



Amendment No. 2

Project Name/No.: Assessment Engineering Services
for Annual Levy and Associated
Services within the LMAD

Contract No.: 21220097 (A2)

Dept./Contract Rep: LMAD/J. Gutierrez

Approved: 10/15/2024

**CITY of YORBA LINDA
AMENDMENT NO. 2 TO
ASSESSMENT ENGINEERING SERVICES FOR THE ANNUAL LEVY OF STREET
LIGHTING AND LANDSCAPE MAINTENANCE DISTRICT SERVICES**

This is Amendment No. 2 ("Amendment No.2") to that certain **Assessment Engineering for the Annual Levy of Street Lighting and Landscape Maintenance Services** ("Agreement") made on October 19, 2021 between the City of Yorba Linda ("City") and **Willdan Financial Services, In** ("Consultant"), which this Amendment No. 2 is made and entered into on **October 15, 2024** to add additional and continued Assessment Engineering and associated services:

1. Capitalized terms used but not defined in this Amendment No. 1 shall have the meanings ascribed to them in the Agreement.
2. 2.1, "Contract Sum" is amended to increase the compensation by a not-to-exceed amount of **Seventy-Nine Thousand Four Hundred Seventy-Eight Dollars (\$79,478.00)** for provision of an additional fiscal year of services during the extended term for the Fiscal Year 2025-2026 Engineer's Report, and shall read as follows:

Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with Exhibit "B" (the "Schedule of Compensation") and Exhibit "B-1" in a total amount not to exceed **Two Hundred Seventy-Six Thousand Three Hundred Ninety-Eight Dollars (\$276,398.00)** (the "Contract Sum"), except as provided in Section 1.2. The method of compensation set forth in the Schedule of Compensation may include a lump sum payment upon completion, payment in accordance with the percentage of completion of the services, payment for time and materials based upon Consultant's rate schedule, but not exceeding the Contract Sum, or such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement at Consultant's actual cost, without additional overhead or services charge, for actual and necessary expenditures for reproduction costs, transportation expense, telephone expense, and similar costs and expenses when and if specified in the Schedule of Compensation.

3. 3.4, "Term" is amended to extend the term from October 31, 2024 through June 30, 2025, and shall read as follows:

The term of this agreement shall commence on October 19, 2021 and terminate and terminate on June 30, 2025 (extended term). This agreement may be extended upon mutual agreement by both parties (additional extended term). Unless earlier terminated in accordance with Sections 7.11 or 7.12 of this Agreement, this Agreement shall continue in full force and effect until completion of the services, except as otherwise provided in the Schedule of Performance.

Extension 1 – November 1, 2024 – June 30, 2025 (Amendment No. 2)

Extension 2 – July 1, 2025 – June 30, 2026 (Future Amendment)

4. Exhibit A, "Scope of Services" and Exhibit B, "Fee Schedule of Compensation" are supplemented to include the supplemental additional scope of services and fee schedule, attached as "Exhibit B-1" hereto. The supplement to the "Scope of Services" is not intended to replace the original Exhibit A or Exhibit B of the Agreement, but instead to augment and increase the scope of work listed in the original Exhibit A and compensation schedule listed in the original Exhibit B to the Agreement.
5. All other terms and conditions of the Agreement remain in full force and effect.
6. This Amendment No. 1 may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

CITY OF YORBA LINDA

Dated: _____

By: _____
MARK A. PULONE
CITY MANAGER

ATTEST:

Marcia Brown
City Clerk

WILLDAN FINANCIAL SERVICES:

By: _____

Signature: _____

Title: _____

Address: _____

Sunny Han, Finance Director

By: _____

Signature: _____

Title: _____

Address: _____

APPROVED AS TO FORM:
RUTAN & TUCKER LLP

Todd Litfin
City Attorney

Two signatures are required if a corporation.

NOTE: CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS IDENTITY.

EXHIBIT B-1

ADDITIONAL SCOPE OF SERVICES AND FEE SCHEDULE

Scope of Services and Fee Schedule pertaining to Amendment No.2 are provided on the following fourteen pages.

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August 27, 2024

Ms. Jamie Lai, PE
Director of Public Works/City Engineer
City of Yorba Linda
4845 Casa Loma Avenue
Yorba Linda, California 92885

Re: *Proposal to Provide Annual Administration Services to the City of Yorba Linda for the Street Lighting and Landscaping Maintenance District*

Dear Ms. Lai:

As requested, the following outlines Willdan Financial Services' ("Willdan") scope of services and fee to provide Annual Administration Services for the City of Yorba Linda's Street Lighting and Landscaping Maintenance District for fiscal years 2025/2026 and 2026/2027, in order to exercise the two optional one-year extensions (November 1, 2024 through October 1, 2025 and November 1, 2025 through October 1, 2026) outlined within the Professional Services Agreement dated October 19, 2021.

We appreciate this opportunity to continue to serve the City of Yorba Linda and look forward to hearing from you. If you have any questions or concerns regarding our proposal, please feel free to contact Principal Consultant Jim McGuire directly at (909) 229-0826 or via email at jmcguire@willdan.com.

Sincerely,

Willdan Financial Services



Gladys Medina
Vice President, Group Director

Scope of Services

Willdan Financial Services' ("Willdan") work plan and tasks associated with the ongoing administration of the City of Yorba Linda's Street Lighting and Landscaping Maintenance District ("District") are outlined below. Willdan proposes to continue to perform the following annual administration services for fiscal years 2025/2026 and 2026/2027.

Willdan will rely on the validity and accuracy of the City of Yorba Linda's ("City") data and documentation to complete the services described herein. We will rely on the data as being accurate without performing an independent verification of accuracy, and we will not be responsible for any errors that result from inaccurate data provided by the City or a third party.

Task 1: Kick-off Meeting and Timeline

Objectives: Ensure that the annual levy process is successful by developing a timeline; and identifying early-on in the process any potential issues, staff concerns, changes to the District/Zones, or related issues.

Description: Schedule one (1) in-person or conference call annual kick-off meeting within the month of January of each year. Review any potential modifications to the District/Zones with department staff, including annexations or new improvements, upcoming budget issues and legislative changes that may impact the annual levy process. Review proposed timeline and key dates.

Meetings: One (1) in-person (or conference call) annual kick-off meeting.

Task 2: Update Parcel Database

Objectives: Based on the latest County Assessor information, ensure that the parcel database remains as current as possible.

Description: Update parcel information within the District/Zones to ensure that parcels within the database are coded and assessed properly based upon their respective County Land Use and Assessment Methodology. Parcel research will be conducted through the use of the most current secured roll information, County Assessor maps, various third-party resources, and specific information provided by the City (e.g., up-to-date map approval status, building permits or certificate of occupancy data).

Deliverables: Provide the City with an electronic file of the annual assessment data (assessment roll), upon completion of Task 5.

Task 3: Update GIS Mapping of Landscape Improvements

Objectives: Update, maintain, host and export, as necessary, City GIS data related to the District.

Description: Willdan will ensure that the GIS layers are current and, if necessary, provide additional data attribute columns and domains to enhance mapping features. Access to GIS data layers shall be provided throughout the term of the contract and meet industry standards for security and availability. Willdan will coordinate directly with City staff to ensure that updates to the GIS layer(s) are completed within two (2) weeks from the date of approval or date of notification to Willdan, or a mutually agreed upon schedule or deliverable date, regarding substantive changes made within the District.

Willdan will maintain a list of changes throughout the year, and the entirety of the contract, which will be provided to the City upon request. Willdan will use this list during other tasks to ensure the annual Engineer's Report data and corresponding budget incorporates changes or updates requested by the City or identified by Willdan and approved by the City as part of any reconciliation or special analyses.

Deliverables: Access to GIS data layers shall be provided throughout the term of the contract. List of requested GIS changes related to areas maintained by the District.

Upon request by the City, Willdan will provide GIS exhibits, including exporting data and/or diagrams, on a time and materials basis.

Task 4: Review and Prepare Budgets

Objectives: Review the budget information provided by the City and prepare comprehensive annual Engineer's Report budgets.

Description: Since the District/Zone budgets are an integral part of the Engineer's Report, we will assist staff with the incorporation of actual maintenance costs to achieve maximum cost-to-benefit equity. Data gathered in previous tasks will be reviewed in order to update the Engineer's Report with current property data, budget amounts and an assessment of the estimated cost to each parcel.

Annually, Willdan will provide City staff with a recommended budget by Zone and line item by way of the City's existing Microsoft Excel budget model and/or alternative format approved by the City. Willdan will update and maintain the master controller database and other related Microsoft Excel spreadsheets and make updates as requested by the City.

Meetings: If necessary, meet with City staff to review budget information and the annual Engineer's Report budgets.

Deliverables: Provide City with a copy of the proposed budgets to be incorporated into the annual Engineer's Report. Via conference calls, discuss written findings and/or recommendations regarding the upcoming annual budget.

Task 5: Prepare Engineer's Report

Objective: Prepare the Engineer's Report for the upcoming fiscal year.

Description: Prepare the annual Engineer's Report for the District, under the requirements of the Landscaping and Lighting Act of 1972 ("1972 Act") and in compliance with Proposition 218. This Report will be the basis for the upcoming fiscal year assessments including any modifications identified in Tasks 2, 3 and/or 4. This report as required by the 1972 Act will include the following elements:

- Plans and specifications for the improvements, which will include a summary description of the landscape improvements, as well as a general description of the lighting improvements, to be funded and maintained.
- An estimate of the improvement costs (estimated budgets for the fiscal year showing costs and expenses of providing the improvements, including incidental expenses, as well as any contributions and adjustments).
- Diagrams for the District, which will be presented for the various Zones and/or Sub-Zones as boundary maps that may include references to the location and extent of the improvements provided.
- An assessment of the estimated costs of the improvements that incorporates the basis and calculation of the assessments; including the method of apportionment, benefit analysis, the assessment rates established by the budgets and applicable inflationary adjustments, as well as an electronic copy of the proposed assessment roll.

Deliverables: One (1) electronic copy of the draft Engineer's Report will be provided to the City for review and comment prior to submittal of a final Engineer's Report for the consideration and approval of the City Council at the Intent Meeting. Upon finalization of the Report, we will provide the City with one (1) electronic copy of the final Engineer's Report, assessment diagrams and assessment roll. In addition, two (2) signed hard copies of the Report will be provided to the City on or before the Public Hearing.

Task 6: Resolutions and Staff Reports

Objective: Review resolutions and staff reports for the Intent Meeting and Public Hearing.

Description: Based on previous proceedings for the District, we anticipate that the resolutions, staff reports and presentations to be presented to the City Council, in connection with the annual assessment process, will be drafted by the City Attorney and/or City staff. As part of our scope of services, we will be happy to review and provide comments on these documents and/or provide statistical information related to the assessments that may be contained in these documents.

Deliverables: None anticipated at this time, unless requested by the City.

Task 7: Attend Council Sessions

Objectives: Attend and be available to respond to questions regarding the Engineer's Report posed by the City Council at the Intent Meeting and/or Public Hearing.

Description: Participate in up to two (2) Council sessions annually: one (1) Intent Meeting (attendance may be virtual if the City agrees) and in-person attendance at one (1) Public Hearing.

Meetings: Two (2) Council sessions annually.

Task 8: Submit Approved Levy

Objectives: File the electronic collection record, the Resolution to Levy and other necessary documents with the County Auditor/Controller's Office.

Description: Upon completion of the Public Hearing and adoption of the Resolution to Levy assessments, transfer the assessment amounts for each parcel by APN to the County Auditor/Controller's Office in the media, format and configuration required for placement on the annual property tax roll.

Deliverables: Electronic file and signed Resolutions to County Auditor/Controller's Office.

Task 9: Resolve Parcel Exceptions

Objectives: Upon receipt of a parcel exception list from the Auditor/Controller, if applicable, research the exceptions and resubmit corrections.

Description: Research these exceptions and identify parcel number changes where applicable. Update these 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 correspondence relating to the submittal, correction, or removal of assessments to the County tax roll.

Deliverables: Resubmit corrected assessments to the County Auditor/Controller, as needed. Prepare and provide an electronic list of parcels for which the County will not send tax bills that the City may utilize to prepare and mail handbills.

Task 10: Levy Summary

Objectives: Provide a summary of the final applied levy amounts and a description of the reasons for any significant variances between the amounts budgeted and the amounts accepted by the County Auditor/Controller to be applied to the County tax roll.

Description: Since it is not uncommon for the applied levy to be slightly different from the levy presented in the Engineer's Report due to parcel changes, land use changes, and parcel tax status, we will prepare a summary letter that identifies and details significant assessment variances.

Deliverables: Levy summary to be delivered in September/October.

Client Responsibilities

As required by law, the City of Yorba Linda is responsible for publishing Public Hearing notices in the local newspaper, as well as posting these notices.

Willdan will rely on being able to obtain the following information from the City:

- Provide annually updated GIS data and map shape files for all parcels in the City. We will rely on the City to request and obtain these files from the County of Orange and then provide this information electronically to Willdan.
- Annual budget information, including estimated fund balances.
- Recent City annexations and/or new or expanded land developments or subdivisions.
- Changes, modifications or updates to the improvements described in the previous year's Engineer's Report including, but not limited to the addition or removal of landscape areas being maintained, streetlights and/or traffic signals.
- Certified copies of the resolution(s) or other documentation required by the County for submittal of the annual levy.
- Services of legal counsel for the preparation of resolutions; review of the Engineer's Report; and such other legal opinions, as may be necessary.

Project Disclaimer

The City of Yorba Linda further represents, acknowledges, and agrees that:

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Budget

Willdan proposes to continue to provide ongoing annual administration services to the City for the Street Lighting and Landscaping Maintenance District for the annual fees outlined below. The categories below coincide with those listed in Section 2.1 (Compensation/Contract Sum) of the Professional Services Agreement dated October 19, 2021.

City of Yorba Linda Annual Administration & Engineering Services Fee for Services	
Annual Administration of LMAD	\$ 23,650
Update GIS Mapping of Landscape Improvements	9,080
Prepare Annual Engineer's Report Budgets	7,030
Reimbursable Expenses	4,500
Total Not-to-Exceed Fee	\$44,260

Please note the following:

- The Annual Administration & Engineering Services denoted above does not include annexations or restructuring of existing district Zones. Such efforts would be addressed under a separate proposal.
- Each task identified within the Scope of Services will be invoiced to the City prior to June 30th of the given fiscal year. Further, Willdan acknowledges that the remaining tasks (likely to include Task 6 – Task 10), initiated after June 30, will be completed as proposed herein and in a timely manner.
- Telephone conference calls are not considered “meetings” for the purpose of our proposal and are not limited by our Scope of Services.
- We will invoice the City monthly as the project progresses.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses, not-to-exceed \$4,500 annually as outlined in the fee table above. Examples of reimbursable expenses include, but are not limited to: postage, travel expenses, mileage (at the current prevailing rate), maps, electronic data provided by the County and/or other applicable resources, and copying (currently 6¢ per copy).

Any additional expense for reports or, otherwise, 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 services previously identified will be at our then-current hourly rates.

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

September 13, 2024

Ms. Jamie Lai, PE
 Director of Public Works/City Engineer
 City of Yorba Linda
 4845 Casa Loma Avenue
 Yorba Linda, California 92885

Re: Proposal to Provide Additional LMAD Fiscal Studies and Miscellaneous Services to the City of Yorba Linda

Dear Ms. Lai:

Willdan Financial Services' ("Willdan") proposes to assist the City of Yorba Linda ("City") with fiscal studies and miscellaneous services specific to the Street Lighting and Landscaping Maintenance District (referred to as "LMAD" or "District") that may arise throughout the remainder of the contract term (Professional Services Agreement dated October 19, 2021).

As previously discussed by City staff and Willdan, it may be necessary to prepare advanced projections for specific Local Landscaping Zone(s) within the LMAD to determine whether Proposition 218 Engineering and Balloting Services could be necessary within an upcoming five-year period. Furthermore, miscellaneous services may include research and analysis of property owner questions or issues that the City requests Willdan to review or investigate. When a project of this nature has been identified by the City, Willdan will provide a fixed fee, sub-task proposal, on an as needed basis, for City staff review/approval prior to project initiation.

Projects of this nature will be completed on a time and materials basis per the hourly rates denoted in the table below. It is estimated that supplemental projects of this nature **will not exceed \$20,000 for Fiscal Year 2025/2026**. Note, a not-to-exceed fee for similar services to be provided during Fiscal Year 2026/2027 will be reviewed with City staff prior to project initiation.

Willdan Financial Services Hourly Rate Schedule			
Position	Hourly Rate	Position	Hourly Rate
Group Director	\$250	Assistant Director	\$240
Principal Engineer	\$249	Principal Consultant	\$210
Senior Project Manager	\$185	Project Manager / Program Director	\$165
Senior Project Analyst	\$135	Senior Analyst	\$125
GIS Mapping	\$120	Analyst II	\$110
Analyst	\$100	Analyst Assistant	\$ 75

Project Disclaimer

The City of Yorba Linda further represents, acknowledges, and agrees that:

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);

- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

We appreciate this opportunity to continue to serve the City of Yorba Linda and look forward to hearing from you. If you have any questions or concerns regarding our proposal, please feel free to contact Principal Consultant Jim McGuire directly at (909) 229-0826 or via email at jmcguire@willdan.com.

Sincerely,

Willdan Financial Services



Gladys Medina
Vice President, Group Director

September 13, 2024

Ms. Jamie Lai, PE
Public Works Director/City Engineer
City of Yorba Linda
4845 Casa Loma Avenue
Yorba Linda, California 92886

Re: *Proposal to Continue to Provide Proposition 218 Engineering and Balloting Services for Zone L-1A within the City of Yorba Linda's Street Lighting and Landscaping Maintenance District*

Dear Jamie:

In response to direction received from City staff, Willdan Financial Services ("Willdan") is submitting the following request for the approval of continuation services to complete Proposition 218 Engineering and Balloting Services specific to Zone L-1A. As we reflect on the progression of our ongoing collaboration with the City of Yorba Linda ("City"), Willdan extends its sincere gratitude for the opportunity to contribute to the success of the LMAD Proposition 218 Tasks. Over the course of our partnership, we have diligently worked to fulfill our commitment to excellence and to meet the evolving needs of the City.

It is with a sense of responsibility and transparency that we submit this request for additional funding, and would like to provide a comprehensive overview of the factors leading to this necessity.

Our initial proposal, stemming from the 2021 Professional Services Agreement, laid the foundation for our collaboration on the LMAD Proposition 218 Tasks. However, as we delved into the intricacies of this project, it became evident that the budget figure derived from the current agreement does not fully align with the "updated" scope of work for this subtask. Recognizing the importance of delivering comprehensive and accurate assessment engineering services, we took it upon ourselves to ensure that our efforts were commensurate with the task at hand.

Considerably more time and effort were expended than initially anticipated, as existing tasks from the proposal were expanded, and new tasks were incorporated during the course of the project. The dynamic nature of the LMAD Zone L-1B Proposition 218 Task required a heightened level of attention to detail, necessitating additional resources to ensure the completeness and accuracy of our financial services, which reduced available funding originally planned for LMAD Zone L-1A.

Moreover, it is essential to highlight that the time to complete the project was unavoidably extended beyond the initially proposed performance period. This delay was regrettably attributed to factors outside of Willdan's control, emphasizing the unforeseen challenges that can impact the timely execution of complex municipal tasks.

In the spirit of our ongoing partnership, we believe that this request for additional funding is a necessary step to ensure the continued success and integrity of the LMAD Zone L-1A Proposition 218 Task. We remain committed to providing the City with the highest standard of professional consulting services. The Scope of Services and Budget that follows highlights the outstanding tasks and additional effort to complete this engagement.

Scope of Services

The following scope of services details the work plan to be followed in order to complete the current LMAD Zone L-1A Proposition 218 Task. Due to the length of time that has passed since the initial improvement and budget option scenarios were generated, the potential rates will need to be recalculated to capture current budget amounts to be provided by the City, as well as Cost-of-Living Adjustment ("COLA") available in August (2024). Willdan, in conjunction with the City, will review and update as needed potential funding options and zone re-structuring scenarios.

Phase I – Develop Funding Options and Zone Re-structuring

1. Willdan will develop funding options and subsequent re-structuring scenarios specific to Zone L-1A. Previously discussed options and outcomes are listed below.
 - a. Option 1 – Ballot the entire Zone for an increased assessment to sustain the existing level of service throughout (no change to existing improvements areas being maintained).
 - i. If Ballot Measure *Passes*
 1. Vacate the fallow areas within the Zone boundaries
 2. Continue maintenance of existing areas (with proper funding)
 - ii. If Ballot Measure *Fails*
 1. Vacate fallow areas including the areas along the railroad, as well as any additional areas necessary to stay within existing revenues
 2. Consider turning park maintenance over to the Parks and Recreation Department
 - b. Option 2 – Ballot the entire Zone for an assessment to sustain the existing level of service throughout the Zone but with parks removed from budget and all landscaping along railroad vacated.
 - i. If Ballot Measure *Passes*
 1. Vacate the landscaping along the railroad
 2. Turn park maintenance over to the Parks and Recreation Department
 3. Continue maintenance of existing areas (with proper funding)
 - ii. If Ballot Measure *Fails*
 1. Vacate the landscaping along the railroad
 2. Turn park maintenance over to the Parks and Recreation Department
 3. Reduce level of service as needed for remaining maintenance areas to a level supported by existing revenues
 4. Vacate any remaining fallow areas, as well as any additional areas necessary to stay within existing revenues

Phase II – Community Outreach

1. Hold a conference call with the City to present the options to potentially re-structure Zone L-1A and review the possible outcomes.
2. Update and finalize the proposed budget(s) and corresponding assessments for each option to be presented to property owners during the Community Meeting.
3. Calculate new assessment rates for parcels, including varying scenarios for the Zone that may incorporate multiple maintenance or service level options. Willdan will be strategic in its approach to provide scenarios and consider the unique dynamics of the Zone but the goal should be to limit the number of possible scenarios being presented to the property owners to just the top two or three options.

4. Coordinate with City staff to schedule the time and place to hold the community informational meeting/workshop(s). Develop and mail an informational piece that provides background and information to property owners regarding the proposed options to restructure Zone L1-A.
5. Work with City staff to develop a PowerPoint presentation to the property owners. If requested by the City, Willdan will also provide up to fifty (50) printed copies of the presentation (handouts) for attendees of the Community Meeting.
6. A senior member of the Willdan team will be present at the Community Meeting to assist City staff with the discussion of proposed assessment options, in order to properly inform property owners on the effects of a successful or unsuccessful Proposition 218 vote and to gauge community support of a proposed new/increased assessment. If a single option cannot be identified during the meeting, a mail out survey may be distributed to gather feedback. It is intended that during this meeting the lead petitioners (property owners within Zone L-1A) will be selected to circulate the signature petition.
7. Utilize a petition to gauge property owner interest specific to a new assessment to determine whether there is community support for the increase prior to initiating a Proposition 218 ballot process. Willdan will provide support and validation of the submitted petition signatures and signature removal requests, as well as tabulate the final verified signature count and determine if the petition is successful or unsuccessful in meeting the City Council's established signature threshold pursuant to the Street Lighting and Landscape Maintenance Assessment District Proposition 218 Petition Guidelines. This includes validation that submitted signatures and signature removal requests were submitted by the property owner. Willdan will maintain the list of the final, verified signatures and will share with the City, as requested.
8. If petition results do not support the assessment increase the results will be communicated to affected property owners via standard mail. The City's Public Works staff will proceed with the necessary administrative vacations/service reductions that cannot be funded by the existing maintenance budget.

If the survey results support the new/increased assessment, next steps associated with the second half of this engagement are outlined in Phase III that follows.

Phase III – Proposition 218 Engineering and Balloting Services

The steps associated with presenting a new/increased assessment to affected property owners are outlined below.

9. Prepare and submit a Zone-specific Engineer's Report.
10. Assist City staff with the preparation of the Staff Report(s) necessary for the associated Council meeting(s).
11. Prepare and mail related Proposition 218 ballots and notices. This includes any potential revote ballots and notices.
12. Attend Council Public Hearing related to Proposition 218 new/increased assessments and the ballot tabulation. Willdan will lead and complete the ballot tabulation procedures and provide City with the final tabulation report.
13. Upon conclusion of the ballot tabulation, evaluate and update assessment factors for the affected parcels. Include any final approved assessment changes within the applicable fiscal year Engineer's Report.

Client Responsibilities

Due to our current role as the City's district administrator and assessment engineering consultant, City staff will not be required to provide extensive documentation and maps associated with the project proposed herein. This information is currently stored securely in-house by Willdan. Although in order to facilitate the traditional workflow of these services, it will likely be necessary that City staff will be responsible for the following:

- Annual budget information options, including estimated fund balances, City overhead, capital improvement project costs, etc. This information must be provided in a timely manner to Willdan in order to meet established internal deadlines.

- Changes, modifications, or updates to the services and/or improvements within Zone L1-A.
- Prepare all internal memos, staff reports, and other supporting documents necessary for City Council agendas.
- Review the draft reports and resolutions before the final documents are prepared for the Council packets. This review is usually performed by agency department staff but may include the City's attorney. Requested changes shall be submitted to Willdan in writing.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete our analysis. We will further rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

Project Disclaimer

The City of Yorba Linda further represents, acknowledges, and agrees that:

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Fee for Services

Willdan proposes to complete the LMAD Zone L-1A Proposition 218 Task for the fees identified in the table below. It is important to note that Zone L-1A is the largest zone within the City’s Street Lighting and Landscaping Maintenance District, with the largest number of parcels/EBUs. This effort will necessitate extensive signature/ballot verifications, multiple budget adjustment/calculations from the City, and revisions to the Engineer’s Report.

Proposition 218 Balloting Services Street Lighting & Landscaping Maintenance District Zone L-1A Fee for Services	
Phase I – Develop Funding Options & Zone Re-structuring	\$ 4,200
Phase II – Community Outreach	
Review Options with Staff	\$ 600
Community Outreach Preparation & Presentation	4,200
Petition Validation & Results Notification	<u>3,800</u>
<i>Phase II Cost</i>	\$ 8,600
Phase III– Proposition 218 Engineering and Balloting Services	
Research & Preparation of Supplemental Engineer’s Report	\$ 7,500
Proposition 218 Noticing & Balloting	1,800
Public Hearing & Ballot Tabulation	<u>2,500</u>
<i>Phase III Cost</i>	\$ 11,800
<i>Total Cost</i>	
	\$ 24,600
<i>Previously Invoiced Zone L-1A Professional Services</i>	
	<9,382>
Remaining Cost to Complete Zone L-1A Prop 218 Engineering & Balloting	
	\$15,218

Please note the following:

- Our proposed fee does not include costs associated with printing and postage of the informational mailer (Phase II) and/or the notices and ballots (Phase III). Printing, postage, and mailing will be billed to the City at a cost of \$2.00 per parcel for the informational mailer and \$2.50 per parcel for the combined notices and ballots.
- Additional meetings and/or workshops not consecutively scheduled may incur additional travel expenses and/or meeting fees. Attendance at additional meetings will be \$2,350, including travel expenses.
- We will invoice the City monthly as the project progresses.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses. Examples of reimbursable expenses include, but are not limited to postage, travel expenses, mileage (at the current prevailing rate), maps, electronic data provided by the County and/or other applicable resources and copying (currently 6¢ per copy).

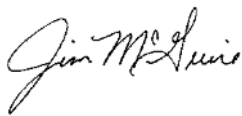
Any additional expense for reports or, otherwise, from outside services will be billed to the City. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of services previously identified will be at our then-current hourly rates.

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

Thank you for your understanding and continued collaboration. We look forward to the opportunity to discuss this matter further and to address any questions or concerns. In closing, we appreciate this opportunity to continue to serve the City and look forward to hearing from you. Please feel free to contact me directly at (909) 229-0826 or via email at jmcguire@willdan.com if you have any questions regarding this submittal.

Sincerely,

WILLDAN FINANCIAL SERVICES



Jim McGuire
Principal Consultant