the Reserve Account (including amounts due to the issuer of the 2017 Reserve Policy) pursuant to each valid Recognized Obligation Payment Schedule in accordance with the Dissolution Act and as provided in this Section 5.01, and (3) make the transfers to the Trustee required under Section 5.02 of the Indenture.

The Agency will take all actions required under the Dissolution Act to include on its ROPS the amounts described below to be transmitted to the Trustee for the applicable ROPS Period in order to satisfy the requirements of the Indenture, including any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds and any Parity Debt, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement (including amounts due to the issuer of the 2017 Reserve Policy) and any deficiency in the reserve accounts under the indentures for the Senior Bonds. The Agency shall submit an Oversight Board-approved ROPS to the County Auditor-Controller and the Department of Finance on or before February 1 with respect to the ROPS Period commencing the following July 1.

Expected Compliance Costs, if any, will be included in each ROPS in accordance with the Dissolution Act.

In furtherance of such pledge, and in preparing a given ROPS, the Agency shall reflect on each annual ROPS that the amount due to the Trustee, received in trust from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then-current calendar year from Tax Revenues required to be deposited into the RPTTF shall equal (1) the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any deficiency in the Reserve Account (including amounts due to the

issuer of the 2017 Reserve Policy), less (3) the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to this Section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds and any Parity Debt in the then current calendar year. The amount due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the following calendar year from amounts required to be deposited into the RPTTF shall be equal to the remainder due and payable on the Outstanding Bonds and any Parity Debt during the following calendar year in an amount equal to not less than (1) the remaining the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the following calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the following calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any remaining deficiency in the Reserve Account.

Tax Revenues received by the Agency during a ROPS Period in excess of the amount required, as provided in this Section, to be deposited in the Tax Increment Fund shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this Section on each such date, be released from the pledge, security interest and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Agency for any lawful purpose of the Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and any Parity Debt and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Agency shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Section 5.02 Receipt and Deposit of Tax Revenues. The Agency covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues, when and as received in accordance with Section 5.01 hereof, will be received by the Agency in trust hereunder and shall be deemed to be held by the Agency as agent for the Trustee and will, not later than 10 Business Days following such receipt, be deposited by the Agency with the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in the Indenture provided; provided that the Agency shall not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Trustee for deposit into the Tax Increment Fund pursuant to Section 5.01. All such Tax Revenues, whether received by the Agency in trust or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

Section 5.03 Establishment and Maintenance of Accounts for Use of Moneys in the Tax Increment Fund. Subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues in the Tax Increment Fund shall be set aside by the Trustee in each Bond Year

when and as received in the following respective special accounts within the Tax Increment Fund (each of which is hereby created and each of which the Agency hereby covenants and agrees to cause to be maintained with the Trustee so long as the Bonds shall be Outstanding hereunder), in the following order of priority (except as otherwise provided in subsection (b) below):

- (1) Interest Account;
- (2) Principal Account;
- (3) Term Bonds Sinking Account;
- (4) Reserve Account; and
- (5) Expense Account.

All moneys in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 5.03.

(a) Interest Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) Principal Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in such Bond Year. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year. All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying principal of the Serial Bonds as they shall become due and payable.

In the event that there shall be insufficient money in the Tax Increment Fund to pay in full all such principal and Sinking Account Installments due pursuant to Section 5.03(c) hereof in such Bond Year, then the money available in the Tax Increment Fund shall be applied *pro rata* to the payment of such principal and Sinking Account Installments in the proportion which all such principal and Sinking Account Installments bear to each other.

(c) Term Bonds Sinking Account. The Trustee shall deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount

contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of purchasing or redeeming the Term Bonds.

(d) Reserve Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein an amount equal to the Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Term Bonds Sinking Account in such order, in the event of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date or Sinking Account Payment Date, or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Account Requirement shall be transferred to the Tax Increment Fund.

On any date on which Bonds are defeased in accordance with Section 11.02 hereof, the Trustee shall, if so directed in a Written Request of the Agency, transfer any moneys in the Reserve Account in excess of the Reserve Account Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Agency, to be applied to such defeasance.

If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Parity Debt or withdraws funds from the Reserve Account to pay principal and interest on the Bonds and any Parity Debt, the Trustee shall notify the Agency in writing of such failure or withdrawal, as applicable.

The prior written consent of the 2017 Bond Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account established for the Series 2017 Bonds (other than the 2017 Reserve Policy) in lieu of a cash deposit into the Reserve Account. Amounts drawn under the 2017 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2017 Bonds when due.

The Trustee shall ascertain the necessity for a claim upon the 2017 Reserve Policy in accordance with the provisions of paragraph (a) of Section 5.05 hereof and to provide notice to the 2017 Bond Insurer in accordance with the terms of the 2017 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2017 Bonds, respectively. Where deposits are required to be made by the Agency with the Trustee to the Interest Account and Principal Account of the Tax Increment Fund for the Series 2017 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to the 2017 Bond Insurer of any failure of the Agency to make timely payment in full of such deposits within two Business Days of the date due.

(e) Expense Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs as specified in a Written Request of the Agency setting forth the amounts. All moneys in the Expense Account shall be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds herein authorized, or any interest thereon, remain unpaid, the moneys in the Expense Account shall be used for no purpose other than those required or permitted by the Indenture and the Law.

Section 5.04 Investment of Moneys in Funds and Accounts. Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Agency, filed with the Trustee at least two (2) Business Days in advance of the making of such investments shall be invested by the Trustee in Permitted Investments. If such instructions are not provided, the Trustee shall hold such funds uninvested pending the receipt of written investment instructions. Moneys in the Interest Account representing accrued interest paid to the Agency upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Agency, shall be invested by the Trustee in Permitted Investments. Permitted Investments purchased with amounts on deposit in the Reserve Account shall have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested shall mature prior to the date on which such moneys are estimated to be required to be paid out hereunder. Any interest, income or profits from the deposits or investments of all other funds and accounts held by the Trustee (other than the Expense Account and the Rebate Fund) shall be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Trustee hereunder, all Permitted Investments credited to such fund or account shall be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account shall be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value shall be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under the Indenture shall be valued at least annually on the first day of August after the principal payment has been made.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder. To the extent Permitted Investments are registrable, such investments shall be registered in the name of the Trustee. The Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Trustee shall not be responsible for any loss resulting from such investment. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee shall have no investment discretion.

Section 5.05 2017 Reserve Policy Payment and Reimbursement Provisions.

[THE FOLLOWING ARE SAMPLE BOND INSURER PROVISIONS]

The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

(a) The Agency shall repay from available Tax Revenues any draws under the 2017 Reserve Policy and pay all related reasonable expenses incurred by the 2017 Bond Insurer and shall pay interest thereon from the date of payment by the 2017 Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3.00%, and (ii) the then applicable highest rate of interest on the outstanding Series 2017 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the 2017 Bond Insurer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the 2017 Bond Insurer, with the same force and effect as if the Agency had specifically designated such extra sums to be so applied and the 2017 Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

(c) The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2017 Bonds (subject only to the priority of payment provisions set forth under the Indenture). Amounts in respect of Policy Costs paid to the 2017 Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the 2017 Bond Insurer on account of principal due, the coverage under the 2017 Reserve Policy will be increased by a like amount, subject to the terms of the 2017 Reserve Policy.

(d) All cash and investments in the Reserve Account not otherwise securing a particular Series of Bonds shall be transferred to the Interest Account and Principal Account of the Tax Increment Fund for payment of debt service on the Series 2017 Bonds before any drawing may be made on the 2017 Reserve Policy or any other Qualified Reserve Account Credit Instrument credited to the Reserve Account in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Qualified Reserve Account Credit Instruments (including the 2017 Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Account Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section, the 2017 Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2017 Bonds, if any, or (ii) remedies which would adversely affect owners of the Series 2017 Bonds.

(f) The Indenture shall not be discharged until all Policy Costs owing to the 2017 Bond Insurer shall have been paid in full. The Agency's obligation to pay such amounts shall expressly survive payment in full of the Series 2017 Bonds.

(g) The Agency shall include any Policy Costs then due and owing the 2017 Bond Insurer in the calculation of the additional bonds test.

(h) The Agency will pay or reimburse the 2017 Bond Insurer any and all reasonable charges, fees, costs, losses, liabilities and expenses which the 2017 Bond

Insurer may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the 2017 Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture or the Related Documents, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Agency) relating to the Indenture or any other Related Document, any party to the Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Indenture or any other Related Document, if any, or the pursuit of any remedies under the Indenture or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to the Indenture, the 2017 Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by the 2017 Bond Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under the Indenture or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the 2017 Bond Insurer spent in connection with the actions described in clauses (ii) through (v) above. The 2017 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Agency hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the 2017 Bond Insurer until the date the 2017 Bond Insurer is paid in full.

(i) The obligation of the Agency to pay all amounts due to the 2017 Bond Insurer shall be an absolute and unconditional obligation of the Agency and will be paid or performed strictly in accordance with the provisions of this Section, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Series 2017 Bonds, the Indenture or any other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the 2017 Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2017 Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2017 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the 2017 Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Agency may have at any time against the Trustee or any other person or entity other than the 2017 Bond Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the 2017 Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the 2017 Bond Insurer under the 2017 Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the 2017 Reserve Policy.

(j) The Agency shall fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the 2017 Bond Insurer) of the Indenture applicable to it, each of the provisions thereof being expressly incorporated into this Section by reference solely for the benefit of the 2017 Bond Insurer as if set forth directly herein. No provision of the Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of the 2017 Bond Insurer, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Agency hereunder or the priority accorded to the reimbursement of Policy Costs under the Indenture.

(k) The Agency covenants to provide to the 2017 Bond Insurer, promptly upon request, any information regarding the Series 2017 Bonds or the financial condition and operations of the Agency as reasonably requested by the 2017 Bond Insurer. The Agency will permit the 2017 Bond Insurer to discuss the affairs, finances and accounts of the Agency or any information the 2017 Bond Insurer may reasonably request regarding the security for the Series 2017 Bonds with appropriate officers of the Agency and will use commercially reasonable efforts to enable the 2017 Bond Insurer to have access to the facilities, books and records of the Agency on any Business Day upon reasonable prior notice.

Section 5.06 Costs of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a Requisition of the Agency filed with the Trustee. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. In no event shall moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of the Bonds, or upon earlier receipt of a Written Order of the Agency stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to the Tax Increment Fund. The Trustee shall then close the Costs of Issuance Fund.

ARTICLE VI

COVENANTS OF THE AGENCY

Section 6.01 Punctual Payment. The Agency will punctually pay the principal of, premium, if any, and the interest to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of the Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

Section 6.02 Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues, except as provided in the Indenture, and will not issue any obligation or security superior to or on a parity with then Outstanding Bonds payable in whole or in part from the Tax Revenues (other than Additional Bonds in accordance with Section 4.01). The Agency shall refund outstanding Senior Bonds on

a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

Section 6.03 Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of the Indenture, except subject to the prior payment in full of the principal of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 6.04 Payment of Claims. Subject to the terms of the Dissolution Act, the Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

Section 6.05 Books and Accounts; Financial Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Tax Increment Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the Owners of not less than ten per cent (10%) of the aggregate principal amount of Bonds Outstanding or their representatives authorized in writing.

The Agency will prepare and file with the Trustee and the Bond Insurer annually, so long as any Bonds are Outstanding, the audited financial statements of the Agency as part of the Annual Report (as defined in the Continuing Disclosure Certificate), provided, however, that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date.

Section 6.06 Protection of Security and Rights of Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

Section 6.07 Payment of Taxes and Other Charges. The Agency will pay and discharge all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any properties owned by the Agency in the Project Area, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the Agency to make any such payments so long as the

Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

Section 6.08 Amendment of Redevelopment Plan. The Agency will not amend the Redevelopment Plan except as provided in this section and as permitted by the Law. If the Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Agency may undertake such amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed amendment, the Agency may not undertake such proposed amendment. Notwithstanding the foregoing, the Agency must obtain the Bond Insurer's prior written consent for any amendment of the Redevelopment Plan which would (i) reduce the amount of Tax Revenues that may be received by the Agency or (ii) reduce the period during which the Agency may collect Tax Revenues.

Section 6.09 Tax Revenues. The Agency shall comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The Agency shall manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plan in the amounts and at the times required to enable the Agency to pay the principal of, premium, if any and interest on the outstanding Senior Bonds, and any parity debt thereof, and the Series 2017 Bonds and any Parity Debt when due.

Section 6.10 Further Assurances. The Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Section 6.11 Tax Covenants; Rebate Fund.

(a) The Agency covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Tax Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Agency shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) The Agency agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Tax Exempt Bonds from time to time.

(c) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Notwithstanding any other provision of the Indenture to the contrary, all amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 6.11 and by the Tax Certificate (which is incorporated

herein by reference). The Agency shall cause to be deposited in the Rebate Fund the Rebate Requirement as provided in the Tax Certificate. Subject to the provisions of this Section 6.11, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the federal government of the United States of America from time to time in accordance with the Tax Certificate. The Agency and the Owners shall have no rights in or claim to such money.

(d) Upon the written direction of the Agency, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, subject to the restrictions set forth in the Tax Certificate.

(e) Upon receipt of the Rebate Instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee shall remit part or all of the balances held in the Rebate Fund to the Trustee for payment to the federal government of the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee shall deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as the Rebate Instructions direct. Any funds remaining in the Rebate Fund after redemption and payment of all of the Tax Exempt Bonds and payment of any required rebate amount, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Agency.

(f) The Trustee shall have no obligation to pay any amounts required to be remitted pursuant to this Section 6.11, other than from moneys held in the funds and accounts created under the Indenture or from other moneys provided to it by the Agency.

(g) The Trustee shall conclusively be deemed to have complied with the provisions of this Section 6.11 if it follows the directions of the Agency set forth in the Rebate Instructions, and shall not be required to take any actions thereunder in the absence of Rebate Instructions from the Agency.

(h) Notwithstanding any other provision of the Indenture, the obligation of the Agency to remit or cause to be remitted any required rebate amount to the United States government and to comply with all other requirements of this Section 6.11 and the Tax Certificate shall survive the defeasance or payment in full of the Tax Exempt Bonds.

(i) Notwithstanding any provision of this Section 6.11 to the contrary, if the Agency shall provide to the Trustee an opinion of counsel of recognized standing in the field of law relating to municipal bonds (and approved in writing by the Agency) to the effect that any action required under this Section 6.11 is no longer required, or that some further or different action is required, to maintain the exclusion from federal gross income of the interest on the Tax Exempt Bonds pursuant to the Code, the Trustee and the Agency may conclusively rely on such opinion in complying with the provisions of this Section 6.11, and the provisions hereof shall be deemed to be modified to that extent.

Section 6.12 Compliance with the Dissolution Act. The Agency covenants that in addition to complying with the requirements of Section 5.01 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and seek all necessary successor

agency or an oversight board approvals required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture. Further, the Agency will take all actions required under the Dissolution Act to include on its ROPS for each ROPS Period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds and any Parity Debt, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement (including amounts due to the 2017 Bond Insurer as issuer of the 2017 Reserve Policy) and any deficiency in the reserve accounts under the Senior Indentures for the Senior Bonds, any Compliance Costs, and any required debt service, reserve set-asides, and any other payments required under the Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute from the RPTTF amounts to the Trustee for deposit in the Tax Increment Fund on each ROPS Distribution Date amounts required for the Agency to pay the principal of, premium, if any, and the interest on the Outstanding Bonds and any Parity Debt coming due in the respective ROPS Period. These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency as a reserve until the next ROPS Period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture for the next payment due in the following ROPS Period.

The Agency covenants that (i) it will include all amounts presently due and payable to the 2017 Bond Insurer on each Recognized Payment Obligation Schedule ("ROPS") submission, (ii) if any amounts payable to the 2017 Bond Insurer are not included on any current ROPS and the Agency is then legally permitted to amend such ROPS, the Agency will amend its current ROPS to include such amounts payable to the 2017 Bond Insurer, and (iii) the Agency will not submit for approval by the Oversight Board or the DOF a ROPS covering multiple ROPS Periods or any Last and Final Recognized Obligation Payment Schedule as provided in the Dissolution Law without the prior consent of the 2017 Bond Insurer.

Section 6.13 Negative Pledge. The Agency may not create or allow to exist any liens on Tax Revenues senior to (except as provided in the Senior Indentures securing the Senior Bonds) or on a parity with the Series 2017 Bonds except as provided in Article IV hereof. The Agency shall refund outstanding Senior Bonds on a parity with the Bonds only to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

Section 6.14 Adverse Change in State Law. If, due to an adverse change in State law resulting from legislation or the decision of a court of competent jurisdiction, the Agency determines that it can no longer comply with Section 6.12, then the Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent jurisdiction to determine the duties of all parties to the Indenture, including the County Auditor-Controller and the Agency, with regard to the performance of Section 6.12 by the Agency. The Trustee may, but is in no event obligated to, participate in the process of seeking such declaratory judgment to protect its rights hereunder. Any reasonable fees and

expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Agency.

Section 6.15 Credits to Redevelopment Obligation Retirement Fund. The Agency covenants, subject to the prior application and lien in favor of the Senior Bonds, to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds and any Parity Debt to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5(a) of the California Health and Safety Code.

Section 6.16 Compliance Costs. The Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, from amounts on deposit in the Expense Account, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, costs of the Agency and the Trustee payable from the RPTTF.

Section 6.17 Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate), the Bond Insurer or the Bondowners of at least 25% aggregate principal amount of Bonds Outstanding, shall to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this section and the Continuing Disclosure Certificate. For purposes of this section, "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE VII

THE TRUSTEE

Section 7.01 Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Agency agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree.

Section 7.02 Duties, Immunities and Liability of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Indenture, and no implied duties or obligations shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise the rights and powers vested in it by the Indenture, and use the same degree of care and skill

in their exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his own affairs.

(b) Subject to Section 12.15, the Agency may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or upon receipt of a written request of the Bond Insurer, or upon receipt of a written request of any Bond Insurer following an Event of Default (irrespective of cause), or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Agency shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to (d) below, resign by giving at least 60 days' written notice of such resignation to the Agency and the Bond Insurer and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor Trustee by an instrument in writing, and shall notify the Bond Insurer of such appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Agency, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Agency and to its predecessor Trustee and the Bond Insurer a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Agency or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates,

properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this section shall be a national banking association trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a national banking association, bank, trust company or bank holding company which is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such national banking association, bank, trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such national banking association, bank, trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign immediately in the manner and with the effect specified in this section.

(f) No provision in the Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee security or indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred.

(g) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Agency of the funds under the Indenture.

(i) The Trustee shall not be responsible for the recording or filing of any document relating to the Indenture or of financing statements (or continuation statements in connection therewith). The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity, sufficiency or priority of any such document, collateral or security of the Bonds.

(j) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof at the Trustee's Principal Corporate Trust Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms,

conditions, covenants or agreements herein or of any documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(k) The Trustee shall not be accountable for the use or application by the Agency or any other party of any funds which the Trustee has released under the Indenture.

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Indenture to the Agency within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end of such period. Such accounting shall show in reasonable detail all transactions made by the Trustee under the Indenture during the accounting period and the balance in any Funds and accounts created under the Indenture as of the beginning and close of such accounting period.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The permissive rights of the Trustee to do things enumerated in the Indenture shall not be construed as a duty unless so specified herein.

(o) The Trustee may appoint and act through an agent and shall not be responsible for any misconduct or negligence of any such agent appointed with due care. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the acts or omissions of any such attorney, agent, or receiver selected by it with reasonable care.

(p) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Agency whenever a person is to be added or deleted from the listing. If the Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by

such Authorized Officer. The Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(q) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(r) To the fullest extent permitted by law and notwithstanding anything in this Indenture to the contrary, the Trustee shall not be personally liable for (i) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (ii) the acts or omissions of any nominee, correspondent, clearing agency, or securities depository through which it holds securities or assets.

(s) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Section 7.03 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 7.02, shall succeed to the rights and obligations of such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7.04 Compensation. The Agency shall pay to the Trustee a reasonable compensation for its services rendered hereunder and reimburse the Trustee for reasonable

expenses, disbursements and advances, including attorney's and agent's fees and expenses, incurred by the Trustee in the performance of its obligations hereunder.

The Agency agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed by the Indenture, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties hereunder (ii) the Bonds; (iii) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Agency or under its authority in connection with the sale of the Bonds. The Agency's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation, or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for sale of the Bonds are satisfied, or that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Bonds and other certificates expressly required to be delivered by it and its counsel.

Section 7.05 Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Agency, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Indenture or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bond Insurer or the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Indenture) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder. Whether or not

therein expressly so provided, every provision of the Indenture or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

Section 7.06 Right to Rely on Documents. The Trustee may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection for any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of the Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of the Indenture, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

Section 7.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Agency, the Bond Insurer and the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 7.08 Indemnity for Trustee. Before taking any action or exercising any rights or powers under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE VIII

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF THE BONDS

Section 8.01 Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by the Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds under the Indenture by any Owner and the serial numbers of such Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which to it may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond and any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE IX

AMENDMENT OF THE INDENTURE

Section 9.01 Amendment by Consent of Owners. The Indenture and the rights and obligations of the Agency and of the Owners may be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture which shall become binding when the written consents of the Owners of sixty per cent (60%) in aggregate principal amount of Bonds Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 are filed with the Trustee, provided that no such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Agency to pay the interest or principal of, and premium, if any, at the time and place and at the rate and in the currency provided herein of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond, or (3) reduce the percentage of Bonds

required for the written consent to any such amendment, without the express written consent of the Owner of such Bond, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

Any amendment, supplement, modification to, or waiver of, the terms of any Related Document that requires the consent of Bondowners or adversely affects the rights and interests of the 2017 Bond Insurer shall be subject to the prior written consent of the 2017 Bond Insurer.

The Indenture and the rights and obligations of the Agency and of the Owners may also be amended at any time, upon the written notice to the Bond Insurer, by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the Agency in the Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Agency;
- (b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Agency may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds or the Bond Insurer;
- (c) To provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Article IV;
- (d) To modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds;
- (e) To maintain the exclusion of interest on the Tax Exempt Bonds from gross income for federal income tax purposes;
- (f) To modify, amend or supplement the Indenture in such manner as to conform to changes in the Dissolution Act so long as there is no material adverse effect to holders of the Bonds; or
- (g) To obtain a bond insurance policy or a rating on the Bonds.

Section 9.02 Disqualified Bonds. Bonds owned or held by or for the account of the Agency or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this Article provided for, and shall not be entitled to consent to, or take any other action in this Article provided for. Upon request of the Trustee, the Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Agency may determine that the Bonds may bear a notation, by endorsement in form approved by the Agency, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond. If the Agency shall so determine, new Bonds so modified as, in the opinion of the Agency, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

Section 9.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.05 Opinion of Counsel. The Trustee may request and conclusively accept an opinion of counsel to the Agency that an amendment of the Indenture is in conformity with the provisions of this Article.

Section 9.06 Notice to Rating Agencies. The Agency shall provide each rating agency rating the Bonds with a notice of any amendment to the Indenture pursuant to this Article and a copy of any Supplemental Indenture at least 15 days in advance of its execution.

Section 9.07 Transcript of Proceedings to Bond Insurer. The Agency shall provide the Bond Insurer with a full transcript of the proceedings relating to the execution and delivery of any Supplemental Indenture.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 10.01 Events of Default and Acceleration of Maturities. If one or more of the following events (herein called "Events of Default") shall happen, that is to say:

- (a) If default shall be made in the due and punctual payment of the principal of, or premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) If default shall be made in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;
- (c) If default shall be made by the Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after the Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default hereunder if the

Agency shall commence to cure such default within said 30-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 60 days after such notice; and provided further that no grace period for such covenant default shall exceed 30 days or be extended for more than 60 days without the without the prior written consent of the Bond Insurer; or

(d) If the Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property;

then, and in each and every such case during the continuance of such Event of Default, with the written consent of the Bond Insurer, the Trustee may, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, shall, by notice in writing to the Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. For all purposes under this Article X, the 2017 Bond Insurer is deemed to be an owner of one hundred percent (100%) of the Bonds insured by it unless such Bond Insurer is in default under the terms of its Bond Insurance Policy.

The maturity of Insured Series 2017 Bonds shall not be accelerated without the consent of the 2017 Bond Insurer and in the event the maturity of the Insured Series 2017 Bonds is accelerated, the 2017 Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Agency) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2017 Bond Insurer's obligations under the 2017 Bond Insurance Policy with respect to such Insured Series 2017 Bonds shall be fully discharged.

If, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Outstanding Bonds and any Parity Debt matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of ten per cent (10%) per annum on such overdue installments of principal and interest, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Outstanding Bonds and any Parity Debt due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration

and its consequences. No such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

An Event of Default shall continue to exist under subsections (a) and (b) of this Section 10.01 after payment is made by the Bond Insurer when due, pursuant to the terms of its Bond Insurance Policy.

Section 10.02 Application of Funds Upon Acceleration. All money in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the Trustee as provided in Section 10.01, and subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues thereafter received by the Agency hereunder, shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, attorneys and counsel and any outstanding fees and expenses of the Trustee and then to the payment of the costs and expenses of the Owners in providing for the declaration of such Event of Default, including reasonable compensation to their agents, attorneys and counsel;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, (A) to the payment of the whole amount then owing and unpaid upon the Outstanding Bonds and any Parity Debt for principal of, and interest on the Outstanding Bonds and any Parity Debt, with interest on the overdue interest and principal at the rate of ten per cent (10%) per annum, and (B) in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Outstanding Bonds and any Parity Debt, then to the payment of such interest, principal, and interest on overdue interest and principal without preference or priority among such interest, principal, and interest on overdue interest and principal, ratably to the aggregate of such interest, principal, and interest on overdue interest and principal.

Section 10.03 Trustee to Represent Bondowners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and owning the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners of the Bonds, the Trustee in its discretion may with the consent of the Bond Insurer, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Law or any other law. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and

enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Section 10.04 Bondowners' Direction of Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided, that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction.

Section 10.05 Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owner of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 10.06 Non-Waiver. Nothing in this Article or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay the principal of, and the interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Tax Revenues pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such

subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the Trustee, the Agency and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 10.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE XI

DEFEASANCE

Section 11.01 Discharge of Indebtedness. (a) If (i) the Agency shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder shall have been paid, then the Owners shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Agency hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Agency all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Agency all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this section, when any Bond shall have been paid and if, at the time of such payment, the Agency shall have kept, performed and observed all of the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Agency hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and

cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

Section 11.02 Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 11.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 11.01 hereof if:

(i) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and

(ii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (i) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

Neither the money nor the Federal Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (i) of subsection (a) of this section unless the Agency shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (i) of subsection (a) of this section resulting in such deemed payment, which escrow agreement shall be acceptable to the Bond Insurer and provide that no substitution of Federal Securities shall be permitted except with other Federal Securities and upon delivery of a new Verification Report and no reinvestment of Federal Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an opinion of counsel of recognized standing in the field of law relating to municipal bonds, dated the date of such deemed payment and addressed to the Agency, the Trustee and the Bond Insurer, insuring the Bonds to be defeased, to the effect that such Bond has been paid within the meaning and with the

effect expressed in the Indenture, and all agreements, covenants and other obligations of the Agency hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

The 2017 Bond Insurer shall be provided with drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the escrow.

Insured Series 2017 Bonds shall be deemed to be “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(c) The Trustee is entitled to rely upon (i) an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this section have been satisfied, and (ii) such other opinions, certifications and computations, of accountants or other financial consultants concerning the matters described in paragraph (a)(i) of this section.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Liability of Agency Limited to Tax Revenues. The Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds or for the performance of any covenants herein contained, other than the covenants contained in Section 6.11 hereof. The Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

The Bonds are special obligations of the Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, and the interest on the Bonds, to the extent set forth in the Indenture. The Bonds are not a debt of the City, the County, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State’s other political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Agency pledged therefor as provided in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the City Council members acting for the Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Section 12.02 Parties Interested Herein. Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Agency, the Trustee, the Bond Insurer and the Owners any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the Agency or any City Council member or officer or employee of the Agency shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer and the Owners.

Section 12.03 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or prepayment premium, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid by the Trustee to the Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Agency for the payment of such amounts; provided, that before being required to make any such payment to the Agency, the Trustee shall, at the expense of the Agency, give notice by first class mail to all Owners and to the Securities Depository and the MSRB that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Agency.

Section 12.04 Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 12.03 hereof, but without any liability for interest thereon.

Section 12.05 Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Agency or any City Council member or officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Agency, that are presently vested in the Agency or such City Council member, officer or employee, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Agency or any City Council member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.06 Execution of Documents by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount,

maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.12.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done by the Agency in good faith and in accordance therewith.

Section 12.07 Waiver of Personal Liability. No City Council member or officer or employee of the Agency shall be individually or personally liable for the payment of the principal of, premium, if any, and the interest on the Bonds; but nothing herein contained shall relieve any City Council member or officer or employee of the Agency from the performance of any official duty provided by law.

Section 12.08 Acquisition of Bonds by Agency. All Bonds acquired by the Agency, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 12.09 Destruction of Cancelled Bonds. Whenever in the Indenture provision is made for return to the Agency of any Bonds which have been cancelled pursuant to the provisions of the Indenture, the Agency may, by a Written Request of the Agency, direct the Trustee to destroy such Bonds and furnish to the Agency a certificate of such destruction.

Section 12.10 Content of Certificates and Reports. Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of the Agency may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Agency, upon the certificate or opinion of or representations by an officer or officers of the Agency, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in exercise of reasonable care should have known that the same were erroneous.

Section 12.11 Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Agency or the Trustee may be established and maintained in the accounting records of the Agency or the Trustee either as a fund or an account, and may,

for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 12.12 Article and Section Headings and References. The headings or titles of the several Articles and sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding articles, sections or subdivisions of the Indenture; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof.

Section 12.13 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof provided in the Indenture to be performed on the part of the Agency (or of the Trustee) should be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof, shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Agency hereby declares that it would have entered into the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 12.14 Notices. All notices required to be given hereunder to the Agency, the Trustee and the 2017 Bond Insurer, shall be sent to the following addresses:

Agency: Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805
Attention: Chief Financial Officer

Trustee: Wells Fargo Bank, National Association
400 South Hope Street, Suite 500
Los Angeles, California 90071
Attention: Corporate Trust Department

2017 Bond Insurer:

Telephone: _____
Telecopier: _____

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel - Public Finance and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 12.15 2017 Bond Insurance Policy Payment and Reimbursement Provisions.

[SAMPLE PROVISIONS]

The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Series 2017 Bonds due on such Payment Date, the Trustee shall give notice to the 2017 Bond Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Series 2017 Bonds due on such Payment Date, the Trustee shall make a claim under the 2017 Bond Insurance Policy and give notice to the 2017 Bond Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2017 Bonds and the amount required to pay principal of the Insured Series 2017 Bonds, confirmed in writing to the 2017 Bond Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2017 Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Series 2017 Bonds paid by the 2017 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2017 Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the 2017 Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2017 Bond shall have no effect on the amount of principal or interest payable by the Agency on any Insured Series 2017 Bond or the subrogation rights of the 2017 Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the 2017 Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Series 2017 Bond. The 2017 Bond Insurer

shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the 2017 Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2017 Bond Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Insured Series 2017 Bonds under the sections hereof regarding payment of Insured Series 2017 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Agency agrees to pay to the 2017 Bond Insurer (i) a sum equal to the total of all amounts paid by the 2017 Bond Insurer under the 2017 Bond Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the 2017 Bond Insurer until payment thereof in full, payable to the 2017 Bond Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3.00%, and (ii) the then applicable highest rate of interest on the Insured Series 2017 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Agency hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Tax Revenues and payable from such Tax Revenues on a parity with debt service due on the Insured Series 2017 Bonds, payable solely from the Tax Revenues.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a bond payment date shall promptly be remitted to the 2017 Bond Insurer.

The 2017 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2017 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2017 Bond Insurance Policy (which subrogation rights shall include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Agency to the 2017 Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

The Agency shall pay or reimburse the 2017 Bond Insurer any and all charges, fees, costs and expenses that the 2017 Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document

or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the 2017 Bond Insurer to honor its obligations under the 2017 Bond Insurance Policy. The 2017 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Agency or rebate only after the payment of past due and current debt service on the Insured Series 2017 Bonds and amounts required to restore the Reserve Account to the Reserve Account Requirement.

The 2017 Bond Insurer shall be entitled to pay principal or interest on the Insured Series 2017 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the 2017 Bond Insurance Policy) and any amounts due on the Insured Series 2017 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the 2017 Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the 2017 Bond Insurance Policy) or a claim upon the 2017 Bond Insurance Policy.

The rights granted to the 2017 Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the 2017 Bond Insurer in consideration of its issuance of the 2017 Bond Insurance Policy. Any exercise by the 2017 Bond Insurer of such rights is merely an exercise of the 2017 Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the 2017 Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the 2017 Bond Insurer.

Amounts paid by the 2017 Bond Insurer under the 2017 Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Series 2017 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Agency in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the 2017 Bond Insurer have been paid in full or duly provided for.

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Series 2017 Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2017 Bond Insurance Policy.

The 2017 Bond Insurer shall be deemed to be the sole holder of the Insured Series 2017 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured

Series 2017 Bond, each holder of an Insured Series 2017 Bond appoint the 2017 Bond Insurer as their agent and attorney-in-fact and agree that the 2017 Bond Insurer may at any time during the continuation of any proceeding by or against the Agency under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each holder of an Insured Series 2017 Bond delegate and assign to the 2017 Bond Insurer, to the fullest extent permitted by law, the rights of each holder of an Insured Series 2017 Bond in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each holder of an Insured Series 2017 Bond for the 2017 Bond Insurer’s benefit, and agrees to cooperate with the 2017 Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the holder of an Insured Series 2017 Bond shall expressly include mandamus.

No contract shall be entered into or any action taken by which the rights of the 2017 Bond Insurer or security for or sources of payment of the Insured Series 2017 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2017 Bond Insurer.

Any interest rate exchange agreement (“Swap Agreement”) entered into by the Agency with respect to the Series 2017 Bonds shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the 2017 Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Series 2017 Bonds and on any debt on parity with the Bonds. The Agency shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the 2017 Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Agency to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least “A-” and “A3” by Standard & Poor's (S&P”) and Moody's Investors Service (“Moody's”). If the counterparty or guarantor's rating falls below “A-” or “A3” by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the 2017 Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below “Baal” or “BBB+” by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the 2017 Bond Insurer, shall be required.

Section 12.16 Bond Insurer Notice Provisions. [SAMPLE PROVISIONS] The Bond Insurer shall be provided with the following information by the Agency or Trustee, as the case may be:

(i) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Certificate), provided, however, that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date, and such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Agency's Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Reserve Account Requirement and (ii) withdrawals in connection with a refunding of the Bonds insured by the Bond Insurer;

(iii) Notice of any default known to the Trustee or Agency within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds insured by the Bond Insurer, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds insured by the Bond Insurer;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondowners under the terms of the Related Documents.

In addition, to the extent that the Agency has entered into a Continuing Disclosure Certificate, covenant or undertaking with respect to the Bonds insured by the Bond Insurer, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

Notwithstanding the foregoing, the Bond Insurer agrees to receive notice, and shall be deemed to have received notice in satisfaction of the provisions set forth in this Section, by filings made (or caused to be made) by the Agency through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (including in accordance with Section 12.16(i)), currently located at <http://emma.msrb.org>. The Agency will use good faith efforts to provide notice (by first class mail or facsimile or electronic mail) of such filings to the Bond Insurer.

Section 12.17 Bond Insurer as Third Party Beneficiary. The Bond Insurer is hereby expressly made a third party beneficiary of the Indenture and each other Related Documents.

Section 12.18 California Law. The Indenture of Trust shall be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Agency and the Trustee have entered into this Indenture of Trust by their officers thereunto duly authorized as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

By: _____
_____, acting for
the Successor Agency to the Community
Redevelopment Agency of the City of Moreno
Valley

ATTEST:

By: _____
City Clerk of the City of Moreno Valley,
acting for Successor Agency to the
Community Redevelopment Agency of
the City of Moreno Valley

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

[Signature page to Indenture]

APPENDIX A
FORM OF BOND

No. _____ \$ _____

SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY
SUBORDINATE TAX ALLOCATION REFUNDING BONDS, SERIES 2017

BOND DATE: _____, 2017 **MATURITY DATE:** August 1, 20__
RATE OF INTEREST: _____ **CUSIP NUMBER:** _____

Registered Owner: CEDE & CO.

Principal Amount:

THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Agency"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above in lawful money of the United States of America; and to pay interest thereon at the interest rate per annum set forth above in like lawful money from the date hereof. The interest on this Bond will be payable on February 1 and August 1 in each year (each an "Interest Payment Date"), commencing on February 1, 2018. The principal hereof and redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Principal Corporate Trust Office (as defined in the Indenture) of Wells Fargo Bank, National Association (together with any successor as trustee under the Indenture hereinafter mentioned, the "Trustee"). Interest hereon is payable by check, mailed by first class mail, on each interest payment date to the owner whose name appears on the Bond Register maintained by the Trustee as of the close of business on the fifteenth day of the month preceding the month in which the interest payment date occurs (the "Record Date"), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of an owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such owner to the Trustee received not later than the Record Date, such interest shall be paid on the interest payment date in immediately available funds by wire transfer. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is a duly authorized issue of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Subordinate Tax Allocation Refunding Bonds, Series 2017 (the "Bonds"), limited in aggregate principal amount to \$XX,000,000 all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as amended including, without

limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the “Law”), and pursuant to the provisions of the Indenture of Trust, dated as of [DATED DATE], by and between the Agency and Wells Fargo Bank, National Association, as trustee (the “Indenture”).

Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Agency payable from Tax Revenues as provided in the Indenture.

All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any resolutions supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owners of the Bonds; and all the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by his acceptance hereof, consents and agrees. Each registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to aid in refunding outstanding bonds of the Agency as more particularly described in the Indenture. The Bonds are special obligations of the Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from the Tax Revenues (as that term is defined in the Indenture and herein called the “Tax Revenues”), and the Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, premium, if any, and the interest on the Bonds.

The Agency hereby covenants and warrants that, for the payment of the principal of, premium, if any, and the interest on this Bond and all other Bonds issued under the Indenture when due, there has been created and will be maintained by the Trustee a special fund into which Tax Revenues shall be deposited, as provided in the Indenture, and as an irrevocable charge the Agency has allocated the Tax Revenues solely to the payment of the principal of, premium, if any, and the interest on the Bonds to the extent set forth in the Indenture, and the Agency will pay promptly when due the principal of, premium, if any, and the interest on this Bond and all other Bonds of this issue out of said special fund, all in accordance with the terms and provisions set forth in the Indenture.

The Bond shall be subject to redemption on the dates, in the amounts and in the manner provided therefor in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding.

The Bonds are issuable only in the form of fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof (not exceeding the principal amount of Bonds maturing at any one time). The owner of any Bond or Bonds may surrender the same at the above-mentioned office of the Trustee in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes, and the Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the registered owners of the Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and all additional tax allocation bonds authorized by the Indenture or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

This Bond is not a debt of the City of Moreno Valley, the County of Riverside, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event shall this Bond be payable out of any funds or properties other than those of the Agency pledged therefor as provided in the Indenture. This Bond does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the City Council members acting for the Agency nor any persons executing the Bonds are liable personally on this Bond by reason of its issuance.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have

happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Agency, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley has caused this Bond to be executed in its name and on its behalf by its Mayor, acting as Chair for Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley and attested by its City Clerk, acting as Secretary for Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, and has caused this Bond to be dated as of the date above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

By _____
Mayor of the City of Moreno Valley, acting as
Chair for Successor Agency to the Community
Redevelopment Agency of the City of Moreno
Valley

ATTEST:

City Clerk of the City of Moreno Valley,
acting as Secretary for Successor Agency to
the Community Redevelopment Agency of
the City of Moreno Valley

Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

STATEMENT OF INSURANCE

Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

**[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION
AND REGISTRATION TO APPEAR ON BONDS]**

This is one of the Bonds described in the within- mentioned Indenture which has been authenticated and registered on the date set forth below.

DATED: _____

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

Date: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

APPENDIX B

SCHEDULE OF SEMI-ANNUAL AND ANNUAL INTEREST AND PRINCIPAL PAYMENTS OF THE SERIES 2017 BONDS

SERIES 2017 BONDS

Annual Interest and Principal Payments:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
8/1/2018			
8/1/2019			
8/1/2020			
8/1/2021			
8/1/2022			
8/1/2023			
8/1/2024			
8/1/2025			
8/1/2026			
8/1/2027			
8/1/2028			
8/1/2029			
8/1/2030			
8/1/2031			
8/1/2032			
8/1/2033			
8/1/2034			
8/1/2035			
8/1/2036			
8/1/2037			
8/1/2038			

Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

Semi-Annual Interest and Principal Payments:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
2/1/2018				
8/1/2018				
2/1/2019				
8/1/2019				
2/1/2020				
8/1/2020				
2/1/2021				
8/1/2021				
2/1/2022				
8/1/2022				
2/1/2023				
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2/1/2028				
8/1/2028				
2/1/2029				
8/1/2029				
2/1/2030				
8/1/2030				
2/1/2031				
8/1/2031				

Attachment: Indenture of Trust - Moreno Valley Redevelopment Refunding 2017 (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017

**IRREVOCABLE REFUNDING INSTRUCTIONS
(SERIES 2007A BONDS)**

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “Instructions”), dated _____, 2017, are given by the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY (the “Agency”) as successor agency of the former Community Redevelopment Agency of the City of Moreno Valley (the “Former RDA”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California, to WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, acting as trustee for the Series 2007A Bonds (defined below) (the “Trustee”);

W I T N E S S E T H :

WHEREAS, the Former RDA has previously authorized and issued its \$43,495,000 aggregate principal amount of Community Redevelopment Agency of the City of Moreno Valley 2007 Tax Allocation Bonds, Series A (the “Series 2007A Bonds”), pursuant to an Indenture, dated as of October 1, 2007 (the “Prior Indenture”), between the Agency and the Trustee; and

WHEREAS, the Agency has determined that it is in its best financial interests at this time to optionally redeem the Series 2007A Bonds, as permitted by the Prior Indenture; and

WHEREAS, pursuant to an Indenture, dated as of [DATED DATE] (the “Series 2017 Indenture”) between the Agency and the Trustee, as trustee under the Series 2017 Indenture, the Agency has issued its Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Subordinate Tax Allocation Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in order to refund the Series 2007A Bonds; and

WHEREAS, the Agency wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the defeasance of the Series 2007A Bonds on the date hereof (the “Defeasance Date”);

NOW, THEREFORE, the Agency does hereby irrevocably instruct the Trustee as follows:

Section 1. Escrow Accounts. The Trustee shall deposit in the Redemption Account and the Interest Account, each establish under the Prior Indenture (collectively, the “Escrow Accounts”) moneys and securities in amounts, as set forth on Exhibit A attached hereto, which will, among other things, be sufficient (together with interest earnings, if any, thereon) to provide for the optional redemption of the Series 2007A Bonds on _____, (the “Redemption Date”), at the redemption price of the principal amount thereof and accrued interest thereon to such Redemption Date (the sum of the amounts referred to as the “Redemption Price”);

Section 2. Deposits into Escrow Accounts. Concurrently with delivery of the Series 2017 Bonds on the date hereof, the Agency shall cause to be transferred to the Trustee for deposit into the Escrow Accounts the amount of \$_____ in immediately available funds, as shown on Exhibit A attached hereto.

The Trustee shall hold \$_____ of such amounts in the [Escrow Accounts uninvested.] The balance of such deposit in the amount of \$_____ shall be used to purchase the securities described in Exhibit A attached hereto. Such cash deposit and securities and the investment earnings thereon is sufficient to pay the Redemption Price (as shown in the Verification Report provided by _____, dated the date hereof) and shall be held by the Trustee solely for the uses and purposes set forth in these Instructions and in the Prior Indenture. The Trustee shall have no lien upon or right of set-off against the cash at any time on deposit in the Escrow Accounts.

Section 3. Instructions as to Application of Deposit. From and after the date hereof, all securities, investments and moneys in the Escrow Accounts shall be and are hereby irrevocably pledged as a special fund for the payment of the Redemption Price in accordance with these Instructions and the Prior Indenture. For such purpose, the total amount of such securities, investments and moneys therein shall at all times be held as a special and separate trust fund (wholly segregated from all other securities, investments or moneys on deposit with the Trustee).

The Agency acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, each specifically waives receipt of such confirmations to the extent permitted by law.

Section 4. Proceedings for Redemption of the Series 2007A Bonds. The Agency irrevocably elects, and directs the Trustee, to provide notice of (i) the defeasance of the Series 2007A Bonds and (ii) the optional redemption of the Series 2007A Bonds, and to redeem the Series 2007A Bonds pursuant to these Instructions and the Prior Indenture on the Redemption Date.

Section 5. Application of Certain Terms of Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal of and interest and redemption premium, if any, on the Series 2007A Bonds are incorporated in these Instructions as if set forth in full herein.

Section 6. Transfer of Remaining Funds. On _____, 2017, following the payment of the Redemption Price, and provided that no payments remain due and owing to the Trustee, the Trustee shall withdraw any amounts remaining on deposit in the Escrow Accounts and transfer such amounts to the Tax Increment Fund established under the Series 2017 Indenture.

Section 7. Amendment. These Instructions shall be irrevocable by the Agency. These Instructions may be amended or supplemented by the Agency, but only if they shall file with the Trustee a certification of an independent accountant or independent financial adviser stating that

such amendment or supplement will not affect the sufficiency of funds held hereunder to pay the Redemption Price.

Section 8. Reimbursement of Expenses of Trustee. The Agency agree to reimburse the Trustee for all out-of-pocket costs and expenses incurred by the Trustee.

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the Constitution and laws of the State of California.

Dated: _____, 2017

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

By _____
_____ of the Successor Agency to the Community
Redevelopment Agency of the City of Moreno
Valley

Accepted and Agreed to:

**WELLS FARGO BANK,
NATIONAL ASSOCIATION**

By: _____
Authorized Officer

Attachment: Series 2007A Irrevocable Refunding Instructions - Moreno Valley (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX

EXHIBIT A

[Attach Escrow Accounts cash, securities and cash flow from Verification Report]

Interest Account Deposit: \$_____

Principal Account Deposit: \$_____

Attachment: Series 2007A Irrevocable Refunding Instructions - Moreno Valley (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX

\$ _____
 Successor Agency to the
 Community Redevelopment Agency
 of the City of Moreno Valley
 Tax Allocation Refunding Bonds
 Series 2017

Bond Purchase Contract

_____, 2017

Successor Agency to the Community Redevelopment Agency
 of the City of Moreno Valley
 14177 Frederick Street
 Moreno Valley, California 92552

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), hereby offers to enter into the following agreement (this “Purchase Contract”) with the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the “Agency”). Upon the acceptance hereof by you, this offer will be binding upon the Agency and the Underwriter. This offer is made subject to (i) the written acceptance hereof by you and (ii) withdrawal by the Underwriter upon written notice delivered to you at any time prior to the acceptance hereof by you.

The Agency acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Agency and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the Agency, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor (within the meaning of Section 15B of The Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the Agency or any other person or entity and has not assumed a fiduciary responsibility in favor of the Agency with respect to the offering of the Bonds (as defined herein) or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Agency on other matters), (iii) the only obligations the Underwriter has to the Agency with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract, (iv) the Underwriter has financial and other interest that differ from those of the Agency and (v) the Agency has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby

agrees to purchase from the Agency at the Closing Time on the Closing Date (both as defined herein), all and not less than all, of the aggregate principal amount of the Agency's \$_____ initial aggregate principal amount Tax Allocation Refunding Bonds, Series 2017 (the "Bonds"). The Bonds shall be dated the Closing Date, shall mature on the dates, shall bear interest at the rates per annum, and shall be subject to redemption as shown on Exhibit A hereto. Interest on the Bonds shall be payable on February 1 and August 1 of each year, commencing February 1, 2018. The price at which the Underwriter is to purchase the Bonds shall be \$_____ in immediately available funds (being the aggregate principal amount thereof, plus/less original issue premium/discount of \$_____, and less an Underwriter's discount of \$_____). (The date of such payment and delivery is referred to herein as the "Closing Date," the hour and date of such delivery and payment is referred to herein as the "Closing Time," and the other actions contemplated hereby to take place at the time of such payment and delivery are sometimes referred to herein as the "Closing").

Section 2. The Bonds. The Bonds will be authorized and issued pursuant to an Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), by and between the Agency and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Indenture was approved by Resolution No. _____ adopted by the Agency on May 16, 2017 (the "Resolution"), and by Resolution No. _____ adopted by the Oversight Board for the Agency on May 18, 2017 (the "Oversight Board Resolution"), and in accordance with Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"), Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended, including on June 27, 2012 by Assembly Bill No. 1484, enacted as Chapter 26, Statutes of 2012, and as further amended on September 22, 2015 by Senate Bill 107, enacted as Chapter 325, Statutes of 2015 (collectively, the "Dissolution Act"), and the Constitution and other applicable laws of the State of California (the "State").

The Bonds are being issued to (i) refund and defease certain prior obligations (the "Prior Obligations") of the Community Redevelopment Agency of the City of Moreno Valley (the "Prior Agency"), (ii) make a deposit into a debt service reserve account/purchase a municipal bond debt service reserve insurance policy (the "Reserve Policy"), and (iii) pay certain costs relating to the issuance of the Bonds.

The Bonds shall be special obligations of the Agency payable from, and secured by a pledge of, the Tax Revenues (as defined in the Indenture). The Bonds shall be payable and shall be subject to redemption as provided in the Indenture and shall be as described in the Preliminary Official Statement of the Agency dated _____, 2017 (the "Preliminary Official Statement") and the Official Statement of the Agency dated of even date herewith. Such Preliminary Official Statement, including the cover page, the inside cover and the appendices thereto, relating to the Bonds, as amended to include the terms of this Purchase Contract with respect to pricing and interest rates and with such changes and amendments thereto as have been mutually agreed to by the Agency and the Underwriter, is hereinafter referred to as the "Official Statement."

The Agency will undertake pursuant to the Indenture and a Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"), by and between the

Agency and _____ as dissemination agent, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement (as defined below).

Concurrently with the issuance of the Bonds, the Agency will execute an Irrevocable Refunding Instructions (Series 2007A Bonds) (the “Instructions”).

The Indenture, the Instructions, the Continuing Disclosure Certificate, and this Purchase Contract are collectively referred to herein as the “Legal Documents.”

Section 3. Offering by the Underwriter. It shall be a condition to the Agency’s obligations to sell and to deliver the Bonds to the Underwriter, and to the Underwriter’s obligation to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall be issued, sold and delivered by the Agency to the Underwriter, and purchased, accepted and paid for by the Underwriter at the Closing. It is understood that the Underwriter proposes to offer the Bonds for sale to the public (which may include selected dealers and special purchasers) at the yield as set forth in Exhibit A hereto and on the inside cover page of the Official Statement. Concessions from the public offering price may be allowed to selected dealers and special purchasers. It is understood that the initial public offering price and concessions set forth in the Official Statement may vary after the initial public offering. It is further understood that the Bonds may be offered to the public at prices other than the par value thereof. The Underwriter also reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice. The Underwriter hereby represents that it has the full right, power and authority to enter into this Purchase Contract.

Section 4. Official Statement, Delivery of Other Documents, Use of Documents.

(a) The Agency hereby authorizes the use by the Underwriter of the Preliminary Official Statement and the Official Statement (including any supplements or amendments thereto), the Indenture, the Instructions and the Continuing Disclosure Certificate and the information therein contained, in connection with the public offering and sale of the Bonds. The Preliminary Official Statement is deemed final by the Agency as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”). The Agency has delivered to the Underwriter a certification to such effect in the form attached hereto as Exhibit E.

(b) The Agency shall deliver to the Underwriter, within seven (7) business days from the date hereof, such number of copies (including in electronic form) of the final Official Statement executed on behalf of and approved for distribution by the Agency as the Underwriter may reasonably request in order for the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board (the “MSRB”) and paragraph (b)(4) of Rule 15c2-12.

(c) As soon as practicable following receipt thereof, the Underwriter shall deliver the Official Statement, and any supplements or amendments thereto, to a nationally recognized municipal securities information repository.

Section 5. Representations, Warranties and Agreements of the Agency. The Agency represents, warrants and agrees as follows:

(a) The Agency is a public entity, duly organized and existing under the Constitution and laws of the State of California, including the Dissolution Act.

(b) The Agency has full legal right, power and authority (i) to enter into, execute and deliver the Legal Documents and to execute and deliver the Official Statement; (ii) to sell, issue and deliver the Bonds to the Underwriter under the Dissolution Act and the Refunding Law, as provided in this Purchase Contract; and (iii) to carry out and consummate the transactions on its part contemplated by the Legal Documents.

(c) By all necessary official action, the Agency has duly authorized and approved the Legal Documents and the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations in connection with the issuance of the Bonds on its part contained in the Indenture and this Purchase Contract, and the consummation by it of all other transactions contemplated by the Legal Documents in connection with the issuance of the Bonds.

(d) As of the date hereof, to the best of its knowledge, the Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Bonds and the Indenture) or other instrument to which the Agency is a party which breach or default has or may have a materially adverse effect on the ability of the Agency to perform its obligations under the Legal Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Legal Documents and the Official Statement, and compliance with the provisions on the Agency's part contained in the Legal Documents, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

(e) To the best of the Agency's knowledge, except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the

due performance by, the Agency of its obligations under the Legal Documents or in connection with the issuance of the Bonds as contemplated in this Purchase Contract or the Indenture have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Indenture, the Continuing Disclosure Certificate, the Instructions, and the Bonds when issued, will conform to the descriptions thereof contained in the Official Statement under the captions “INTRODUCTION,” “2017 BONDS,” “PLAN OF REFUNDING,” “SECURITY AND SOURCES OF PAYMENT FOR 2017 BONDS,” “CONCLUDING INFORMATION – Continuing Disclosure,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE” and “APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

(g) The Bonds, when issued, authenticated and delivered in accordance with the Indenture will be validly issued and outstanding obligations of the Agency, entitled to the benefits of the Indenture, and upon such issuance and delivery, the Indenture will provide, for the benefit of the owners from time to time of the Bonds, the legally valid and binding pledge of and lien and security interest they purport to create.

(h) Except as disclosed in the Official Statement, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, notice of which has been served on the Agency, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Agency executing this Purchase Contract, threatened against the Agency, affecting the existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge and lien on the Tax Revenues or any other monies pledged to the payment of the Bonds pursuant to the Indenture, or contesting or affecting as to the Agency the validity or enforceability of the Dissolution Act, the Bonds, or the Legal Documents or contesting the federal tax-exempt status of interest on the Bonds, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Agency for the issuance of the Bonds, or the execution and delivery or adoption by the Agency of the Resolution and the Legal Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or challenging the rights of the Agency to receive Tax Revenues pledged to the payment of the Bonds; nor, to the best knowledge of the Agency, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Dissolution Act or the Refunding Law, the issuance of the Bonds, or the authorization, execution, delivery or performance by the Agency of the Bonds or the Legal Documents.

(i) The Moreno Valley Redevelopment Project (the “Project Area”) conforms to the descriptions thereof contained in the Official Statement under the captions “INTRODUCTION” and “PROJECT AREA.”

(j) The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities

laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Agency shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and provided, further, that the Underwriter shall bear all costs in connection with the Agency's action under (i) and (ii) herein, and (iii) assure or maintain the federal tax-exempt status of the interest on the Bonds.

(k) As of the time of acceptance hereof and as of the Closing Date, the Agency does not and will not have outstanding any indebtedness (and other than as disclosed in the Official Statement), which indebtedness is secured by a lien on the Tax Revenues of the Agency superior to or on a parity with the lien of the Indenture on the Tax Revenues.

(l) As of the date of the Preliminary Official Statement, the descriptions in the Preliminary Official Statement pertaining to the Agency, the Project Area, the Bonds, and the Legal Documents do not, except for the omission of certain information permitted to be omitted in accordance with Rule 15c2-12, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(m) At the time of the Agency's acceptance hereof, and (unless an event occurs of the nature described in paragraph (o) of this Section 5) at all times subsequent thereto up to and including the Closing Date, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) If the Official Statement is supplemented or amended pursuant to paragraph (o) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(o) If between the date of this Purchase Contract and that date which is twenty-five (25) days after the end of the underwriting period (as determined in accordance with Section 13 hereof) any event known to the Agency shall occur affecting the Agency which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Agency shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such

supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter.

(p) The Agency will refrain from taking any action, or permitting any action to be taken, with regard to which the Agency may exercise control, that results in the loss of the federal tax-exempt status of the interest on the Bonds.

(q) Any certificate signed by any officer of the Agency and delivered to the Underwriter pursuant to the Legal Documents or any document contemplated thereby shall be deemed a representation and warranty by the Agency to the Underwriter as to the statements made therein.

(r) The Agency will cause the proceeds from the sale of the Bonds to be used for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Agency will not issue or sell any bonds or other obligations, other than the Bonds sold hereby, the interest on and premium, if any, or principal of which will be payable from the payments to be made under the Indenture.

(s) The Agency shall honor all other covenants on its part contained in the Indenture.

(t) At or prior to the Closing, the Agency shall have duly authorized, executed and delivered the Continuing Disclosure Certificate substantially in the form presented as Appendix F to the Official Statement.

(u) The Agency has received a “finding of completion” issued by the State Department of Finance pursuant to Health and Safety Code Section 34179.7.

Section 6. Closing. At 8:00 a.m., California time, on _____, 2017, or on such earlier date or as soon thereafter as practicable, as may be mutually agreed upon by the Agency and the Underwriter, the Agency will deliver, or the Agency will cause the Trustee to deliver on behalf of the Agency, to or at the direction of the Underwriter, the Bonds, in definitive form duly executed by the Agency, subject to the terms and conditions hereof and together with the other documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), in Los Angeles, California or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and will pay the purchase price of the Bonds as set forth in Section 1 hereof by delivering Federal or other immediately available funds in the amount of such purchase price to the Trustee. The Bonds shall be prepared in book-entry form and registered in the name of Cede & Co. at the direction of the Underwriter.

Section 7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Agency contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to

pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the Closing Time, the Resolution, the Oversight Board Resolution, the Bonds and the Legal Documents shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) At the Closing Time, all necessary official action of the Agency and of the other parties thereto relating to the Resolution, the Oversight Board Resolution, the Bonds and the Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Agency, the Bonds, or the Project Area, as the foregoing matters are described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed by a designated officer of the Agency;

(2) A copy of the Indenture and the Instructions, executed by the Agency and the Trustee;

(3) A certificate, dated the Closing Date, signed by a duly authorized official of the Agency satisfactory in form and substance to the Underwriter to the effect that (i) the representations and warranties of the Agency contained herein and in the Legal Documents are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (ii) the Agency has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Agency at or prior to the Closing Date; (iii) no event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iv) no further consent is required to be obtained for the inclusion of the City of Moreno Valley Comprehensive Annual Financial Report, including the accompanying accountant's letter, for Fiscal Year 2015-16 in the Official Statement;

(4) Opinion dated the Closing Date and addressed to the Agency, of Bond Counsel, in substantially the form included as Appendix E to the Official Statement, with respect to the Bonds, accompanied by a reliance letter from Bond Counsel to the effect that such opinion may be relied upon by the Trustee, the Underwriter, [and the Insurer] (as defined in this Purchase Contract) with the same effect as if such opinions were addressed to them (which reliance letter may be incorporated in the supplemental opinion to be delivered pursuant Item (5) below);

(5) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, [and the Insurer], in substantially the form attached hereto as Exhibit B;

(6) A defeasance opinion of Bond Counsel, dated the Closing Date and addressed to the trustee for the Prior Obligations, substantially to the effect that the lien of the Prior Obligations with respect to the tax increment revenues has been discharged;

(7) A letter, dated the Closing Date and addressed to the Agency and the Underwriter, of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, in substantially the form attached hereto as Exhibit C;

(8) An opinion, dated the Closing Date and addressed to the Underwriter and the Insurer, of the General Counsel to the Agency, substantially in the form attached hereto as Exhibit D;

(9) A certificate of the Secretary of the Agency, dated the date of Closing and in form and substance satisfactory to the Underwriter, to the effect that each of the Resolution and resolution approving the Preliminary Official Statement, adopted on _____, 2017, has been duly adopted by the Agency, has not been amended or supplemented, and remains in full force and effect;

(10) A certified copy of the Oversight Board Resolution;

(11) An opinion, dated the Closing Date and addressed to the Agency, the Underwriter [and the Insurer], of the Counsel to the Trustee, substantially in the form attached hereto as Exhibit F;

(12) A copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Bonds and the Indenture;

(13) A certificate of the Trustee, in form and substance satisfactory to the Agency and the Underwriter, dated the Closing Date, that as of the Closing Date:

(i) The Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture;

(ii) The Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds;

(iii) The Trustee has on the Closing Date authenticated and delivered the Bonds and executed and delivered the Indenture;

(iv) To the best of the knowledge of the Trustee, the execution and delivery by the Trustee of the Indenture, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(v) To the knowledge of the officer of the Trustee signing the certificate, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Bonds, the Indenture;

(14) An executed copy of the Continuing Disclosure Certificate, substantially in the form presented as Appendix ___ to the Official Statement;

(15) A certificate of HdL Coren & Cone, Diamond Bar, California (the "Fiscal Consultant"), in form and substance satisfactory to the Agency and the Underwriter, dated the Closing Date, to the effect that:

(i) In connection with the issuance of the Bonds, the Fiscal Consultant has provided the Agency with a Fiscal Consultant Report (the "Fiscal Consultant Report") with respect to the Tax Revenues and with certain historical assessed valuation, tax increment and appeal data and projections and other fiscal information provided by the Fiscal Consultant and contained in the Official Statement ("Tax Revenues Data and Projections"), including without limitation statements and tables attributed to the Fiscal Consultant under the captions "PROJECT AREA" and "TAX REVENUES AND DEBT SERVICE COVERAGE." The Fiscal Consultant has obtained such information from the County of Riverside

and other sources as the Fiscal Consultant deemed necessary and relevant to generate the Fiscal Consultant Report and to express an informed opinion with respect to the matters discussed in such Fiscal Consultant Report;

(ii) The Fiscal Consultant affirms its consent to the inclusion of such Tax Revenues Data and Projections in the Official Statement and the reproduction of the Fiscal Consultant Report in the appendices of the Official Statement. The Fiscal Consultant Report and the Tax Revenues Data and Projections were fairly and accurately presented in the Official Statement, as of its dated date, and the Agency may rely on the same;

(iii) The Fiscal Consultant has reviewed the Official Statement relating to the Bonds, and nothing has come to the Fiscal Consultant's attention which would cause Fiscal Consultant to believe that any of the information in the Official Statement that is attributable to the Fiscal Consultant or the Fiscal Consultant Report, as of the date of the Official Statement, was inaccurate in any material respect;

(16) [The municipal bond insurance policy insuring the payment of principal and interest with respect to certain of the Bonds (the "Insurance Policy"), issued by _____ (the "Insurer");]

(17) [The Reserve Policy issued by the Insurer;]

(18) [An opinion of counsel to the Insurer, dated the date of Closing, addressed to the Agency, the Trustee and the Underwriter, regarding the Insurer's valid existence, power and authority, the Insurer's due authorization and issuance of the Insurance Policy and the Reserve Policy and the enforceability of the Insurance Policy and the Reserve Policy against the Insurer;]

(19) [A certificate of the Insurer or an opinion of counsel to the Bond Insurer, dated the date of Closing, regarding the accuracy of the information in the Official Statement describing the Insurer, the Insurance Policy, and the Reserve Policy;]

(20) A copy of the letter from the State Department of Finance approving the Oversight Board Resolution approving the issuance of the Bonds;

(21) The verification report of Grant Thornton LLP, as Verification Agent, with respect to defeasance of the Prior Obligations;

(22) Tax Certificate as to arbitrage with respect to the Bonds, executed by the Agency;

(23) Evidence of the ratings on the Bonds;

(24) A signature and incumbency certificate of the Agency, dated the Closing Date and signed by an authorized officer of the Agency;

(25) A copy of the notices required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;

(26) A copy of the Blanket Issuer Letter of Representation to DTC signed by the Agency; and

(27) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel or the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the Agency's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Agency on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel and the Underwriter. The opinions and certificates presented as Exhibits hereto or as Appendices to the Official Statement shall be deemed satisfactory provided they are substantially in the forms of such exhibits or appendices.

If the Agency shall be unable to satisfy the conditions to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Agency shall be under any further obligation hereunder.

Section 8. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the Agency, in writing, of their election to do so, if, after the execution hereof and prior to the Closing:

(a) The United States has become engaged in new hostilities (or an escalation of hostilities) which have resulted in a declaration of war or a national emergency affecting the normal operation of the government of, or in the financial community in, the United States of America in a manner that makes it impracticable for the Underwriter, in its reasonable opinion, to market the Bonds or enforce the contracts for sale of the Bonds;

(b) There shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or California;

(c) An event shall have occurred or been discovered as described in paragraph (o) of Section 5 hereof which, in the reasonable opinion of the Underwriter, requires the

preparation and publication of disclosure material or a supplement or amendment to the Official Statement, and (i) the Agency refuses to prepare and furnish such disclosure material, or supplement or amendment to the Official Statement, or (ii) in the reasonable judgment of the Underwriter, the occurrence or discovery of such event materially and adversely affect the marketability of the Bonds or render the enforcement of contracts for sale of the Bonds impracticable;

(d) Any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(e) Legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement;

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds;

(g) The New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers;

(h) Trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds;

(i) The withdrawal or downgrading of any rating of the Bonds or other obligations of the Agency by a national rating agency which has materially adversely affected, in the reasonable judgment of the Underwriter, the marketability of the Bonds or the market prices thereof;

(j) Any decision of any federal or State of California court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service, or other federal or State of California authority materially adversely affecting the federal or State of California tax status of the Bonds or the interest on bonds or notes or obligations of the general character of the Bonds; or

(k) Any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable.

If this Purchase Contract shall be terminated pursuant to Section 7 or this Section 8 or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligation hereunder is not satisfied or because of any refusal, inability or failure on the part of the Agency to comply with any of the terms or to fulfill any of the conditions of this Purchase Contract, or if for any reason the Agency shall be unable to perform all of its respective obligations under this Purchase Contract, the Agency shall not be liable to the Underwriter for damages alleged as loss of anticipated profits arising out of the transactions covered by this Purchase Contract.

Section 9. Payment of Costs and Expenses.

(a) Subject to Sections 5(j) and 9(b), the Agency shall pay, or reimburse to the Underwriter, all approved costs and expenses incident to the sale and delivery of the Bonds, including, but not limited to: (i) the fees and expenses of the Agency and its Counsel; (ii) the fees and expenses of Bond Counsel and Disclosure Counsel; (iii) the fees and expenses of the Municipal Advisor or any other consultant retained by the Agency with respect to the sale and delivery of the Bonds; (iv) all costs and expenses incurred in connection with the preparation and printing of the Bonds; (v) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (vi) the fees and expenses of the Trustee, (vii) the fees and expenses of the Verification Agent, (viii) rating agency fees; and (ix) bond insurance and surety bond or debt service reserve insurance policy premiums, if applicable.

(b) The Underwriter shall pay (and the Agency shall be under no obligation to pay) all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including but not limited to CDIAAC, DTC, MSRB, CUSIP Bureau, California Public Securities Association fees, the cost of preparation of any Blue Sky and Legal Investment Memoranda and all Blue Sky filing fees in connection with the public offering of the Bonds, all advertising expenses in connection with the public offering of the Bonds, and fees and expenses of its counsel. Some or all of the expenses to be paid by the Underwriter may be included as part of the expense component of the underwriting discount or commission or may be reimbursed to the Underwriter as out-of-pocket expenses.

Section 10. Representations, Warranties and Agreements to Survive Delivery.

The representations, warranties, agreements and other statements of the Agency and the Underwriter or their officers or partners set forth in, or made pursuant to, this Purchase Contract

will remain operative and in full force and effect regardless of any investigation made by or on behalf of the Agency or the Underwriter or any controlling person and will survive delivery of and payment for the Bonds.

Section 11. Notices. Any notice or other communication to be given under this Purchase Contract may be given by delivering the same in writing:

To the Agency: Successor Agency to the Community Redevelopment Agency
of the City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552
Attention: Executive Director

To the Underwriter: Stifel, Nicolaus & Company, Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071
Attention: John Kim

Section 12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Agency's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

Section 13. Determination of End of the Underwriting Period. For purposes of this Purchase Contract, the End of the Underwriting Period for the Bonds shall mean the earlier of (a) the day of the Closing unless the Agency has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or (b) the date on which notice is given to the Agency by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the Agency pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the Agency in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule; provided, that the End of the Underwriting Period shall in no event extend beyond 90 days after the Closing.

Section 14. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance by the designees of the Agency, and shall be valid and enforceable at the time of such acceptance.

Section 15. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 16. Governing Law. This Purchase Contract shall be construed in accordance with the laws of the State of California.

Section 17. Counterparts. This Purchase Contract may be executed in any number of counterparts.

If the foregoing is in accordance with your understanding of the Purchase Contract please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement between the Agency and the Underwriter in accordance with its terms.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Signatory

Accepted:

At _____ p.m. on this _____ day of _____, 2017.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

By: _____
Executive Director

Attachment: Moreno Valley 2017 TAB - Bond Purchase Contract (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION

Exhibit A
MATURITY SCHEDULE

\$ _____
Successor Agency to the
Community Redevelopment Agency
of the City of Moreno Valley
Tax Allocation Refunding Bonds
Series 2017

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
_____	_____	_____	_____

Optional Redemption.

[TO COME]

Attachment: Moreno Valley 2017 TAB - Bond Purchase Contract (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION

Sinking Account Redemption.

[TO COME]

Exhibit B

Supplemental Opinion of Orrick, Herrington & Sutcliffe LLP,
Bond Counsel
Addressed to the Underwriter

[Closing Date]

\$ _____
Successor Agency to the
Community Redevelopment Agency
of the City of Moreno Valley
Tax Allocation Refunding Bonds
Series 2017

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

Ladies and Gentlemen:

This letter is addressed to Stifel, Nicolaus & Company, Incorporated, as Underwriter (the “Underwriter”), pursuant to Section 7(e)(5) of the Bond Purchase Contract, dated _____, 2017 (the “Purchase Contract”), between you and the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the “Agency”), providing for the purchase of \$ _____ principal amount of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Tax Allocation Refunding Bonds, Series 2017 (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2017 (the “Indenture”), by and between the Agency and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or, if not defined in the Indenture, in the Purchase Contract.

We have delivered our final legal opinion (the “Bond Opinion”) as bond counsel to the Agency concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Agency. You may rely on the Bond Opinion as though the same were addressed to you.

In connection with our role as bond counsel to the Agency, we have reviewed the Purchase Contract, the Indenture, the Tax Certificate relating to the Bonds (the “Tax Certificate”), opinions of counsel to the Agency and the Trustee, certificates of the Agency, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Agency. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Tax Certificate and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against successor agencies to redevelopment agencies in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any real or personal property described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, except as expressly set forth in numbered paragraph 3 below, completeness or fairness of the Official Statement, dated _____, 2017 (the "Official Statement"), or other offering material relating to the Bonds and express no opinion relating thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended. [No opinion is expressed with respect to the 2017 Bond Insurance Policy or the 2017 Reserve Policy.]
2. The Purchase Contract has been duly executed and delivered by, and is a valid and binding agreement of, the Agency.
3. The statements contained in the Official Statement under the captions "THE [SERIES 2017] BONDS" (except matters under "Book-Entry System"), "SECURITY FOR THE [SERIES 2017] BONDS," "TAX MATTERS," and in APPENDIX __ – "SUMMARY OF THE INDENTURE" and APPENDIX __ – "FORM OF BOND COUNSEL OPINION," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and the form and content of our Bond Opinion, are accurate in all material respects.

This letter is furnished by us as bond counsel to the Agency. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriter of the Bonds, is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Exhibit C

Letter of Stradling Yocca Carlson & Rauth, a Professional Corporation,
Disclosure Counsel

[Closing Date]

Successor Agency to the Community Redevelopment Agency
of the City of Moreno Valley
Moreno Valley, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

\$ _____
Successor Agency to the
Community Redevelopment Agency
of the City of Moreno Valley
Tax Allocation Refunding Bonds
Series 2017

Ladies and Gentlemen:

We have acted as disclosure counsel for the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the "Agency") in connection with the issuance of the above-referenced bonds (collectively, the "Bonds"). The Bonds are being purchased by you pursuant to a Bond Purchase Contract, dated _____, 2017 (the "Purchase Contract"), by and between the Agency and you, as representative of the underwriters of the Bonds. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Purchase Contract.

In rendering the advice contained herein, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Official Statement, dated _____, 2017 (the "Official Statement") relating to the Bonds; (ii) the letters, certificates and opinions delivered to you pursuant to the provisions of the Purchase Contract, including, but not limited to, Section 7(e) thereof; and (iii) such other documents, certificates, instructions and records as we have considered necessary or appropriate as a basis for such advice. We have not reviewed, and we do not assume any responsibility for any electronic version of the Official Statement and for all purposes of this letter, we have assumed that any electronic version of the Official Statement conforms in all respects to the printed version of the Official Statement.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any

such actions are taken or omitted or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate. We have assumed, without independent verification, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in any opinions referenced in the Official Statement.

We note that Orrick, Herrington & Sutcliffe LLP has served as bond counsel (“Bond Counsel”) to the Agency with respect to the issuance of the Bonds. Bond Counsel has delivered a final approving opinion dated the date hereof with respect to the valid, binding and enforceable nature of the Bonds, the exclusion of interest on the Bonds from gross income for State of California income tax purposes and certain other matters. Bond Counsel has also rendered a supplemental opinion dated the date hereof with respect to information contained under certain sections of the Official Statement and as to certain other matters. We express no opinion with respect to matters covered by such opinions.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in any document referenced in the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services as disclosure counsel to the Agency did not involve the rendering of financial or other non-legal advice to you, the Agency or any other party to the transaction.

Although we have not undertaken to determine independently or verify and are not passing upon and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with your representatives, including separate counsel retained by you, and representatives of the Agency, including the Agency’s General Counsel and Bond Counsel, the Agency’s financial advisor and fiscal consultant, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in such conferences as disclosure counsel to the Agency, our review of the documents referred to above, our reliance on the oral and written statements of the Agency and others, the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as disclosure counsel to the Agency, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm representing the Agency as disclosure counsel on this matter which caused us to believe that the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in

light of the circumstances under which they were made, not misleading in any material respect (except that we express no view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Official Statement; (v) any information incorporated by reference into the Official Statement; (vi) compliance by the Agency, the City of Monrovia or any related entity with their respective obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Act of 1934 (“Rule 15c2-12”) or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12, a review of which matters we understand has been undertaken by _____; (vii) any information with respect to the underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption “CONCLUDING INFORMATION—Underwriting”; (viii) information under the captions “TAX MATTERS” and “CONCLUDING INFORMATION—Litigation”; (ix) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “CONCLUDING INFORMATION—Ratings”; and (x) any information with respect to the Surety Bond or the Insurer, including but not limited to information under the caption “SECURITY FOR THE BONDS—Reserve Account—The Reserve Insurer”). Finally, we advise you that, other than reviewing the various certificates and opinions required by Section 7(e) of the Purchase Contract, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the negative assurance above is not an opinion and is based on certain limited activities performed by specific attorneys in our firm in our role as disclosure counsel to the Agency; (ii) the scope of the activities performed by such attorneys in our role as disclosure counsel to the Agency and for purposes of delivering such negative assurances were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as disclosure counsel to the Agency rely in part on representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the Agency.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds in accordance with the Purchase Contract and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note that you were represented by separate counsel retained by you in connection with the transaction described in the Official Statement. This letter is limited to matters governed by the laws of the State of California and

federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement as disclosure counsel to the Agency terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Bonds, the owners of any beneficial ownership interest in the Bonds or by any other party to whom it is not addressed.

Very truly yours,

Exhibit D

Opinion of Counsel to the Agency

[Closing Date]

\$_____

Successor Agency to the
Community Redevelopment Agency
of the City of Moreno Valley
Tax Allocation Refunding Bonds
Series 2017

Successor Agency to the Community Redevelopment Agency
of the City of Moreno Valley
Moreno Valley, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to Section 7(e)(8) of the Bond Purchase Contract, dated _____, 2017 (the "Purchase Contract"), by and between the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the "Agency") and Stifel, Nicolaus & Company, Incorporated, as the Underwriter. All capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Contract. In our capacity as counsel to the Agency in connection with the issuance of the above-captioned bonds (the "Bonds"), we have reviewed the Legal Documents and such other documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinion set forth herein. Relying on such examination and subject to the limitations and qualifications hereinafter set forth, we are of the opinion that:

(1) The Agency is a public entity, duly organized and validly existing under the laws of the State of California, including the Dissolution Act;

(2) Each of (i) Resolution No. _____ of the Agency approving and authorizing the execution and delivery of the Indenture, this Purchase Contract and the Instructions (the "Agency Resolution") and (ii) Resolution No. _____ approving the Preliminary Official Statement (the "Additional Agency Resolution") was duly adopted at a meeting of the Agency which was called and held on, respectively, May 16, 2017 and July 11, 2017, pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and each of the Agency Resolution and the Additional Agency Resolution is in full force and effect and has not been modified, amended or rescinded;

(3) There is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency or body, pending and notice of which has been served on and received by the Agency or, to the best of our knowledge, threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Bonds, the Official Statement, or the Legal Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Legal Documents, or which, in any manner, questions the allocation and payment of the Tax Revenues to the Agency and the other security for the Bonds provided by the Indenture; and

(4) To the best of our knowledge, the authorization, execution and delivery of the Legal Documents by the Agency and compliance with the provisions thereof by the Agency of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the Agency is subject or by which it is bound.

Very truly yours,

Exhibit E

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), that he is a duly appointed and acting officer of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the "Agency"), and as such is authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Agency to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Agency's Tax Allocation Refunding Bonds, Series 2017 (the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement dated _____, 2017, setting forth information concerning the Bonds, the Project Area and the issuer of the Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final contract of purchase, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Agency shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ____ day of _____, 2017.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

By: _____
Executive Director

Attachment: Moreno Valley 2017 TAB - Bond Purchase Contract (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION

Exhibit F

Opinion of Counsel to the Trustee

[Closing Date]

\$ _____

Successor Agency to the
Community Redevelopment Agency
of the City of Moreno Valley
Tax Allocation Refunding Bonds
Series 2017

Successor Agency to the Community Redevelopment Agency
of the City of Moreno Valley
Moreno Valley, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

Ladies and Gentlemen:

[TO COME]

Very truly yours,

Attachment: Moreno Valley 2017 TAB - Bond Purchase Contract (2599 : AUTHORIZATION FOR THE ISSUANCE OF THE 2017 TAX ALLOCATION