



Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Adam Chase, Assistant Public Works Director/Assistant City Engineer

Reviewed by: Robert DuBoux, Public Works Director/City Engineer

Approved by: Reva Feldman, City Manager

Date prepared: September 21, 2020 Meeting date: October 12, 2020

Subject: Agreement for the Administration of Assessment District 2015-1 Civic Center Water Treatment Facility Phase One and Assessment Engineering Services for the Formation of an Assessment District for Civic Center Water Treatment Facility Phase Two

RECOMMENDED ACTION: Authorize the Mayor to execute a Professional Services Agreement with 30 Three Sixty Public Finance, Inc. to provide assessment engineering services for the administration and annual reporting for Assessment District 2015-1 Civic Center Water Treatment Facility (CCWTF) Phase One and the formation of an assessment district for CCWTF Phase Two.

FISCAL IMPACT: Funding for this agreement was included in the Adopted Budget for Fiscal Year 2020-2021. All costs associated with the administration and annual report for Assessment District 2015-1 CCWTF Phase One will be paid by those parcels within the assessment district and are included in Account No. 715-9049-5100 (CCWTF Assessment District).

All costs associated with the formation of an assessment district for CCWTF Phase Two have been included in Account No. 310-9075-5100 (CCWTF Phase Two). The City will be reimbursed by HRL Laboratories through a funding agreement approved by the Council on April 8, 2019. The agreement provides for HRL to fund the project design and the development of an assessment district, and then be reimbursed after an assessment district for Phase Two is formed and bonds are issued.

In the event that formation of an assessment district for Phase Two is not successful, the agreement provides that HRL will have the opportunity to form its own assessment district and either apply the funds provided as a credit or be reimbursed by the City for

the costs incurred on the design for the entire Phase Two project. Under this scenario, if the City has to reimburse HRL, the City will need to record the costs as a liability until such time that a successful assessment district for Phase Two is formed and funded. The City is mandated by the State Water Resources Control Board and the Los Angeles Regional Water Quality Control Board to connect properties in Phase Two to a centralized system by November 2024.

WORK PLAN: This item was included as item 5a and item 8d in the Adopted Work Plan for Fiscal Year 2020-2021.

DISCUSSION: The construction of CCWTF Phase One was completed in Fiscal Year 2018-2019. An assessment district was formed to provide the financing for the construction for CCWTF Phase One. Assessments are placed on the properties within Phase One and are paid over a period of 30 years. Administration of this assessment district includes creating financial reports, creating the required documents to post the assessments on the property tax rolls, keeping track of any delinquent payments, and responding to questions and inquires from the property owners.

Woodard & Curran was contracted to design CCWTF Phase Two. It is anticipated that this phase will be completed in Fiscal Year 2020-2021. Phase Two expands the wastewater collection and recycled water system to include properties in Malibu Colony, the condominiums on Civic Center Way, HRL, and a portion of the Serra Canyon neighborhood. In addition, the treatment plant will be expanded to treat the additional wastewater from these properties. The work will include preparing a coastal development permit, construction plans, project specifications and cost estimates. It is anticipated that the project will begin construction in 2022.

Funding for Phase Two will include an assessment district similar to the one that was created in Phase One. Developing the assessment district includes evaluating the total costs of the project, evaluating the special assessments, creating an assessment methodology for the properties in Phase Two, and preparing all the documentation for forming the assessment district. The work comprises annual reports, assessment district formation, bond issuance, and additional supporting tasks.

On March 4, 2020, the City requested qualifications/proposals for administration and annual reporting for CCWTF Phase One and assessment engineering and assessment district administration services for CCWTF Phase Two. The City received only one proposal from 30 Three Sixty Public Finance, Inc. Due to the firm's familiarity with the City through its work on several other City assessment districts and its general expertise, staff recommends authorizing the Mayor to execute a Professional Services Agreement with 30 Three Sixty Public Finance, Inc. for administration and annual reporting for Assessment District 2015-1 CCWTF Phase One and the formation of an assessment district for CCWTF Phase Two.

ATTACHMENT: Professional Services Agreement with 30 Three Sixty Public Finance, Inc.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of October 12, 2020 by and between the City of Malibu (hereinafter referred to as the "City"), and 30 Three Sixty Public Finance, Inc. (hereinafter referred to as "Consultant").

The City and the Consultant agree as follows:

RECITALS

A. The City does not have the personnel able and/or available to perform the services required under this Agreement.

B. The City desires to contract out for consulting services for certain projects relating Administration of Phase 1 Assessment District and the Formation and Administration of the Civic Center Water Treatment Facility Phase 2 Assessment District.

C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.

D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Consultant agree as follows:

1.0 SCOPE OF THE CONSULTANT'S SERVICES. The Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, attached to and made part of this Agreement, except that, to the extent that any provision in Exhibit A conflicts with this Agreement, the provisions of this Agreement govern. The Scope of Work may be amended from time to time by way of a written directive from the City.

2.0 TERM OF AGREEMENT. This Agreement will become effective on October 12, 2020, and will remain in effect for a period of 3 years from said date unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

3.0 CITY AGENT. The City Manager, or her designee, for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Consultant understands that the City Manager, or her designee, has the authority to provide that approval or authorization.

4.0 COMPENSATION FOR SERVICES. The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the Exhibit "A" Scope of Work's fee and cost schedule Exhibit "B" compensation schedule. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager, or her designee.

4.1 The Consultant shall submit to the City, by no later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

5.0 CONFLICT OF INTEREST. The Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Consultant under this Agreement. The Consultant further represents that in performance of this Agreement, no person having any such interest shall be employed by it.

5.1 The Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this contract, the Consultant shall not offer, encourage or accept any financial interest in the Consultant's business by any City employee or official.

5.2 If a portion of the Consultant's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Consultant warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

6.0 GENERAL TERMS AND CONDITIONS.

6.1 Termination. Either the City Manager or the Consultant may terminate this Agreement, without cause, by giving the other party ten (10) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Consultant under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Consultant terminates this Agreement without cause, the Consultant shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Consultant shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

6.2 Non-Assignability. The Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

6.3 Non-Discrimination. The Consultant shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

6.4 Insurance. The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

(a) Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective employees.

(b) Comprehensive general and automobile liability insurance protecting the Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by City.

2) Name and list as additional insured the City, its officers and employees.

3) Specify its acts as primary insurance.

4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."

5) Cover the operations of the Consultant pursuant to the terms of this Agreement.

6.5 Indemnification. To the fullest extent permitted by law, the Parties agree to save, indemnify (including costs of any defense), and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, reasonable attorney fees, expert fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the Party's negligence, recklessness, or willful misconduct. Following a determination of the percentage of fault and or liability by agreement between the Parties or a court of competent jurisdiction, the Party responsible for liability to the other will indemnify the

other Party to this Agreement for the percentage of liability determined. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

6.6 Compliance with Applicable Law. The Consultant and the City shall comply with all applicable laws, ordinances and codes of the federal, state, county and city governments, including, without limitation, Malibu Municipal Code Chapter 5.36 Minimum Wage.

6.7 Independent Contractor. This Agreement is by and between the City and the Consultant and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Consultant.

6.7.1. The Consultant shall be an independent contractor, and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

6.8 Copyright. No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

6.9 Legal Construction.

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

6.10 Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all parties hereto.

6.11 Final Payment Acceptance Constitutes Release. The acceptance by the Consultant of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Consultant for anything done, furnished or relating to the Consultant's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

6.12 Corrections. In addition to the above indemnification obligations, the Consultant shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Consultant.

6.13 Files. All files of the Consultant pertaining to the City shall be and remain the property of the City. The Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

6.14 Waiver; Remedies Cumulative. Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

6.15 Mitigation of Damages. In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

6.16 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6.17 Attorneys' Fees. The parties hereto acknowledge and agree that each will bear his/her or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

6.18 Entire Agreement. This Agreement constitutes the whole agreement between the City and the Consultant, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Consultant.

6.19 Notices. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

CITY:	Reva Feldman City Manager City of Malibu 23825 Stuart Ranch Road Malibu, CA 90265-4861 TEL (310) 456-2489 x 224 FAX (310) 456-2760	CONSULTANT:	Mitch Mosesman President 30 Three Sixty Public Finance, Inc. 5860 Owens Ave., Ste. 210 Carlsbad, CA 92008 TEL (858) 386-4600
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6.20 Warranty of Authorized Signatories and Acceptance of Facsimile or Electronic Signatures. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered physically or by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.

7.0 GENERAL TERMS AND CONDITIONS. (City and Consultant initials required at EITHER 7.1 or 7.2)

7.1 Disclosure Required. By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a "consultant" for the purposes of the California Political Reform Act because Consultant's duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18700.3(a) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City's Conflict of Interest Code and agrees to comply

with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City’s Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant’s disclosure obligations in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

7.2 Disclosure not Required. By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a “consultant” for the purpose of the California Political Reform Act because Consultant’s duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18700.3(a) and is otherwise not serving in staff capacity in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

This Agreement is executed on _____, 2020, at Malibu, California, and effective as of October 12, 2020.

CITY OF MALIBU:

MIKKE PIERSON, Mayor

ATTEST:

HEATHER GLASER, City Clerk
(seal)

CONSULTANT:

By: Mitch Mosesman
President

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

CHRISTI HOGIN, City Attorney

EXHIBIT A

SCOPE OF SERVICES

I. ASSESSMENT DISTRICT NO. 2015 -1 WASTEWATER TREATMENT PLANT PHASE 1

A. ASSESSMENT DISTRICT ADMINISTRATION

1. **Assessment Database and Model:** Consultant will maintain a parcel database which will include Assessor's Parcel Number, assessment number, original assessment lien, outstanding assessment balance, annual assessment installment and administrative expense amounts, and record owner information to the extent readily available from the County. In addition, Consultant will prepare and maintain a spreadsheet model of the assessment installments applicable to each assessed property. The model will separately calculate each property's share of interest and principal due on any bonds, interest and principal due on any loans, and administrative expenses.
2. **Billing and Collection of Assessment Installments**
 - a. **Billing of Assessment Installments:** Consultant will coordinate with the Los Angeles County Auditor-Controller (the "County") regarding the billing of the annual assessment installments along with regular property taxes. Consultant will upload the annual assessment installments to the County's Direct Assessment Web Access system ("DA Web") and confirm that they are properly enrolled and billed.
 - b. **Collection of Assessment Installments:** Consultant will coordinate with the County to obtain collection data and prepare periodic reports that coincide with the County's provision of collection data, detailing the amounts collected for the reporting period in question. Consultant will coordinate with the City to establish follow-up procedures for delinquent assessment installments. Should the need arise, Consultant will assist legal counsel with further collection activities, including the foreclosure of the assessments that remain delinquent after the follow-up process.
 - c. **Prepayment:** Upon request, Consultant will calculate the amount needed to pay off the assessment balance in part or in full. The assessment prepayment amount, including payoff instructions, will be mailed to the requesting party. If prepayment in full is received, Consultant will coordinate with the City in the preparation and recordation of a release of lien with respect to the Parcel ID for which prepayment has been made.
3. **Unscheduled Bond Redemptions:** Following the receipt of assessment prepayments, Consultant will coordinate the redemption of AD No. 2015-1 2016 Series A bonds and/or the prepayment of principal associated with the State Water Resources Control Board Installment Sale Agreement and Grant.
4. **Trust/Fiscal Agent Accounts Review:** Consultant will prepare and maintain a database of trust/fiscal agent account activity to facilitate a comparison of actual financial activity to trust indenture or fiscal agent agreement. Monthly reports and findings of non-compliance and/or inconsistencies with the trust indenture or fiscal agent agreement will be communicated to

the City and fiscal agent/trustee. We will also reconcile account activity with County apportionment reports, scheduled debt service payments, etc.

5. **Property Owner Inquiries:** This task involves responding to telephone calls from prospective or current property owners or other interested parties who have questions regarding the AD and their assessment. This task also includes brief written responses to property owners as necessary.
6. **Reports**
 - a. **Annual AD Report:** Consultant shall prepare an annual report for the AD summarizing (i) the annual debt service and administrative expenses budgeted for the coming fiscal year and (ii) collection results for the previous year.
 - b. **Notice of Special Assessment:** As requested, Consultant will prepare and provide to the requesting party the Notice of Special Assessment set forth in Government Code Section 53340.2.
 - c. **Revenue and Taxation Code Section 163 Report:** As applicable, Consultant will prepare and provide the annual report required pursuant to Revenue and Taxation Code Section 163 to the County Assessor. Pursuant to the Revenue and Taxation Code Section 163, the report contents include the original assessment lien, outstanding assessment lien, and prepayment date and the name of the prepaying party.
 - d. **Annual “Debt Transparency Report” Pursuant to Government Code 8855 (SB 1029):** As applicable, Consultant will prepare the annual report specified under Government Code Section 8855 using the protocol and forms established by the California State Controller’s office.
7. **Continuing Disclosure:** Consultant will compile, assemble, and circulate to the City for review the report containing the annual financial information specified in the continuing disclosure agreement entered into by the City in connection with the issuance of the bonds. Upon approval, Consultant will file the report with the Municipal Securities Rulemaking Boards’ Electronic Municipal Market Access website. In addition, as Consultant is made aware, it will also file or coordinate the filing of notice of the occurrence of “Significant Events” as described in the continuing disclosure agreement.
8. **Meetings:** As requested, Consultant will attend teleconferences and up to one in-person meeting annually.
9. **Assessment Apportionments and Amended Diagrams (Optional):** In the event parcels are consolidated or subdivided, Consultant will apportion the assessment applicable to the subdivided parcel to the parcels in the new subdivision and prepare an amended assessment diagram.

II. ASSESSMENT DISTRICT WASTEWATER TREATMENT PLANT PHASE 2

A. ASSESSMENT DISTRICT FORMATION

1. **Boundary Map and Assessment Diagram:** Subconsultant will prepare the boundary map and assessment diagram using base map data (GIS or other digital mapping format) to be provided by the City. As requested, Consultant will coordinate the recording of the assessment district boundary map, assessment diagram, and notice of assessment.
2. **Assessment Methodology:** Consultant and Subconsultant anticipate that the Phase 2 assessment methodology will be consistent with the Phase 1 assessment methodology, and will work closely with City staff and the design engineer to document existing development, compile future development assumptions, as applicable, and estimate flow and load factors for each land use and property.
3. **Financial Analysis:** Consultant will prepare an assessment model to estimate bonded indebtedness and the resulting assessments when the estimated bond principal is spread to the benefited properties in accordance with the assessment methodology. The assessment model will also include projected annual assessment installments and annual administrative expenses.
4. **Engineer's Report:** Consultant and Subconsultant will prepare a preliminary and final Engineer's Report pursuant to the Municipal Improvement Act of 1913 (the "1913 Act"). The contents of the Engineer's Report will include (i) plans and specifications (to be provided by the design engineer), (ii) a general description of the improvements (to be developed in coordination with the design engineer), (iii) an estimated cost of the improvements, including the cost of land, rights-of-way, easements, and incidental expenses (to be provided by the design engineer), (iv) an explanation of the apportionment methodology, (v) the assessment diagram, and (vi) the assessment roll. In addition, the Engineer's Report will incorporate the report required pursuant to the Special Assessment Investigation, Limitation, and Majority Protest Act of 1931.
5. **AD Formation Document Review:** As requested, Consultant and Subconsultant will (i) review and provide comments regarding documents prepared in connection with the formation of the assessment district, such as notices, resolutions, and ordinances and (ii) provide data to the City for the preparation and printing of community meeting invitations, assessment and hearing notices, and assessment ballots.
6. **Bond Issuance:** As requested, Consultant will assist in the review of documents prepared in connection with the issuance of the bonds. Such bond documents may include bond resolutions and/or ordinances, trust indentures, limited offering memorandums and/or official statements, and continuing disclosure agreements. Consultant will also update its assessment model and as requested provide information to assist with the preparation of the official statement for the bonds.
7. **Meetings and Teleconferences:** The Consultant project team will attend conference calls and up to six (6) in-person meetings which may include a kick-off meeting, community outreach meetings, and City Council meetings.

8. **Supplemental Wastewater Treatment Plant Load and Flow Research (Optional):** As requested, the Consultant project team will coordinate with City staff, the City's design engineer, and property owners to confirm development projections and wastewater treatment plant load and flow assumptions for the Phase 2 properties.

B. ASSESSMENT DISTRICT ADMINISTRATION

1. **Assessment Database and Model:** Consultant will maintain a parcel database which will include Assessor's Parcel Number, assessment number, original assessment lien, outstanding assessment balance, annual assessment installment and administrative expense amounts, and record owner information to the extent readily available from the County. In addition, Consultant will prepare and maintain a spreadsheet model of the assessment installments applicable to each assessed property. The model will separately calculate each property's share of interest and principal due on any bonds, interest and principal due on any loans, and administrative expenses.
2. **Billing and Collection of Assessment Installments**
 - a. **Billing of Assessment Installments:** Consultant will coordinate with the Los Angeles County Auditor-Controller (the "County") regarding the billing of the annual assessment installments along with regular property taxes. Consultant will upload the annual assessment installments to the County's Direct Assessment Web Access system ("DA Web") and confirm that they are properly enrolled and billed.
 - b. **Collection of Assessment Installments:** Consultant will coordinate with the County to obtain collection data and prepare periodic reports that coincide with the County's provision of collection data, detailing the amounts collected for the reporting period in question. Consultant will coordinate with the City to establish follow-up procedures for delinquent assessment installments. Should the need arise, Consultant will assist legal counsel with further collection activities, including the foreclosure of the assessments that remain delinquent after the follow-up process.
 - c. **Prepayment:** Upon request, Consultant will calculate the amount needed to pay off the assessment balance in part or in full. The assessment prepayment amount, including payoff instructions, will be mailed to the requesting party. If prepayment in full is received, Consultant will coordinate with the City in the preparation and recordation of a release of lien with respect to the Parcel ID for which prepayment has been made.
3. **Unscheduled Bond Redemptions:** Following the receipt of assessment prepayments, Consultant will coordinate the redemption of AD No. 2015-1 2016 Series A bonds and/or the prepayment of principal associated with the State Water Resources Control Board Installment Sale Agreement and Grant.
4. **Trust/Fiscal Agent Accounts Review:** Consultant will prepare and maintain a database of trust/fiscal agent account activity to facilitate a comparison of actual financial activity to trust indenture or fiscal agent agreement. Monthly reports and findings of non-compliance and/or inconsistencies with the trust indenture or fiscal agent agreement will be communicated to

the City and fiscal agent/trustee. We will also reconcile account activity with County apportionment reports, scheduled debt service payments, etc.

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6. **Reports**
 - a. **Annual AD Report:** Consultant shall prepare an annual report for the AD summarizing (i) the annual debt service and administrative expenses budgeted for the coming fiscal year and (ii) collection results for the previous year.
 - b. **Notice of Special Assessment:** As requested, Consultant will prepare and provide to the requesting party the Notice of Special Assessment set forth in Government Code Section 53340.2.
 - c. **Revenue and Taxation Code Section 163 Report:** As applicable, Consultant will prepare and provide the annual report required pursuant to Revenue and Taxation Code Section 163 to the County Assessor. Pursuant to the Revenue and Taxation Code Section 163, the report contents include the original assessment lien, outstanding assessment lien, and prepayment date and the name of the prepaying party.
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8. **Meetings:** As requested, Consultant will attend teleconferences and up to one in-person meeting annually.
9. **Assessment Apportionments and Amended Diagrams (Optional):** In the event parcels are consolidated or subdivided, Consultant will apportion the assessment applicable to the subdivided parcel to the parcels in the new subdivision and prepare an amended assessment diagram.

EXHIBIT B

COMPENSATION SCHEDULE

Consultant's compensation for services is shown in Table 1 below.

TABLE 1 CONSULTING SERVICES FEES	
TASK	COMPENSATION
Task I.A.1 - 8 Phase 1 AD Administration	Annual fixed fee of \$11,500
Task I.A.9 Phase 1 Assessment Apportionments	Time and materials up to \$3,750
Task II.B.1 - 7 Phase 2 AD Formation	Time and materials not to exceed \$48,825 for services and \$5,000 for expenses
Task II.B.8 Phase 2 Supplemental Wastewater Treatment Plant Load and Flow Research (Optional)	Time and materials up to \$12,500
Task II.B.1 - 8 Phase 2 AD Administration	Annual fixed fee of \$12,450 plus expenses not to exceed \$1,000
Task II.B.9 Phase 2 Assessment Apportionments	Time and materials up to \$3,750
Total	\$98,775

Services for which compensation is based on the hourly rates in Table 2 below shall be invoiced monthly. On or about the first two (2) weeks of each month during which such services are rendered hereunder, Consultant shall present to Client an invoice covering the current services performed and the reimbursable expenses incurred. Services for which compensation is based on a fixed fee shall be invoiced quarterly. On or about the first two (2) weeks of each quarter during which such services are rendered hereunder, Consultant shall present to Client an invoice in an amount equal to one-fourth of the annual fixed fee and the reimbursable expenses incurred. All invoices shall be paid by Client within thirty (30) days of the date of each invoice.

TABLE 2 HOURLY RATES	
FIRM/PERSONNEL	HOURLY RATE
Consultant	
President	\$200
Associate	\$125
Subconsultant	
Charles Greely	\$260
Jose Vargas	\$145