

July 18, 2019

Ms. Katie Nickel  
Public Works Program Coordinator  
City of Rialto  
335 West Rialto Avenue  
Rialto, California 92376

**RE: *Proposal to Provide 1972 Act and Mello-Roos Act Administration Services to the City of Rialto for the remainder of FY 2019-20***

Dear Ms. Nickel:

Per your request, please find included, our scope of services and fees for services for Special District Administration services for the remainder of Fiscal Year 2019-20 levy services.

## Scope of Work

### Community Facilities District & Landscaping and Lighting Administration

1. Attend the public hearing. Willdan will be available to answer any questions requested by staff. Willdan staff time for these meetings is included in our fee proposal, while travel expenses will be billed separately from actual costs incurred. Please see the cost proposal for further details.
2. Calculate and submit the levies for each parcel by Assessor's Parcel Number to the County Auditor/Controller's Office in the media, format and configuration required by the County for placement on the annual property tax roll.
3. Provide resolutions ordering the levy, collection of assessments, and any other necessary information to the County Auditor/Controller's Office.
4. Research the exceptions upon receipt of a parcel exceptions list from the County; and update parcel number changes, as well as report the revised parcels and updated levy amounts to the County. As necessary, Willdan will prepare for City staff additional County-required correspondences relating to the submittal, correction, or removal of assessments to the County tax roll.
5. **(Optional):** Prepare and mail invoices (handbills) to all property owners whose proposed annual assessment for their parcel could not be applied to the County tax roll (parcels for which the County does not generate a tax bill). These invoices would be provided in two (2) installments, similar to the County tax bills, and would be payable directly to the City. This is an optional service, and the cost associated with this service is not included in the annual fee; but may be provided at our then-current hourly consulting rates (see "Additional Services" section within the Cost Proposal), plus expenses.

### 1972 Act Annexation Services

Outlined below are the tasks associated with future annexation into LLMD 2, Willdan proposes to perform the following tasks.

Schedule a brief project kick-off conference call with City staff to finalize the proposed project timeline; and identify any documents or information that may be required to complete the project and our scope of services, including key milestones (deliverables and Council meetings), and the need for any public outreach efforts.

1. Evaluate various factors that must be considered for development of the proposed assessments to ensure maximum cost-to-benefit equity for each property to be included in the annexation (annexation territory). We will work with City staff to develop a comprehensive budget and cost allocation that is appropriate and complies with the more stringent special/general benefit provisions of the California Constitution and subsequent court rulings regarding assessments.
2. Prepare a comprehensive Engineer's Report that is based on findings, recommendations, assessments and benefit analysis established during prior tasks; and integrate the Method of Apportionment. This report will be prepared under the Landscaping and Lighting Act of 1972 and the provisions of the California Constitution Article XIID (Proposition 218). The Engineer's Report will contain the following information.
  - Plans and specifications that describe the area of special benefit, the proposed assessment, and improvements.
  - Method of Apportionment outlining the special benefit conferred on properties from improvements, as well as calculations used to establish each parcel's proportional special benefit assessment; plus a description of the assessment range formula establishing the maximum assessment rate from subsequent fiscal years.
  - Budget outlining the costs and expenses to provide service and maintain improvements, including authorized incidental expenses.
  - Assessment diagram that identifies the boundaries of the proposed new zone of benefit.
  - Assessment roll containing each APN comprising the zone and proportional new maximum assessment.
  - Affidavit stating that a professional engineer has prepared the report.
3. Prepare resolutions for the Intent Meeting and Public Hearing.
4. Be available to attend the Intent Meeting to answer questions related to the Engineer's Report and ballot proceedings.
5. Prepare necessary Notice of Public Hearing and the assessment ballots, while maintaining compliance with the California Constitution (Proposition 218) provisions.
6. Print and mail notices and assessment ballots after finalizing with City staff and Council's adoption of the Resolution of Intention. Actual printing and mailing of the documents may be performed by a mailing house that subcontracts to Willdan for large printing and mailing projects.
7. Attend the Public Hearing to answer questions and assist in the tabulation of returned ballots.
8. Develop and mail (as requested) an informational piece/invitation to each property owner, as part of an overall educational effort. Such a mailer generally has a simple format that is intended to provide property owners with basic information concerning proposed improvements and assessment(s). This mailer may be a simple fact sheet (possibly a question and answer format) and/or serve as an invitation to attend a scheduled property owner workshop conducted by City staff.
9. Support City staff (as warranted) with their efforts to provide background information to property owners, which will assist them in making informed decisions regarding the proposed assessments. As needed, Willdan will provide technical support to City staff, while attending a prescheduled community meeting/workshop. We will be available to answer questions; and provide information related to the calculation of proposed assessments, funded improvements and activities, and balloting process. Property owner workshops can be scheduled either prior to mailing notices and ballots, or during the required 45-day period in between ballot mailing and the public hearing.

**Legal Opinions:** In preparing the resolutions, notices and ballots, Willdan will provide its professional expertise. As we do not practice law, we ask that the City's attorney or other designated counsel, review documents. We will, however, assist your attorney in identifying any pertinent legal issues.

## Cost Proposal

The fees below reflect application of Willdan Financial Services' ("Willdan") proposed scope of services for the remainder of Fiscal Year 2019-20 levy services. These fees are based on our working relationship with the City and the time estimated to complete the defined scope of services.

### Community Facilities District Administration

| Description  | Parcel Count | Fee             |
|--------------|--------------|-----------------|
| CFD 87-2     | 2,234        | \$ 500          |
| CFD 2006-1   | 142          | \$ 1,325        |
| CFD 2016-1   | <u>129</u>   | <u>\$ 1,375</u> |
| <b>TOTAL</b> | <b>2,505</b> | <b>\$ 3,200</b> |

### Landscaping and Lighting District Administration

| Description                             | Parcel Count  | Fee             |
|---|---------------|-----------------|
| Landscape Maintenance District No. 1    | 8,235         | \$ 1,500        |
| Street Light Maintenance District No. 1 | 21,783        | \$ 2,750        |
| Landscaping and Lighting District No. 2 | <u>803</u>    | <u>\$ 625</u>   |
| <b>TOTAL</b>                            | <b>30,821</b> | <b>\$ 4,875</b> |

### 1972 Act Annexation Services

| Annexation Count                                 | Fee       |
|--|-----------|
| 4 PPD's  | \$ 15,000 |
| (PPD 2017-0100, 2018-0059, 2018-0078, 2018-0069) |           |

### Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses, not-to-exceed two thousand dollars (\$2,000) for the remainder of Fiscal Year 2019-20. Examples of reimbursable expenses include but are not limited to the following items.

- Postage
- Travel expenses
- Mileage (current prevailing federal mileage rate)
- Maps
- Electronic data furnished from the county and/or other applicable resources
- Construction cost periodicals
- Copying (currently 6¢ per copy)

Any additional expense for reports or from outside services will be billed to the City. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of work will be invoiced at our then-current hourly rates (see "Additional Services" below).

In the event that a third-party requests documentation, Willdan may, in accordance with our applicable rate schedule, charge such third party for providing said documents.

## Additional Services

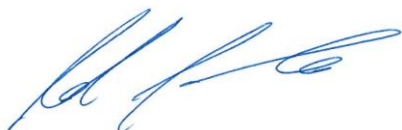
Additional authorized services will be billed at Willdan's then-current hourly consulting rates. Our current hourly rates are presented below.

| Title                                       | Hourly Rate |
|---|-------------|
| Group Manager                               | \$210       |
| Principal Engineer and Principal Consultant | \$200       |
| Senior Project Manager                      | \$165       |
| Project Manager                             | \$145       |
| Senior Project Analyst                      | \$130       |
| Senior Analyst                              | \$120       |
| Analyst                                     | \$100       |
| Property Owner Service Representative       | \$55        |
| Support Staff                               | \$50        |

If you wish to discuss any aspect of our proposal, please contact Group Manager Gladys Medina directly at (951) 587-3533 or via email at [gmedina@willdan.com](mailto:gmedina@willdan.com). We look forward to hearing from you.

Sincerely,

**WILLDAN FINANCIAL SERVICES**



Mark J. Risco  
President and CEO