

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated April 18, 2023 (“Effective Date”) and is between the City of Covina, a California municipal corporation (“City”) and Willdan Financial Services, a Corporation (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to perform services related to Special District Administration, Bond Disclosures, Arbitrage Reports, and Annexation Services.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. Term of Agreement. The term of this Agreement shall be from the Effective Date through February 1, 2024 unless sooner terminated as provided in Section 14 of this Agreement.

2. Compensation.

A. Compensation. As full compensation for Consultant’s services provided under this Agreement, City shall pay Consultant a sum not to exceed Fifty-Nine Thousand Two Hundred Ninety-Five Dollars (\$59,295) (the “maximum compensation”), based on the service rates set forth in the Approved Fee Schedule, attached hereto as **Exhibit A** for Fiscal Year 2022-2023. In future fiscal years, a Consumer Price Index increase as notified by the Consultant to the City shall be applied to administration costs as set forth in **Exhibit A** and shall increase the maximum compensation by such amount. Any terms in **Exhibit A**, other than the payment rates and schedule of payment, are null and void.

B. Expenses. City shall only reimburse Consultant for those expenses expressly set forth in **Exhibit A**. In no event shall reimbursable expenses collectively exceed the total sum of Three Thousand Dollars (\$3,000.00.)

C. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant’s performance of the additional services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate

mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

3. **Consultant's Services.**

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as **Exhibit B**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be Susana Hernandez, Senior Project Manager (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant shall determine the means, methods, and details by which Consultant's personnel will perform the services under this Agreement. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the services and compliance with the customary professional standards.

C. Compliance with Laws. The Consultant shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

D. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 2 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Finance Director.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City.

5. Ownership of Documents. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("written products") pursuant to this Agreement shall become the sole property of the City without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

6. Independent Contractor.

A. Consultant is, and shall at all times remain as to City, a wholly independent contractor and not an employee of City. The personnel performing the services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City. Consultant and Consultant's personnel shall not supervise any of City's employees; and City's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of any of the services

under this Agreement. Consultant shall acquire and maintain, at its sole cost and expense, such vehicles, equipment, and supplies as Consultant's personnel require to perform any of the services required by this Agreement. Consultant shall perform the services off of City premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Consultant's performance of the services under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform the services. City may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the services under this Agreement.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder. Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of the services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, state, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and any of its officers, employees, agents, and subcontractors providing any of the services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including, but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

C. Consultant shall indemnify and hold harmless City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Consultant's personnel practices. or to the extent arising from, caused by, or relating to the violation of any of the provisions of this Section 6. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this Section 6. This duty of indemnification is in addition to Consultant's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

7. PERS Compliance and Indemnification.

A. General Requirements. The parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to City to perform the services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

B. Indemnification. Consultant shall defend (with legal counsel approved by City, whose approval shall not be unreasonably withheld), indemnify, and hold harmless City, and its City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Consultant's violation of any provisions of this Section 7. This duty of indemnification is in addition to Consultant's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

8. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant's covenant under this Section 8 shall survive the expiration or termination of this Agreement.

9. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 9 into any subcontract that Consultant executes in connection with the performance of this Agreement.

10. Indemnification.

A. Indemnity for Design Professional Services. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, indemnify and hold harmless City and

its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and reimbursement of attorney’s fees and costs of defense (collectively “Liabilities”), whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of Consultant, its officers, agents, servants, employees, subcontractors, material men, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a “design professional,” as the term is defined under California Civil Code Section 2782.8(c)(2).

B. Other Indemnities.

1) Other than in the performance of design professional services, and to the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively “Claims”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers’ compensation law regarding Consultant and Consultant’s employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers’ compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant’s failure to promptly pay to City any reimbursement or indemnification arising under this Subparagraph B. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnities, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

C. Workers' Compensation Acts not Limiting. Consultant's obligations under this Section 10, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

D. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provisions in this Section 10 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, Claim, tax, assessment, penalty or interest asserted against City.

E. Survival of Terms. The indemnification in this Section 10 shall survive the expiration or termination of this Agreement.

11. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000) per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this

Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 11.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall provide an executed declaration that it has no employees.

4) Professional Liability Insurance [or Errors and Omissions Insurance] with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section 11 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 11.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 11 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 11 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 11 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 11 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer,

phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 11 in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section 11, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 11. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 10 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 11.

12. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

13. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of two years (2) years. Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

14. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least seven (7) calendar days before the termination or suspension is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

15. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

16. Notices. Any notices, consents, requests, demands, bills, invoices, reports or other communications which either party may desire to give to the other party under this Agreement must be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by reputable document delivery service or courier service during Consultant's and City's regular business hours, or (c) five business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
Community Development Department
City of Covina
125 E. College Street|
Covina, California 91723

If to Consultant:
Susana Hernandez
Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590

17. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed,

and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

18. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 18 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 18, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

19. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 10, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

20. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

21. Exhibits. Exhibits A, B, C and D constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

22. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement.

23. Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council's behalf and without the City Council's prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) non-monetary changes in the scope of work; and (d) termination of the Agreement.

24. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

25. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

26. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

27. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

28. Attorneys’ Fees. In any litigation or other proceeding by which on party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys’ fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

29. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

30. Authority to Execute Agreement. **The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.**

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:

City of Covina,
a California municipal corporation

Consultant:

Willdan Financial Services,
a California Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Fabian Velez
Title: Deputy City Clerk

*(Two signatures of corporate officers required
for corporations under Corporations Code
Section 313, unless corporate documents
authorize only one person to sign this
Agreement on behalf of the corporation.)*

APPROVED AS TO FORM:

By: _____
Name: Candice K. Lee
Title: City Attorney

EXHIBIT A
APPROVED FEE SCHEDULE

Fee for Services

Willdan proposes to provide the Special District Administration and Annexation Services outlined within the Scope of Services section to the City of Covina for the fees outlined below.

Annual District Administration Services

The fees below are based on the time estimated that will be spent on average each year, and on the current parcel counts. If and when the parcel numbers vary or the structure of the district(s) and special taxes/assessments/charges are modified, the fee structure will be adjusted accordingly by an addendum.

District	FY 22/23 Fee
CFD 2007-1	\$ 4,850.00
CFD 2022-1 (Stormwater)	4,000.00
Landscape Maintenance District	9,765.31
Lighting District No. 1	6,318.73
Vehicle Parking District	4,021.01
Sanitary Sewer Service Charge	<u>10,339.74</u>
Total Annual Administration Fee	\$ 39,024.79
<i>Optional: Fee per Reminder Letter to Delinquent Property Owners, at City's Request</i>	\$15

As the work progresses, the annual administration fee will be invoiced on a quarterly basis. In future years, the fee may be subject to increase, which will not exceed the most recent annual change in the Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles-Long Beach-Anaheim area, as calculated by the United States Department of Labor. The CPI increase will be effective annually with notice on the anniversary of contract execution.

Notations

- Telephone conference calls are not considered meetings and are not limited by our proposal.
- Additional services, including attendance at additional meetings or preparation of handbills, may be authorized by the City and will require an additional fee.
- If the City wishes for Willdan to attend additional meetings specific to annual administration services and/or annexation projects, the fee will be \$1,500 per meeting plus travel expenses.

Continuing Disclosure Services

Continuing Disclosure Services	Fee
Engagement Fee for New Issues	\$250 per Issue
Base Annual Report Fee	
Pension Obligation Bonds	\$1,250
Revenue Bonds	\$1,500
Certificates of Participation	\$1,250
Incremental Fee per Parity Issue	\$450
Supplemental/Amended Reports (if necessary)	\$250 - \$950 per Report
Notice of Occurrence of Listed Events	\$250 per Notice
CDIAC Report Preparation and Filing	
CDIAC Yearly Status Report (due annually in October)	\$450 per Report
CDIAC Yearly Transparency Report (due annually in January, while proceeds are outstanding)	\$950 per Report
CDIAC Yearly Transparency Report (due annually in January, once proceeds are fully expended)	\$250 per Report

Billed invoices are required to be paid within 30 days of receipt.

Arbitrage Rebate Services

To the extent that the necessary information is available, Willdan endeavors to quote fees that accurately reflect the complexity of the services requested. If circumstances are encountered that affect our ability to proceed, such as additional information coming to our attention not determined or available during our scoping efforts, we will inform you promptly and seek your approval for any changes in scope, timing or fees that may result from such circumstances.

The nature and complexity of each bond issue, the frequency of computation, and the transparency of the transactional data, determines the extent to which the following specialized services may apply.

Arbitrage Services	Fee
Engagement Fee. One-time fee charged for newly contracted issues.	\$500
Base Fee. Annual report.	\$1,250
Base Fee. Installment report.	\$2,000
Data Analysis in Excess of 12 months. Arbitrage analysis for periods greater than one year will be charged an extra fee for each additional bond year analyzed.	\$250 per year
Commingled Funds Analysis. Clients providing data with commingled funds will incur an additional charge to uncommingle transactional data.	\$250 per Fund
Parity Reserve Allocation. Bonds that have been issued on parity that require an allocation of the reserve fund.	\$250 per Fund
Transferred Proceeds Analysis. The regulations require an additional level of analysis for proceeds of Refunding and Refunded bonds.	\$250 per Fund
Universal Cap Analysis. The regulations require an additional level of analysis when the balance of bond proceeds exceed the value of the outstanding bonds.	\$500 per Year
Non-Bona Fide Debt Service Fund. Our base fee assumes that the Bond Fund, as defined in the bond documents, meets the bona fide debt service fund exemption to rebate. If this fund fails to qualify for this exemption, an additional fee will be charged to analyze the investment activity.	\$500 per Fund
IRS Audit Assistance	\$150 per Hour
Request for Refund of Overpayment	No Charge
Online Compliance Management System	No Charge
Preparation of IRS Form 8038T (Payment)	No Charge

Billed invoices are required to be paid within 30 days of receipt.

Special District Annexation Services

The fees denoted below are not contingent upon the successful annexation of the parcels to the applicable special district.

CFD Annexation Services

If the City wishes to annex parcels to an existing CFD the associated fee will be **\$3,000 per annexation**. The fee associated with the optional service of attending a City Council meeting is \$1,250 per meeting.

1972 Act District Annexation Services

If the City wishes to annex parcels to an existing 1972 Act District the associated fee will be **\$8,500 per annexation**. The fee associated with the optional service of attending a City Council meeting is \$1,250 per meeting. The cost associated with the mailing of notices and ballots is not included within the quoted fee and may be included as a separate cost depending on the number of ballots that need to be mailed via the United States Postal Service or Fed Ex, if deemed necessary.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses encountered throughout the contract term for all services proposed herein. Examples of reimbursable expenses include, but are not limited to:

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

Any additional expense for reports or from third-party vendors will be billed to the City plus a ten-percent mark-up. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of work will be at our then-current hourly rates. In the event that a third party requests any documents, Willdan may charge such third party for providing said documents in accordance with Willdan's applicable rate schedule.

City shall reimburse Willdan for any costs incurred, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to City or relating to the services identified herein. Reimbursement shall be at Willdan's rates in effect at the time of such response.

Additional Services

Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates. Our current hourly rates are:

Willdan Financial Services Hourly Rate Schedule	
Group Director	\$210
Assistant Director Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager Program Director	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Analyst Assistant	\$75
Property Owner Services Representative	\$55

EXHIBIT B
SCOPE OF SERVICES



January 25, 2023

Ms. Alana Spector
Management Analyst - Housing & Grants
City of Covina
125 East College Street
Covina, California 91723

Re: Proposal to Provide Special District Administration and Annexation Services to the City of Covina

Dear Ms. Spector:

Willdan Financial Services ("Willdan") is pleased to submit the following scope of services and fee to the City of Covina ("City") to provide Special District Administration and Annexation Services, including Continuing Disclosure and Arbitrage Rebate Services. Our team is comprised of leading experts in the field of special district administration, formation and annexation services, as well as federal compliance. We utilize the most advanced special district administration software, and our depth of resources and customer service are unmatched in the industry at a competitive fee.

We are excited about this opportunity to continue to serve the City of Covina. If you wish to discuss any aspect of this proposal, please contact Senior Project Manager Susana Hernandez at (951) 587-3546 or via email at shernandez@willdan.com.

Sincerely,

Willdan Financial Services

A handwritten signature in blue ink, appearing to read 'Gladys Medina', with a long, sweeping underline.

Gladys Medina
Vice President and Group Director

Scope of Services

The following outlines the proposed scope of services to provide Special District Administration and Annexation Services, including Continuing Disclosure and Arbitrage Rebate Services to the City of Covina (“City”). For the entire scope of services stated herein, Willdan Financial Services (“Willdan”) will rely on the validity and accuracy of the City’s data and documentation to complete our proposed scope of work. We will further rely on the formation 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.

We want to ensure that our scope of services is responsive to the City’s needs. We will work with the City to tailor our proposed work plans based on input received prior to approval of a contract, and as needed during the course of the project.

Annual District Administration Services

Community Facilities Districts

Listed below are the tasks associated with the annual administration of the City’s Community Facilities Districts (CFDs) 2007-1 and 2022-1.

1. Attend an annual meeting with City staff to discuss the special tax administration of the CFDs. This meeting can be in-person or virtual if the City prefers.
2. Create, maintain and periodically update an electronic database containing parcel data and annual special tax levy amounts by Assessor’s Parcel Number.
3. Annually calculate and apportion the special taxes as specified in the Rate and Method of Apportionment (RMA) of Special Tax.
4. Provide special tax 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 of Los Angeles for placement on the annual property tax roll.
5. Research parcel exceptions provided by the County and, if possible, resubmit installment amounts that are unapplied by the County Auditor/Controller’s Office. Willdan will manually invoice special tax installments that cannot be collected on the County property tax roll on behalf of the City.
6. Provide a toll-free number to field inquiries from City staff, property owners, and other interested parties regarding special tax installments and related information.
7. As requested, monitor delinquencies twice a year after obtaining delinquency information from the County and submit periodic delinquency reports to the City.
8. Prepare an Annual Special Tax report. This report will include:
 - Fiscal Year budget information;
 - Delinquency summaries; and
 - Parcel special tax detail report.
9. Prepare “Notice of Special Tax” as required by the California Government Code, Sections 53340.2(b) and 53341.5, as amended. The fee for this service is \$15 per Notice and is to be paid by the requestor.
10. At the City’s request, prepare and mail invoices (handbills) to those property owners whose proposed annual special tax 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.

Client Responsibilities – CFD Administration

Willdan will rely on assistance from the City in obtaining the following information:

- Annual cost recovery information requested by Willdan to be included in the levy budget.

- Information regarding land subdivision, issuance of building permits and/or certificates of occupancy (as required by the City). Although Willdan will annually research information, it may still be necessary to obtain additional assistance from the City.

Landscape Maintenance and Lighting Districts

Listed below are the tasks associated with the annual administration of the City's Landscape Maintenance District and Lighting District No. 1.

1. Schedule an annual kick-off meeting with City staff to review the 1972 Act Districts; and identify and discuss possible district changes for the upcoming fiscal year, including budget issues, annexations, modifications to district structure, and improvement expansions or changes, as well as any legislative changes that may impact the districts.
2. Prepare an annual levy timeline identifying key dates and timeframes for pertinent tasks throughout the levy process. This timeline will be reviewed and discussed with staff, and adjusted (as needed) to address the City's scheduling requirements or proposed district changes.
3. Maintain and update a district parcel levy database for the upcoming fiscal year. Utilizing the parcel levy database from the prior fiscal year, update (as needed or as new data becomes available) the district's parcel information/data, which is necessary to calculate and submit the annual levy of assessments to the County Auditor/Controller's Office for the upcoming fiscal year. To identify possible parcel changes and discrepancies requiring review, enhance the data through parcel research by using updated secured roll information, County Assessor maps, or various third-party resources. Additional information provided by the City (e.g., updated tract maps, building permit information, or parcels the City has identified as "exempt" or as having special circumstances in calculating the annual assessments) will be reviewed and incorporated into the database.
4. Review the preliminary district budget provided by the City; focus on significant budget changes from the previous year, as well as on accurate cost recovery. As part of this review process, request clarification of specific expenses or revenues, thereby ensuring that budget(s) incorporate appropriate maintenance, material, and capital costs; administrative and other incidental expenses; and available revenue sources and fund balances. Utilize the updated parcel data and levy information to establish more accurate estimates of anticipated assessment revenues associated with the Districts.

Based on review of the preliminary budget(s), Willdan may provide specific recommendations or budget alternatives that the City may consider for inclusion in the final budget(s) to be incorporated in the annual Engineer's Report for presentation to the City Council. These recommendations may include both short and long-term budget considerations and objectives, which may facilitate changes in the level of assessment or funding from other sources. If necessary, meet with City staff to discuss aspects of the annual budget.

5. Prepare the district's annual Engineer's Report in accordance with the Landscaping and Lighting Act of 1972, and the provisions of California Constitution Article XIID (Proposition 218). This report will include the following items:
 - A general district description that may include key historical facts, zone designations, and descriptions; plus, a discussion of district benefits;
 - A description of the plans and specification for the improvements (this may include a reference to documents on file at the City);
 - An estimate of the improvement costs (budget);
 - A description of the Method of Apportionment (assessment calculation);
 - A district diagram (provided by the City; updated, as required);
 - An assessment of the estimated cost to each parcel; and
 - An affidavit stating that a professional engineer has prepared the report.
6. Provide the City with one (1) bound copy of the Engineer's Report for the City Clerk, including the collection roll; and one (1) PDF copy via email for City staff to reproduce (as needed).

7. Attend (in addition to the annual kick-off meeting) up to two (2) City Council meetings, Public Hearings, and/or staff meetings; be available to answer questions posed by the City Council or staff.
8. Transfer levy data (upon completion of the Public Hearing and adoption of Resolution to Levy) to an electronic file that is compatible with the County's computer system to record individual parcel tax roll levy amounts.
9. File the electronic collection file, Resolution to Levy, and other necessary documentation required by the County Auditor/Controller's Office to collect assessments.
10. Research exceptions, update parcel number changes, and report revised parcels and updated levy amounts to the County upon receipt of the County's parcel exceptions list. As necessary, prepare additional County-required correspondences for the City that relates to the correction or removal of assessments from the County tax roll (tax bill change requests).
11. Act as primary contact, at the discretion of the City, to answer property owner questions regarding the districts and assessments.
12. Prepare and mail invoices (handbills), upon City's written request, to all property owners whose annual assessment could not be applied to the County tax roll (parcels for which the County does not generate a tax bill). These invoices would provide for two (2) installments similar to the County tax bills and would be payable directly to the City. Willdan will confirm that payment is made, and maintain a payment history for each hand-billed property.

Vehicle Parking District No. 1

Listed below are the tasks associated with the annual administration of the Vehicle Parking District No. 1.

1. Discuss with City staff (prior to the preparation of annual report) any possible changes to the district for the upcoming fiscal year, including budget issues, expansion or changes in the improvements, as well as any legislative changes that may impact the district.
2. Prepare an annual levy timeline identifying key dates and timeframes for pertinent tasks throughout the levy process. This timeline will be reviewed and discussed with staff, and adjusted (as needed) to address the City's scheduling requirements or proposed district changes.
3. Maintain and annually update the district's parcel database. Utilizing the parcel levy database from the prior fiscal year, update the district's parcel information data, which is necessary to calculate the estimated ad valorem assessment revenues, as based on available County-assessed property values within the district. To identify possible parcel changes and/or discrepancies, the district's parcel information will be updated by using available secured roll information, County Assessor maps, and various third-party resources. Additional information provided by the City (e.g., updated maps, building permit information, or acquisitions) will be reviewed and incorporated into the database.

Identified significant changes or inconsistencies will be researched and discussed with the City (as needed) to ensure that the annual assessment for each parcel is calculated according to the district's Method of Apportionment. The updated database will then become the source for estimating the annual assessment revenues for the district's budget. Assessor's parcel maps, secured data roll, or other necessary or required data sources for the calculation of the County's annual assessments or levy submittal (not provided by the City) will be purchased by Consultant and expensed to the City (at cost).

4. Review the preliminary district budget provided by the City; focus on significant budget changes from the previous year, as well as on accurate cost recovery. As part of this review process, request clarification of specific expenses or revenues, thereby ensuring that the budget(s) incorporate appropriate maintenance, material, and capital costs; administrative and other incidental expenses; and available revenue sources and fund balances. The district's updated parcel data will be utilized to establish anticipated assessment revenues.

Based upon the preliminary budget's review, provide specific recommendations or budget alternatives that the City may consider for inclusion in the final budget to be incorporated in the annual report for presentation to the City Council. These recommendations may include both short and long-term budget

considerations and objectives, which may facilitate changes in the level of assessment or funding from other sources. If necessary, meet with City staff to discuss aspects of the annual budget.

5. Review the existing district boundary diagram to ensure that the boundary is consistent with parcels that are currently being assessed. Any inconsistencies will be discussed with the City.
6. Prepare (for presentation to City Council) the district's annual report in accordance with the Vehicle Parking District Law of 1943, and the provisions of California Constitution Article XIII C and XIII D (Proposition 218). This report will include the following items:
 - A brief discussion of the district's background and general description;
 - A description of improvement plans and specifications (may include a reference to documents that are on file at the City);
 - A description of the Method of Apportionment (assessment calculation);
 - A budget summary of estimated expenses and revenues (provided by the City);
 - An assessment of the estimated cost to each parcel;
 - A copy of the district's boundary (previously provided by the City); and
 - An affidavit stating that a professional engineer has prepared the report.
7. Provide the City with one (1) bound copy of the annual report for the City Clerk, including the collection roll; and a PDF of the report via email for City staff to reproduce, as needed.

Sanitary Sewer Service Charge

Listed below are the tasks associated with the annual administration of the City's Sanitary Sewer Service Charges.

1. Review with City staff (prior to annual levy submittal) the district assessments applied to the tax roll for the prior fiscal year, as well as proposed charges calculated for the upcoming fiscal year.
2. Maintain and update an annual parcel levy database for the City's sewer charges by utilizing the parcel levy database that was established for the prior fiscal year. To calculate and submit the annual levy charges to the County Auditor/Controller's Office for the upcoming fiscal year, update (as necessary) parcel information and data. To identify possible parcel changes and discrepancies, the levy data will be based on the County's secured roll; and enhanced through parcel research by using updated Assessor's information and various third-party resources. Additional information provided by the City (e.g., updated tract maps, building permit information, or parcels the City has identified as "exempt" or as having special circumstances in calculating the annual assessments) will be reviewed and incorporated into the database.

To ensure that each parcel's annual charge is calculated according to the Method of Apportionment established by the City, identified significant changes or inconsistencies will be researched and discussed with the City (as needed). Updates to the database will include those necessitated by the addition and/or removal of parcels, land subdivisions and merges, land use changes, and adjusted benefit information. The updated database will then become the source for calculating the annual charges. Assessor's parcel maps, secured data roll, or other data sources that are necessary or required for the calculation of the annual charges or for levy submittal to the County (not provided by the City) will be purchased by Willdan and expensed to the City.

3. Transfer levy data (upon completion of the Public Hearing and adoption of Resolution to Levy) to an electronic file that is compatible with the County's computer system to record individual parcel tax roll levy amounts.
4. File the electronic collection file, Resolution to Levy, and other necessary documentation required by the County Auditor/Controller's Office to collect charges.
5. Research exceptions, update parcel number changes, and report revised parcels and updated levy amounts to the County upon receipt of the County's parcel exceptions list. As necessary, prepare additional County-required correspondences for the City that relates to the correction or removal of the charges from the County tax roll (tax bill change requests).

6. Provide a final levy tax roll listing to the City upon final reconciliation of the applied levy with the County. Parcels for which a charge was proposed, but could not be applied to the tax roll, will be identified.
7. Act as primary contact (at the discretion of the City) to answer property owner questions regarding the sanitary sewer charge.

City Responsibilities – Landscape Maintenance and Lighting Districts, Vehicle Parking District and Sanitary Sewer Service Charge

The City is responsible for, and shall provide or prepare, the following in order to properly administer the Landscape Maintenance and Lighting Districts, Vehicle Parking District and Sanitary Sewer Service Charge.

- Local newspaper publication and posting of Public Hearing notices, as required by law.
- Changes, modifications, or updates to the improvements described in the prior year's Engineer's Report.
- Updates of pertinent development information within the City (if needed) that would impact the annual charges.
- Copies of staff reports, resolutions, and other legal notices connected with the project (as may be required for Willdan to complete the outlined scope of work), including (at a minimum) certified copies of the resolution(s) or other documentation required by the County for submittal of the annual levy. The City will also schedule agenda items.
- Copies of the City Ordinance establishing charges or changes.
- An updated list of improvements, provided and maintained by each district, for incorporation into the Engineer's Report. If available, the list of improvements should include detailed plans and specifications.
- Updated boundary diagrams for incorporation into the Engineer's Report.
- City Attorney's review for form and content of all resolutions.
- Annual district budget information that is necessary to prepare the annual levy/report, including specific expenses, estimated fund balances required to calculate the annual assessments and prepare the Engineer's Report, and revenues (revenue information should comprise all revenues, other than the estimated assessment revenue).
- Information regarding land subdivisions, issuance of building permits, or other related development information (as requested by Willdan), including tract maps, improvement plans, Assessor's parcel maps, or other maps required to identify benefiting parcels for preparation of the Engineer's Report.
- Coordinate and supply the County Auditor/Controller (upon completion of the district Public Hearing and adoption of the Resolution to Levy) with the tax rate and any necessary documentation for inclusion of assessments on the property tax bills.

Continuing Disclosure

Willdan will provide assistance and advice specific to ongoing continuing disclosure matters. With regard to the City's outstanding debt financings, Willdan will support the City in preparing annual continuing disclosure reports. Willdan will help the City provide required financial and operating data requested by investors and/or required by the bond documents to keep securities holders informed of the investment quality of debt issue. Willdan will also assist the City in responding to questions from investors and other market participants.

Task 1: Define Compliance Needs and Provide Implementation Schedule

- Objective:** Collect bond documents relating to the debt issue, including but not limited to, the formation documents, the official statement, financial statements, Annual Continuing Disclosure Information Statement, and prior CDIAC report, if applicable.
- Description:** Willdan will review the bond documents and establish an annual reporting schedule.
- Deliverable:** Reporting schedule and instruction relating to online tracking systems.

Task 2: Compile Data Necessary to Complete Continuing Disclosure and / or CDIAC Report

Objective: Collect data and other third-party information required to be included in the continuing disclosure report and/or CDIAC Report directly from the City, trustees, fiscal agents, state and county agencies and others.

Description: Review the information for accuracy and compliance with continuing disclosure documents.

Task 3: Report Preparation and Review

Objective: Create a draft of the continuing disclosure report and/or CDIAC Report for review.

Description: Willdan will discuss with City staff any relevant issues and provide suggestions regarding industry standards.

Deliverable: Continuing Disclosure and/or CDIAC Report.

Task 4: Report Dissemination

Objective: Provide timely Continuing Disclosure Report filings to the municipal market, CDIAC reports, if applicable, to the State of California.

Description: Once authorization to disseminate has been received, Willdan will post the report to EMMA and provide confirmation of the date and time of the posting. If applicable, Willdan will post the CDIAC report on the CDIAC website.

Deliverable: Upload completed and approved Continuing Disclosure Report to EMMA, or the currently recognized public repository. Submit CDIAC report to CDIAC.

Task 5: Notices of Occurrence of Listed Events and Supplemental Reporting

Objective: Provide timely Notice of Occurrence of Listed Events to the municipal market and supplement annual filings as necessary.

Description: Willdan will prepare Notices of Occurrence of Listed Events covering events enumerated in Rule 15c2-12(b). Willdan will also prepare Supplemental Continuing Disclosure Reports, as necessary.

Deliverable: Upload Notices of Occurrence of Listed Events and Supplemental Continuing Disclosure Reports to EMMA, or the currently recognized public repository. Provide confirmation of the date and time of the posting.

Task 6: Investor Support

Objective: Present a unified message to the municipal market.

Description: Willdan will respond to investor calls either directly or after consultation with your staff.

Deliverable: Investor call support.

Task 7: Ongoing Regulatory Education

Objective: Ensure communication with the secondary market meets current regulatory requirements and is mindful of enforcement actions and investor concerns.

Description: Willdan will monitor information releases from CDIAC, the SEC and the MSRB regarding enforcement actions and regulatory changes. If requested, Willdan will review draft continuing disclosure documents for new issues.

Deliverable: Upon request.

Client Responsibilities – Continuing Disclosure

The City is responsible for, and shall provide or prepare, the following in order for Willdan to providing continuing disclosure services.

- Financial and Operating Information, including but not limited to: bond documentation, adopted budget, audited and unaudited financial statements (if audited financials are not available), communications with CDIAC, bank statements/transactional data, and fund balances.
- Timely review of draft Continuing Disclosure Report.
- Authorization to disseminate Continuing Disclosure Report.
- All information relating to any change to the credit ratings or the occurrence of Listed Events as identified in the Continuing Disclosure Agreement or Certificate within three business days from the date of occurrence of such event.
- All Ratings Reports sent to Willdan by any Rating Agencies. Authorization for Rating Agencies, Trustees, and any other third parties to send information directly to Willdan.

Arbitrage Rebate Services

Outlined below are the tasks associated with the provision of arbitrage rebate services.

Task 1: Define Compliance Needs and Provide Implementation Schedule

- Objective:** Obtain bond documents, prior reports, and transactional data necessary to prepare arbitrage computations.
- Description:** Willdan will review the bond documents and prior reports provided by the City and assess the special elections made at issue and the availability of regulatory exceptions.
- Deliverable:** Implementation schedule and access to online Compliance Management System.

Task 2: Verify Bond Yield and Prepare Arbitrage Rebate and Yield Restriction Analysis

- Objective:** Compute the cumulative arbitrage rebate liability and/or yield reduction payment accrual for each bond.
- Description:** Utilizing data provided by the City and authorized third parties, Willdan will:
- Verify the bond yield as stated on the 8038G;
 - Identify gross proceeds, transferred proceeds, replacement proceeds, and all other funds subject to arbitrage rebate compliance;
 - Assume all expenditures of bond proceeds have been made in accordance with Section 148(f) of the Internal Revenue Code;
 - Compute investment earnings, taking into account the proper allocation of commingled funds;
 - Future value transactions to the computation date;
 - Test for exceptions to rebate and penalty in-lieu requirements;
 - Analyze unspent construction funds, overfunded reserves, and other events that may be in violation of Section 148(f) of the Internal Revenue Code;
 - Determine the yield reduction payment pursuant to Section 148(f) of the Internal Revenue Code; and
 - Determine the cumulative arbitrage liability pursuant to Section 148(f) of the Internal Revenue Code.
- Deliverable:** None.

Task 3: Review and Assess Analysis Outcome

- Objective:** Multi-tiered review of each prepared report and internal discussion of assumptions and opportunities to reduce the rebate liability.
- Description:** Proper application of the arbitrage rebate regulations requires understanding the purpose of the financing and the investment and expenditure of bond proceeds.
- Once the mathematical analysis is complete, two (2) senior-level rebate consultants perform a comprehensive review of the report noting computational assumptions and technical issues to be evaluated. If appropriate, these issues will be communicated to the City.
- Deliverable:** Possible discussion with your staff.

Task 4: Conclusions, Recommendations, and Action Plan

- Objective:** Develop conclusions, recommendations, and produce reports.
- Description:** Willdan will deliver a cumulative inception to current bond year arbitrage rebate report for each bond under contract and, if warranted, will offer recommendations for actions to be taken including:
- Areas where allocation and accounting methodology could be enhanced;
 - Identification of technologies not currently in use that may be applicable and appropriate for future consideration;
 - Identification of obstacles or challenges that could prevent timely or accurate compliance; and
 - Instructions for filing IRS forms.
- Deliverable:** Completed arbitrage rebate report for each bond under contract inclusive of:
- Executive Summary detailing the assumptions and methodology used;
 - Summary Analysis of all relevant dates;
 - Sources and uses of funds;
 - Arbitrage yield and yield restriction requirements;
 - Rebate liability summarized and by fund;
 - Arbitrage/Investment Yield Comparison Graph;
 - Rebate Calculations by fund; and
 - Outstanding Investments Summary.

Task 5: Review Results

- Objective:** Discuss arbitrage rebate positions, opportunities, and possible areas of enforcement concern.
- Description:** Key strategic and procedural issues will be discussed, as well as strengths and challenges relating to long-term arbitrage rebate compliance.
- Deliverable:** Discussion with City staff.

Task 6: File IRS Payment and Refund Requests

- Objective:** Assist with filing arbitrage rebate payments and refund requests.
- Description:** Willdan will supply completed IRS forms and payment instructions, as needed.
- Deliverable:** Completed IRS Payment and Refund Request Forms, with accompanying instructions.

Task 7: Monitor Regulatory Enhancement and Enforcement Actions

- Objective:** Willdan will help City staff stay abreast of regulatory interpretation and enforcement.

Description: Willdan requires analyst staff to participate in yearly continuing education events and encourages discussion of current regulatory interpretation with clients. Depending upon the circumstances, Willdan may recommend procedural and documentation changes to City staff.

Deliverable: Audit assistance.

Special District Annexation Services

Included herein are separate work plans specific to the annexation of parcels to either an existing Community Facilities District (CFD) or 1972 Act District.

CFD Annexation Services

Willdan proposes to perform the following tasks to annex parcels into the City's existing CFD. It is anticipated that Willdan will work directly with the developer to these tasks. It is recommended that annexation fees for our services be collected up front from the developer/property owner before project commencement.

1. Following receipt of the City's authorization to proceed, we will discuss the annexation process and timeline with City staff and identify any additional documents or information that may be needed. At the City's discretion, this discussion may include the developer/landowner and/or their representatives. As needed throughout the project, we will coordinate with City staff and with the developer(s), their consultant(s) and other outside agencies that may be directly involved in the project, to gather required information for the annexation proceedings.
2. Willdan will serve as the primary contact and liaison between the City and the developer and coordinate the CFD annexation process from start to finish to ensure all documents are distributed and received from the developer to the City in a timely manner and in accordance with the set schedule.
3. Prepare boundary map of the proposed annexation area that meets the requirements of the Community Facilities Act. An electronic copy of the final boundary map will be provided via PDF for the City's review.
4. At the City's request, prepare the Resolution of Intention and staff report.
5. Once the map has been approved by City Council, Willdan will provide the CFD Annexation boundary map for recordation at the County of Los Angeles.
6. Prepare the Consent and Waiver forms and property owner ballots.
7. At the City's request, prepare the Public Hearing and election resolutions and staff report.
8. At the City's request, prepare the Notice of Public Hearing to be published. The required noticed publication of the Public Hearing in the local newspaper is the responsibility of the City Clerk.
9. Prepare the letter to be sent to the County's Registrar of Voters, if necessary, to obtain certification of the number of registered voters in the annexation area.
10. Prepare the Notice of Special Tax Lien to be recorded by the City Clerk and the AB 2476 letter.

Client Responsibilities – CFD Annexation Services

Willdan will rely on being able to obtain the following information from the City or the developer(s):

- Contact information for the developer/property owner's specific contact person who will execute the petition, consent and waiver, and ballot documents.
- A listing of the properties to be included in the annexation area.
- Information regarding current zoning, existing land uses, and proposed property development, as required.
- Either electronically or in hard copy, various maps or diagrams of the new development, improvements, or surrounding properties as needed.
- As needed, assist with obtaining pertinent development information from the developer.
- Review and approve the draft reports and resolutions before the final documents are prepared for the Council packets. This review is typically performed by the City's Attorney. Requested changes shall be submitted to Willdan in writing.

1972 Act Annexation Services

The following outlines Willdan’s scope of services to assist the City with the annexation of parcels to an existing 1972 Act District. Services will be provided under the provisions of the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (Proposition 218).

Task 1: Develop Annexation Parcel Database

Objective: Update the assessment database that will be used for the noticing and balloting of affected parcels.

Description: Willdan will develop a parcel database for affected properties (properties to be annexed), as well as surrounding properties that may benefit from the proposed improvements. This database will include relevant property information necessary for establishing the proportional benefit and assessments for these properties, consistent with current case law and to the extent possible the current methodology and administration of the applicable District. We will also input current property owner information into the database. Once this data is complete, the proposed assessment methodology and budget can be applied to determine the actual parcel assessment amounts and produce the assessment roll used for noticing and balloting.

Task 2: Develop Proposed Budgets

Objective: Prepare a comprehensive annual budget and corresponding assessment rates that are structured to achieve maximum cost-to-benefit equity for each property and ensure the long-term financial stability of those improvements.

Description: Work with City staff to prepare an appropriate annual budget applicable to the annexation territory, including those improvements being installed by the developer and/or any existing district improvements that benefit the parcels. The budget will be developed utilizing the improvement information and any specific cost estimates provided by the City. This budget should incorporate not only the annual maintenance costs, but also estimates of periodic maintenance expenditures; long-term repair and rehabilitation costs; applicable capital improvement expenditures; administration expenses; and any other funding deemed appropriate to provide the improvements.

Deliverables: Summary of the budget(s).

Task 3: Review Benefits/Improvements, Verify Assessment Methodology

Objective: Review the improvements and services to be funded by the assessment and the areas and properties to be served in order to verify the existing special/general benefit nexus and assessment methodology is consistent with current case law.

Description: Review the improvement plans for the provision of services, installation/maintenance, and related expenses, in order to verify the benefit relationships between these improvements and services and the properties that will ultimately be annexed and assessed.

Applicable assessment law and the California Constitution require that we firmly establish a special benefit nexus between the properties that will be assessed, and the services being provided. Based on our findings during the analysis in this task, keeping within the established legal and legislative limitations, and accounting for the ramifications of current court decisions, Willdan will identify any necessary modifications to the existing assessment methodology to ensure a reasonable and defensible special benefit nexus for the proposed assessments. Although we do not expect the proposed method of apportionment to deviate significantly from the methodology currently utilized for the existing District, changing legislation and court decisions may warrant some modifications, particularly as it relates to general benefit. Even if the current method of apportionment is appropriate, we may suggest and implement new or expanded benefit descriptions into the Engineer’s Report that are deemed necessary to support the assessments.

Task 4: Prepare Engineer’s Reports

Objective: Prepare the Engineer’s Reports based on information gathered and in-line with the City’s criteria for ongoing maintenance and services.

Description: Based on the findings and results from prior tasks an Engineer’s Report for the annexation will be prepared. Willdan will ensure that the information contained in the Annexation Report is consistent with information in the Annual District Reports.

The Engineer’s Report will include the elements listed below.

- An overview of the annexation of parcels into the existing District.
- A general description of the plans and specifications for the improvements that benefit the properties within the annexation territory.
- An estimate of improvement costs for the fiscal year. This information will be provided in a table format that will identify pertinent expenses and revenue used to determine the annual assessments for the annexation, including identification of direct maintenance costs and incidental expenses.
- A description of the boundaries and map of the annexation boundaries.
- A description of the Method of Assessment (assessment calculation), including identification and discussion of benefit findings.
- An assessment of the estimated costs to each parcel (proposed assessments) presented as an appendix to the Report or as a separate exhibit listing each parcel and proposed assessment for the fiscal year in which the report is prepared.
- An affidavit stating that a professional engineer has prepared the report.

Deliverables: One (1) draft Engineer’s Report for review by City staff. After receiving all edits and comments from City staff, Willdan will prepare and submit a final draft of the Report for Council action.

Task 5: Prepare Resolutions

Objective: Prepare resolutions for the Intent Meeting and Public Hearing.

Description: We will forward all resolutions to the City for review prior to the City Council meeting agenda deadline. We anticipate that the following resolutions will be necessary.

Intent Meeting (two resolutions):

- Resolution Initiating Proceeding; and
- Resolution of Intention, declaring the City’s intent to annex properties and to levy the annual assessments; preliminarily adopts the Engineer’s Report; sets the Public Hearing date; and calls for the property owner balloting.

Public Hearing (two resolutions):

- Resolution declaring the results of the property owner balloting; and
- Resolution confirming the Engineer’s Report, the annexation of territory, the assessments, and ordering the levy and collection of those assessments.

Deliverables: A total of four (4) resolutions will be required for City Council approval. The first two are for the initial City Council meeting. The second set of resolutions is specific to the Public Hearing. Draft resolutions will be delivered to City staff for review and comment prior to final versions being prepared and delivered to the City for the City Council agenda packet.

Task 6: Prepare Notices and Ballots

Objective: Prepare the necessary notice of Public Hearing and the assessment ballot, in compliance with Proposition 218.

Description: Prepare the required notice of Public Hearing and the assessment ballots to be mailed to affected property owners. Draft copies will be sent to City staff for review and comment prior to finalization of the documents.

Our draft of the notice and ballot will be consistent with and in a format widely used throughout the State for such assessment ballot proceedings. This documentation will be tailored as

needed to specifically address the annexation and the assessments for each individual parcel.

Deliverables: The draft notice and ballot will be delivered to City staff for review and comment prior to the final versions being prepared for mailing.

Task 7: Print and Mail Notices and Ballots

Objective: Print and mail the approved notice and ballot.

Description: Upon adoption of the resolutions during the Intent Meeting, we will print and assemble the notice and ballot for mailing. The notice and ballot will be double-sided, in order to save money on postage costs. A return #9 envelope will be included for the property owner to mail back the assessment ballot to the City Clerk.

The notice and ballot will be delivered via first class mail. The ballot will contain instructions to return directly to the City Clerk and to not open until the close of the Public Hearing. Mailing of the notice and ballot will be completed a minimum of 45 days prior to the Public Hearing date as set in the resolutions described in Task 5.

Deliverables: Notices and ballots mailed to the property owners of record subject to the proposed new assessment.

Task 8: Public Hearing and Ballot Tabulation

Objective: Hold the Public Hearing to answer questions from the City Council and tabulate ballots received.

Description: At the City’s request, a Willdan representative will attend the Public Hearing to be available to answer questions from the City Council regarding the Engineer’s Report and/or the ballot process. **Please see optional services below.**

Upon the close of the Public Hearing, the City Clerk will be directed to open the ballot(s) received, and upon completion of the tally, announce the results. However, Willdan will be available to assist the City Clerk as needed and/or be available to answer questions if there are any irregularities or issues with the ballots or ballot process.

Meetings: One (1) City Council session for the Public Hearing upon City request.

Optional Service – Attend City Council Meetings

In order to keep the project cost down, we do not anticipate the need for Willdan to attend the Intent Meeting and/or Public Hearing. However, at the City’s request we can attend a Council meeting for an additional fee as outlined in the budget section of this submittal.

Client Responsibilities – 1972 Act Annexation Services

To assist Willdan, the City will provide the following information and/or services:

- Detailed listings and descriptions of the improvements, services and/or maintenance to be funded, which needs to be reviewed during the initial part of this project. Provide (as needed) pertinent budget information, which may include estimated construction costs, estimated service costs or rates, specific replacement costs and/or capital expenditures, City overhead, and available funding from other sources that can be used to offset costs.
- Various maps or diagrams (either electronically or in hardcopy) of the improvement areas and/or parcels to be included in the annexation.
- Prepare all internal memos, staff reports, and other supporting documents necessary for Council agendas.
- Review the draft reports and resolutions before the final documents are submitted for the Council agenda packets. This review is usually performed by department staff but may include the City’s legal counsel. Requested changes shall be submitted to Willdan in writing.

Project Disclaimer

The City of Covina further represents, acknowledges, and agrees that:

- (i.) The City uses 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 the 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 provide the Special District Administration and Annexation Services outlined within the Scope of Services section to the City of Covina for the fees outlined below.

Annual District Administration Services

The fees below are based on the time estimated that will be spent on average each year, and on the current parcel counts. If and when the parcel numbers vary or the structure of the district(s) and special taxes/assessments/charges are modified, the fee structure will be adjusted accordingly by an addendum.

District	FY 22/23 Fee
CFD 2007-1	\$ 4,850.00
CFD 2022-1 (Stormwater)	4,000.00
Landscape Maintenance District	9,765.31
Lighting District No. 1	6,318.73
Vehicle Parking District	4,021.01
Sanitary Sewer Service Charge	<u>10,339.74</u>
Total Annual Administration Fee	\$ 39,024.79
<i>Optional: Fee per Reminder Letter to Delinquent Property Owners, at City's Request</i>	\$15

As the work progresses, the annual administration fee will be invoiced on a quarterly basis. In future years, the fee may be subject to increase, which will not exceed the most recent annual change in the Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles-Long Beach-Anaheim area, as calculated by the United States Department of Labor. The CPI increase will be effective annually with notice on the anniversary of contract execution.

Notations

- Telephone conference calls are not considered meetings and are not limited by our proposal.
- Additional services, including attendance at additional meetings or preparation of handbills, may be authorized by the City and will require an additional fee.
- If the City wishes for Willdan to attend additional meetings specific to annual administration services and/or annexation projects, the fee will be \$1,500 per meeting plus travel expenses.

Continuing Disclosure Services

Continuing Disclosure Services	Fee
Engagement Fee for New Issues	\$250 per Issue
Base Annual Report Fee	
Pension Obligation Bonds	\$1,250
Revenue Bonds	\$1,500
Certificates of Participation	\$1,250
Incremental Fee per Parity Issue	\$450
Supplemental/Amended Reports (if necessary)	\$250 - \$950 per Report
Notice of Occurrence of Listed Events	\$250 per Notice
CDIAC Report Preparation and Filing	
CDIAC Yearly Status Report (due annually in October)	\$450 per Report
CDIAC Yearly Transparency Report (due annually in January, while proceeds are outstanding)	\$950 per Report
CDIAC Yearly Transparency Report (due annually in January, once proceeds are fully expended)	\$250 per Report

Billed invoices are required to be paid within 30 days of receipt.

Arbitrage Rebate Services

To the extent that the necessary information is available, Willdan endeavors to quote fees that accurately reflect the complexity of the services requested. If circumstances are encountered that affect our ability to proceed, such as additional information coming to our attention not determined or available during our scoping efforts, we will inform you promptly and seek your approval for any changes in scope, timing or fees that may result from such circumstances.

The nature and complexity of each bond issue, the frequency of computation, and the transparency of the transactional data, determines the extent to which the following specialized services may apply.

Arbitrage Services	Fee
Engagement Fee. One-time fee charged for newly contracted issues.	\$500
Base Fee. Annual report.	\$1,250
Base Fee. Installment report.	\$2,000
Data Analysis in Excess of 12 months. Arbitrage analysis for periods greater than one year will be charged an extra fee for each additional bond year analyzed.	\$250 per year
Commingled Funds Analysis. Clients providing data with commingled funds will incur an additional charge to uncommingle transactional data.	\$250 per Fund
Parity Reserve Allocation. Bonds that have been issued on parity that require an allocation of the reserve fund.	\$250 per Fund
Transferred Proceeds Analysis. The regulations require an additional level of analysis for proceeds of Refunding and Refunded bonds.	\$250 per Fund
Universal Cap Analysis. The regulations require an additional level of analysis when the balance of bond proceeds exceed the value of the outstanding bonds.	\$500 per Year
Non-Bona Fide Debt Service Fund. Our base fee assumes that the Bond Fund, as defined in the bond documents, meets the bona fide debt service fund exemption to rebate. If this fund fails to qualify for this exemption, an additional fee will be charged to analyze the investment activity.	\$500 per Fund
IRS Audit Assistance	\$150 per Hour
Request for Refund of Overpayment	No Charge
Online Compliance Management System	No Charge
Preparation of IRS Form 8038T (Payment)	No Charge

Billed invoices are required to be paid within 30 days of receipt.

Special District Annexation Services

The fees denoted below are not contingent upon the successful annexation of the parcels to the applicable special district.

CFD Annexation Services

If the City wishes to annex parcels to an existing CFD the associated fee will be **\$3,000 per annexation**. The fee associated with the optional service of attending a City Council meeting is \$1,250 per meeting.

1972 Act District Annexation Services

If the City wishes to annex parcels to an existing 1972 Act District the associated fee will be **\$8,500 per annexation**. The fee associated with the optional service of attending a City Council meeting is \$1,250 per meeting. The cost associated with the mailing of notices and ballots is not included within the quoted fee and may be included as a separate cost depending on the number of ballots that need to be mailed via the United States Postal Service or Fed Ex, if deemed necessary.

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses encountered throughout the contract term for all services proposed herein. Examples of reimbursable expenses include, but are not limited to:

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

Any additional expense for reports or from third-party vendors will be billed to the City plus a ten-percent mark-up. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of work will be at our then-current hourly rates. In the event that a third party requests any documents, Willdan may charge such third party for providing said documents in accordance with Willdan's applicable rate schedule.

City shall reimburse Willdan for any costs incurred, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to City or relating to the services identified herein. Reimbursement shall be at Willdan's rates in effect at the time of such response.

Additional Services

Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates. Our current hourly rates are:

Willdan Financial Services Hourly Rate Schedule	
Group Director	\$210
Assistant Director Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager Program Director	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Analyst Assistant	\$75
Property Owner Services Representative	\$55

**EXHIBIT C
PROJECT TIMELINE**

INTENTIONALLY OMITTED

EXHIBIT D
CALIFORNIA LABOR CODE COMPLIANCE
(Labor Code §§ 1720 et seq., 1813, 1860, 1861, 3700)

If this Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code, then:

1. This Agreement is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency (“City”) and Consultant agrees to be bound by all the provisions thereof as though set forth in full herein.
2. Consultant shall be registered with the Department of Industrial Relations (“DIR”) in accordance with California Labor Code Section 1725.5 and has provided proof of registration to City prior to the Effective Date of this Agreement.
3. Consultant shall comply with the provisions of California Labor Code Sections 1771, 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The applicable prevailing wage determination(s) may be obtained at (<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>), are on file with City, and are available to any interested party upon request. Consultant shall, as a penalty to City, forfeit not more than two-hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under this Agreement by Consultant or by any subcontractor.
4. Pursuant to California Labor Code Section 1771.4, Consultant’s services are subject to compliance monitoring and enforcement by the Department of Industrial Relations. Consultant shall post job site notices as prescribed by DIR regulations and agrees to furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner in the manner prescribed by California Labor Code Section 1771.4(a)(3) and (c)(2).
5. Consultant shall comply with the provisions of California Labor Code Section 1776 which, among other things, require Consultant and each subcontractor to: (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform City of the location of the records. Consultant is responsible for compliance with Section 1776 by itself and all of its subcontractors.
6. Consultant shall comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Consultant is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.

7. Consultant shall comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. Consultant shall, as a penalty to City, forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Agreement by Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.

8. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.”

Date _____ Signature _____