



AGENDA

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

March 19, 2019

REGULAR MEETING – 6:00 PM

City Council Study Sessions

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

City Council Meetings

Special Presentations – 5:30 P.M.

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

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber – 14177 Frederick Street

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

Dr. Yxstian A. Gutierrez, Mayor

Victoria Baca, Mayor Pro Tem
Ulises Cabrera, Council Member

David Marquez, Council Member
Dr. Carla J. Thornton, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
March 19, 2019

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Business Spotlight

2. Recognition of Corporal Rafael Victorio as the 2018 MVPD Officer of the Year

3. Recognition of Mary Watts as the MVPD Classified Employee of the 4th Quarter, 2018

4. Commendation Recognizing Southwest Veterans' Business Resource Center

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

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

**REGULAR MEETING – 6:00 PM
MARCH 19, 2019**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor Dr. Eddie Ogwd Thd from Heartbeat of God International Ministries

ROLL CALL

INTRODUCTIONS

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

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

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

JOINT CONSENT CALENDARS (SECTIONS A-E)

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

A. CONSENT CALENDAR-CITY COUNCIL

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

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - STUDY SESSION - FEB 12, 2019 6:00 PM

Recommendation: Approve as submitted.

- A.3. MINUTES - CITY COUNCIL - REGULAR MEETING - FEB 19, 2019 6:00 PM

Recommendation: Approve as submitted.

- A.4. APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES
(Report of: Police Department)

Recommendations:

1. Authorize the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment totaling \$93,773.
2. Authorize the transfer of \$82,573 from the Equipment Replacement Fund 7510 to General Fund 1010, to add to the budgeted amount of \$11,200 in General Fund Account 1010-60-67-40210-660322, totaling \$93,773 to use for the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment.

- A.5. PAYMENT REGISTER - JANUARY 2019 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

- A.6. APPROVE PROFESSIONAL SERVICES AGREEMENT WITH ALTERNATIVE ENERGY SYSTEMS CONSULTING (AESC) FOR ENGINEERING AND TECHNICAL SERVICES (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Approve the Professional Services Agreement with Alternative Energy Systems Consulting (AESC) for Engineering and Technical Services.
2. Authorize the City Manager to execute the Agreement.

- A.7. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS CONSTRUCTION, INC. FOR THE ALESSANDRO BLVD AND GRANT ST. TRAFFIC SIGNAL PROJECT NO. 808 0029 (Report of: Public Works)

Recommendations:

1. Award a construction contract to Alfaro Communications Construction, Inc., 15614 S. Atlantic Avenue, Compton, CA 90221, for the Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street project.
2. Authorize the City Manager to execute a contract with Alfaro Communications Construction, Inc., in substantial conformance with the attached contract.
3. Authorize the issuance of a Purchase Order for Alfaro Communications Construction, Inc. in the amount of \$579,251.20 (\$526,592.00 bid amount plus a 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract, but not exceeding, the total contingency of \$52,659.20 subject to the approval of the City Attorney.

- A.8. LIST OF PERSONNEL CHANGES (Report of: Human Resources)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.9. PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NO. 32 AND 34 (RESO. NO. 2019-__ AND 2019- __) (Report of: Public Works)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2019-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 32)
2. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2019-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 34)

- A.10. EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT FOR FUTURE SALE OF CITY-OWNED PROPERTY AT ALESSANDRO BOULEVARD AND LASSELLE STREET WITH PANORAMA PROPERTIES, INC. (Report of: Economic Development)

Recommendation:

1. That the City Council approve an Exclusive Right to Negotiate agreement with Panorama Properties, Inc. regarding the proposed development of City-owned property at Alessandro Boulevard and Lasselle Street.
2. That the City Council authorize the City Manager or designee to execute the Exclusive Right to Negotiate agreement with Panorama Properties, Inc.
3. That the City Council authorize the City Manager or designee to negotiate a Purchase & Sale Agreement during the Exclusive Right to Negotiate period for the development of City-owned property at Alessandro Boulevard and Lasselle Street.

- A.11. AUTHORIZATION TO AWARD AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES FOR CITYWIDE SHOPPING CART RETRIEVAL SERVICES TO WEST COAST SHOPPING CART SERVICE, INC. (Report of: Community Development)

Recommendations:

1. Approve and award an Agreement for On-Site and/or Professional Services to West Coast Shopping Cart Services, Inc. to provide citywide shopping cart retrieval services.
2. Authorize the City Manager, or his designee, to execute an Agreement for On-Site and/or Professional Services with West Coast Shopping Cart Services, Inc. subject to the approval of the City Attorney.
3. Authorize the Chief Financial Officer, or his designee, to approve a purchase order with West Coast Shopping Cart Services, Inc. in accordance with approved terms of the Agreement.

A.12. APPROVE THE FIRST AMENDMENT TO AGREEMENT WITH ANNEALTA GROUP, INC. FOR PLANNING ENTITLEMENT AND PLAN CHECK SERVICES (Report of: Community Development)

Recommendations:

1. Approve the First Amendment to Agreement with Annealta Group, Inc. for Planning Entitlement and Plan Check Services.
2. Authorize the City Manager, or his designee, to execute the First Amendment with Annealta Group, Inc., subject to the approval of the City Attorney.
3. Authorize an increase of \$227,232.00 to the not-to-exceed amount of the five-year Agreement with Annealta Group, Inc., to \$602,232.00.
4. Authorize the Chief Financial Officer, or his designee, to execute a change order to increase Purchase Order #2019-226 to Annealta Group, Inc., for Planning Entitlement and Plan Check Services from \$144,264.40 up to \$371,496.40 for FY18/19.
5. Authorize the Chief Financial Officer, or his designee, to make the appropriate budget adjustments as set forth in the Fiscal Impact section of this report.

A.13. APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION (Report of: Human Resources)

Recommendations:

1. Modify the City's Position Control Summary to de-fund one Community Services Supervisor position and fund one Community Services Superintendent position in the Parks and Community Services

- Department.
2. Approve the Classification Specification for the position of Community Services Superintendent.

A.14. APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH THE LEW EDWARDS GROUP (Report of: Financial & Management Services)

Recommendation:

1. Approve the Agreement for Consulting Services (“Agreement”) with the Lew Edwards Group
2. Authorize the City Manager to execute the Agreement and subsequent amendments based on City Attorney review and available appropriations
3. Approve budget adjustments to the budget as set forth in the Fiscal Impact section of this report.

A.15. SECOND READING AND ADOPTION OF ORDINANCE NO. 951 AMENDING THE MORENO VALLEY RANCH SPECIFIC PLAN 193 AND ORDINANCE NO. 952 AUTHORIZING A CHANGE OF ZONE FOR PROPERTY AT THE NORTHEAST CORNER OF KRAMERIA AVENUE AND LASSELLE STREET (Report of: Community Development)

Recommendation: That the City Council:

1. Adopt Ordinance No. 951 amending the Moreno Valley Ranch Specific Plan 193 and adopt Ordinance No. 952 authorizing the Change of Zone for approximately 11.64 acres located at the northeast corner of Lasselle Street and Krameria Avenue

A.16. SECOND AMENDMENT TO THE AGREEMENT FOR ON-CALL CONSTRUCTION INSPECTION SERVICES WITH INTERWEST CONSULTING GROUP (Report of: Public Works)

Recommendations:

1. Approve the Second Amendment to the On-Call Professional Consultant Services for Construction Inspection Services with Interwest Consulting Group, 431 S. Palm Canyon Drive, Suite 200 Palm Springs, CA 92507.
2. Authorize the City Manager to execute the Second Amendment with Interwest Consulting Group which includes executing subsequent Amendments or Extensions to the Agreement, and the authority to authorize associated purchase orders in accordance with the terms of the Agreement, subject to the approval of the City Attorney.

3. Authorize the issuance of a change order to Purchase Order with Interwest Consulting Group from a not-to-exceed amount of \$150,000.00 to a not-to-exceed amount of \$215,000.00 (an increase of \$65,000.00 for additional inspection services).

A.17. ADOPTION OF RESOLUTION 2019-__ AMENDING THE APPLICATION PROCESSES FOR COMMERCIAL CANNABIS BUSINESS PERMITS (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Adopt Resolution 2019-____, amending the Application Processes for Commercial Cannabis Business Permits.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

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

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - STUDY SESSION OF FEB 12, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - REGULAR MEETING OF FEB 19, 2019 6:00 PM (See A.3)

Recommendation: Approve as submitted.

- B.4. ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM GRANT FUNDS FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, EXPANDED LEARNING DIVISION, FOR KIDS COMPUTER CODING INSTRUCTION AND ADOPTION OF THE RESOLUTION TO CERTIFY APPROVAL OF THE GOVERNING BOARD (Report of: Parks & Community Services)

Recommendations:

1. Authorize acceptance of After School Education and Safety (ASES) Kids Code Pilot Program Grant funds in the amount of \$180,000 over Fiscal Years (FY) 2018/19 through 2020/21 from the California Department of Education (CDE), Expanded Learning Division, for the purpose of providing ASES Kids Code Program computer coding services to children in the ASES program at three school sites; and

2. Adopt Resolution No. CSD 2019-____. A resolution of the Moreno Valley Community Services District Board certifying acceptance of the grant funding and approval of associated cooperation with the California Department of Education for the purpose of providing ASES Kids Code Program services and to authorize designated personnel to sign grant contract documents; and
3. Approve the Agreement with THINK Together, Inc. for the operation of day-to-day activities and functions involving the new ASES Kids Code Pilot Program Grant; and
4. Authorize the Executive Director to execute the Agreement with THINK Together, Inc., for the operation of day-to-day activities and functions involving the new ASES Kids Code Pilot Program Grant, and issuance of the Purchase Order once the Agreement has been fully executed; and
5. Authorize the Executive Director to execute any subsequent related Extensions or Amendments to the Agreement, subject to the approval of the City Attorney.

C. CONSENT CALENDAR - HOUSING AUTHORITY

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

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - STUDY SESSION OF FEB 12, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - REGULAR MEETING OF FEB 19, 2019 6:00 PM (See A.3)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

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

Recommendation: Waive reading of all Ordinances.

D.2. MINUTES - STUDY SESSION OF FEB 12, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

D.3. MINUTES - REGULAR MEETING OF FEB 19, 2019 6:00 PM (See A.3)

Recommendation: Approve as submitted.

E. CONSENT CALENDAR - PUBLIC FINANCING AUTHORITY

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

Recommendation: Waive reading of all Ordinances.

E.2. MINUTES - SPECIAL MEETING OF FEB 19, 2019 6:00 PM (See A.3)

Recommendation: Approve as submitted

F. PUBLIC HEARINGS

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

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

F.1. PUBLIC HEARING FOR TWO NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDINGS (Report of: Public Works)

Recommend that the City Council:

1. Conduct the Public Hearing and accept public testimony for the mail ballot proceedings for the National Pollutant Discharge Elimination System (NPDES) Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and Residential Regulatory Rate to be applied to the property tax bills as identified herein;
2. Direct the City Clerk to open and count the returned NPDES ballots;
3. Verify and accept the results of the mail ballot proceedings as maintained by the City Clerk on the Official Tally Sheet and if approved, set the rate and impose the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and Residential Regulatory Rate, as applicable, on the Assessor's Parcel Numbers as mentioned;

4. Receive and file the Official Tally Sheet with the City Clerk's office.

G. GENERAL BUSINESS

- G.1. RESOLUTIONS APPROVING THE ISSUANCE OF THE 2019 LEASE REVENUE BONDS (TAXABLE) (Report of: Financial & Management Services)

Recommendation:

Recommendations: That the City Council and Moreno Valley Public Financing Authority respectively:

1. Adopt Resolution No. 2019-____, A Resolution of the City Council of the City of Moreno Valley, California, approving the issuance by the Moreno Valley Public Financing Authority of not to exceed \$18,000,000 aggregate principal amount of Lease Revenue Bonds, Series 2019 (Taxable) to finance certain capital improvements to the City's Electric Utility System authorizing execution and delivery of a Second Amendment to Master Facilities Lease, a Second Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving the form of Official Statement; and authorizing execution of documents and the taking of all necessary actions relating to the financing with the Moreno Valley Public Financing Authority.
2. Approve the necessary budget adjustments to allow the recording of the issuance of the bonds and related debt service required for FY 18/19.
3. Adopt Resolution No. MVPFA 2019-____, a Resolution of the Moreno Valley Public Financing Authority (MVPFA) authorizing the issuance and sale of Lease Revenue Bonds to finance certain capital improvements to the City's Electric Utility System; Approving the forms of a Second Supplement to Master Trust Agreement, a Second Amendment to Master Facilities Lease, a Second Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement describing said bonds; and authorizing execution of documents and the taking of all necessary actions relating to the issuance of the Bonds.
4. Approve amended Policy 3.28 Debt Management, which includes recent changes to the bond disclosure requirements.

- G.2. ADOPTION OF RESOLUTION TO ESTABLISH A PROJECT LIST FOR THE FISCAL YEAR 2019/20 SENATE BILL 1 FUNDING AND CONCURRENCE OF A PAVEMENT MANAGEMENT PROGRAM FIVE-YEAR LOOK-AHEAD PLAN (Report of: Public Works)

Recommendations: That the City Council:

1. Adopt Resolution No. 2019-XX – To establish a Citywide Pavement Rehabilitation and Preservation project list for submission to the California Transportation Commission for Fiscal Year 2019/20 Senate Bill (SB) 1 funding.
2. Authorize the City Engineer to make any minor adjustments to the limits of work and minor modifications to the project list, as necessary.
3. Concur with the proposed Pavement Management Program five-year look-ahead plan.

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

I. REPORTS

I.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

I.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

I.3. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

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

ADJOURNMENT

PUBLIC INSPECTION

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

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

CERTIFICATION

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

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Pat Jacquez-Nares, CMC & CERA
City Clerk

Date Posted: March 14, 2019

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 19, 2019

TITLE: BUSINESS SPOTLIGHT

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

None

APPROVALS

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 19, 2019

TITLE: RECOGNITION OF CORPORAL RAFAEL VICTORIO AS
THE 2018 MVPD OFFICER OF THE YEAR

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

None

APPROVALS

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 19, 2019

TITLE: RECOGNITION OF MARY WATTS AS THE MVPD
CLASSIFIED EMPLOYEE OF THE 4TH QUARTER, 2018

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

None

APPROVALS

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 19, 2019

TITLE: COMMENDATION RECOGNIZING SOUTHWEST
VETERANS' BUSINESS RESOURCE CENTER

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

None

APPROVALS

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

**STUDY SESSION – 6:00 PM
February 12, 2019**

CALL TO ORDER

The Study Session of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:03 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street, Moreno Valley, California. Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Frank Wright.

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Ulises Cabrera	Council Member
	Dr. Carla J. Thornton	Council Member

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Marshall Eyerman	Chief Financial Officer/City Treasurer
	Martin Koczanowicz	City Attorney
	Allen Brock	Assistant City Manager
	Mike Lee	Economic Development Director
	Patty Nevins	Planning Official
	Abdul Ahmad	Fire Chief
	Kathleen Sanchez	Human Resources Director

Minutes Acceptance: Minutes of Feb 12, 2019 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Patti Solano
Michael Wolfe

Parks and Community Services Director
Public Works Director/City Engineer

PUBLIC COMMENTS ON MATTERS ON THE AGENDA ONLY

Mayor Gutierrez opened the public comments portion of the meeting for items listed on the agenda only, which was received from Rafael Brugueras (supports Item No. A.2)

There being no further public comments in opposition or support, Mayor Gutierrez closed the public comments.

A. BUSINESS

A.1. FY19/20 & 20/21 Budget Presentation (Report of: Financial & Management Services)

Chief Financial Officer/City Treasurer Eyerman provided the report.

Mayor Gutierrez asked whether revenues were back to pre-recession levels.

Chief Financial Officer/City Treasurer Eyerman reported the revenue status.

Council Member Marquez asked about the sales tax proceeds and their funds.

Chief Financial Officer/City Treasurer Eyerman replied that although the total revenue is retained by the City the type of tax determines whether its proceeds are intended for the General Fund or a particular purpose.

Council Member Marquez remarked that this revenue generating option would be ideal to fund roadway improvements. He further inquired as to the expected increase to Public Safety costs and if commercial properties provide any revenue in the way of property taxes.

Chief Financial Officer/City Treasurer Eyerman responded that expenditures have increased by 8% and affirmed commercial properties contribute property tax funds.

Council Member Cabrera posed a question regarding the ratio of types of new development, the revenue decrease in the utility users' tax reported by Chief Financial Officer/City Treasurer Eyerman as well as the effect of the hotel tax.

Chief Financial Officer/City Treasurer Eyerman provided the breakdown, identified the cause of the decrease and explained the economics of the hotel tax.

Council Member Thornton asked about Measure M's impact.

Chief Financial Officer/City Treasurer Eyerman provided the estimated increase.

A.2. Overview of Shopping Cart Collection Program (Report of: Community Development)

Code and Neighborhood Services Division Manager Alvarado provided the presentation.

City Manager DeSantis explained the rationale for the recommended changes to the shopping cart ordinance.

Mayor Gutierrez inquired if option two includes weekend coverage and a payment per cart recovered.

City Manager DeSantis replied in the affirmative and communicated that the projected costs are based on the number of carts recovered and therefore may vary.

Mayor Pro Tem Baca requested clarification on the current one-mile radius patrol requirement and for an elaboration of option one.

Code and Neighborhood Services Division Manager Alvarado explained the requirement and supplied the details of option one.

Assistant City Manager Brock identified the constraint State Law imposes on the shopping cart ordinance.

Mayor Pro Tem Baca reiterated Mr. Brugueras' question regarding the protocol for carts, which contain items and asked about the proposed weekend coverage.

Code and Neighborhood Services Division Manager Alvarado explained the process for carts containing items and described the suggested weekend staffing change.

Council Member Marquez asked if grocery store unions govern shopping carts and expressed concern that any changes to the ordinance may subject the City to litigation. He also questioned why carts containing items could not be immediately retrieved. Additionally, he asked about the PERS component of the proposed budget for option one.

City Manager DeSantis replied that the grocery industry lobby has worked to limit cities' options and provided an explanation regarding PERS.

City Attorney Koczanowicz assured the City Council that all of the proposed options are supported legally and explained the limitation imposed by State Law.

Council Member Thornton inquired as to the businesses exempt from the ordinance, the origin of the amount paid per cart retrieved, and detail involving the process for carts containing personal items.

Code and Neighborhood Services Division Manager Alvarado furnished the details.

Council Member Marquez inquired as to the average cost of a new cart.

Code and Neighborhood Services Division Manager Alvarado provided the prices.

Council Member Cabrera asked for detail regarding the annual fee mentioned in the presentation as well as the recycled carts and expressed his support of the recommendations. He suggested that the ordinance amendment include grand fathered businesses. He also mentioned he would like to see if the cart retrieval program could include the Homeless to Work participants.

Assistant City Manager Brock discussed the fee's features and the recycled carts.

Mayor Gutierrez, with consensus from the City Council, directed staff to agendize option two with the ordinance amendment.

A.3. CITY COUNCIL REQUESTS AND COMMUNICATIONS

Council Member Cabrera

1. Inquired as to the Study Session scheduling for the Promise Initiative and the Homeless to Work program.

City Manager DeSantis reported that the March 12th Study Session includes both items as well as cannabis zoning.

Council Member Marquez

1. Requested a future discussion to include the addition of another rescue squad unit.

(ITEMS MAY BE DEFERRED BY COUNCIL IF TIME DOES NOT PERMIT FULL REVIEW.)

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting at 7:23 p.m.

Submitted by:

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

Approved by:

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

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
February 19, 2019

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Officer of the 3rd Quarter
2. Employee of the 4th Quarter
3. Coast Soccer League

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

**REGULAR MEETING – 6:00 PM
February 19, 2019**

CALL TO ORDER

The Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:05 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Rafael Brugueras.

INVOCATION

Pastor Dan Clement, Lighthouse Baptist Church

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Dr. Carla J. Thornton	Council Member
	Ulises Cabrera	Council Member

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Regina Flores	Senior Deputy City Clerk
	Marshall Eyerman	Chief Financial Officer/City Treasurer
	Martin Koczanowicz	City Attorney
	Tom DeSantis	City Manager
	Allen Brock	Assistant City Manager

Minutes Acceptance: Minutes of Feb 19, 2019 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Mike Lee	Economic Development Director
Rick Sandzimier	Community Development Director
Dave Lelevier	Acting Police Chief
Mark League	Battalion Chief
Kathleen Sanchez	Human Resources Director
Patti Solano	Parks and Community Services Director
Michael Wolfe	Public Works Director/City Engineer

E.2. 3362: Conditional Use Permit PEN18-0016 ARCO Service Station (Report of: Community Development)

Associate Planner Diaz provided the report.

Mayor Gutierrez explained and City Attorney Koczanowicz confirmed that although the item was approved by the Planning Commission, the City Council, which took jurisdiction over the item, nullifies the Planning Commission's action, rendering the item brand new.

Council Member Cabrera inquired as to the location of the project in relation to the surrounding properties and whether any comments were submitted regarding the project.

Associate Planner Diaz provided the details.

Council Member Marquez requested the number of service stations in the surrounding area.

Associate Planner Diaz supplied the locations.

Mayor Gutierrez opened the Public Hearing at 6:17 p.m.

Ed Hale, representing the applicant, provided the project details.

Council Member Marquez inquired as to the sale of hard liquor and tobacco products, as well as security and alcohol sale hours.

Mr. Hale responded that beer, wine, and cigarettes would be available for purchase, explained the security measures in place for tobacco sales and affirmed that alcohol would be sold pursuant to the City's regulations.

Council Member Cabrera questioned if on-site security would be provided.

Mr. Hale replied that no on-site security would be available.

Mike Sater, owner of the property, addressed concerns relating to the project.

Council Member Cabrera expressed his unease with people purchasing alcohol and consuming it outside the gas station.

Mr. Sater explained the precautions taken to address open containers.

Council Member Thornton questioned what procedures are in place in address loitering.

Mr. Sater furnished the information.

Mayor Pro Tem Baca inquired if the adjoining car wash would be open 24 hours a day.

Mr. Sater replied in the negative.

Mayor Gutierrez inquired as to the hours beer would be available for sale.

Mr. Hale stated the alcohol operating hours.

Community Development Director Sandzimier clarified the car wash operating hours and beer and wine sale hours.

Dottie Smith, Graham Baldwin, Johnetta Brooks, Dennis Leon, Sanjay Patal Sanjay, Gerardo Rios, Carol Haffter, Sharon Thomas, Leo Gonzalez, and Pete Hurtado oppose Item No. E.2.

Alex Mucino, Hannah Fresquez, Abraham Sater, Roy Bleckert, Ali Taghipour, Jay Brun, Rafael Brugueras, Tamar Chapa, and Jennifer Gomez support Item No. E.2.

Mr. Hale addressed issues raised by the speakers.

There being no further comments in support or opposition, Mayor Gutierrez closed the Public Hearing at 7:28 p.m.

Council Member Cabrera indicated his reservations with the project.

Council Member Marquez expressed his support of the project.

Mayor Gutierrez communicated his apprehension with approving the project.

Council Member Thornton conveyed her approval of the project.

Mayor Pro Tem Baca concurred with the comments made by Mayor Gutierrez, Council Member Cabrera, and Council Member Thornton.

Recommendation: That the City Council:

1. **ADOPT**; A Resolution of the City Council of the City of Moreno Valley **CERTIFYING** that the Initial Study/Mitigation Negative Declaration

PEN18-0016 for the ARCO AM/PM gas station project on file with the Community Development Department, incorporated herein by this reference, has been completed in compliance with the California Environmental Quality Act, that the City Council reviewed and considered the information contained in the Initial Study/Mitigated Negative Declaration and that the Initial Study/Mitigated Negative Declaration reflects the City's independent judgment and analysis; and **ADOPTING** the Mitigation Monitoring and Reporting Program for the Initial Study/Mitigated Negative Declaration for the proposed project; and

2. **APPROVE:** A Resolution of the City Council of the City of Moreno Valley **APPROVING** Conditional Use Permit, PEN18-0016, for the development of a new 3,180 square foot ARCO AM/PM gas station with convenience store including Type-20 alcohol sales for beer and wine, and a car wash, located on the northwest corner of Iris Avenue and Oliver Street.

RESULT: FAILED [2 TO 3]
MOVER: Dr. Carla J. Thornton, Council Member
SECONDER: David Marquez, Council Member
AYES: David Marquez, Dr. Carla J. Thornton
NAYS: Dr. Yxstian A. Gutierrez, Victoria Baca, Ulises Cabrera

Motion to deny via resolution RESO. NO. 2019-03

RESULT: APPROVED [3 TO 2]
MOVER: Ulises Cabrera, Council Member
SECONDER: Dr. Yxstian A. Gutierrez, Mayor
AYES: Dr. Yxstian A. Gutierrez, Victoria Baca, Ulises Cabrera
NAYS: David Marquez, Dr. Carla J. Thornton

Mayor Gutierrez recessed the meeting at 7:51 p.m.

Mayor Gutierrez reconvened the meeting at 8:01 p.m.

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

John Denilofs

1. Criticized the City's requirements for staging a protest.

Roy Bleckert

1. Requested that the City Council review the January 13, 2009 meeting regarding the funding for the Cottonwood and Indian park.
2. Expressed his concern with the recruitment of a second consultant for the Police contract.

3. Stressed the need for a General Plan amendment.

Rafael Bruqueras

1. Grateful for the recognition of the Coast Soccer League.
2. Demonstrated his appreciation for the Recreation Center.
3. Applauded the Planning Commission for their approval of Item No. E.2.

Adolf Kruger

1. Accused the City of being corrupt.
2. Lambasted the Police Department for not curbing the street racing occurring near his home.

JOINT CONSENT CALENDARS (SECTIONS A-D)

Mayor Gutierrez opened the Consent Agenda items for public comments, which were received from Rafael Bruqueras (Supports Item Nos. A.7, A.8, A.10, and A.12).

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	Dr. Carla J. Thornton, Council Member
AYES:	Gutierrez, Baca, Marquez, Cabrera, Thornton

A. CONSENT CALENDAR-CITY COUNCIL

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

Recommendation: Waive reading of all Ordinances.

- A.2. City Council - Regular Meeting - Feb 5, 2019 6:00 PM

Recommendation: Approve as submitted.

- A.3. Amended Joint Powers Agreement of the Western Riverside Council of Governments (Report of: City Clerk)

That the City Council:

1. Authorize the Mayor to execute the Amended Joint Powers Agreement for the Western Riverside Council of Governments.

- A.4. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2018/2019 AS OF JULY 1, 2018 THROUGH DECEMBER 31, 2018 (Report of: City Clerk)

Recommendation:

1. Receive and file the Fiscal Year 2018/2019 Council Discretionary

Expenditure Report for July 1, 2018 through December 31, 2018.

- A.5. TRACT 24203 – REQUEST TO CONDUCT A FULL ROAD CLOSURE OF LAWLESS ROAD FROM PIGEON PASS ROAD TO SHADOW MOUNTAIN DRIVE FROM FEBRUARY 27, 2019 - MAY 21, 2019 DEVELOPER: KB HOME COASTAL, INC (Report of: Public Works)

Recommendations:

1. Approve a full Road Closure of Lawless Road from Pigeon Pass Road to Shadow Mountain Drive for the reconstruction of Lawless Road from February 27, 2019 – May 21, 2019.
2. Authorize the Public Works Director/City Engineer to approve a one-time extension, if needed, of the road closure for a period not to exceed 14 calendar days.

- A.6. 2019-13: PURSUANT TO A LANDOWNER PETITION, ANNEX THREE PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 RESO. NO. 2019-04 (Report of: Public Works)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2019-___, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District.

- A.7. 2019-14: AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR LS-1 OPTION E AGREEMENT AGMT. NO. 2019-89 (Report of: Public Works)

Recommendation:

1. Approve and Authorize the City Manager to execute the Schedule LS-1 Option E, Energy Efficiency-Light Emitting Diode (LED) Fixture Replacement Rate Agreement with Southern California Edison (SCE) (the "Agreement"), in substantially the form as attached hereto, subject to the approval of the City Attorney.

- A.8. LIST OF PERSONNEL CHANGES (Report of: Human Resources)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.9. 2019-16: APPROVE FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES AGMT. NO. 2018-279-01 (Report of: Human Resources)

Recommendations:

1. Approve the First Amendment to the Agreement for Professional Services (2018-279) with Apple One Employment Services (Apple One), 16371 Beach Blvd., Suite 240 Huntington Beach, CA 92647 to provide additional professional temporary employment services.
2. Authorize the City Manager to execute the First Amendment to Agreement for Professional Consultant Services with Apple One in the form attached hereto.
3. Authorize the increase of the "Not to Exceed" limit to \$100,000.

- A.10. PAYMENT REGISTER - DECEMBER 2018 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

- A.11. 2019-18: APPROVE FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH S BADGETT CONSULTING AGMT. NO. 2018-454-01 (Report of: Financial & Management Services)

Recommendation:

1. Approve First Amendment to Agreement for Professional Services with Stephen H Badgett Consulting for strategic planning services for Moreno Valley Utility.

- A.12. 2019-19: AWARD OF AGREEMENTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDED AMERICANS WITH DISABILITIES AGMT. NOS. 2019-90 and 91 (Report of: Financial & Management Services)

Recommendations:

1. Award a construction contract to RS Construction & Development, 1042 N. Mountain Ave. Suite B # 552, Upland, CA 91786, for \$196,200, for the Interior ADA Improvements Project at Moreno Valley Animal Shelter and authorize the City Manager to execute a contract with RS Construction & Development in substantial conformance with the attached contract.
2. Award a construction contract to RS Construction & Development,

1042 N. Mountain Ave. Suite B # 552, Upland, CA 91786, for \$186,650, for the Interior ADA Improvements Project at Moreno Valley Conference & Recreation Center and authorize the City Manager to execute a contract with RS Construction & Development in substantial conformance with the attached contract.

3. Authorize the City Manager to execute any subsequent related change orders to the contracts, but not exceeding the approved budget and subject to the approval of the City Attorney.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

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

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF FEB 5, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

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

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF FEB 5, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

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

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF FEB 5, 2019 6:00 PM (See A.2)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

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

Public Works Director/City Engineer Wolfe provide the report.

Mayor Gutierrez opened the Public Hearing at 8:22 p.m.

There being no comments in support or opposition, Mayor Gutierrez closed the Public Hearing at 8:22 p.m.

Recommend that the City Council:

1. Conduct the Public Hearing and accept public testimony for the mail ballot proceeding(s) for the National Pollutant Discharge Elimination System (NPDES) Common Interest, Commercial, Industrial, and Quasi-Public Use maximum Regulatory Rate to be applied to three property tax bill(s);
2. Direct the City Clerk to open and count the returned NPDES ballot(s);

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dr. Carla J. Thornton, Council Member
SECONDER:	Victoria Baca, Mayor Pro Tem
AYES:	Gutierrez, Baca, Marquez, Cabrera, Thornton

3. Verify and accept the results of the mail ballot proceeding(s) as maintained by the City Clerk on the Official Tally Sheet;
4. Receive and file the Official Tally Sheet with the City Clerk’s office; and,
5. If approved, set the rate and impose the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate on the Assessor’s Parcel Number(s) as mentioned.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	Ulises Cabrera, Council Member
AYES:	Gutierrez, Baca, Marquez, Cabrera, Thornton

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION - NONE

Minutes Acceptance: Minutes of Feb 19, 2019 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

G. GENERAL BUSINESS

- G.1. 3428: Streamlining the Transportation Uniform Mitigation Fee (TUMF) Calculation and Collection Process ORD. NO. 950 (Report of: Community Development)

Community Development Director Sandzimier provided the report.

City Manager DeSantis noted that the proposed change is following a precedent in which all agencies levy and collect their own fees.

Recommendations: That the City Council:

1. Introduce and conduct the first reading of Ordinance No. 950 amending Chapter 3.44 of Title 3 of the City of Moreno Valley Municipal Code to include a process for Western Riverside County Council of Governments to perform calculations for and collection of fees under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.
2. Schedule the second reading and adoption of Ordinance No. 950 for the next regular Council meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	David Marquez, Council Member
SECONDER:	Ulises Cabrera, Council Member
AYES:	Gutierrez, Baca, Marquez, Cabrera, Thornton

Rafael Bruqueras

1. Supports the item as it relieves the burden for three of the City's departments.
2. The onus is on WRCOG to calculate the correct amount due.

Roy Bleckert

1. Requested information on whether the City either is back owed money or owes money to WRCOG.
2. Questioned the motives precipitating the proposed change.

H. REPORTS

H.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Mayor Pro Tem Baca reported the following:

Tonight, I'm providing an update from the March Joint Powers Commission meeting held on February 13th.

The Commission heard an update on the JPA's Legislative Agenda and upcoming trip to Washington DC. With the rain we've seen this winter, we were happy to confirm the JPA's intent to continue seeking funding for the Cactus Flood Control Channel improvements between the I-215 and Heacock. There are four property owners along the channel. So far, we have funding commitments from all except the US Department of Agriculture. JPA representatives will be meeting with the USDA in Washington to request their support.

We also heard an update on activity at our airport - March Inland Port. They're experiencing substantial growth - over 700 jobs have been created there. I was also very pleased to hear they've had NO noise complaints related to the Amazon Prime Air flights.

Riverside County Habitat Conservation Agency (RCHCA) - NONE

Riverside County Transportation Commission (RCTC) - NONE

Riverside Transit Agency (RTA)

Council Member Marquez reported the following:

Beginning March 4, RTA will host the first of nine community meetings to gather feedback on proposed fare changes, the first in more than 10 years. If approved, the first round of changes would go into effect July 2019 and a second round of changes in July 2021. Please visit www.riversidetransit.com <<http://www.riversidetransit.com>> for more details.

Western Riverside Council of Governments (WRCOG) - NONE

Western Riverside County Regional Conservation Authority (RCA) - NONE

School District/City Joint Task Force

Mayor Pro Tem Baca reported the following:

The Joint Task Force met earlier today. In addition to the City, representatives from Moreno Valley Police Department, State of California Lake Perris, Moreno Valley Community College, and Moreno Valley and Val Verde Unified School Districts attended the meeting.

ATP Cycle 4 grant application was successful, and the California Transportation Commission approved the State's recommendations to fund the remaining Juan Bautista De Anza Trail from the Moreno Valley Mall to Lake Perris through the city of Perris to the city of Menifee. This was an \$8.33 million award.

The Val Verde Unified School District Police Department is growing fast and currently has five officers. Within the next few weeks, the department will be bringing on an evidence clerk and a canine unit. In addition to the Chief, the goal is to have ten reserve officers, five sworn officers, and one sergeant.

The California State Parks Lake Perris reported that the lake is expected to be at full capacity by the fall and is only six feet below ideal levels.

Moreno Valley Community College is in the process of updating the Comprehensive Master Plan to include an education master plan and facility master plan. A community forum is scheduled for February 28 to obtain community input. Input can also be submitted online. In addition, community and campus sessions on March 25 and April 25 will be held to present the ideas about strategies and provide the draft plan for input.

H.2. CITY MANAGER'S REPORT

Addressed issues brought up during Public Comments.

H.3. CITY ATTORNEY'S REPORT - NONE

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

Council Member Thornton

1. Thanked Public Works Director/City Engineer Wolfe for the tour of the City Yard as well as his briefing on pavement management.
2. Commended the residents for attending the City Council meeting.
3. Expressed her support for the development of programs which benefit Veterans.

Mayor Gutierrez indicated his support of Council Member Thornton's proposal involving Veterans.

Council Member Marquez

1. Thanked the residents who attended the City Council meeting.
2. Announced the upcoming Veteran's Suicide March taking place in April.

Council Member Cabrera

1. Conveyed his understanding that the General Plan necessitates an update.
2. Encouraged people to visit Lake Perris.
3. Reminded everyone of upcoming events including Race on the Base, the Public Safety Expo, and Springtastic.
4. Congratulated staff for securing the funding to improve the San Juan Bautista trail.

Mayor Pro Tem Baca

1. Reported that visitors have the option to ride a bicycle around Lake Perris.
2. Announced the 8th Annual Veterans and Small Business Summit at the Conference and Recreation Center.

Mayor Gutierrez

1. Reminded the public about the 2019 Mayors' Cyber Cup at Moreno Valley Community College.
2. Explained the importance of thorough community outreach by developers.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting in memory of Amanda Briones and a recent teen victim of a hit and run at 8:54 p.m.

Submitted by:

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

Approved by:

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



Report to City Council

TO: Mayor and City Council

FROM: David Lelevier,

AGENDA DATE: March 19, 2019

TITLE: APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES

RECOMMENDED ACTION

Recommendations:

1. Authorize the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment totaling \$93,773.
2. Authorize the transfer of \$82,573 from the Equipment Replacement Fund 7510 to General Fund 1010, to add to the budgeted amount of \$11,200 in General Fund Account 1010-60-67-40210-660322, totaling \$93,773 to use for the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment.

SUMMARY

This report recommends the City Council authorize the Moreno Valley Police Department to award a bid to Riverside BMW to purchase three (3) 2019 BMW R1250 RT-P Motorcycles for a total amount of \$93,773. The Moreno Valley Police department will utilize \$82,573 of replacement funds and \$11,200 from the Police Departments FY 2018-19 approved budget allocation to acquire this equipment. This equipment will be used toward increasing the improved ergonomics and overall functionality, while enhancing police safety and is better suited for police work.

DISCUSSION

Over the years, the Moreno Valley Police Department (MVPD) has used the Honda ST-1300P series police enforcement motorcycles and BMW 1200-RTP police enforcement

motorcycles. The MVPD currently has three police motorcycles in need of immediate replacement. A 2013 BMW 1200-RTP which has 71,675 miles and was involved in a traffic collision sustaining major, irreparable damage, and deemed a total loss. A 2011 Honda ST-1300P which has 121,386 miles, has exceeded the factory warranty term of three years and is due for replacement. A 2013 BMW 1200-RTP which has 68,162 miles, has exceeded the factory warranty term of three years and is due for replacement.

On a daily basis, the MVPD utilizes twelve police motorcycles for their primary traffic enforcement. There are four Honda ST-1300P and eight BMW 1200-RTP presently in use. MVPD switched from Honda to the BMW motorcycles due to improved ergonomics and overall improved functionality which is better suited for police work. In addition to the improved ergonomics, BMW is the only motorcycle fully outfitted for police service by the manufacturer. Other police motorcycle options require the use of a combination of vendors to completely outfit the motorcycle for police use. Using the BMW motorcycles will streamline the maintenance and repair process as one vendor will handle all aspects of the process. BMW is currently the top chosen motorcycle for police work.

Due to BMW discontinuing the 1200-RTP in model year 2018, it is requested the new motorcycles being purchased be 2019 BMW R1250 RT-P. This police enforcement motorcycle is designed to replace the 1200-RTP.

In March 2019, the Purchasing Division initiated a Request for Proposal for three (3) 2019 BMW R1250 RT-P police equipped motorcycles. Four bids were solicited, of which only two were submitted, with the lowest responsible bid received from Riverside BMW. MVPD would like to award the bid to Riverside BMW. The bids were as follows:

VENDOR	DESCRIPTION	COST
BMW Riverside	2019 BMW R1250 RT-P	\$31,257.49 per Motor**
BMW Long Beach	2019 BMW R1250 RT-P	\$32,305.58 per Motor**
BMW Escondido	Vendor Declined to Provide a Quote	
BMW Burbank	Vendor Declined to Provide a Quote	
	**Tax is included in cost	

BMW Motorcycles of Riverside agreed to sell three BMW 1250-RTP police motorcycles to the City of Moreno Valley at a cost of \$93,773.

1. The cost of this proposed motorcycle purchase will be covered by existing and budgeted motorcycle replacement funds. Through the depreciation process, replacement funds are budgeted and increased as the motorcycles depreciate in value. Additionally, the city has appropriated \$11,200 for the replacement of the police motorcycles in FY 18/19.

2011 HONDA	V.I.N. JH2SC5174BK700093	RF: \$ 27,534.02
2013 BMW	V.I.N. WB1044003DZW21968	RF: \$ 27,519.75
2013 BMW	V.I.N. WB1044003DZW22069	RF: \$ 27,519.74

Total replacement funds available:	\$ 82,573.51
Total replacement funds designated for the proposed purchase:	\$82,573
Total appropriated budget from FY18/19 budget for motorcycles:	<u>\$11,200</u>
The total cost of the proposed new motorcycle purchase:	\$93,773

Because the replacement funds available do not cover the funds necessary for the purchase, the remaining needed budget was approved and available in MVPD FY 18/19 budget allocation.

ALTERNATIVES

Council has the following alternatives:

1. Authorize the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment totaling \$93,773; Authorize the transfer of \$82,573 from the equipment replacement fund to the General Fund, with \$11,200 coming from the Police Department's FY 18/19 General Fund budget allocation to purchase three 2019 BMW 1250-RTP police motorcycles and related emergency equipment. Staff recommends this alternative.
2. Do not authorize the purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment totaling \$93,773. Staff does not recommend this alternative.

FISCAL IMPACT

The Moreno Valley Police Department is requesting City Council to approve the replacement and purchase of three 2019 BMW 1250-RTP police motorcycles and related emergency equipment totaling \$93,773. Staff is requesting \$82,573 for the equipment replacement funding and \$11,200 was previously approved during the FY18/19 budget approval process. Below, details the requested transfers and budget allocations for this purchase:

Approval of Transfer of Funds:

Type	Account	Description	Amount
Transfer from:	7510-99-97-88190-901010	Equipment Replacement Reserve	\$82,573
Transfer to:	1010-99-99-91010-807510	General Fund	\$82,573

Expenditure Appropriation:

Description	GL Account No.	Type (Rev/Exp)	FY18/19 Budget	Proposed Budget Increase/Decrease	FY 2018/2019 Proposed Budget Amendment
PD – Traffic	1010-60-67-40210-660322 - Mach-Equip, Repl - Vehicles	Exp	\$11,200	\$82,573	\$93,773

PREPARATION OF STAFF REPORT

Prepared By:
 Brian De Marco
 Traffic Motor Sergeant

Department Head Approval:
 Dave Lelevier
 Acting Chief of Police

Concurred By:
 Felicia London
 Public Safety Contracts Administrator

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

1. Required Motorcycle Specifications
2. Quotes Summary - BMW Motors 3-6-19
3. Riverside BMW - Quote
4. Long Beach BMW - Quote

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/08/19 4:09 PM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 9:27 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:28 AM



RIVERSIDE COUNTY SHERIFF'S DEPARTMENT
CHAD BIANCO, SHERIFF

To: Felicia London, City of Moreno Valley

From: Deputy Rafael Lopez #4339 

Date: FEBRUARY 20, 2019

RE: ITEMS FOR BMW MOTORCYCLE QUOTE

The following is a list of specifications needed for the BMW motorcycle quote:

Current year model BMW R 1250 RT-P Authority Motorcycle, in Night Black & Alpine White, equipped with the following:

Heated Seat	GPS Dashboard - Upper
Tire Pressure Monitoring System	GPS Dashboard - Lower
Cruise Control	GPS Release Push Button
Weather Protection Package	GPS Cradle Mount
Red LED-X Light (X5) Emergency Lights	Radio Power Plug Connector
Blue LED-X Light (X5) Emergency Lights	Radio Speaker Plug
Duplex LED Blue/Red Emergency Lights	Radio Quick Mounting Plate
White Torus Takedown Lights (4)	Accessory Connection Plugs (3)
White Torus Alley Lights (2)	Front 12v Power Outlet
Auxiliary Turn Signal Lights (Amber)	Front Single USB Power Outlet (Lighter Style)
Auxiliary Brake/Tail Lights (Red)	Fused Front Power Socket Harness
Saddlebag LED Lights w/Sensor Switch	
Round Blue Police License Plate ID Light Kit	Non-BMW Items:
Police Side Stand Extension	PVP Bluetooth Communication Kit
LED Map Light	In-Headlamp Traffic Preemption Strobe
Note Pad Holder	SW-MOTECH Skid Plate
Rear Flashlight/PR-24 Holder (Left Side)	
M4 Rifle Locking Mount for 16" Rifles	
Shotgun/Tactical Rifle Mounting Bracket	
BMW Battery Charger (2.5 Ah)	
Motorcycle Full Cover	
BMW Navigator VI GPS	

As I have done in the past, I will provide the BMW Dealership selected by the city with all required radio, radio control head, radio and radio control head mounting brackets, radio power harness, radio/radio head control wiring harness, antenna's, coax and radio communication interface system.

Attachment: Required Motorcycle Specifications (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)

BMW Motorcycles

Vendor	Description	Price	Tax	Total
Riverside BMW	BMW R 1250 RT-P Authority Motorcycle, in Night Black & Alpine White	29,009.27	2,248.22	\$ 31,257.49
Long Beach BMW	BMW R 1250 RT-P Authority Motorcycle, in Night Black & Alpine White	29,984.31	2,321.27	\$ 32,305.58
Escondido BMW	BMW R 1250 RT-P Authority Motorcycle, in Night Black & Alpine White	No Response from Vendor		
Burbank BMW	BMW R 1250 RT-P Authority Motorcycle, in Night Black & Alpine White	No Response from Vendor		

Attachment: Quotes Summary - BMW Motors 3-6-19 (3357 : APPROVE THE REPLACEMENT OF THREE

R 1250 RT-P Motor Pricing Form



Revised 10/15/2018

Color	Option Code
1 Night Black & Alpine White III	753
0 Night Black	716
0 Alpine White III (special order)	751
0 Black Blue (special order)	754
0 Saphir Blue (special order)	755
0 Violet Blue (special order)	756
0 Glacier Silver Metallic (special order)	N99

Quotation:			Motorcycle
City of Moreno Valley			\$19,989.58
Option Code	Retail Price		
Factory Special-Order Options - Plan 90-120 Days for Delivery			
0 Keyless Ride w/two transmitters	193	\$464.44	\$0.00
0 Gear Shift Assist Pro	222	\$464.44	\$0.00
0 GPS Preparation	272	\$200.44	\$0.00
0 Dynamic Package (219, 224 + 182)	238	\$317.78	\$0.00
0 Chrome Exhaust	350	\$146.67	\$0.00
0 Additional LED Headlights (driving lights)	562	\$440.00	\$0.00
0 PA Microphone	599	\$552.44	\$0.00
0 High Seat Black	610	\$0.00	\$0.00
0 Low Seat Black	776	\$0.00	\$0.00
The Options Below denote Standard Order Deck - Removal is only by Special Order - Option Delete			
1 Heated Seat	518	\$155.56	\$155.56
1 Tire Pressure Monitoring	530	\$244.44	\$244.44
1 Cruise Control	538	\$342.22	\$342.22
1 Weather Protection	649	\$244.44	\$244.44
Blue ID Light Selection (1)			
1 Standard Blue Pod-Mounted ID Lights	SID	\$0.00	\$0.00
0 Round Blue License Plate ID Lights	RID	\$0.00	\$0.00
Non-BMW Options or Additional Labor Operations Provided by Dealer			
	BMW Motorcycles of Riverside - Dan Schoo 951-353-0607		\$0.00
	City of Moreno Valley / Felicia London p: 951.486.6848 e: felicial@moval.org		\$0.00
			\$0.00
			\$0.00
	Pro Laser 4 Holster		\$379.00
	Install Agency provided Radio and Antenna		\$0.00
			\$0.00
	PVP Bluetooth Comm System for bike		\$921.00
	Skid Plate		\$349.00
			\$0.00
			\$0.00

Units	Total Price - Page 1	\$22,625.25
1	Total Price - Page 2	\$2,181.37
	Total Price - Page 3	\$1,447.78
	Total Price - Page 4	\$1,365.71
	Total Price - Page 5	\$94.17

Quotation valid for 60 days
from date noted below.
12/31/2018

Dealer Basic Assembly / Preparation	\$ 800.00
Motorcycle Freight	\$495.00
Total Retail Price per Unit with Options	\$29,009.27
7.75% State Sales Tax (if applicable)	\$2,248.22
Total Retail Price per Unit with Options	\$31,257.49

Note: Prices subject to change without notice. Final price is always determined by the selling authorized BMW Motorcycle dealer.

Attachment: Riverside BMW - Quote (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)

R 1250 RT-P Motor Pricing Form

See Special Notation Comment

Quotation for:

City of Moreno Valley



BMW Motorrad

Per	Emergency Warning Lights (10)	BMW P/N	Order #	Retail	Total Retail
5	Red LED-X Light	63 17 2 361 718	5	\$102.34	\$511.72
5	Blue LED-X Light	63 17 2 361 719	5	\$102.34	\$511.72
0	Amber LED-X Light	63 17 2 361 720	0	\$102.34	\$0.00
0	White LED-X Light	63 17 2 361 721	0	\$110.59	\$0.00
0	Green LED-X Light	63 17 2 450 782	0	\$110.59	\$0.00
Rear Duplex Emergency Warning Light (1)					
0	Duplex LED-X Red / Red	63 17 2 361 728	0	\$326.67	\$0.00
0	Duplex LED-X Blue / Blue	63 17 2 361 729	0	\$357.23	\$0.00
0	Duplex LED-X Red / Blue	63 17 2 361 730	0	\$341.96	\$0.00
1	Duplex LED-X Blue / Amber	63 17 2 361 731	1	\$341.96	\$341.96
0	Duplex LED-X Green / Green	63 17 2 450 783	0	\$341.96	\$0.00
0	Duplex LED-X Amber / Amber	63 17 2 450 784	0	\$341.96	\$0.00
Take-Down (4) Alley (2) TS (2) BT (2) Saddlebag Light (1) Red ID (1)					
6	White Torus LED TDL/Alley	63 17 2 361 722	6	\$72.63	\$435.80
2	Auxiliary LED Turn Signals	63 17 2 361 725	2	\$68.78	\$137.56
2	Auxiliary LED Brake/Tail Light	63 17 2 361 726	2	\$53.49	\$106.98
1	Saddlebag LED Lights w/sensor switch	63 17 2 361 727	1	\$135.63	\$135.63
0	Red ID Lights (replacing blue ID lights)	63 17 2 361 724	0	\$101.37	\$0.00
0	Round Blue License Plate ID Light Kit	71 60 2 452 876	0	\$123.33	\$0.00
Video Integration					
0	L3 Mobile Vision Display Mount	71 60 2 409 959	0	\$32.50	\$0.00
0	Video System Camera Mount	71 60 2 407 779	0	\$18.33	\$0.00
0	Road Warrior Display Head Mount	71 60 2 409 960	0	\$32.50	\$0.00
0	Road Warrior Processor Mount - Radio Box	65 14 2 153 832	0	\$32.92	\$0.00
0	Video System Icon Connection Plug	71 60 2 452 843	0	\$8.06	\$0.00

Note: Prices subject to change without notice. Always verify accuracy of part pricing before submitting quotations.

Final price is always determined by the selling authorized BMW Motorcycle dealer.

Attachment: Riverside BMW - Quote (3357) : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES

R 1250 RT-P Motor Pricing Form



BMW Motorrad

Quotation for:

City of Moreno Valley

Additional Accessories

Qty Per	Item Description	BMW P/N	Order #	Retail	Total Retail
Dealer Installed Options / Retrofits					
0	Shift Assistant Pro (hardware)	23 41 8 536 884	0	\$606.66	\$0.00
0	Shift Assistant Pro - Enabling Code	13 61 8 545 879	0	\$37.14	\$0.00
0	Ride Modes Pro - Enabling Code	13 61 8 534 237	0	\$185.92	\$0.00
0	Also Requires DTC Enabling Code	13 61 8 550 119	0	\$48.30	\$0.00
0	Fire Extinguisher w/Bracket (1 Kg Dry Powder)	72 60 0 000 335	0	\$47.67	\$0.00
0	Fire Extinguisher Mount Kit (for LH saddlebag)	46 54 7 694 900	0	\$90.33	\$0.00
0	LED Auxiliary Headlights (order 2)	63 17 8 532 147	0	\$138.59	\$0.00
0	Bolt 6 x 40 (order 2)	63 12 7 699 141	0	\$4.90	\$0.00
0	M6 Hex Nut (order 2)	07 12 9 905 826	0	\$2.67	\$0.00
0	Adaptor Cable (order 2)	61 12 8 555 760	0	\$45.86	\$0.00
Requires Activation by Dealer - No Code Needed					
Convenience Options					
0	Extra Ignition Key - No Keyless Ride	51 25 8 540 950	0	\$81.89	\$0.00
0	Extra Ignition Key - Keyless Fob Transmitter	66 12 8 555 168	0	\$286.61	\$0.00
0	Police Side Stand Extension / Base	71 60 2 412 389	0	\$30.00	\$0.00
1	LED Map Light	71 60 2 452 859	1	\$93.76	\$93.76
0	Work Light	71 60 7 705 570	0	\$38.33	\$0.00
1	Note Pad Holder	65 14 0 421 315	1	\$40.00	\$40.00
0	POLICE Decal Set	82 00 0 419 312	0	\$66.59	\$0.00
0	Rear Flashlight Holder - Right or Left	71 60 2 452 836	0	\$111.11	\$0.00
0	Rear Flashlight / PR24 Holder - Right	71 60 2 452 838	0	\$166.67	\$0.00
1	Rear Flashlight / PR24 Holder - Left	71 60 2 452 839	1	\$166.67	\$166.67
0	PR24 Holder - Left (LAPD-Style)	71 60 2 452 842	0	\$105.56	\$0.00
1	Ticket Book Holder (LAPD Style)	71 60 2 452 848	1	\$194.44	\$194.44
0	Rear Vertical Shotgun Mount	71 60 2 452 890	0	\$512.50	\$0.00
1	M4 Combat Assault Rifle Mount	71 60 2 452 894	1	\$638.89	\$638.89
1	Shotgun / Assault Rifle Mounting Bracket	71 60 2 452 840	1	\$49.17	\$49.17
0	LAPD Rear Gun Lock Release	71 60 2 452 877	0	\$65.83	\$0.00
0	Gun Lock Variable Timer (required for above)	71 60 2 452 895	0	\$51.11	\$0.00
0	Heated Seat - Low	52 53 8 544 786	0	\$354.79	\$0.00
0	Heated Seat - High	52 53 8 544 792	0	\$354.79	\$0.00
0	Tire Pressure Gauge	82 12 0 140 377	0	\$30.33	\$0.00
1	BMW Motorrad Battery Charger (2.5 Ah)	77 02 8 551 897	1	\$142.80	\$142.80
0	DVD Repair Manuals R Models K5x	01 59 8 555 666	0	\$83.90	\$0.00
1	Motorcycle Full Cover	71 60 2 450 408	1	\$122.06	\$122.06

Note: Prices subject to change without notice. Always verify accuracy of part pricing before submitting quotations.

Final price is always determined by the selling authorized BMW Motorcycle dealer.

Attachment: Riverside BMW - Quote (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)

R 1250 RT-P Motor Pricing Form



BMW Motorrad

Quotation for:

City of Moreno Valley

Additional Accessories

Qty Per	Item Description	BMW P/N	Order #	Retail	Total Retail
GPS Navigation					
1	BMW Navigator VI GPS Kit Complete	77 52 8 355 998	1	\$717.02	\$717.02
1	GPS Dashboard - Upper*	77 31 8 545 667	1	\$121.90	\$121.90
1	GPS Dashboard - Lower*	46 63 8 553 830	1	\$284.96	\$284.96
1	GPS Release Push Button*	46 63 8 542 042	1	\$5.14	\$5.14
1	GPS Mount Cradle*	77 52 7 721 941	1	\$142.80	\$142.80
* Parts Needed to Retrofit Nav to Std. Order Deck Unit					
0	Car Kit for Navigator VI	77 52 8 544 460	0	\$132.22	\$0.00
Storage Options					
0	Saddlebag Liners (each)	71 60 7 704 109	0	\$78.22	\$0.00
0	Tank Top Bag	77 45 8 543 227	0	\$270.93	\$0.00
Radio Options					
2	Radio Power Plug Connector	71 60 2 452 887	2	\$8.89	\$17.78
1	Radio Speaker Plug	71 60 2 452 844	1	\$8.89	\$8.89
0	Helmet Headset Interface Plug	71 60 2 407 782	0	\$8.89	\$0.00
0	Microphone Attachment Mount (need kit below)	71 60 2 408 075	0	\$24.17	\$0.00
0	Kustom/Stalker/MIC Remote Attachment Kit	71 60 2 452 841	0	\$11.11	\$0.00
1	Radio "Y" Power Harness	71 60 2 452 880	1	\$33.33	\$33.33
1	Radio Quick Mounting Plate	71 60 2 408 076	1	\$25.00	\$25.00
0	Siren PA Cable Kit	71 60 2 447 074	0	\$24.59	\$0.00
0	Low Band Antenna Mount	71 60 2 448 421	0	\$39.31	\$0.00
0	800 MHz Antenna Ground Plate	71 60 2 452 882	0	\$33.00	\$0.00
Accessory Connection Plugs					
1	Accessory Connection Plugs (3)	71 60 2 452 846	1	\$8.89	\$8.89
0	Tyco DUAC Release Tool	71 60 2 452 847	0	\$48.89	\$0.00
0	Extension Cable - Power Socket	61 12 7 712 581	0	\$41.18	\$0.00
0	Power Socket Receptacle	61 34 7 694 306	0	\$38.40	\$0.00
0	Power Socket Plug - DIN	61 13 8 060 106	0	\$24.00	\$0.00
Engine Protection					
0	Valve Cover Guards - Stainless Steel ????	77 14 8 533 745	0	\$196.27	\$0.00
0	Sump / Engine Protection Guard (order 1)	11 84 8 532 939	0	\$109.92	\$0.00
0	Fillister Head Screws M6 x 20 (order 5)	07 12 9 908 076	0	\$2.77	\$0.00
0	Grommet (order 5)	13 53 1 341 283	0	\$2.23	\$0.00
0	Bushing (order 5)	11 84 8 544 832	0	\$3.83	\$0.00
0	Bracket front (order 1)	11 84 8 532 937	0	\$29.90	\$0.00
0	Bracket Rear (order 1)	11 84 8 532 940	0	\$48.74	\$0.00
0	C-Clip Nut M6 (have been included w/brackets)	07 14 7 693 887	0	\$2.23	\$0.00
0	Fillister Head Screws M8 x 25 (order 5)	07 12 9 907 382	0	\$1.46	\$0.00

Note: Prices subject to change without notice. Always verify accuracy of part pricing before submitting quotations.

Final price is always determined by the selling authorized BMW Motorcycle dealer.

Attachment: Riverside BMW - Quote (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)

R 1250 RT-P Motor Pricing Form



BMW Motorrad

Quotation for:

City of Moreno Valley
Radar Options

0	Front 12v Power Outlet (lighter style)	71 60 2 407 785	0	\$50.89	\$0.00
1	Front Single USB Power Outlet	71 60 2 446 871	1	\$46.67	\$46.67
1	Fused Front Power Socket Harness	71 60 2 409 958	1	\$27.50	\$27.50
0	Radar Connection Plug	71 60 2 452 849	0	\$7.78	\$0.00
0	Kustom Eagle Display Head Mount	71 60 2 407 787	0	\$40.00	\$0.00
0	Kustom Raptor Display Head Mount	71 60 2 452 851	0	\$39.17	\$0.00
0	Kustom Raptor Radar Counter Mount	71 60 2 452 892	0	\$29.59	\$0.00
0	Kustom Ka Band Front & Rear Antenna Mounts	71 60 2 452 852	0	\$60.80	\$0.00
0	Kustom K Band Front & Rear Antenna Mounts	71 60 2 452 854	0	\$63.33	\$0.00
0	Kustom Radar Remote Control Mounting Plate	71 60 2 452 855	0	\$20.00	\$0.00
0	Kustom/Stalker/MIC Remote Attachment Mount	71 60 2 452 841	0	\$11.11	\$0.00
0	MPH Bee III Display Head Mount	71 60 2 409 957	0	\$38.33	\$0.00
0	Stalker DSR 2X Display Head Mount	71 60 2 452 856	0	\$39.17	\$0.00
0	Stalker Radar Remote Control Mounting Plate	71 60 2 452 837	0	\$21.67	\$0.00
0	Stalker Compact Display Head Mount	71 60 2 449 791	0	\$39.17	\$0.00
0	Stalker Compact Remote Control Mounting Plate	71 60 2 449 792	0	\$21.67	\$0.00
0	Stalker Dual Waterproof Display Head Mount	71 60 2 407 793	0	\$43.33	\$0.00
0	Stalker Front & Rear Antenna Mounts	71 60 2 452 858	0	\$60.83	\$0.00
0	Stalker Radar Counter Mount (radio box lid)	71 60 2 407 795	0	\$23.33	\$0.00
1	Radar / Lidar Gun Adaptor Plate	71 60 2 409 956	1	\$20.00	\$20.00
0	Kustom Talon Radar Gun Mount	71 60 2 452 884	0	\$181.11	\$0.00
0	LTI Ultralite 20/20 Lidar Gun Mount	71 60 2 452 885	0	\$181.11	\$0.00
0	Kustom Pro-Laser 3 Lidar Gun Mount	71 60 2 452 886	0	\$181.11	\$0.00
0	Kustom Pro-Laser 4 Lidar Gun Mount	71 60 2 407 798	0	\$181.11	\$0.00
0	Stalker Lidar Gun Mount (not XLR)	65 14 0 415 846	0	\$144.89	\$0.00
0	Decatur Genesis Radar Holster Mount	65 14 0 445 545	0	\$110.42	\$0.00

Note: Prices subject to change without notice. Always verify accuracy of part pricing before submitting quotations.

Final price is always determined by the selling authorized BMW Motorcycle dealer.

Attachment: Riverside BMW - Quote (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)

LONG BEACH BMW MOTORCYCLES

2125 E. SPRING STREET
LONG BEACH CA 90806
562-426-1200

City of Moreno Valley Police Department

Buyer's Order

Date 02/25/2019

Order No.

Salesman CHARLES BERTHON

22850 Calle San Juan De Los Lagos
Moreno Valley CA 92552
H 951 486 6942 W

C 9514866942

I hereby agree to purchase the following unit(s) from you under the terms and conditions specified. Delivery is to be made as soon as possible. It is agreed, however, that neither you nor the manufacturer will be liable for failure to make delivery.

Unit Information

New/U	Year	Make	Model	Serial No.	Stock No.	Price (Incl factory opti
New	2019	BMW	R 1250 RT-P		POLICE5	\$29,866.81

Options:

Manufacturer Retail Price	\$0.00
Dealer Unit Price	(\$29,866.81)
Factory Options	\$29,866.81
Added Accessories	\$0.00
Freight	\$0.00
Dealer Prep / Rigging Fee	\$0.00

Tire Fee \$3.50

CVR Registration \$29.00

Cash Price	\$29,899.31
Trade Allowance	\$0.00
Payoff	\$0.00

Net Trade	\$0.00
Net Sale (Cash Price - Net Trade)	\$29,899.31
Sales Tax	\$2,321.27
Title/License/Registration Fees	\$0.00
Document or Administration Fees	\$85.00
Credit Life Insurance	\$0.00
Accident & Disability	\$0.00

Notes:

Trade Information

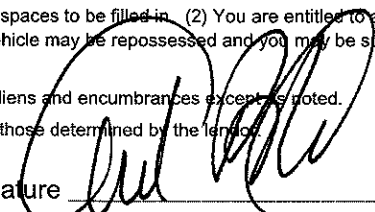
Total Other Charges	\$2,406.27
Sub Total (Net Sale + Other Charges)	\$32,305.58
Cash Down Payment	\$32,305.58
Amount to Pay/Finance	\$0.00

Monthly Payment of \$0.00 For 0 Months at 0.00% Interest

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

TRADE-IN NOTICE: Customer represents that all trade in units described above are free of all liens and encumbrances except as noted.

*With Approved Credit. Interest rates and monthly payment are approximate and may vary from those determined by the lender.

Customer Signature _____ Dealer Signature 

Thank You for Your Business!

Attachment: Long Beach BMW - Quote (3357 : APPROVE THE REPLACEMENT OF THREE POLICE MOTORCYCLES)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 19, 2019

TITLE: PAYMENT REGISTER - JANUARY 2019

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Payment Register.

SUMMARY

The Payment Register is an important report providing transparency of financial transactions and payments for City activity for review by the City Council and the residents and businesses in Moreno Valley. The report is posted to the City's website as soon as it is available. The report is included in the City Council agenda as an additional means of distributing the report.

The payment register lists in alphabetical order all checks and wires in the amount of \$25,000 or greater, followed by a listing in alphabetical order of all checks and wires less than \$25,000. The payment register also includes the fiscal year-to-date (FYTD) amount paid to each vendor.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Financial Operations Division Manager

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

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

- 1. January 2019 Payment Register

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	2/25/19 8:00 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 2:29 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:37 PM



City of Moreno Valley
Payment Register
For Period 1/1/2019 through 1/31/2019

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ALL AMERICAN ASPHALT, INC.	235916	01/22/2019	183301	CITYWIDE PAVEMENT REHABILITATION PROGRAM, CONTRACT SERVICES	\$498,026.33
Remit to: CORONA, CA					FYTD: \$3,368,052.94
COUNTY OF RIVERSIDE FIRE DEPT	24126	01/22/2019	233136	FIRE SERVICES CONTRACT-1ST QTR (FPARC-MV, 233136,18/19, Q1)	\$4,545,988.41
Remit to: PERRIS, CA					FYTD: \$13,428,077.83
COUNTY OF RIVERSIDE SHERIFF	24035	01/07/2019	SH0000034140	CONTRACT LAW ENFORCEMENT BILLING #4 (9/13-10/10/18)	\$2,842,577.18
Remit to: RIVERSIDE, CA					FYTD: \$22,196,956.22
COWBOY MOTOR CO. DBA MOORE CHRYSLER DODGE JEEP RAM	24080	01/14/2019	G255126	2018 RAM 3500 CHASSIS W/SCELZI BODY-VIN#3C7WR8AJ4JG255126	\$38,004.50
Remit to: SILSBEE, TX					FYTD: \$576,466.03
DIRECT ENERGY BUSINESS MARKETING LLC.	24083	01/14/2019	827209	RESOURCE ADEQUACY-DEC 2018/MV UTILITY	\$42,900.00
Remit to: HOUSTON, TX					FYTD: \$409,500.00
EASTERN MUNICIPAL WATER DISTRICT	235978	01/28/2019	JAN-19 1/24/19	WATER CHARGES	\$58,149.99
		01/28/2019	DEC-18 1/18/19	WATER CHARGES	
Remit to: PERRIS, CA					FYTD: \$1,527,395.02

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)



City of Moreno Valley
Payment Register
For Period 1/1/2019 through 1/31/2019

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ENCO UTILITY SERVICES MORENO VALLEY LLC	24086	01/14/2019	0405-1-241	DISTRIBUTION CHARGES 11/19-12/20/18	\$347,071.35
	24128	01/14/2019	0405-MTS1-SP157	METER FEES-REGULAR	
		01/22/2019	40-418A-01	WA# 40-418A-AMERICA'S TIRE	\$37,096.55
		01/22/2019	40-380B-01	WA# 40-380B-OLEANDER EMWD BOOSTER PUMP	
		01/22/2019	40-373B-01	WA# 40-373B-CACTUS COMMERCE, LP	
		01/22/2019	40-330B-05	WA# 40-330B-HEACOCK ST. NEW LIGHT SYSTEM	
		01/22/2019	40-387B-09	WA# 40-387B- FIRST NANDINA LOGISTICS CENTER	
		01/22/2019	0402-MF-02233	SOLAR SYSTEM INSPECTION	
		01/22/2019	40-381B-02	WA# 40-381B EXCLUSIVE TOWING	
		01/22/2019	40-394B-03	WA# 40-394B-DUKE REALTY INDUSTRIAL FACILITY	
		01/22/2019	40-396B-07	WA# 40-396B-EUCALYPTUS INDUSTRIAL PROLOGIS PARK	
		01/22/2019	40-401A-07	WA# 40-401A-DAY ST LINE EXTENSION	
		01/22/2019	40-408A-01	WA# 40-408A-RANCHO BELAGO PHASE 2	
		01/22/2019	40-412A-01	WA# 40-412A-OLD 215 FRONTAGE ROAD	
		01/22/2019	40-413A-01	WA# 40-413A-CONTINENTAL VILLAGES STREET LIGHTS & CONDUIT	
		01/22/2019	40-415-02	WA# 40-415-DISTRIBUTION SUBSTATION PLANNING UPDATE	
		01/22/2019	40-374B-02	WA# 40-374B-CONTINENTAL VILLAGES APARTMENTS	
		01/22/2019	40-388B-02	WA# 40-388B- BEAZER HOMES-PHASE 2	
	24178	01/28/2019	0402-MF-02230	SOLAR SYSTEM INSPECTION	\$34,716.30
		01/28/2019	0402-MF-02234	SOLAR SYSTEM INSPECTION	
		01/28/2019	0405-MTS1-SP155	METER FEES-REGULAR	
		01/28/2019	40-409B-02	WA# 40-409B-MVU STREETLIGHT RE-NUMBERING	
		01/28/2019	40-411-02	WA# 40-411-FIELD VERIFICATION OF STREET LIGHTS ACQUIRED FROM SCE	

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)

Remit to: ANAHEIM, CA

FYTD: \$3,441,584.59



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
EXELON GENERATION COMPANY, LLC	24042	01/07/2019	MVEU-00072A	POWER PURCHASE 12/1-12/31/18	\$680,583.44
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$5,094,048.57
INFO-TECH RESEARCH GROUP, INC.	236018	01/28/2019	197778	CONSULTING & WORKSHOP-TS	\$36,755.66
Remit to: LAS VEGAS, NV					<u>FYTD:</u> \$36,755.66
IRON MOUNTAIN, INC	24096	01/14/2019	99C0806	OFF-SITE STORAGE OF CITY RECORDS-TERMINATION	\$40,997.41
Remit to: PASADENA, CA					<u>FYTD:</u> \$61,933.32
KB HOME - INLAND EMPIRE	235817	01/07/2019	BFT18-0596-0606	REFUND-VOIDED PERMITS TRACT 31592 PHASE 3B	\$34,136.62
Remit to: WILDOMAR, CA					<u>FYTD:</u> \$34,136.62
LANDCARE USA, LLC	24137	01/22/2019	191323	LANDSCAPE MAINT-ZONE 01	\$74,961.74
		01/22/2019	192592	LANDSCAPE MAINT-ZONE 01A	
		01/22/2019	193768	LANDSCAPE MAINT-ZONES 01, 01A, 8 & E7	
		01/22/2019	196581	LANDSCAPE MAINT-ZONE 08	
		01/22/2019	196725	LANDSCAPE MAINT-ZONES 08 & E-7	
		01/22/2019	183673	LANDSCAPE MAINT-ZONES 01, 01A, 8 & E7	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$252,686.04
LEONIDA BUILDERS, INC	24099	01/14/2019	3	CYCLE 1 ATP CITYWIDE SRTS PEDESTRIAN FACILITIES, CONTRACTOR SERVICES	\$421,128.23
		01/14/2019	3-RELEASE	RELEASE STOP PAYMENT, CYCLE 1 ATP CITYWIDE SRTS	
Remit to: SANTA CLARITA, CA					<u>FYTD:</u> \$994,822.89

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
LIBRARY SYSTEMS & SERVICES, LLC	24051	01/07/2019	INV1372	LIBRARY CONTRACT SVCS & MATERIALS-MAIN & MALL BRANCHES-JAN 2019	\$151,933.41
Remit to: ROCKVILLE, MD					<u>FYTD:</u> \$1,218,801.16
MARIPOSA LANDSCAPES, INC.	24141	01/22/2019	82899	LANDSCAPE WORK-REPLACEMENT OF PLANTS AT CITY HALL PARKING LOT	\$28,197.00
		01/22/2019	83252	LANDSCAPE EXTRA WORK-DEC18-SD LMD ZONE 02/REPLACE 19 SOLENOIDS	
		01/22/2019	83058	LANDSCAPE MAINT.-SD LMD ZONE 02-DEC 2018	
		01/22/2019	82898	EXTERIOR RENOVATION & IRRIGATION RETROFIT AT PUBLIC SAFETY BLDG.	
Remit to: IRWINDALE, CA					<u>FYTD:</u> \$272,669.09

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MERCHANTS LANDSCAPE SERVICES INC	24145	01/22/2019	53231	IRRIGATION REPAIRS-SD LMD ZONE 03-NOV 2018	\$67,464.62
		01/22/2019	53355	LANDSCAPE EXTRA WORK-DEC18-SD LMD ZONE 07/INSTALL PLANT MATERIAL	
		01/22/2019	53358	LANDSCAPE EXTRA WORK-DEC18-SD LMD ZONE 04/INSTALL SIGNS & RIVETS	
		01/22/2019	53230	LANDSCAPE EXTRA WORK-NOV18-SD LMD ZONE 04/REMOVE PLANT MATERIAL	
		01/22/2019	53232	IRRIGATION REPAIRS-CSD ZONE E-8/NOV 2018	
		01/22/2019	53270	LANDSCAPE MAINT.-ZONES E-8, LMD 03, 03A, 04, 05, 06, & 07-DEC18	
		01/22/2019	53352	IRRIGATION REPAIRS-SD LMD ZONE 03-DEC 2018	
		01/22/2019	53353	IRRIGATION REPAIRS-SD LMD ZONE 06-DEC 2018	
		01/22/2019	53354	IRRIGATION REPAIRS-CSD ZONE E-8/DEC 2018	
		01/22/2019	53356	LANDSCAPE EXTRA WORK-DEC18-CSD ZONE E-8/INSTALL PLANT MATERIAL	
		01/22/2019	53359	LANDSCAPE EXTRA WORK-DEC18-SD LMD ZONE 06/INSTALL PLANT MATERIAL	
		01/22/2019	53229	LANDSCAPE EXTRA WORK-NOV18-SD LMD ZONE 05/INSTALL PLANT MATERIAL	
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$382,527.77
MORENO VALLEY UTILITY	235800	01/07/2019	JAN-19 1/7/19	ELECTRICITY CHARGES	\$65,291.73
Remit to: HEMET, CA					<u>FYTD:</u> \$635,447.47
PERMA	24058	01/07/2019	SETTLEMENT	FULL AND FINAL SETTLEMENT-CLAIM1707 (T. HUFF)	\$87,500.00
Remit to: PALM DESERT, CA					<u>FYTD:</u> \$639,989.30

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
RIVERSIDE COUNTY HABITAT CONSERVATION	235936	01/22/2019	4TH QTR 2018	STEPHEN'S KANGAROO RAT MITIGATION FEES FOR QTR ENDING 12/31/18	\$41,200.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$61,025.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
SOUTHERN CALIFORNIA EDISON	235803	01/07/2019	7500959705	WDAT CHARGES-MVU/GRAHAM ST.-NOV18	\$46,448.20
		01/07/2019	7500959706	WDAT CHARGES-MVU/GLOBE ST.-NOV18	
		01/07/2019	7500959688	WDAT CHARGES-MVU/17160 KITCHING ST. SUBSTATION-NOV18	
		01/07/2019	7500959704	WDAT CHARGES-MVU/IRIS AVE.-NOV18	
		01/07/2019	7500959708	WDAT CHARGES-MVU/FREDERICK AVE.-NOV18	
		01/07/2019	7500959709	WDAT CHARGES-MVU/SUBSTATION 115KV INTERCONNECTION-NOV18	
	235861	01/07/2019	7500959712	WDAT CHARGES-MVU/24417 NANDINA AVE. SUBSTATION-NOV18	\$137,950.52
			7500959979	RELIABILITY SERVICE-DLAP_SCE_TS10-SEP18	
		01/07/2019	7500959707	WDAT CHARGES-MVU/NANDINA AVE.-NOV18	
		01/14/2019	707-6081/DEC-18	ELECTRICITY CHARGES	
		01/14/2019	721-3449/DEC-18	IFA CHARGES-SUBSTATION	
		01/14/2019	DEC-18 1/14/19	ELECTRICITY CHARGES	
		01/14/2019	587-9520/NOV-DEC	ELECTRICITY-FERC CHARGES/MVU	
		01/14/2019	026-1608/DEC-18	IFA & DISTRIBUTION UPGRADE CHARGES-KITCHING SUBSTATION	
235937	01/22/2019	DEC-18 1/22/19	ELECTRICITY CHARGES	\$53,149.07	
235938	01/22/2019	7500950486	WDAT CHARGES-MVU/GLOBE ST.-SEP18	\$53,128.25	
		7500950487	WDAT CHARGES-MVU/NANDINA AVE.-SEP18		
	01/22/2019	7500950488	WDAT CHARGES-MVU/FREDERICK AVE.-SEP18		
	01/22/2019	7500950489	WDAT CHARGES-MVU/SUBSTATION 115KV INTERCONNECTION-SEP18		
	01/22/2019	7500950492	WDAT CHARGES-MVU/24417 NANDINA AVE. SUBSTATION-SEP18		
	01/22/2019	7500956115	WDAT CHARGES-MVU/24417 NANDINA AVE. SUBSTATION-OCT18		
	01/22/2019	7500950467	WDAT CHARGES-MVU/17160 KITCHING ST. SUBSTATION-SEP18		
	01/22/2019	7500950484	WDAT CHARGES-MVU/IRIS AVE.-SEP18		
	01/22/2019	7500950485	WDAT CHARGES-MVU/GRAHAM ST.-SEP18		

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Remit to: ROSEMEAD, CA

FYTD: \$1,960,402.44



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
TENASKA ENERGY, INC	24065	01/07/2019	MOREN00006470004	RENEWABLE ENERGY-MV UTILITY	\$37,718.85
	24195	01/28/2019	MOREN00201901220	ELECTRICITY POWER PURCHASE-MV UTILITY	\$128,186.73
Remit to: ARLINGTON, TX					FYTD: \$3,523,625.97
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	24066	01/07/2019	201901	JANUARY 2019 RETIREE MEDICAL BENEFIT BILLING	\$41,690.51
Remit to: TEMECULA, CA					FYTD: \$314,346.30
THINK TOGETHER, INC	24067	01/07/2019	111-18/19-6	ASES PROGRAM MANAGEMENT SERVICES-INSTALLMENT #6	\$551,610.00
Remit to: SANTA ANA, CA					FYTD: \$3,379,795.98
U.S. BANK/CALCARDS	24071	01/08/2019	12-27-18	DEC. 2018 CALCARD ACTIVITY	\$209,112.95
Remit to: ST. LOUIS, MO					FYTD: \$1,790,884.11
WRCOG - WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	24170	01/22/2019	OCT 25 2018 TUMF	TUMF FEES COLLECTED FOR 10/25/18-RESIDENTIAL	\$70,984.00
Remit to: RIVERSIDE, CA					FYTD: \$6,138,635.76
WRCRCA	235947	01/22/2019	DEC-2018 MSHCP	MSHCP FEES COLLECTED FOR DEC. 2018-RESIDENTIAL ACTIVITY	\$71,536.00
Remit to: RIVERSIDE, CA					FYTD: \$1,159,299.65
TOTAL AMOUNTS OF \$25,000 OR GREATER					\$11,576,195.51

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
4IMPRINT	24032	01/07/2019	17073160	PROMOTIONAL ITEMS	\$2,293.42
Remit to: OSHKOSH, WI					<u>FYTD:</u> \$6,702.23
A COMING OF AGE FOSTER FAMILY AGENCY	235870	01/14/2019	2000635.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$750.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$750.00
AARVIG AND ASSOCIATES, APC	235790	01/07/2019	33929	LEGAL SERVICES-CLAIM MV1819 (A. WHITE)	\$2,005.90
Remit to: REDLANDS, CA					<u>FYTD:</u> \$18,346.36
ABEYTA, CYNTHIA L	235871	01/14/2019	MVP76448	REFUND- PARKING CONTROL FEES-VIOLATION DISMISSED	\$32.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$32.50
ABUFARHA, AISHA	236005	01/28/2019	2000651.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$750.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$750.00
ACCU-TECH CORPORATION	235833	01/14/2019	692125272	MATERIALS- FIRE STATION 58	\$1,501.91
	235915	01/22/2019	692125601	MATERIALS- FIRE STATION 58	\$104.80
Remit to: DALLAS, TX					<u>FYTD:</u> \$12,890.24
ADLERHORST INTERNATIONAL LLC	24120	01/22/2019	101965	MONTHLY K-9 TRAINING (RICO/ARKAN) DEC 2018	\$350.00
	24172	01/28/2019	102050	MISC SUPPLIES FOR K-9 ARKAN	\$19.40
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,578.59
ADMINSURE	235971	01/28/2019	11712	WORKERS' COMP CLAIM ADMIN-FEB 2019	\$2,175.00
Remit to: ONTARIO, CA					<u>FYTD:</u> \$17,400.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ADVANCE REFRIGERATION & ICE SYSTEMS, INC	24173	01/28/2019	45535	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 58	\$3,673.14
		01/28/2019	45400	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 65	
		01/28/2019	45530	ICE MACHINE MAINT & WATER FILTER-CORPORATE YARD	
		01/28/2019	45538	ICE MACHINE MAINT & WATER FILTER-PUBLIC SAFETY BLDG	
		01/28/2019	45534	ICE MACHINE MAINT & WATER FILTER-SENIOR CTR	
		01/28/2019	45536	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 48	
		01/28/2019	45539	ICE MACHINE MAINT & WATER FILTER-CONF & REC CTR	
		01/28/2019	45531	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 91	
		01/28/2019	45542	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 6	
		01/28/2019	45543	ICE MACHINE MAINT & WATER FILTER-TOWNGATE COMM CTR	
		01/28/2019	45533	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 2	
		01/28/2019	45532	ICE MACHINE MAINT & WATER FILTER-FIRE STATION 99	
		01/28/2019	45540	ICE MACHINE MAINT & WATER FILTER-COTTONWOOD GOLF CTR	
Remit to: RIVERSIDE, CA					FYTD: \$7,542.90
ADVANCED ELECTRIC	235834	01/14/2019	12603	ELECTRICAL REPAIRS-ANNEX 1	\$11,310.00
		01/14/2019	12983	ELECTRICAL REPAIRS-CONF & REC CTR STAGE	
		01/14/2019	12602	ELECTRICAL REPAIRS-ANIMAL SHELTER	
		01/14/2019	12590	ELECTRICAL REPAIRS-CITY HALL	
		01/14/2019	12587	ELECTRICAL REPAIRS-CITY HALL	
Remit to: RIVERSIDE, CA					FYTD: \$84,255.20
AEI-CASC ENGINEERING	24072	01/14/2019	0040013	PLAN CHECK SVCS-PWQMP	\$257.75
Remit to: COLTON, CA					FYTD: \$30,523.75
ALDI, INC.	235806	01/07/2019	MVU 7014047-01	SOLAR PBI REBATE INCENTIVE	\$12,712.74
Remit to: MORENO VALLEY, CA					FYTD: \$114,989.04

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
AMERICAN CANCER SOCIETY SHARED SERVICE CENTER	235835	01/14/2019	2018 EGC	CONTRIBUTION FROM PROCEEDS OF 2018 EMPLOYEE GIVING CAMPAIGN	\$3,000.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,000.00
AMERICAN FORENSIC NURSES	24073	01/14/2019	71616	PHLEBOTOMY SVCS	\$705.00
	24121	01/22/2019	71632	PHLEBOTOMY SVCS	\$80.00
	24174	01/28/2019	71680	PHLEBOTOMY SVCS	\$460.00
		01/28/2019	71662	PHLEBOTOMY SVCS	
Remit to: LA QUINTA, CA					<u>FYTD:</u> \$8,325.00
AMERICAN WEST ENGINEERING INC	235807	01/07/2019	BSR18-0027	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: FONTANA, CA					<u>FYTD:</u> \$1.00
ANIMAL EMERGENCY CLINIC, INC.	24175	01/28/2019	DEC2018	AFTER HOURS EMERGENCY VET SVCS-MV ANIMAL SHELTER	\$140.00
Remit to: GRAND TERRACE, CA					<u>FYTD:</u> \$3,559.00
ANNEALTA GROUP	235917	01/22/2019	1319	PLANNING ENTITLEMENT AND PLAN CHECK SVCS	\$1,512.80
Remit to: HUNTINGTON BEACH, CA					<u>FYTD:</u> \$16,622.25
APPLE ONE EMPLOYMENT SERVICES	24074	01/14/2019	S7554881	TECHNICAL ARCHITECT 1 12/06-12/17/18 (M. ST CLAIR)	\$1,935.62
Remit to: GLENDALE, CA					<u>FYTD:</u> \$29,516.37
ARC - AMERICAN REPROGRAPHICS COMPANY, LLC	235791	01/07/2019	9937093	REPRODUCTION FEES FOR SUBPOENA	\$50.93
Remit to: COSTA MESA, CA					<u>FYTD:</u> \$50.93

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ARCHITERRA DESIGN GROUP	24122	01/22/2019	25273	CONCEPTUAL DESIGN OF AMPHITHEATER 11/25-12/24/18	\$12,593.53
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$15,593.53
ARROYO, PABLO	235792	01/07/2019	FALL 2018	TUITION/EMPLOYEE EDUCATION REIMBURSEMENT	\$172.30
Remit to: ONTARIO, CA					FYTD: \$172.30
AUTOMATIC STOREFRONT SERVICE/E-Z AUTOMATED SYSTEMS	235793	01/07/2019	0030336	SLIDING GLASS DOOR PREV MAINT-LIBRARY	\$1,848.00
		01/07/2019	0030339	SLIDING GLASS DOOR PREV MAINT-TOWNGATE COMMUNITY CTR.	
		01/07/2019	0030338	SLIDING GLASS DOOR PREV MAINT-CITY HALL	
		01/07/2019	0030335	SLIDING GLASS DOOR PREV MAINT-CONF & REC. CTR	
		01/07/2019	0030337	SLIDING GLASS DOOR PREV MAINT-SENIOR CTR.	
Remit to: CHINO, CA					FYTD: \$4,641.75
AVANT GARDE	24176	01/28/2019	5236	CDBG HABITAT FOR HUMANITY-DEC 2018	\$3,711.25
		01/28/2019	5260	HOME HABITAT FOR HUMANITY-DEC 2018	
		01/28/2019	5273-ESG	ESG PROGRAM MONITORING SVCS-DEC 2018	
		01/28/2019	5273	HOME FUNDING COMPLIANCE SVCS-DEC 2018	
Remit to: POMONA, CA					FYTD: \$22,137.00
AYALA, EDITH	236006	01/28/2019	2000650.047	FAMILY ELIGIBLE FOR 0 FEES - CHILD CARE PROGRAM	\$308.00
Remit to: MORENO VALLEY, CA					FYTD: \$308.00
BACA, VICTORIA	235999	01/28/2019	1/29 - 2/1/19	TRAVEL PER DIEM-2019 LCC NEW MAYORS & COUNCIL MEMBERS ACADEMY	\$206.25
Remit to: MORENO VALLEY, CA					FYTD: \$355.98

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BIO-TOX LABORATORIES	235836	01/14/2019	37033	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	\$1,902.00
		01/14/2019	37032	FORENSIC TOXICOLOGY TESTING SVCS FOR PD	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$25,797.88
BLAUGRUND, CHARLES	235808	01/07/2019	BSR18-0029	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: MOORPARK, CA					<u>FYTD:</u> \$1.00
BLUE OUTDOOR LLC	24033	01/07/2019	10-18-2683	MALL ADVERTISEMENT	\$585.00
Remit to: NEW YORK, NY					<u>FYTD:</u> \$585.00
BMW MOTORCYCLES OF RIVERSIDE	24123	01/22/2019	602Q838	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$354.02
		01/22/2019	6020845	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$45,096.31

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BOX SPRINGS MUTUAL WATER COMPANY	235794	01/07/2019	45-4 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	\$232.00
		01/07/2019	331-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/07/2019	204-9 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/07/2019	195-5 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/07/2019	189-13 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/07/2019	36-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/07/2019	80-4 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
	235837	01/14/2019	1084-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	\$112.00
		01/14/2019	1085-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/14/2019	1086-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/14/2019	721-1 12/27/18	WATER CHARGES-WATER USAGE-TOWNGATE-DEC 2018	
		01/14/2019	1087-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		01/14/2019	1088-1 12/27/18	WATER ASSESSMENT ON VACANT LOTS OWNED BY THE HOUSING AUTHORITY	
		Remit to: MORENO VALLEY, CA			
BOYD, SHARON	236007	01/28/2019	2000652.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00

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BRADLEY, DANIEL	235872	01/14/2019	R18-129188	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: MORENO VALLEY, CA					FYTD: \$95.00
BRAUN BLAISING SMITH WYNNE, P.C.	235972	01/28/2019	17766	LEGAL SERVICES-MV UTILITY-DEC 2018	\$1,518.61
Remit to: SACRAMENTO, CA					FYTD: \$2,733.91
BRIDGEPAY NETWORK SOLUTIONS	24075	01/14/2019	3396	CREDIT CARD GATEWAY SVCS-JAN 2019	\$30.20
Remit to: ALTAMONTE SPRINGS, FL					FYTD: \$278.60
BRIGHTVIEW LANDSCAPE SERVICES, INC.	24076	01/14/2019	6069869	LANDSCAPE MAINT-VARIOUS LOCATIONS	\$18,146.90
	24124	01/22/2019	3610845-1	LANDSCAPE MAINT-ZONE D	\$16,846.91
		01/22/2019	3610843	LANDSCAPE MAINT-ZONE D	
		01/22/2019	6090964	LANDSCAPE MAINT-ZONES D, M & S	
		01/22/2019	3610840	LANDSCAPE MAINT-ZONE D	
Remit to: PASADENA, CA					FYTD: \$377,265.78
BRIXTON-ALTO SHOPPING CENTER, LLC	235973	01/28/2019	FEB 2019 RENT	FEB 2019 RENT (INCLUDING CAM) FOR EMPLOYMENT RESOURCE CTR	\$7,652.70
Remit to: SAN DIEGO, CA					FYTD: \$53,568.90
BRR ARCHITECTURE, INC.	235873	01/14/2019	DEP RFD JAN19	REFUND-DEPOSIT BALANCE-PSN 16-0001 & PSN 17-0019	\$1,410.50
Remit to: MERRIAM, KS					FYTD: \$1,410.50
BRYANT, RENEE	235974	01/28/2019	SUMMER 2018	TUITION REIMBURSEMENT	\$547.38
Remit to: LAKE ELSINORE, CA					FYTD: \$1,810.70

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BURGESSON'S HEATING AND AIR CONDITIONING INC	235809	01/07/2019	BOM18-0582	REFUND ON BUILDING PERMIT ISSUED IN ERROR	\$291.00
Remit to: REDLANDS, CA					<u>FYTD:</u> \$291.00
CA REGIONAL WATER QUALITY CONTROL BOARD	235948	01/22/2019	01172019_RWQCB	PERMIT FEES-8040016	\$1,638.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,638.00
CAL DEPT OF FORESTRY & FIRE PROTECTION	235918	01/22/2019	156573	ACRYLIC PLAQUE-NORCO CONSERVATION CAMP FIRE AWARD	\$113.47
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$298.75
CALIFORNIA BUILDING STANDARDS COMMISSION	235975	01/28/2019	4TH QTR 2018	SB 1473 FEES COLLECTED FOR 10/1-12/31/18	\$2,460.60
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$14,307.30
CALIFORNIA STATE DEPARTMENT OF FISH AND WILDLIFE	235949	01/22/2019	01172019-CDFW	PERMIT FEES-8040016	\$5,313.00
Remit to: ONTARIO, CA					<u>FYTD:</u> \$5,313.00
CALIFORNIA WATERSHED ENGINEERING CORP.	24034	01/07/2019	18365REV	PLAN CHECK SVCS-PMQMP-OCT & NOV 2018	\$3,070.50
Remit to: FULLERTON, CA					<u>FYTD:</u> \$18,578.17
CAMERON-DANIEL, P.C.	236017	01/28/2019	1030	LEGAL SERVICES-MV UTILITY	\$2,915.00
Remit to: ROSEVILLE, CA					<u>FYTD:</u> \$2,915.00
CARMEAN, OLIVIA	235874	01/14/2019	MVA030012799	REFUND- PARKING CONTROL FEES-VIOLATION DISMISSED	\$57.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$57.50

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CHANDLER ASSET MANAGEMENT, INC	24077	01/14/2019	1812MORENOVA	INVESTMENT MGMT SVCS-DEC 2018	\$4,395.49
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$34,662.41
CINTAS FIRST AID & SAFETY	235919	01/22/2019	5012105679	FIRST AID KIT SUPPLIES-SENIOR CENTER	\$348.87
		01/22/2019	5012105686	FIRST AID KIT SUPPLIES-ANIMAL SHELTER	
		01/22/2019	5012105687	FIRST AID KIT SUPPLIES-CONFERENCE AND RECREATION CENTER	
Remit to: CINCINNATI, OH					<u>FYTD:</u> \$2,982.71
COGENT COMMUNICATIONS, INC	24078	01/14/2019	112019	SECONDARY INTERNET CONNECTION 1/1-1/31/19	\$1,726.00
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$12,082.00
CONLEY, BARBARA	235875	01/14/2019	2000641.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
CORE5 INDUSTRIAL PARTNERS, LLC.	235810	01/07/2019	12-27-2018	REFUND DEPOSIT-EROSION CONTROL-PA16-0075 (PM 32326)	\$1,776.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$1,776.00
CORODATA MEDIA STORAGE INC.	235838	01/14/2019	DS1286778	OFF-SITE MEDIA STORAGE-DEC 2018	\$325.52
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$2,380.82
CORRAL, OFELIA	236008	01/28/2019	2000653.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$200.00
COSTAR REALTY INFORMATION, INC	235795	01/07/2019	108532427-1	COMMERCIAL REAL ESTATE DATABASE SVC-JAN 2019	\$1,436.00
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$10,052.00

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COUNSELING TEAM, THE	235839	01/14/2019	71115	CONSULTING/TRAINING SVCS-PARKS & COMM SVCS STAFF	\$4,089.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$15,129.00
COUNTRY SQUIRE ESTATES	235840	01/14/2019	NOV-DEC 2018	UUT REFUND FOR NOV-DEC 2018	\$33.41
Remit to: ONTARIO, CA					<u>FYTD:</u> \$283.53
COUNTS UNLIMITED, INC.	24125	01/22/2019	18908	TRAFFIC DATA COLLECTION	\$2,140.00
		01/22/2019	18876	TRAFFIC DATA COLLECTION	
		01/22/2019	18951	TRAFFIC DATA COLLECTION	
		01/22/2019	18830	TRAFFIC DATA COLLECTION	
		01/22/2019	18865	TRAFFIC DATA COLLECTION	
		01/22/2019	18848	TRAFFIC DATA COLLECTION	
		01/22/2019	18806	TRAFFIC DATA COLLECTION	
		01/22/2019	18833	TRAFFIC DATA COLLECTION	
		01/22/2019	18813	TRAFFIC DATA COLLECTION	
		01/22/2019	18839	TRAFFIC DATA COLLECTION	
		01/22/2019	18800	TRAFFIC DATA COLLECTION	
		01/22/2019	18909	TRAFFIC DATA COLLECTION	
01/22/2019	18844	TRAFFIC DATA COLLECTION			
Remit to: CORONA, CA					<u>FYTD:</u> \$12,385.00
COUNTY OF RIVERSIDE	24079	01/14/2019	IT0000002538	APX 7500M DUAL BAND, HPD MODEM MAINT	\$2,945.35
	235920	01/22/2019	2634	REGISTERED VOTERS CONFIRMATION-CFD NO. 2014-01/AMEND #34	\$35.00
	235976	01/28/2019	8232	FUEL FOR CITY VEHICLE 13001-DEC 2018	\$130.59
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$44,752.86

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CPRS DISTRICT 11	235921	01/22/2019	1-22-19 TRAINING	MARKETING TRAINING-A. RICO & K. CALLISTER	\$45.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$45.00
CRIME SCENE STERI-CLEAN, LLC	24081	01/14/2019	39021	BIO HAZARD REMOVAL SERVICE	\$750.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$11,052.00
CSG CONSULTANTS, INC.	24036	01/07/2019	F180632	FIRE PLAN REVIEW SVCS-NOV 2018	\$855.00
Remit to: FOSTER CITY, CA					<u>FYTD:</u> \$53,243.25
CURRENT POWER ELECTRIC INC	235876	01/14/2019	BOE18-0434	REFUND ON CANCELLED BUILDING PERMIT-25166 GRANVILLE ST	\$191.52
Remit to: TEMECULA, CA					<u>FYTD:</u> \$191.52
D&D SERVICES DBA D&D DISPOSAL, INC.	235841	01/14/2019	86487	DECEASED ANIMAL REMOVAL SVC-DEC 2018	\$745.00
Remit to: VALENCIA, CA					<u>FYTD:</u> \$5,215.00
DANFORDJOHN, KENDRA	235877	01/14/2019	CK#234268	REISSUE STALE-DATED CHECK-ANIMAL SERVICES SPAY/NEUTER/RABIES DEPOSIT REFUND	\$95.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$95.00
DAN'S ROOFING INC	235811	01/07/2019	BOR18-0151	REFUND ON OVER-ASSESSED SB 1473 FEE-BUILDING PERMIT	\$2.00
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$2.00
DATA TICKET, INC.	24037	01/07/2019	95427	ADMIN CITATION PROCESSING-NPDES- NOV18	\$624.50
	24082	01/14/2019	91864	ADMIN CITATION PROCESSING-NPDES- JULY18	\$1,527.99
		01/14/2019	94820	ADMIN CITATION PROCESSING-NPDES- OCT18	
		01/14/2019	95507	PARKING CITATION PROCESSING-CODE-NOV 2018	
Remit to: IRVINE, CA					<u>FYTD:</u> \$123,416.42

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DAVIS, ANGELIC	24070	01/07/2019	1/13 - 1/18/19	TRAVEL PER DIEM-CAPPO ANNUAL CONFERENCE	\$313.50
Remit to: ROSENA RANCH, CA					<u>FYTD:</u> \$313.50
DE SANTIS, THOMAS M	235950	01/22/2019	1/29 - 2/1/19	TRAVEL PER DIEM-2019 LCC NEW MAYORS & COUNCIL MEMBERS ACADEMY	\$206.25
Remit to: TEMECULA, CA					<u>FYTD:</u> \$366.25
DECKERS OUTDOOR CORPORATION	235922	01/22/2019	062718	HIRE A MOVAL GRAD INCENTIVE PROGRAM FY17/18	\$5,000.00
	236016	01/28/2019	QTR ENDING SEP18	SALES TAX PAYMENT PER OPERATING COVENANT AGREEMENT	\$12,916.20
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$22,324.20
DELGADO, RAY	236009	01/28/2019	2000657.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$500.00
DELTA DENTAL OF CALIFORNIA	24038	01/07/2019	BE003187779	EMPLOYEE DENTAL INSURANCE-PPO	\$13,576.25
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$89,744.48
DELTACARE USA	24039	01/07/2019	BE003188565	EMPLOYEE DENTAL INSURANCE-HMO	\$4,953.47
Remit to: DALLAS, TX					<u>FYTD:</u> \$33,854.29
DEPARTMENT OF CONSERVATION	235977	01/28/2019	4TH QTR 2018	SMI FEES-4TH QUARTER ENDING 12/31/18	\$3,249.93
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$44,272.97
DEPARTMENT OF WATER RESOURCES	236000	01/28/2019	01222019-EP-DWR	ENCROACHMENT PERMIT FEE	\$1,500.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$3,000.00

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DIAZ, KIMBERLY	235878	01/14/2019	R19-130842	ANIMAL SERVICES REFUND-ADOPTION FEES FOR KITTEN	\$46.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$46.00
DISH DBS CORPORATION	235842	01/14/2019	86557282/JAN19	SATELLITE TV-FIRE STATION 99-12/31/18-1/30/19	\$104.04
Remit to: PALATINE, IL					<u>FYTD:</u> \$569.24
DIVISION OF THE STATE ARCHITECT	235843	01/14/2019	4th QTR 2018-786	STATE PORTION-DISABILITY ACCESS & EDUCATION FEE REPORT 786	\$454.10
		01/14/2019	4th QTR 2018-796	STATE PORTION-DISABILITY ACCESS & EDUCATION FEE REPORT 796	
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$1,082.60
DMS FACILITY SERVICES	24084	01/14/2019	L47109	SPECIAL CLEANINGS FOR DEC 2018 EVENT RENTALS-CONF & REC CTR	\$2,485.00
	24177	01/28/2019	L47111	SPECIAL CLEANINGS FOR DEC 2018 EVENT RENTALS-SENIOR CTR SPECIAL CLEANINGS FOR DEC 2018 EVENT RENTALS-TOWNTGATE COMM CTR.	\$400.00
Remit to: SOUTH PASADENA, CA					<u>FYTD:</u> \$95,037.30
DONG, BINGLIN	235812	01/07/2019	BSR18-0047	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1.00
DUENAS, CARLOS	235813	01/07/2019	R18-129993	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$95.00
E.R. BLOCK PLUMBING & HEATING, INC.	24127	01/22/2019	127890	BACKFLOW DEVICE REPAIR-ZONE D	\$384.69
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$30,944.83

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EASTER SEALS OF SOUTHERN CALIFORNIA	235814	01/07/2019	2000633.047	CONFERENCE & REC. CTR RENTAL REFUND	\$100.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$100.00
EASTERN MUNICIPAL WATER DISTRICT	235796	01/07/2019	NOV-18 01/03/19	WATER CHARGES	\$8,462.69
		01/07/2019	DEC-18 01/03/19	WATER CHARGES	
	235844	01/14/2019	DEC-18 1/10/19	WATER CHARGES	\$1,102.55
	235923	01/22/2019	DEC-18 1/17/19	WATER CHARGES	\$2,916.53
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,527,395.02
ECORP CONSULTING, INC.	24085	01/14/2019	85913	MORENO MDP LINE H-2, CONSULTANT SERVICES	\$440.00
Remit to: ROCKLIN, CA					<u>FYTD:</u> \$12,876.21
EMPIRE MOWER	235845	01/14/2019	190237	TREE TRIMMING EQUIPMENT PARTS	\$301.55
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,787.79
ENCO UTILITY SERVICES MORENO VALLEY LLC	24040	01/07/2019	0402-MF-02231	SOLAR SYSTEM INSPECTION	\$235.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$3,441,584.59
ENGIE SERVICES U.S. INC.	24041	01/07/2019	12425	MONITORING SERVICE AGREEMENT-OCT 2018 TO SEPT 2019	\$800.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$1,037,136.81
EVANS ENGRAVING & AWARDS	24129	01/22/2019	113018-27	RETIREMENT PLAQUE FOR MARK GROSS	\$37.71
Remit to: BANNING, CA					<u>FYTD:</u> \$436.71
EXCLUSIVE TOWING	235924	01/22/2019	18-01934	EVIDENCE VEHICLE TOWING	\$212.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$902.00

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FAST SIGNS	235979	01/28/2019	70-37953	INSTALLED FROSTED VINYL & MATERIALS-MALL LIBRARY	\$5,397.05
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$5,397.05
FERNANDEZ, FRIDA	235953	01/22/2019	2000649.047	REFUND - NO LIMITS DANCE ACADEMY	\$4.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$148.60
FIRST AMERICAN DATA TREE, LLC	235846	01/14/2019	20027761218	ONLINE SOFTWARE SUBSCRIPTION-DEC 2018	\$99.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$693.00

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FIRST CHOICE SERVICES	24087	01/14/2019	640112	WATER PURIF UNIT RENTAL-SENIOR CTR	\$1,101.60
		01/14/2019	642001	WATER PURIF UNIT RENTAL-SENIOR CENTER	
		01/14/2019	642002	WATER PURIF UNIT RENTAL-TRANSP TRAILER	
		01/14/2019	641992	WATER PURIF UNIT RENTAL-FIRE STATION 2	
		01/14/2019	640101	WATER PURIF UNIT RENTAL-CITY YARD	
		01/14/2019	642000	WATER PURIF UNIT RENTAL-PUBLIC SAFETY BUILDING	
		01/14/2019	640113	WATER PURIF UNIT RENTAL-TRANSP TRAILER	
		01/14/2019	640100	WATER PURIF UNIT RENTAL-CONF & REC CTR	
		01/14/2019	640103	WATER PURIF UNIT RENTAL-FIRE STATION 2	
		01/14/2019	640104	WATER PURIF UNIT RENTAL-FIRE STATION 6	
		01/14/2019	640105	WATER PURIF UNIT RENTAL-FIRE STATION 48	
		01/14/2019	640106	WATER PURIF UNIT RENTAL-FIRE STATION 58	
		01/14/2019	640109	WATER PURIF UNIT RENTAL-FIRE STATION 99	
		01/14/2019	640110	WATER PURIF UNIT RENTAL-LIBRARY	
		01/14/2019	640098	WATER PURIF UNIT RENTAL-CITY HALL 1ST FLOOR	
		01/14/2019	640099	WATER PURIF UNIT RENTAL-CITY HALL 2ND FLOOR	
		01/14/2019	640107	WATER PURIF UNIT RENTAL-FIRE STATION 65	
		01/14/2019	640108	WATER PURIF UNIT RENTAL-FIRE STATION 91	
		01/14/2019	641989	WATER PURIF UNIT RENTAL-CONF & REC CTR	
		01/14/2019	638955	WATER PURIF UNIT RENTAL-TRANSP TRAILER	
		01/14/2019	640111	WATER PURIF UNIT RENTAL-PUBLIC SAFETY BUILDING	
		01/14/2019	640096	WATER PURIF UNIT RENTAL-ANIMAL SHELTER	
		01/14/2019	640097	WATER PURIF UNIT RENTAL-ANNEX 1	
		01/14/2019	638944	WATER PURIF UNIT RENTAL-EMERGENCY OP'S CTR	
		01/14/2019	641994	WATER PURIF UNIT RENTAL-FIRE STATION 48	
		01/14/2019	641986	WATER PURIF UNIT RENTAL-ANNEX 1	
		01/14/2019	641999	WATER PURIF UNIT RENTAL-LIBRARY	
		01/14/2019	641988	WATER PURIF UNIT RENTAL-CITY HALL 2ND FLOOR	
		01/14/2019	641990	WATER PURIF UNIT RENTAL-CITY YARD	



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FIRST CHOICE SERVICES		01/14/2019	640102	WATER PURIF UNIT RENTAL-EMERGENCY OP'S CTR	
		01/14/2019	641991	WATER PURIF UNIT RENTAL-EMERGENCY OP'S CTR	
		01/14/2019	641985	WATER PURIF UNIT RENTAL-ANIMAL SHELTER	
		01/14/2019	641993	WATER PURIF UNIT RENTAL-FIRE STATION 6	
		01/14/2019	641998	WATER PURIF UNIT RENTAL-FIRE STATION 99	
		01/14/2019	641995	WATER PURIF UNIT RENTAL-FIRE STATION 58	
		01/14/2019	641996	WATER PURIF UNIT RENTAL-FIRE STATION 65	
		01/14/2019	641997	WATER PURIF UNIT RENTAL-FIRE STATION 91	
		01/14/2019	641987	WATER PURIF UNIT RENTAL-CITY HALL 1ST FLOOR	
Remit to: ONTARIO, CA					<u>FYTD:</u> \$4,245.75
FLORES, REGINA	24179	01/28/2019	2/5 - 2/8/19	TRAVEL PER DIEM-LASERFICHE EMPOWER 2019 CONFERENCE	\$206.25
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$656.25
FRANKLIN, L. C.	24130	01/22/2019	DEC-2018	MILEAGE REIMBURSEMENT	\$189.12
Remit to: PERRIS, CA					<u>FYTD:</u> \$1,099.83
FRED'S GLASS & MIRROR, INC.	235847	01/14/2019	13493	WINDOW REPAIR-MARCH RESERVE BASE	\$457.71
		01/14/2019	13745	WINDOW REPAIR-CITY HALL	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,396.42
FRONTIER COMMUNICATIONS/FORMERLY VERIZON	24131	01/22/2019	7002Z183-S-19005	BACKBONE COMMUNICATIONS SERVICE 1/5/19-2/4/19	\$2,162.99
Remit to: ROCHESTER, NY					<u>FYTD:</u> \$14,999.92

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
FRONTIER COMMUNICATIONS/FORMERLY VERIZON CALIF.	235925	01/22/2019	082109-5/JAN19	PHONE SVC FOR ERC 01/04-2/3/19	\$614.29
	235980	01/28/2019	081095-5/JAN19	FOREIGN EXCHANGE BUS LISTING-MV UTILITY	\$7.05
Remit to: CINCINNATI, OH					FYTD: \$4,970.89
GARCIA, CHANTEL	24132	01/22/2019	JAN-2019	INSTRUCTOR SERVICES-ART EXPRESSION CLASS	\$168.00
Remit to: MORENO VALLEY, CA					FYTD: \$1,296.60
GERALD, LAKESH	235879	01/14/2019	2000639.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: RIVERSIDE, CA					FYTD: \$200.00
GLOBAL EQUIPMENT CO., INC.	235914	01/14/2019	2559217	LOCKS FOR SERVICE EQUIPMENT ENCLOSURES	\$7,468.26
Remit to: BUFORD, GA					FYTD: \$7,468.26
GOMEZ, JOSE	236010	01/28/2019	R19-131436	ANIMAL SERVICES REFUND-RETURN ADOPTION FEES	\$65.00
Remit to: MORENO VALLEY, CA					FYTD: \$65.00
GORDILLO, ORALIA	235880	01/14/2019	R19-130738	ANIMAL SERVICES REFUND-RABIES DEPOSITS FOR 2 DOGS	\$40.00
Remit to: MORENO VALLEY, CA					FYTD: \$40.00
GRAVES & KING, LLP	24043	01/07/2019	1811-0010166-01	LEGAL SERVICES-CLAIM 0010166	\$3,310.00
	24044	01/07/2019	1811-0010084-04	LEGAL SVCS-CLAIM MV1848 (M. RIOS)	\$2,599.58
	24045	01/07/2019	1811-0010107-05	LEGAL SVCS-CLAIM MV1833 (P. MIDDLEBROOKS)	\$1,292.28
	24046	01/07/2019	1810-0010084-03	LEGAL SVCS-CLAIM MV1848 (M. RIOS)	\$11,812.35
	24047	01/07/2019	1810-0010107-04	LEGAL SVCS-CLAIM MV1833 (P. MIDDLEBROOKS)	\$1,514.54
Remit to: RIVERSIDE, CA					FYTD: \$89,273.59

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
GUTIERREZ, ANGEL	24088	01/14/2019	REIMB. - 1/9/19	REFRESHMENTS FOR INAUGURAL SMALL BUSINESS WEDNESDAYS WORKSHOPS	\$140.62
Remit to: MORENO VALLEY, CA					FYTD: \$738.18
HARRISON, SACHA	235881	01/14/2019	CK#233770	REISSUE STALE-DATED CHECK-ANIMAL SERVICES SPAY/NEUTER/RABIES DEPOSIT REFUND	\$95.00
Remit to: MORENO VALLEY, CA					FYTD: \$95.00
HASCO HEATING AIR CONDITIONING SERVICE COMPANY	24089	01/14/2019	88926	HVAC REPAIR-ANIMAL SHELTER	\$4,877.09
Remit to: RIVERSIDE, CA					FYTD: \$28,900.23
HCI	235882	01/14/2019	BL#03003-YR2019	REFUND OF OVERPAYMENT FOR BL#03003	\$47.60
Remit to: CORONA, CA					FYTD: \$47.60
HILLIARD AND ASSOCIATES	235883	01/14/2019	BL#24341-YR2019	REFUND OF OVERPAYMENT FOR BL#24341	\$42.89
Remit to: ATLANTA, GA					FYTD: \$42.89
HLP, INC.	24180	01/28/2019	15783	WEB LICENSE MONTHLY SVC FEE	\$38.15
Remit to: LITTLETON, CO					FYTD: \$32,197.55
HOLM, SHAREEN	236011	01/28/2019	R18-129681	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
HOSOPO CORPORATION	235884	01/14/2019	BON18-0499	REFUND ON CANCELLED BUILDING PERMIT	\$262.16
Remit to: TEMECULA, CA					FYTD: \$1,247.42

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
HR GREEN PACIFIC INC.	24048	01/07/2019	123446	PLAN CHECK SVCS-ENCROACHMENT PERMITS	\$6,262.50
		01/07/2019	123445	PLAN CHECK SVCS-PEN16-0095/TR36760 7/1-11/30/18	
	24090	01/14/2019	122876	PLAN CHECK SVCS-WQMP-THRU 10/26/18	\$450.00
Remit to: DES MOINES, IA					FYTD: \$70,940.06
HUGHES NETWORK SYSTEMS, LLC	235848	01/14/2019	B1-335519759	INTERNET SVCS 12/1-12/31/18 & 1/1-1/30/19 FS 99	\$184.68
Remit to: CHICAGO, IL					FYTD: \$369.36
HUMANSCALE	235849	01/14/2019	P00402467364	ERGONOMIC EVALUATIONS	\$1,500.00
Remit to: CHICAGO, IL					FYTD: \$4,000.00
HUNSAKER & ASSOCIATES IRVINE, INC	24049	01/07/2019	18100462	PLAN CHECK SVCS-/PEN-0120 (TR 35429)	\$2,016.00
Remit to: IRVINE, CA					FYTD: \$2,016.00
HUYNH, LANG	235797	01/07/2019	SETTLEMENT	FULL AND FINAL SETTLEMENT	\$64.50
Remit to: RIVERSIDE, CA					FYTD: \$64.50
IMAGE DISTRIBUTION SVCS DBA: FONTIS SOLUTIONS	24091	01/14/2019	VINV15652	"NOTICE TO APPEAR" CITATION BOOKS-POLICE DEPT	\$2,920.03
Remit to: IRVINE, CA					FYTD: \$2,920.03
INFINITY ENERGY	235815	01/07/2019	BOE18-0380&0383	REFUND-CANCELLED BUILDING PERMITS & OVER-ASSESSED SB 1473 FEES	\$389.04
Remit to: ROCKLIN, CA					FYTD: \$389.04
INIT, EDWARD	24133	01/22/2019	FALL 2018	TUITION/EMPLOYEE EDUCATION REIMBURSEMENT	\$2,000.00
Remit to: MORENO VALLEY, CA					FYTD: \$2,000.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
INLAND EMPIRE PROPERTY SERVICE, INC	24092	01/14/2019	180106	WEED ABATEMENT-APN 297-170-084	\$248.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$76,871.98
INLAND OVERHEAD DOOR COMPANY	24093	01/14/2019	43322	ROLL UP DOOR REPAIR-FIRE STATION 65	\$439.00
		01/14/2019	42924	ROLL UP DOOR REPAIR-FIRE STATION 2	
		01/14/2019	42953	GATE REPAIR-FIRE STATION 2	
	24134	01/22/2019	43275	ROLL UP DOOR REPAIR-FIRE STATION 99	\$208.50
Remit to: COLTON, CA					<u>FYTD:</u> \$16,335.75
INSIDE PLANTS, INC.	24094	01/14/2019	73084	INSIDE PLANT MAINT SVC-JAN 2019	\$130.00
Remit to: CORONA, CA					<u>FYTD:</u> \$910.00
INTEGRATED CARE COMMUNITIES INC.	235885	01/14/2019	2000637.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$500.00
INTERPRETERS UNLIMITED	24181	01/28/2019	M18M12-13197	LANGUAGE INTERPRETATION SERVICES	\$84.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$930.00
INTERWEST CONSULTING GROUP	24095	01/14/2019	45690	CONSTRUCTION INSPECTION SVCS-NOV 2018	\$8,640.00
Remit to: BOULDER, CO					<u>FYTD:</u> \$91,800.00
IRON MOUNTAIN, INC	24135	01/22/2019	AJY072	OFF-SITE STORAGE OF CITY RECORDS-DEC 2018	\$3,277.48
Remit to: PASADENA, CA					<u>FYTD:</u> \$61,933.32
JACKSON, REBECCA	235886	01/14/2019	MVP74676	REFUND- PARKING CONTROL FEES OVERPAYMENT	\$47.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$47.50

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
JARS GENERAL ENGINEERING	235816	01/07/2019	BSR18-0034	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1.00
JOE A. GONSALVES & SON	24182	01/28/2019	157169	STATE LOBBYIST-FEBRUARY 2019	\$3,000.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$24,090.00
JOHNSON MEZZCAP	24097	01/14/2019	1124	LITE OWL & E-SERIES EQUIPMENT LEASE-JAN 2019	\$2,243.51
	24136	01/22/2019	1125	LITE OWL & E-SERIES EQUIPMENT LEASE-FEBRUARY 2019	\$2,243.51
Remit to: DALLAS, TX					<u>FYTD:</u> \$17,948.08
KOCZANOWICZ, MARTIN D,	235951	01/22/2019	1/29 - 2/1/19	TRAVEL PER DIEM-2019 LCC NEW MAYORS & COUNCIL MEMBERS ACADEMY	\$206.25
Remit to: SAN CLEMENTE, CA					<u>FYTD:</u> \$579.47
LA VERNE POWER EQUIPMENT, INC.	235970	01/22/2019	190975	ELECTRIC POWER GENERATOR FOR MEDIA TRAILER	\$4,724.92
Remit to: LA VERNE, CA					<u>FYTD:</u> \$4,724.92
LANDCARE USA, LLC	24050	01/07/2019	193791	LANDSCAPE MAINT-CFD #1-DEC 2018	\$12,091.90
		01/07/2019	193775	LANDSCAPE MAINT-ZONE A-DEC 2018	
	24098	01/14/2019	180686	LANDSCAPE MAINT-ZONE A-OCT 2018	\$12,091.90
		01/14/2019	180708	LANDSCAPE MAINT-CFD #1-OCT 2018	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$252,686.04
LATITUDE GEOGRAPHICS	235850	01/14/2019	INV0010582	GEOCORTEX TECHNICAL SUPPORT HOURS 11/29-12/29/18	\$211.60
Remit to: VICTORIA, BC					<u>FYTD:</u> \$22,944.50

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
LEADING EDGE LEARNING CENTER	235981	01/28/2019	JAN-2019	INSTRUCTOR SERVICES-READING RASCALS CLASS	\$728.00
		01/28/2019	SEP-2018	INSTRUCTOR SERVICES-MATH, READING, & SAT/ACT TEST PREP CLASSES	
Remit to: RIVERSIDE, CA					FYTD: \$984.66
LEAGUE OF CALIFORNIA CITIES-RIVERSIDE COUNTY DIVISION 1	235851	01/14/2019	1-14-19 MTG	GENERAL MEMBERSHIP MEETING-CITY CLERK	\$35.00
	235852	01/14/2019	1-14-19 MTG_2	GENERAL MEMBERSHIP MEETING-COUNCIL MEMBER MARQUEZ	\$210.00
		01/14/2019	1-14-19 MTG_3	GENERAL MEMBERSHIP MEETING -5 ATTENDEES	
	235926	01/22/2019	1-14-19 MTG_4	GENERAL MEMBERSHIP MEETING-MAYOR PRO TEM BACA	\$35.00
	235927	01/22/2019	1-14-19 MTG_5	GENERAL MEMBERSHIP MEETING-COUNCIL MEMBER THORNTON	\$35.00
Remit to: RIVERSIDE, CA					FYTD: \$395.00
LEE & STIRES, INC	235887	01/14/2019	BL#03885-YR2019	REFUND OF OVERPAYMENT FOR BL#03885	\$9.75
Remit to: MONTCLAIR, CA					FYTD: \$9.75
LEIVAS, INC. DBA. LEIVAS LIGHTING	24138	01/22/2019	238152	LANDSCAPE LIGHTING MAINTENANCE-ZONE 02	\$4,420.11
Remit to: RIVERSIDE, CA					FYTD: \$16,620.40
LENNAR HOMES OF CALIFORNIA INC	235818	01/07/2019	BFT18-0578-0582	REFUND ON OVER-ASSESSED SB 1473 FEES-BUILDING PERMITS	\$272.00
Remit to: CORONA, CA					FYTD: \$272.00
LEVEL 3 COMMUNICATIONS/FORMERLY TW TELCOM	24183	01/28/2019	77140915a	INTERNET & DATA SVCS 1/17-02/16/19	\$4,949.22
		01/28/2019	77140915	TELEPHONE SVCS-LOCAL/LONG DISTANCE CALLS 01/17-02/16/19	
Remit to: BROOMFIELD, CO					FYTD: \$40,146.39

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
LIEBERT, CASSIDY, WHITMORE	235798	01/07/2019	1470412	LEGAL SERVICES-MO140-00017	\$2,727.00
		01/07/2019	1470411	LEGAL SERVICES-MO140-00001	
Remit to: LOS ANGELES, CA					FYTD: \$38,216.17
LIENHARD, DORI A.	24184	01/28/2019	2/4 - 2/8/19	TRAVEL PER DIEM & MILEAGE-LASERFICHE EMPOWER CONFERENCE 2019	\$313.94
Remit to: RANCHO MIRAGE, CA					FYTD: \$963.31
LILLY, ANA	24139	01/22/2019	00039	GRAPHIC/WEB DESIGN SVCS 12/16-12/29/18	\$2,256.19
		01/22/2019	00040	GRAPHIC/WEB DESIGN 12/30/18-01/12/19	
Remit to: RIVERSIDE, CA					FYTD: \$17,816.94
LIU, RAYMOND	235819	01/07/2019	BSR18-0026	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: SAN GABRIEL, CA					FYTD: \$1.00
LLOYD, PATRICIA	235888	01/14/2019	R18-129565	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
LOPEZ, JOANA	235889	01/14/2019	MVA050006046	REFUND- PARKING CONTROL FEES OVERPAYMENT	\$115.00
Remit to: ROMOLAND, CA					FYTD: \$115.00
LSA ASSOCIATES, INC.	235853	01/14/2019	163683	SUNNYMEAD MDP LINE M-11 EXTENSION, CONSULTANT SERVICES	\$7,800.77
Remit to: IRVINE, CA					FYTD: \$26,325.70

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
LYONS SECURITY SERVICE, INC	24052	01/07/2019	25358	SECURITY GUARD SVCS-MV UTILITY-NOV 2018	\$212.76
	24100	01/14/2019	25487	SECURITY GUARD SVCS-MV UTILITY-DEC 2018	\$19,119.42
		01/14/2019	25483	SECURITY GUARD SVCS-LIBRARY-DEC 2018	
		01/14/2019	25494	SECURITY GUARD SVCS-CITY HALL-DEC 2018	
		01/14/2019	25480	SECURITY GUARD SVCS-CONF & REC CTR-DEC 2018	
		01/14/2019	25349	SECURITY GUARD SVCS-CONF & REC CTR-NOV 2018	
		01/14/2019	25484	SECURITY GUARD SVCS-SENIOR CTR-DEC 2018	
	24140	01/22/2019	25486	SECURITY GUARD SVCS-CITY YARD-DEC 2018	\$788.99
	24185	01/28/2019	25485	SECURITY GUARD SVCS-TOWNGATE COMM CTR-DEC 2018	\$602.82
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$115,833.55
MAGIC JUMP RENTALS, LLC	235982	01/28/2019	ORDER 12945	RENTALS FOR CITY'S SNOW DAY EVENT 12/8/18	\$480.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$480.00
MANDELL MUNICIPAL COUNSELING	235854	01/14/2019	DEC 2018	LEGAL SERVICES-CSD TRANSITIONS PROJECT	\$150.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,450.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA LANDSCAPES, INC.	24053	01/07/2019	83082	LANDSCAPE MAINT.-CITY YARD SANTIAGO OFFICE-DEC18	\$13,892.00
		01/07/2019	83067	LANDSCAPE MAINT.-SOUTH AQUEDUCT B-DEC18	
		01/07/2019	83069	LANDSCAPE MAINT.-ANIMAL SHELTER-DEC18	
		01/07/2019	83066	LANDSCAPE MAINT.-SOUTH AQUEDUCT A-DEC18	
		01/07/2019	83059	LANDSCAPE MAINT.-TOWNGATE COMMUNITY CENTER-DEC18	
		01/07/2019	83072	LANDSCAPE MAINT.-CONFERENCE & REC. CENTER-DEC18	
		01/07/2019	83063	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/VANDENBERG TO FAY-DEC18	
		01/07/2019	83074	LANDSCAPE MAINT.-LIBRARY-DEC18	
		01/07/2019	83075	LANDSCAPE MAINT.-PUBLIC SAFETY BUILDING-DEC18	
		01/07/2019	83077	LANDSCAPE MAINT.-UTILITY FIELD OFFICE-DEC18	
		01/07/2019	83083	LANDSCAPE MAINT.-KITCHING ELECTRIC SUBSTATION-DEC18	
		01/07/2019	83071	LANDSCAPE MAINT.-CITY YARD-DEC18	
		01/07/2019	83065	LANDSCAPE MAINT.-PAN AM SECTION AQUEDUCT-DEC18	
		01/07/2019	83068	LANDSCAPE MAINT.-AQUEDUCT/SCE & OLD LAKE DRIVE-DEC18	
		01/07/2019	83076	LANDSCAPE MAINT.-SENIOR CENTER-DEC18	
		01/07/2019	83062	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY-DELPHINIUM/PERHAM TO JFK-DEC18	
		01/07/2019	83070	LANDSCAPE MAINT.-MARCH ANNEX BUILDING-DEC18	
		01/07/2019	83061	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/BAY AVE. TO GRAHAM-DEC18	
		01/07/2019	83060	LANDSCAPE MAINT.-TOWNGATE AQUEDUCT BIKEWAY-DEC18	
		01/07/2019	83073	LANDSCAPE MAINT.-MORENO BEACH ELECTRIC SUBSTATION-DEC18	
		01/07/2019	83064	LANDSCAPE MAINT.-NORTH AQUEDUCT-DEC18	

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA LANDSCAPES, INC.	24101	01/14/2019	82775	LANDSCAPE MAINT.-CITY YARD-NOV18	\$22,934.00
		01/14/2019	82782	LANDSCAPE MAINT.-FIRE STATIONS 2, 6, 48, 58, 65, 91, & 99-NOV18	
		01/14/2019	82770	LANDSCAPE MAINT.-SOUTH AQUEDUCT A-NOV18	
		01/14/2019	82768	LANDSCAPE MAINT.-NORTH AQUEDUCT-NOV18	
		01/14/2019	82769	LANDSCAPE MAINT.-PAN AM SECTION AQUEDUCT-NOV18	
		01/14/2019	82780	LANDSCAPE MAINT.-SENIOR CENTER-NOV18	
		01/14/2019	82771	LANDSCAPE MAINT.-SOUTH AQUEDUCT B-NOV18	
		01/14/2019	82763	LANDSCAPE MAINT.-TOWNGATE COMMUNITY CENTER-NOV18	
		01/14/2019	82773	LANDSCAPE MAINT.-ANIMAL SHELTER-NOV18	
		01/14/2019	82764	LANDSCAPE MAINT.-TOWNGATE AQUEDUCT BIKEWAY-NOV18	
		01/14/2019	82778	LANDSCAPE MAINT.-LIBRARY-NOV18	
		01/14/2019	82779	LANDSCAPE MAINT.-PUBLIC SAFETY BUILDING-NOV18	
		01/14/2019	82772	LANDSCAPE MAINT.-AQUEDUCT/SCE & OLD LAKE DRIVE-NOV18	
		01/14/2019	83081	LANDSCAPE MAINT.-VETERANS MEMORIAL-DEC18	
		01/14/2019	83080	LANDSCAPE MAINT.-ANNEX 1-DEC18	
		01/14/2019	82783	LANDSCAPE MAINT.-CITY HALL-NOV18	
		01/14/2019	82774	LANDSCAPE MAINT.-MARCH ANNEX BUILDING-NOV18	
		01/14/2019	83079	LANDSCAPE MAINT.-CITY HALL-DEC18	
		01/14/2019	83078	LANDSCAPE MAINT.-FIRE STATIONS 2, 6, 48, 58, 65, 91, & 99-DEC18	
		01/14/2019	82786	LANDSCAPE MAINT.-CITY YARD SANTIAGO OFFICE-NOV18	
		01/14/2019	82785	LANDSCAPE MAINT.-VETERANS MEMORIAL-NOV18	
		01/14/2019	82776	LANDSCAPE MAINT.-CONFERENCE & REC. CENTER-NOV18	
		01/14/2019	82766	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY-DELPHINIUM/PERHAM TO JFK-NOV18	
		01/14/2019	82784	LANDSCAPE MAINT.-ANNEX 1-NOV18	
		01/14/2019	82765	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/BAY AVE. TO GRAHAM-NOV18	

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA LANDSCAPES, INC.		01/14/2019	82767	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/VANDENBERG TO FAY-NOV18	
Remit to: IRWINDALE, CA					<u>FYTD:</u> \$272,669.09
MARQUEZ, DAVID	24142	01/22/2019	REIMB-1/6-1/9/19	REIMBURSE TRANSP./PARKING MINUS HOTEL COSTS-2019 LEGISLATIVE TOUR	\$191.38
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$584.34
MARTINEZ, FRANCISCO	235890	01/14/2019	BOM18-0546	REFUND ON CANCELLED BUILDING PERMIT	\$232.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$232.00
MASON, SAM	235983	01/28/2019	DEC-2018	INSTRUCTOR SERVICES-KICKBOXING/MMA CLASSES (25% WITHHELD)	\$601.20
		01/28/2019	SEP-2018	INSTRUCTOR SERVICES-BOXING/KICKBOXING CLASSES (25% WITHHELD)	
		01/28/2019	OCT-2018	INSTRUCTOR SERVICES-BOXING CLASS (25% WITHHELD)	
		01/28/2019	NOV-2018	INSTRUCTOR SERVICES-BOXING/KICKBOXING/MMA CLASSES (25% WITHHELD)	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,315.20
MCCAIN TRAFFIC SUPPLY	235799	01/07/2019	INV0236271	TRAFFIC SIGNAL EQUIPMENT	\$3,692.62
	235928	01/22/2019	INV0236838	TRAFFIC SIGNAL EQUIPMENT	\$508.16
Remit to: VISTA, CA					<u>FYTD:</u> \$42,198.43
MCCLAIN, MELISSA	24143	01/22/2019	9/12 - 12/19/18	MILEAGE REIMBURSEMENT FOR BUSINESS MEETINGS/EVENTS	\$955.39
Remit to: APPLE VALLEY, CA					<u>FYTD:</u> \$2,975.84
MCGUIRE, ERIKA	235820	01/07/2019	R18-127580	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00

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MENDENHALL, DALE W.	236002	01/28/2019	2/4 - 2/8/19	TRAVEL PER DIEM & MILEAGE-LASERFICHE EMPOWER CONFERENCE 2019	\$313.94
Remit to: HEMET, CA					FYTD: \$313.94
MENDIVIL, ANGELICA COVARRUBIAS	235821	01/07/2019	R18-129483	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PERRIS, CA					FYTD: \$75.00
MENGISTU, YESHIALEM	24144	01/22/2019	DEC-2018	MILEAGE REIMBURSEMENT	\$138.98
Remit to: MORENO VALLEY, CA					FYTD: \$826.78
MERRIWEATHER, KATHLEEN	235891	01/14/2019	MVA020016567	REFUND- PARKING CONTROL FEES-VIOLATION DISMISSED	\$57.50
Remit to: HEMET, CA					FYTD: \$57.50
MESA GENERAL ENGINEERING, INC	235892	01/14/2019	BL#27891-YR2019	REFUND OF OVERPAYMENT FOR BL#27891	\$25.00
Remit to: CORONA, CA					FYTD: \$25.00
MGT OF AMERICA, INC.	24054	01/07/2019	34343	ANNUAL COMPLETION & FILING OF SB 90 CLAIMS - 50% BILLING	\$5,450.00
Remit to: TALLAHASSEE, FL					FYTD: \$5,450.00
MICON CONSTRUCTION, INC.	24055	01/07/2019	7869-02	MARCH ANNEX PLAYGROUND EQUIPMENT INSTALLATION-REMAINING 40%	\$23,123.20
		01/07/2019	7869-03	ADDITIONAL MONOLITHIC CURBING-MARCH ANNEX PLAY EQUIPMENT PROJECT	
Remit to: PLACENTIA, CA					FYTD: \$46,027.00
MIKE POPA ENTERPRISES INC	235822	01/07/2019	BSR18-0042	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: SANTA FE SPRINGS, CA					FYTD: \$1.00

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MILLER SPATIAL SERVICES, LLC	235929	01/22/2019	1583	ARCGIS SERVER UPGRADE SERVICES	\$1,280.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$4,700.00
MONTENEGRO CONSULTANTS	235823	01/07/2019	BSR18-0032	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: ROSEMEAD, CA					<u>FYTD:</u> \$1.00
MONTGOMERY PLUMBING INC	235930	01/22/2019	010319	CLEAR URINAL DRAIN-CITY HALL LOBBY MEN'S RESTROOM	\$275.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$25,841.40
MORENO VALLEY CHAMBER OF COMMERCE	235984	01/28/2019	2/1/19 EVENT	2019 INSTALLATION DINNER 2/1/19	\$525.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,655.00
MORENO VALLEY MALL HOLDING, LLC	24186	01/28/2019	FEB. 2019 RENT	FEBRUARY 2019 RENT PAYMENT-LIBRARY MALL BRANCH	\$6,874.54
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$48,121.78
MORNING OPTIMIST CLUB OF MORENO VALLEY	235931	01/22/2019	01/22/2019	SPONSORSHIP-CLUB VARSITY JACKET FUND-COUNCIL MEMBER MARQUEZ	\$300.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$800.00
MORRISON, JORDAN	235954	01/22/2019	R19-130929	ANIMAL SERVICES REFUND-RETURN ADOPTION FEES	\$51.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$51.00
NAMEKATA, DOUGLAS	24146	01/22/2019	JUL-2018	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$334.16
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,284.06
NAMEKATA, JAMES	24147	01/22/2019	JUL-2018	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$334.16
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,284.06

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NATURES IMAGE, INC.	24102	01/14/2019	18-04-562	WATER QUALITY BASIN LANDSCAPE/IRRIGATION MAINT.-DEC. 2018	\$7,332.00
Remit to: LAKE FOREST, CA					<u>FYTD:</u> \$43,992.00
NAVARRO, CASSANDRA	235893	01/14/2019	R18-128702	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$95.00
NBS GOVERNMENT FINANCE GROUP	24148	01/22/2019	1218000381	CONSULTING SERVICES-BOUNDARY MAP PREPARATION	\$400.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$5,510.00
NETRONIX INTEGRATION	235855	01/14/2019	5090L18O.01	KEYCARD READER INSTALLATION-ANNEX 1 EMPLOYEE LOUNGE	\$7,633.61
Remit to: SAN JOSE, CA					<u>FYTD:</u> \$7,633.61
NEW HORIZON MOBILE HOME PARK	24187	01/28/2019	DEC-JAN 2018/19	UUT REFUND FOR DEC18-JAN19	\$6.89
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$44.83
NEW IMAGE COMMERCIAL FLOORING	24149	01/22/2019	14721	BATHROOM HALLWAY FLOOR REPAIR-FIRE STATION 65	\$2,894.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$2,894.00
NINYO & MOORE GEOTECHNICAL	24103	01/14/2019	224554	CITYWIDE PAVEMENT REHABILITATION PROGRAM, CONSULTANT SERVICES	\$21,958.95
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$105,493.38

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NO LIMITS DANCE ACADEMY	235913	01/14/2019	SEP-2018	INSTRUCTOR SERVICES-BALLET DANCE CLASSES	\$283.20
		01/14/2019	NOV-2018	INSTRUCTOR SERVICES-BALLET DANCE CLASSES	
		01/14/2019	JUL-2018	INSTRUCTOR SERVICES-BALLET DANCE CLASSES	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$283.20
NUNEZ, JOE	235894	01/14/2019	2000638.047	REFUND - COMPUTERS FOR BEGINNERS	\$81.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$81.00
OH, REBECCA	235895	01/14/2019	R18-129675	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: BUENA PARK, CA					<u>FYTD:</u> \$75.00
OLASOSU, OLAYINKA	235824	01/07/2019	R18-130541	ANIMAL SERVICES REFUND-TRAP RENTAL DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$50.00
OLSON, MICHELLE	235825	01/07/2019	R18-129694	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$95.00
OVERLAND PACIFIC & CUTLER, LLC	24150	01/22/2019	1812094	RIGHT OF WAY CONSULTING SERVICES	\$262.50
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$7,665.00
PACIFIC PRODUCTS & SERVICES, INC	235932	01/22/2019	24351	36" SIGN BACK BRACING	\$2,273.88
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$4,575.08
PACIFIC TELEMANAGEMENT SERVICES	24104	01/14/2019	2007217	PAY PHONE SERVICES-JAN19	\$187.92
		01/28/2019	2009544	PAY PHONE SERVICES-FEB19	\$187.92
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$1,503.36

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PATTERSON, JOSHUA	235868	01/14/2019	1/21 - 1/25/19	TRAVEL PER DIEM-CELLEBRITE CERT. PHYSICAL ANALYST COURSE	\$297.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$297.00
PAW PERFECTION PET GROOMING	24105	01/14/2019	407207	GROOMING SERVICES FOR MV ANIMAL SHELTER	\$115.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,330.00
PEDLEY SQUARE VETERINARY CLINIC	24056	01/07/2019	NOV-2018	VETERINARY SERVICES-MV ANIMAL SHELTER	\$11,101.35
	24106	01/14/2019	DEC-2018	VETERINARY SERVICES-MV ANIMAL SHELTER	\$11,021.11
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$104,000.88
PEPE'S TOWING	235985	01/28/2019	84022	EVIDENCE TOWING FOR PD	\$265.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,425.00
PERCEPTIVE ENTERPRISES, INC.	24057	01/07/2019	3456	PROFESSIONAL DBE CONSULTING SERVICES	\$1,620.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$12,330.00
PETTY CASH - FINANCE	235952	01/22/2019	DEC 2018	PETTY CASH FUND REPLENISHMENT	\$754.23
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,274.76
PGI - PACIFIC GRAPHICS, INC	24059	01/07/2019	40593	PRINTING SERVICE-BUSINESS LICENSE RENEWAL POSTCARDS	\$3,010.24
Remit to: INDUSTRY, CA					<u>FYTD:</u> \$3,010.24
PHANTASMIC EVENT AND PARTY PLANNING	235826	01/07/2019	BOE18-0403	REFUND ON CANCELLED BUILDING PERMIT	\$291.40
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$291.40

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PHEARLESS CORPORATION	24151	01/22/2019	DEC-2018	INSTRUCTOR SERVICES-DRAWING ILLUSTRATIONS CLASS	\$142.40
Remit to: MORENO VALLEY, CA					FYTD: \$427.20
PICKETT, ROLANDA	235986	01/28/2019	FALL 2018	TUITION/EMPLOYEE EDUCATION REIMBURSEMENT	\$316.00
Remit to: MORENO VALLEY, CA					FYTD: \$316.00
PINEDA, NOEMI	235896	01/14/2019	R18-129284	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: BEAUMONT, CA					FYTD: \$75.00
PRESS ENTERPRISE/CALIFORNIA NEWSPAPERS PARTNERSHIP	235856	01/14/2019	0011216052	LEGAL ADVERTISING FOR ORDINANCE 944, 945, 947, 948	\$1,648.80
	235857	01/14/2019	0011209060	LEGAL ADVERTISING FOR ORDINANCE 945	\$126.00
		01/14/2019	0011209057	LEGAL ADVERTISING FOR ORDINANCE 944	
Remit to: COLORADO SPRINGS, CO					FYTD: \$3,743.80
PRO COAT, INC	235897	01/14/2019	BL#10332-YR2019	REFUND OF OVERPAYMENT FOR BL#10332	\$10.00
Remit to: ORANGE, CA					FYTD: \$10.00
PROFESSIONAL COMMUNICATIONS NETWORK PCN	235933	01/22/2019	155300289	LIVE ANSWERING SERVICE FOR ROTATIONAL TOW PROGRAM	\$980.12
		01/22/2019	155200296	LIVE ANSWERING SERVICE FOR ROTATIONAL TOW PROGRAM	
Remit to: RIVERSIDE, CA					FYTD: \$4,191.23
RAMIREZ, DIANA	236012	01/28/2019	R18-130117	ANIMAL SERVICES REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					FYTD: \$20.00
RAMIREZ-CORNEJO, MIGUEL	24060	01/07/2019	NOV-2018	MILEAGE REIMBURSEMENT FOR TRAINING/EVENTS	\$193.48
Remit to: RIVERSIDE, CA					FYTD: \$2,388.02

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RANDOLPH, STEPHANIE	235955	01/22/2019	R18-129177	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: ESCONDIDO, CA					<u>FYTD:</u> \$75.00
RE ASTORIA 2 LLC	24107	01/14/2019	00028	RENEWABLE ENERGY-MV UTILITY-DEC18	\$18,124.76
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$181,956.94
REAL JOURNEY ACADEMIES INC	235898	01/14/2019	ACCT 11916 OVERP	OVERPAYMENT FOR FALSE ALARM	\$32.00
Remit to: UPLAND, CA					<u>FYTD:</u> \$32.00
REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	24108	01/14/2019	12541021	LINENS RENTAL FOR CRC BALLROOM	\$23.00
	24152	01/22/2019	12551903	LINENS RENTAL FOR CRC BALLROOM	\$122.23
		01/22/2019	S751376	LINENS RENTAL FOR CRC SPECIAL EVENTS	
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$2,654.46
REYES, PATRICIA	235827	01/07/2019	R18-129932	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$95.00
RHA LANDSCAPE ARCHITECTS-PLANNERS	235858	01/14/2019	1218014	SKATE PARK DESIGN PROJECT SERVICES	\$257.93
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$36,426.67
RIGHTIME HOME SERVICES	235899	01/14/2019	BOM18-0422	REFUND ON CANCELLED BUILDING PERMIT-25107 HARKER LN	\$191.20
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$768.44

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RIGHTWAY SITE SERVICES, INC.	235801	01/07/2019	242373	PORTABLE RESTROOM RENTAL-COTTONWOOD GOLF COURSE	\$653.23
		01/07/2019	242470	PORTABLE RESTROOMS RENTAL-MAINT. & OPS. DIVISION	
		01/07/2019	242374	PORTABLE RESTROOMS RENTAL-EQUESTRIAN CENTER	
	235859	01/14/2019	242230	PORTABLE RESTROOM RENTAL-PSB CAR WASH AREA	\$114.55
	235935	01/22/2019	243042	PORTABLE RESTROOMS RENTAL-MARCH MIDDLE SCHOOL	\$153.55
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$7,370.64
RIVERA, DAVID	235869	01/14/2019	1/21 - 1/25/19	TRAVEL PER DIEM-CELLEBRITE CERT. PHYSICAL ANALYST COURSE	\$297.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$297.00
RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT	235988	01/28/2019	012019-LA-RCFC	COOPERATIVE AGREEMENT PREPARATION	\$5,000.00
	236003	01/28/2019	012019-RCFC-WCD	ENCROACHMENT PERMIT FEES	\$2,000.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$9,000.00
RIVERSIDE COUNTY OFFICE OF EDUCATION	235989	01/28/2019	2019 / 543	TRANSLATION SERVICES-CITY COUNCIL MEETINGS IN AUG/SEPT/OCT 2018	\$784.14
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,996.37
RIVERSIDE MEDICAL CLINIC	24061	01/07/2019	ACCT 415831 12/6	PHYSICAL THERAPY ASSESSMENTS	\$720.00
	24153	01/22/2019	700000183 1/8/19	EMPLOYMENT PHYSICALS/DRUG SCREENINGS	\$1,505.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$11,914.54
RIVERSIDE UNIVERSITY HEALTH SYSTEMS - MEDICAL CENTER	24189	01/28/2019	1138	SART EXAMS BILLING FOR PD-DEC. 2018	\$3,000.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$22,600.00

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ROTO-ROOTER PLUMBERS	24109	01/14/2019	IE298400	PLUMBING SERVICE-VIDEO INSPECTION OF SEWER LINE/MORENO VALLEY COMMUNITY PARK	\$275.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$785.00
RSG, INC	24190	01/28/2019	I004206	AFFORDABLE HOUSING COMPLIANCE MONITORING SERVICES-DEC18	\$1,805.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$18,987.50

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SAN BERNARDINO & RIVERSIDE CO FIRE EQUIP	24110	01/14/2019	100761	FIRE EXTINGUISHER INSPECTION SERVICES-CONFERENCE & REC. CENTER	\$1,550.87
		01/14/2019	100765	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 6	
		01/14/2019	100763	FIRE EXTINGUISHER INSPECTION SERVICES-ANIMAL SHELTER	
		01/14/2019	100762	FIRE EXTINGUISHER INSPECTION SERVICES-CITY HALL	
		01/14/2019	100770	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 2	
		01/14/2019	100778	FIRE EXTINGUISHER INSPECTION SERVICES-LIBRARY	
		01/14/2019	100781	FIRE EXTINGUISHER INSPECTION SERVICES-UTILITY FIELD OFFICE	
		01/14/2019	100784	FIRE EXTINGUISHER INSPECTION SERVICES-CITY YARD & TRANSP TRAILER	
		01/14/2019	100760	FIRE EXTINGUISHER INSPECTION SERVICES-EOC	
		01/14/2019	100776	FIRE EXTINGUISHER INSPECTION SERVICES-RAINBOW RIDGE PORTABLE	
		01/14/2019	100775	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 65	
		01/14/2019	100777	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 91	
		01/14/2019	100773	FIRE EXTINGUISHER INSPECTION SERVICES-MARCH ANNEX BUILDING	
		01/14/2019	100774	FIRE EXTINGUISHER INSPECTION SERVICES-MARCH FACILITY HOBBY SHOP	
		01/14/2019	100780	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 58 FIRE	
		01/14/2019	100767	EXTINGUISHER INSPECTION SERVICES-EMPLOYMENT RESOURCE CENTER	
		01/14/2019	100759	FIRE EXTINGUISHER INSPECTION SERVICES-PUBLIC SAFETY BUILDING	
		01/14/2019	100758	FIRE EXTINGUISHER INSPECTION SERVICES-ANNEX 1	
		01/14/2019	100769	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 48 FIRE	
		01/14/2019	100771	EXTINGUISHER INSPECTION SERVICES-SENIOR CENTER FIRE	
	01/14/2019	100772	EXTINGUISHER INSPECTION SERVICES-MARCH FIELD PARK COMM. CTR		
	01/14/2019	100757	FIRE EXTINGUISHER INSPECTION SERVICES-ANNEX 1		

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SAN BERNARDINO & RIVERSIDE CO FIRE EQUIP		01/14/2019	100766	FIRE EXTINGUISHER INSPECTION SERVICES-COTTONWOOD GOLF CENTER	
		01/14/2019	100779	FIRE EXTINGUISHER INSPECTION SERVICES-FIRE STATION 99	
		01/14/2019	100764	FIRE EXTINGUISHER INSPECTION SERVICES-TOWNGATE COMMUNITY CTR.	
		01/14/2019	100756	FIRE EXTINGUISHER INSPECTION SERVICES-ANNEX 1	
	24154	01/22/2019	100785	FIRE EXTINGUISHER SERVICE-MV COMMUNITY PARK	\$298.53
		01/22/2019	100787	FIRE EXTINGUISHER SERVICE-MORRISON PARK	
		01/22/2019	100790	FIRE EXTINGUISHER SERVICE-BETHUNE PARK	
		01/22/2019	100786	FIRE EXTINGUISHER SERVICE-SUNNYMEAD PARK	
		01/22/2019	100789	FIRE EXTINGUISHER SERVICE-LASSELLE SPORTS PARK	
		01/22/2019	100788	FIRE EXTINGUISHER SERVICE-CELEBRATION PARK	
	01/22/2019	100791	FIRE EXTINGUISHER SERVICE-SKATE PARK		
Remit to: SAN BERNARDINO, CA					FYTD: \$7,947.84
SANCHEZ, HUMBERTO	235828	01/07/2019	R18-130332	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
SANCHEZ, RICHARD	235990	01/28/2019	12/8/18 EVENT	RIVERSIDE JAZZ QUARTET SERVICES FOR HOLIDAY TREE LIGHTING EVENT	\$200.00
Remit to: RIVERSIDE, CA					FYTD: \$200.00
SANDOVAL, JULIANNA	235900	01/14/2019	R18-128448	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
SCHIEFELBEIN, LORI C.	24155	01/22/2019	122018	CONSULTANT SERVICES-ROTATIONAL TOW SERVICE PROGRAM-DEC18	\$1,080.00
Remit to: BULLHEAD CITY, AZ					FYTD: \$7,210.00

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SECTRAN SECURITY, INC	235991	01/28/2019	19010925	ARMORED CAR DEPOSIT TRANSPORTATION SERVICES-JAN19	\$543.86
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$4,087.61
SECURITY LOCK & KEY	24191	01/28/2019	29548	LOCK REPAIR SERVICES-PD/RECORDS DOOR	\$497.13
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,000.16
SERTA MATTRESS	235901	01/14/2019	2000636.047	CONFERENCE & REC. CTR. RENTAL REFUND	\$500.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$500.00
SHAW HR CONSULTING	24156	01/22/2019	13396	INTERACTIVE PROCESS SERVICES	\$2,443.30
Remit to: NEWBURY PARK, CA					<u>FYTD:</u> \$6,397.78
SHUNG TING LUI RENTAL PROPERTY	235902	01/14/2019	BL#28514-YR2019	REFUND OF OVERPAYMENT FOR BL#28514	\$65.00
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$65.00
SIEBUHR, ALAN	235903	01/14/2019	MVA020019988	REFUND- PARKING CONTROL FEES-VIOLATION DISMISSED	\$57.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$57.50
SKY PUBLISHING	24062	01/07/2019	19-1_158	1/2 PAGE ADVERTISEMENT-YOUR VILLA MAGAZINE/2019 ISSUE 1	\$1,000.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$26,250.00
SKY TRAILS MOBILE VILLAGE	24157	01/22/2019	NOV-DEC 2018	UUT REFUND FOR NOV-DEC18	\$12.82
	24192	01/28/2019	DEC-JAN 18/19	UUT REFUND FOR DEC18-JAN19	\$18.65
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$122.58
SMITH, OMAR	235904	01/14/2019	2000640.047	COTTONWOOD GOLF CTR. RENTAL REFUND	\$200.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$200.00

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SO - CAL STRUCTURAL STEEL FABRICATION, INC	235905	01/14/2019	BL#20772-YR2019	REFUND OF OVERPAYMENT FOR BL#20772	\$34.10
Remit to: RIALTO, CA					FYTD: \$34.10
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT	235860	01/14/2019	3380990	EMISSIONS FEES INVOICE-FIRE STATION 2	\$1,869.44
		01/14/2019	3330576-LF	ANNUAL EMISSIONS FEE INVOICE 3330576 LATE CHARGE	
		01/14/2019	3357857	ANNUAL OPERATING FEES-DIESEL GENERATOR AT CRC	
		01/14/2019	3361497	EMISSIONS FEES INVOICE-GENERATOR AT CRC	
		01/14/2019	3378043	ANNUAL RENEWAL FEES-FIRE STATION 91 GENERATOR/RULE 461 LFDS	
		01/14/2019	3380608	EMISSIONS FEES INVOICE-FIRE STATION 91	
		01/14/2019	3378178	ANNUAL RENEWAL FEES-FIRE STATION 2 GENERATOR/RULE 461 LFDS	
Remit to: DIAMOND BAR, CA					FYTD: \$3,450.70
SOUTHERN CALIFORNIA EDISON	235802	01/07/2019	DEC-18 1/7/19	ELECTRICITY CHARGES	\$5,718.75
	235992	01/28/2019	DEC-18 1/28/19	ELECTRICITY CHARGES	\$19,355.62
		01/28/2019	JAN-19 1/28/19	ELECTRICITY CHARGES	
Remit to: ROSEMEAD, CA					FYTD: \$1,960,402.44
SOUTHERN CALIFORNIA GAS CO.	235939	01/22/2019	DEC-2018	GAS CHARGES	\$12,057.20
Remit to: MONTEREY PARK, CA					FYTD: \$31,043.95
SOUTHERN CALIFORNIA LIGHTING/THE CHRISTMAS KINGS	235862	01/14/2019	18-2956	HOLIDAY TREE LIGHTING (TREE INSTALL/REMOVAL/STORAGE)	\$16,150.00
Remit to: LAKE ELSINORE, CA					FYTD: \$16,150.00

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SOUTHERN PET SUPPLIES	24158	01/22/2019	9769	PET SUPPLIES-ASSORTED COLLARS, LEADS, & HARNESSSES	\$786.65
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$2,396.75
SSD ALARM FORMERLY PACIFIC ALARM SERVICE, INC	24063	01/07/2019	R 144386	ALARM SYSTEM RENT/SVC./MONITORING-MOVAL SUBSTATION-JAN19	\$516.50
		01/07/2019	R 144385	ALARM SYSTEM RENT/SVC./MONITORING-KITCHING SUBSTATION-JAN19	
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$3,099.00
STANLEY CONVERGENT SECURITY SOLUTIONS, INC	24159	01/22/2019	15858672	ALARM SYSTEM MONITORING-SUNNYMEAD MIDDLE SCHOOL/OCT-DEC 2018	\$941.64
		01/22/2019	15788588	SECURITY SYSTEM REPAIR-ANIMAL SHELTER/SMOKE DUCT DETECTOR	
		01/22/2019	15787753	SECURITY SYSTEM REPAIR-ANIMAL SHELTER CREMATORY DOOR MAGNET	
		01/22/2019	15606983	ALARM SYSTEM MONITORING-SUNNYMEAD MIDDLE SCHOOL/JUL-SEP 2018	
Remit to: PALATINE, IL					<u>FYTD:</u> \$51,135.00
STATE BOARD OF EQUALIZATION	236019	01/30/2019	4TH QTR 2018	ACCT# 31-000177 ELECTRICAL ENERGY SURCHARGE RETURN/OCT-DEC 2018	\$12,732.75
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$41,754.60

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STATE OF CALIFORNIA DEPT. OF JUSTICE	235804	01/07/2019	323484 (HR)	FINGERPRINTING SERVICES-HR/EMPLOYMENT/VOLUNTEERS RELATED-AUG18	\$1,400.00
		01/07/2019	323484	FINGERPRINTING SERVICES-CANNABIS ORDINANCE RELATED-AUG18	
	235863	01/14/2019	323484 (PCS)	FINGERPRINTING SERVICES-INSTRUCTORS & COACHES RELATED-AUG18	\$384.00
		01/14/2019	317603 (PCS)	FINGERPRINTING SERVICES-CLASS INSTRUCTOR RELATED-JUL18	
	235864	01/14/2019	329832 (HR)	FINGERPRINTING SERVICES-HR/EMPLOYMENT/VOLUNTEERS RELATED-SEP18	\$1,136.00
		01/14/2019	329832 (PCS)	FINGERPRINTING SERVICES-INSTRUCTORS & COACHES RELATED-SEP18	
		01/14/2019	329832 (BL)	FINGERPRINTING SERVICES-BUSINESS LICENSE RELATED-SEP18	
		01/14/2019	329832	FINGERPRINTING SERVICES-CANNABIS ORDINANCE RELATED-SEP18	
	235940	01/22/2019	323484 (OEM)	FINGERPRINTING SERVICES-ERF VOLUNTEER RELATED-AUG18	\$32.00
	235993	01/28/2019	322154a	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-JUL18/1 ADDTL.	\$350.00
		01/28/2019	352381	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-SEP18 REBILL/CORRECTION	
		01/28/2019	352327	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-DEC 2018	
		01/28/2019	346822	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-AUG18 REBILL/CORRECTION	
	235994	01/28/2019	347792	LIVE SCAN FINGERPRINTING APPS FOR PD-DEC. 2018	\$1,618.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$31,893.00
STENO SOLUTIONS TRANSCRIPTION SVCS., IN	24193	01/28/2019	43174	TRANSCRIPTION SERVICES FOR PD-DEC18	\$1,078.38
Remit to: CORONA, CA					<u>FYTD:</u> \$9,881.11

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STEPHEN H BADGETT CONSULTING LLC	24064	01/07/2019	MVU-002w w	CONSULTING SERVICES FOR MVU-REVIEW SCOPE OF WORK ON RFI'S/DEC18	\$525.00
Remit to: MURRIETA, CA					FYTD: \$3,150.00
STILES ANIMAL REMOVAL, INC.	235941	01/22/2019	108730	DECEASED LARGE ANIMAL REMOVAL SERVICES-DEC18	\$750.00
Remit to: GUAСТИ, CA					FYTD: \$2,850.00
STRADLING, YOCCA, CARLSON & RAUTH	24194	01/28/2019	350174-0032	LEGAL SERVICES-NSP/HOUSING AUTHORITY AGREEMENTS-DEC18	\$621.00
Remit to: NEWPORT BEACH, CA					FYTD: \$28,097.50
SUNNYMEAD ACE HARDWARE	235995	01/28/2019	79933	MISC. SUPPLIES FOR PD	\$271.99
		01/28/2019	80565	MISC. SUPPLIES FOR PD	
		01/28/2019	80533	MISC. SUPPLIES FOR PD	
		01/28/2019	79938	MISC. SUPPLIES FOR PD	
		01/28/2019	80029	MISC. SUPPLIES FOR PD	
		01/28/2019	79908	MISC. SUPPLIES FOR PD	
		01/28/2019	80187	MISC. SUPPLIES FOR PD	
		01/28/2019	80191	MISC. SUPPLIES FOR PD	
Remit to: MORENO VALLEY, CA					FYTD: \$1,686.68
TESLA INC	235906	01/14/2019	BOR18-0180	REFUND ON CANCELLED BUILDING PERMIT-24079 CANYON WOODS CIR	\$131.52
Remit to: DRAPER, UT					FYTD: \$131.52
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	24160	01/22/2019	108074	FLEX AND COBRA ADMIN FEES-DEC 2018	\$1,793.75
Remit to: TEMECULA, CA					FYTD: \$314,346.30

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THE ALTUM GROUP	24161	01/22/2019	4762	SOUTH LASSELLE STREET SAFETY CORRIDOR, CONSULTANT SERVICES	\$2,437.50
Remit to: PALM DESERT, CA					<u>FYTD:</u> \$9,998.69
THE HOME DEPOT	235907	01/14/2019	BOR18-0157	REFUND ON CANCELLED BUILDING PERMIT-24307 DELPHINIUM	\$131.52
	235908	01/14/2019	BOC18-0289	REFUND ON CANCELLED BUILDING PERMIT-25091 LAMAYO AVE	\$292.64
Remit to: POWAY, CA					<u>FYTD:</u> \$424.16
THE REAL ESTATE BROKERS	235909	01/14/2019	BL#32934-YR2019	REFUND OF OVERPAYMENT FOR BL#32934	\$13.61
Remit to: ORANGE, CA					<u>FYTD:</u> \$13.61
THE SOCO GROUP INC.	24162	01/22/2019	0607916-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$21,332.88
		01/22/2019	0605815-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0604871-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0601214-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0600295-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0599931-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0602388-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0609452-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		01/22/2019	0604158-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
Remit to: ORANGE, CA					<u>FYTD:</u> \$225,848.47
THE STATE BAR OF CALIFORNIA	235866	01/14/2019	2019 RENEWAL	STATE BAR RENEWAL 2019	\$1,290.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,290.00
THOMPSON COBURN LLP	24111	01/14/2019	3333021	LEGAL SERVICES-MVU/RELIABILITY STANDARD COMPLIANCE-NOV18	\$27.12
Remit to: WASHINGTON, DC					<u>FYTD:</u> \$295.26

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THOMSON REUTERS-WEST PUBLISHING CORP.	24196	01/28/2019	839556155	AUTO TRACK SERVICES FOR PD INVESTIGATIONS-DEC18	\$1,107.70
Remit to: CAROL STREAM, IL					<u>FYTD:</u> \$9,724.26
THORNTON, CARLA	236004	01/28/2019	1/29 - 2/1/19	TRAVEL PER DIEM-2019 LCC NEW MAYORS & COUNCIL MEMBERS ACADEMY	\$206.25
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$206.25
T-MOBILE USA	235865	01/14/2019	963145786 12/21	MOBILE INTERNET/DATA CHARGES-LIBRARY	\$1,009.00
	235996	01/28/2019	9342587867	CELLULAR TECHNOLOGY EXTRACTION/LOCATOR SERVICES FOR PD	\$102.00
Remit to: ST. LOUIS, MO					<u>FYTD:</u> \$6,997.11
TOLES, LAYNE	236014	01/28/2019	R19-131398	ANIMAL SERVICES REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
TOWNSEND PUBLIC AFFAIRS, INC.	24068	01/07/2019	14327	CONSULTING SERVICES-GRANT WRITING & FUNDING ADVOCACY-DEC 2018	\$5,000.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$35,000.00
TRICHE, TARA	24163	01/22/2019	JAN-2019	INSTRUCTOR SERVICES-DANCE CLASSES	\$1,107.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$12,865.80
TRINITY TECHNOLOGY GROUP, INC.	235942	01/22/2019	126543	MS DYNAMICS CRM UPGRADE PROJECT-DEC. 2018 SERVICES	\$6,517.50
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$30,727.50
TRISCIUZZI, TARA	235829	01/07/2019	R18-129271	ANIMAL SERVICES REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00

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TRUEPOINT SOLUTIONS, LLC	24164	01/22/2019	18-835	BUSINESS ANALYST SUPPORT SERVICES-DEC. 2018	\$450.00
Remit to: LOOMIS, CA					<u>FYTD:</u> \$12,862.50
TUKES, JOSHUA	24197	01/28/2019	JAN-2019	INSTRUCTOR SERVICES-WATERCOLOR TECHNIQUE CLASSES	\$259.20
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,036.80
TURF RENOVATION MACHINERY INC.	235943	01/22/2019	2018112	SPORTS TURF RENOVATOR	\$12,924.61
Remit to: HESPERIA, CA					<u>FYTD:</u> \$12,924.61
UCR FORECAST LLC	235944	01/22/2019	1798	REGIONAL ECONOMIC TRENDS REPORT-FINAL INVOICE	\$5,500.00
Remit to: MILL VALLEY, CA					<u>FYTD:</u> \$11,000.00
ULTRASYSTEMS ENVIRONMENTAL, INC.	24112	01/14/2019	11658	SAN TIMOTEO FOOTHILL SD K-1 & K-2, CONSULTANT SERVICES	\$3,201.50
Remit to: IRVINE, CA					<u>FYTD:</u> \$23,206.32
UNION BANK OF CALIFORNIA 1	235997	01/28/2019	1132152	INVESTMENT CUSTODIAL SERVICES-DEC18	\$364.67
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$2,574.69
UNITED FIRE & SAFETY CORPORATION	235910	01/14/2019	BL#06849-YR2019	REFUND OF OVERPAYMENT FOR BL#06849	\$79.00
Remit to: SOUTH EL MONTE, CA					<u>FYTD:</u> \$79.00
UNITED ROTARY BRUSH CORP	24165	01/22/2019	307417	STREET SWEEPER BRUSHES & ACCESSORIES	\$1,011.91
Remit to: KANSAS CITY, MO					<u>FYTD:</u> \$23,757.00
UNITED SITE SERVICES OF CA, INC.	24113	01/14/2019	114-7826324	FENCE RENTAL AT ANIMAL SHELTER 12/20/18-1/16/19	\$106.40
Remit to: PHOENIX, AZ					<u>FYTD:</u> \$851.20

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UNITED STATES VETERANS INITIATIVE	235867	01/14/2019	2018 EGC	CONTRIBUTION FROM PROCEEDS OF 2018 EMPLOYEE GIVING CAMPAIGN	\$3,000.00
Remit to: MARCH ARB, CA					<u>FYTD:</u> \$38,361.95
UNIVAR USA, INC	235945	01/22/2019	RV620282	FERTILIZER/AG CHEMICALS FOR PARKS/CFD #1/GOLF COURSE	\$1,482.65
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,482.65
V V & T REFRIGERATION	235911	01/14/2019	BL#34024-YR2019	REFUND OF OVERPAYMENT FOR BL#34024	\$38.00
Remit to: GARDEN GROVE, CA					<u>FYTD:</u> \$38.00
VALENCIA, JOSE	235830	01/07/2019	R18-129931	ANIMAL SERVICES REFUND-SPAY/NEUTER AND RABIES DEPOSITS	\$95.00
Remit to: INDIO, CA					<u>FYTD:</u> \$95.00
VALLEY WIDE TOWING, LLC	24198	01/28/2019 01/28/2019	6802 6808	EVIDENCE TOWING FOR PD EVIDENCE TOWING FOR PD	\$636.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,809.00
VALLEYWIDE TOWING, LLC	235956	01/22/2019	REFUND 1/10/19	REFUND-FIRE INSPECTION PERMIT-OVERPAYMENT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
VARNER, JAMES	235831	01/07/2019	BSR18-0045	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1.00
VASQUEZ & COMPANY LLP	24166	01/22/2019	2181040-IN	AUDIT SVCS-FINANCIAL STMTS FOR FY ENDING 6/30/18-REPORT ISSUANCE	\$6,223.00
Remit to: GLENDALE, CA					<u>FYTD:</u> \$78,223.00
VIVINT SOLAR DEVELOPER LLC	235912	01/14/2019	REFUNDS 12-31-18	REFUND ON CANCELLED BUILDING PERMITS	\$2,097.28
Remit to: LEHI, UT					<u>FYTD:</u> \$5,279.68

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VIVINT SOLAR DEVELOPER, LLC	235957	01/22/2019	CK#234407	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-22652 KINROSS LN	\$266.42
	235958	01/22/2019	CK#234408	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-12308 LEAHY DR	\$266.42
	235959	01/22/2019	CK#234396	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-25329 OCONTO CT	\$266.42
	235960	01/22/2019	CK#234397	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-22639 SOUTHWALK ST	\$266.42
	235961	01/22/2019	CK#234398	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-12074 FRANKLIN ST	\$266.42
	235962	01/22/2019	CK#234399	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-12150 LEAHY DR	\$266.42
	235963	01/22/2019	CK#234400	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-11209 SADDLE RIDGE RD	\$142.56
	235964	01/22/2019	CK#234401	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-25207 WENDY WY	\$266.42
	235965	01/22/2019	CK#234402	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-24589 HEMLOCK AVE	\$266.42
	235966	01/22/2019	CK#234403	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-10681 CANYON VISTA RD	\$266.42
	235967	01/22/2019	CK#234404	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-11450 WEBER AVE	\$266.42
	235968	01/22/2019	CK#234405	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-12055 BRIXTON CT	\$266.42
	235969	01/22/2019	CK#234406	REISSUE UNCLAIMED CHECK-REFUND CANCELLED BLDG PERMIT-14350 AGAVE ST	\$266.42

Remit to: LEHI, UT

FYTD: \$3,339.60

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)



City of Moreno Valley
Payment Register
For Period 1/1/2019 through 1/31/2019

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
VOYAGER FLEET SYSTEM, INC.	24114	01/14/2019	869211615847	CNG FUEL PURCHASES	\$6,631.27
	24167	01/22/2019	869211615852	CNG FUEL PURCHASES	\$7,288.86
	24199	01/28/2019	869336602852-CM	FUEL CARD CHARGES-CITY VEHICLE 13001	\$1,303.17
		01/28/2019	869336602852-PD	FUEL CARD CHARGES-PD TRAFFIC MOTORS	

Remit to: HOUSTON, TX FYTD: \$57,271.08

VULCAN MATERIALS CO, INC.	24069	01/07/2019	72035327	ASPHALTIC MATERIALS	\$1,603.48		
		01/07/2019	72029624	ASPHALTIC MATERIALS			
		01/07/2019	72022901	ASPHALTIC MATERIALS			
		01/07/2019	72017797	ASPHALTIC MATERIALS			
		01/07/2019	72011790	ASPHALTIC MATERIALS			
		01/07/2019	72035326	ASPHALTIC MATERIALS			
		01/07/2019	72022902	ASPHALTIC MATERIALS			
		01/07/2019	72007033	ASPHALTIC MATERIALS			
		01/07/2019	72029625	ASPHALTIC MATERIALS			
		01/07/2019	72033069	ASPHALTIC MATERIALS			
		01/07/2019	72015183	ASPHALTIC MATERIALS			
		24115	01/14/2019	72042207		ASPHALTIC MATERIALS	\$1,580.76
			01/14/2019	72048662		ASPHALTIC MATERIALS	
	01/14/2019		72058181	ASPHALTIC MATERIALS			
	01/14/2019		72051288	ASPHALTIC MATERIALS			
	01/14/2019		72053861	ASPHALTIC MATERIALS			
	01/14/2019		72058183	ASPHALTIC MATERIALS			
	24115	01/14/2019	72058182	ASPHALTIC MATERIALS	\$1,580.76		
		01/14/2019	72040123	ASPHALTIC MATERIALS			
01/14/2019		72045660	ASPHALTIC MATERIALS				
01/14/2019		72045660	ASPHALTIC MATERIALS				

Remit to: LOS ANGELES, CA FYTD: \$13,468.97

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)



City of Moreno Valley
Payment Register
 For Period 1/1/2019 through 1/31/2019

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
WEST COAST ARBORISTS, INC.	24168	01/22/2019	141737	TREE TRIMMING/REMOVAL SERVICES-MAINT. & OPERATIONS DIVISION	\$3,263.40
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$47,495.40
WESTERN MUNICIPAL WATER DISTRICT	235946	01/22/2019	24753-018620/DC8	WATER CHARGES-M.A.R.B. BALLFIELDS	\$2,567.75
		01/22/2019	23866-018292/DC8	WATER CHARGES-SKATE PARK	
		01/22/2019	23821-018258/DC8	WATER CHARGES-MARCH FIELD PARK COMMUNITY CTR.-BLDG. 938	
		01/22/2019	23821-018257/DC8	WATER CHARGES-MARCH FIELD PARK COMMUNITY CTR. LANDSCAPE	
Remit to: ARTESIA, CA					<u>FYTD:</u> \$28,690.24
WHITNEY POINT SOLAR, LLC	24169	01/22/2019	473156	RENEWABLE ENERGY-MV UTILITY-DEC18	\$14,088.86
Remit to: JUNO BEACH, FL					<u>FYTD:</u> \$229,124.13
WILLDAN FINANCIAL SERVICES	24200	01/28/2019	010-40356	GRANT ADMINISTRATION SERVICES-DEC. 2018	\$24,612.25
Remit to: TEMECULA, CA					<u>FYTD:</u> \$176,700.95
WOLCOTT, RICHARD	235832	01/07/2019	BSR18-0040	REFUND SB 1473 FEE CHARGED IN ERROR-BUILDING PERMIT	\$1.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1.00
WSP USA, INC.	24116	01/14/2019	AR 832864	SUNNYMEAD MASTER DRAINAGE PLAN SD LINES F & F-7, CONSULTANT SERVICES	\$3,769.98
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$124,730.64
XEROX CAPITAL SERVICES, LLC	24201	01/28/2019	095639335	COLOR COPIER EQUIPMENT LEASE-DEC18-GRAPHICS	\$1,139.50
		01/28/2019	095719126	COPIER LEASE/BILLABLE PRINTS-DEC18-GRAPHICS	
Remit to: PASADENA, CA					<u>FYTD:</u> \$20,301.78

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)



City of Moreno Valley
Payment Register
For Period 1/1/2019 through 1/31/2019

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
XEROX FINANCIAL SERVICES LLC	24117	01/14/2019	1448560	EDD COLOR COPIER LEASE 12/15/18-1/14/19	\$856.83
Remit to: DALLAS, TX					<u>FYTD:</u> \$5,916.88
YAVORNICKY, LAURA	235998	01/28/2019	5/23/18 - 1/4/19	MILEAGE REIMBURSEMENT FOR BUSINESS MEETINGS, TRAINING, ETC.	\$151.76
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$151.76
ZAMBRANO, NUBIA	236015	01/28/2019	2000654.047	TOWNGATE COMM. CTR. RENTAL REFUND	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
ZIEGLER, DARREN C.	235805	01/07/2019	REIMB.-11/2/18	REIMBURSEMENT FOR LODGING DURING DENVER MARIJUANA MGMT SYMPOSIUM	\$391.24
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$764.46
TOTAL CHECKS UNDER \$25,000					\$804,497.12
GRAND TOTAL					\$12,380,692.67

Attachment: January 2019 Payment Register (3368 : PAYMENT REGISTER - JANUARY 2019)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 19, 2019

TITLE: APPROVE PROFESSIONAL SERVICES AGREEMENT WITH ALTERNATIVE ENERGY SYSTEMS CONSULTING (AESC) FOR ENGINEERING AND TECHNICAL SERVICES

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve the Professional Services Agreement with Alternative Energy Systems Consulting (AESC) for Engineering and Technical Services.
2. Authorize the City Manager to execute the Agreement.

SUMMARY

Moreno Valley Utility (MVU) recently selected AESC to provide a Transportation Electrification Roadmap in support of the MVU Strategic Goal to support electric vehicles and infrastructure. At Karma Automotive's request, MVU also utilized AESC's services to perform an ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Level 1 Energy Audit for their Moreno Valley facility. Both efforts were completed in the last six months and both were deemed successful. MVU requests a multi-year agreement with AESC to continue to provide these types of services to the utility and its customers.

Alternative Energy Systems Consulting (AESC) is a California certified small business that has been providing high quality energy engineering services for 25 years. Since 1994, AESC has been a trusted energy engineering consultant to utilities and an unbiased resource for their customers.

DISCUSSION

Over the past few years, questions have arisen surrounding the role of electric utilities in the growing electric vehicle (EV) market. These questions include charging station locations, local grid impacts, special charging rates, possible rebate programs, and more. Moreno Valley Utility (MVU) identified a transportation electrification study as one of its strategic goals. MVU selected 'AESC' to provide this Transportation Electrification Assessment and plans to continue this effort with Phase II of the study.

MVU's current Energy Efficiency Programs offer Energy Audits to small- and medium-sized businesses however a few of the largest commercial and industrial customers have recently requested similar services. These customers have complex operations and equipment that require experienced engineering analysis. As a result of these audits, customers will invest in energy efficiency measures that would otherwise remain unidentified. MVU selected AESC to provide Energy Audits for those customers who are in need of that service.

AESC also provides Energy Efficiency savings, costs estimates, and Program Evaluation, Measurement, & Verification (EM&V) should MVU require those services.

MVU staff is proposing to 'piggyback' on a Southern California Public Power Authority (SCPPA) RFP that was issued in 2016 and the vendor contract with AESC was awarded. Other SCPPA members, including Colton, are actively using AESC as a result of their vendor selection through SCPPA's RFP and vetting process. MVU will benefit from the negotiated volume pricing and rigorous vetting process through SCPPA.

SCPPA is a Joint Powers Authority (JPA) of the 12 municipal utilities located in Southern California. Members include the Cities of Los Angeles, Burbank, Glendale, Pasadena, Vernon, Anaheim, Riverside, Azusa, Colton, Banning, Cerritos, and the Imperial Irrigation District.

ALTERNATIVES

1. Recommend approval of the Professional Services Agreement with Alternative Energy Systems Consulting (AESC) to provide a variety of energy-related services. *Staff recommends the adoption of this Energy Efficiency Program will allow the City's utility to work towards meeting established energy efficiency targets and provide customers with the opportunity to save on their electric bills.*
2. Do not recommend approval of the Professional Services Agreement with Alternative Energy Systems Consulting (AESC) to provide a variety of energy-related services. *Staff does not recommend this alternative, as it would restrict the City's utility in its ability to meet established energy efficiency targets and provide customers with the opportunity to save on their electric bills.*

FISCAL IMPACT

The Professional Services Agreement with AESC will not exceed \$100,000. The program is funded through the collection of state mandated Public Purpose Program funds, which the City Council formally adopted on January 13, 2004. **Public Purpose Program funds can only be utilized under a strict umbrella of programs, determined at the State level of government.**

The budget for fiscal year 2018/2019 allocated to Energy Efficiency in account GL# 6012-30-80-45511- 710144 is \$900,000. This budgeted amount is to be used for a variety of energy efficiency programs, energy star appliance rebates, commercial lighting rebates, and the Energy Audits for residential and commercial customers.

The budget for fiscal year 2018/2019 allocated to Energy Efficiency in account GL# 6012-30-80-45511- 710150 is \$250,000. This budgeted amount is to be used for research grants and technical studies including the Transportation Electrification reports.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Michael McLellan
Electric Utility Program Coordinator

Department Head Approval:
Marshall Eyeran
Chief Financial Officer

Concurred By:
Jeannette Olko
Electric Utility Division Manager

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

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

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

ATTACHMENTS

- 1. AESC Agreement 032019

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/04/19 10:03 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 2:02 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:37 PM

City of Moreno Valley

AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the “City”, and Alternative Energy Systems Consulting (AESC), a Corporation, with its principal place of business at 5927 Balfour Court, Suite 213, Carlsbad, California 92008, hereinafter referred to as the “Contractor,” based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional Energy Audits and other engineering contracting services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional Energy Audits and other engineering contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for the Energy Audits and other engineering contracting services as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS**1. CONTRACTOR INFORMATION:**

Contractor’s Name: Alternative Energy Systems Consulting (AESC)
 Address: 5927 Balfour Court Suite 213
 City: Carlsbad State: CA Zip: 92008
 Business Phone: (760) 931-2641 Fax No. N/A
 Other Contact Number: N/A
 Business License Number: 34150
 Federal Tax I.D. Number: 33-0596185

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor’s scope of service is described in Exhibit “A” attached hereto and incorporated herein by this reference.
- B. The City’s responsibilities, other than payment, are described in Exhibit “B” attached hereto and incorporated herein by this reference.

- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be from March 19, 2019 to June 30, 2024 unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly

removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: **Briana Rogers**.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates Briana Rogers, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and

demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney’s fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor’s performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City’s general liability insurance, employee benefits, or worker’s compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor’s obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City’s choosing and at Contractor’s own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section “J” that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City’s attorney’s fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best’s Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

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

× General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons

Attachment: AESC Agreement 032019 (3389) : APPROVE AGREEMENT WITH AESC

whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

- Bodily Injury \$1,000,000 per occurrence/ \$2,000,000 aggregate
- Property Damage \$500,000 per occurrence/ \$500,000 aggregate

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

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

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

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

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

M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all

Attachment: AESC Agreement 032019 (3389 : APPROVE AGREEMENT WITH AESC)

material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No

officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.

- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Alternative Energy Systems Consulting (AESC)
5927 Balfour Court Suite 213
Carlsbad, CA 92008
Attn: Briana Rogers

City:

City of Moreno Valley
14331 Frederick St.
Moreno Valley, CA 92552
Attn: Electric Utility Division Manager,
Financial and Management Services

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

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.

- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- BB Supplementary General Conditions (for projects that are funded by Federal programs). The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.
1. CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
 2. CITY may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
 3. CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CITY and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
 4. CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)
 5. CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
 6. CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).

7. CONTRACTOR shall observe CITY requirements and regulations pertaining to reporting included in the General Conditions.
8. Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CITY.
9. Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CITY. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.
10. CONTRACTOR shall provide access by the City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. CONTRACTOR shall retain all required records for three years after CITY makes final payments and all other pending matters relating to the Agreement are closed.
12. CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)
13. CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

SIGNATURE PAGE TO FOLLOW

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

City of Moreno Valley

AESC, Inc.

BY: _____

BY: _____

Thomas M. DeSantis, City Manager

TITLE: _____

(President or Vice President)

Date

Date

BY: _____

TITLE: _____

(Corporate Secretary)

Date

Attachment: AESC Agreement 032019 (3389 : APPROVE AGREEMENT WITH AESC)

INTERNAL USE ONLY

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head

Date

Attachment: AESC Agreement 032019 (3389 : APPROVE AGREEMENT WITH AESC)

Exhibit A

February 7, 2019

Michael McLellan
 Electric Utility Program Coordinator
 Financial & Management Services
 City of Moreno Valley

14331 Frederick Street
 Moreno Valley, CA 92553



Subject: AESC Proposal for Engineering and Technical Services and Products

Dear Mr. McLellan,

Alternative Energy Systems Consulting, Inc (AESC) is pleased to submit this proposal demonstrating our ability to support Moreno Valley Utility (MVU) with its efficiency-related projects and programs.

AESC is a California certified small business that has been providing high quality energy engineering services for 25 years. Since 1994, AESC has been a trusted energy engineering consultant to utilities and an unbiased resource for their customers. AESC drives solutions in energy efficiency, Distributed Energy Resources (including renewable energy), and software for utilities, regulators, public entities and private enterprises throughout the United States.

AESC understands that Municipal Utilities need a variety of technical and policy efficiency-related services to maintain and improve existing programs, as well as to develop new programs. We understand that Utilities sometimes require specific expertise and other times simply an extension of their own limited resources. The scope of work below provides a menu of AESC's services separated by Area of Interest. AESC can support MVU's needs through any short or long-term assignments, including working onsite at the Utility's premises if desired.

Attachment: AESC Agreement 032019 (3389 : APPROVE AGREEMENT WITH AESC)

SERVICE OFFERINGS

Service Areas	Service Options
Area 1: Energy and/or Water Audits	Commercial/Industrial/Institutional (e.g. ASHRAE level(s) or Utility defined) – including recommendations for efficiency improvements, ranked on price/cost and simplicity for business owner.
Area 2: Energy Efficiency (EE), Demand Response (DR) and/or Retro-commissioning (RCx) Program Design and Development	<ul style="list-style-type: none"> a. Design Market Segment and/or Technology Focused Programs b. Develop Program Policies and Procedures c. Create Project Summary Forms and Review Processes d. Develop Savings Calculation Tools
Area 3: EE, DR and/or RCx Incentive Program Implementation and Technical Support	<ul style="list-style-type: none"> a. Evaluate project energy savings and cost estimates b. Provide customer calculation and incentive application assistance c. Develop program support software
Area 4: Quality Assurance / Quality Control	<ul style="list-style-type: none"> a. EE Incentive Program Evaluation and Reporting <ul style="list-style-type: none"> i. Verify Program Energy Savings and Costs ii. Evaluate Program Cost Effectiveness - TRC & PAC iii. Conduct Site Inspections iv. Perform Program Evaluation, Measurement & Verification (EM&V) b. Conduct customer equipment inspections
Area 5: EE and Electric Utility-related Training Services	<p>Provide informed training sessions on electricity and EE related topics, including but not limited to:</p> <ul style="list-style-type: none"> a. EE Training Courses b. DR Training Courses
Area 6: Regulatory Proceeding Support	Evaluation and assessment services and potential intervention in state and federal regulatory and legislative proceedings related to EE and utility load management.
Area 7: Transportation Electrification	Develop electric vehicle charging infrastructure implementation plans and zero emission vehicle (ZEV) Strategic Road Maps.
Area 8: Energy Intelligence (Smart Systems)	Design, develop, implement and/or technically support distributed energy resource management and optimization.

AREA 1 – ENERGY AND/OR WATER AUDITS

AESC engineers are formally trained and certified in non-residential facility energy auditing, including AEE's Certified Energy Auditor and ASHRAE's Building Energy Modeling Professional. Beyond these formal certifications, AESC engineers have been performing ASHRAE Level I, II and III audits for Commercial, Industrial and Institutional facilities and creating actionable plans for customers for

over 20 years. AESC leverages experience and develops best practices by supporting a variety of audit programs in California. AESC has performed hundreds of comprehensive and targeted audits through utility programs at PG&E, Southern California Edison (SCE), Southern California Gas Company (SoCalGas), San Diego Gas & Electric (SDG&E), Sacramento Municipal Utility District (SMUD) and for individual end users such as the City of Los Angeles (LA).

The types of customers and project sites are vast and include city governments, public & private universities, schools, non-profit organizations, commercial and industrial customers. Through this experience, AESC has developed audit execution approaches that are cost effective and provide high quality results. Each auditing engineer works from a standard efficient process to develop an inventory of the customer's existing equipment, assess the facility's operating practices and constraints, identify opportunities (within the known constraints), as well as evaluate the electric energy and demand savings including the economic and environmental benefits. Using the standard process as a place to start, AESC's engineers understand each facility and customer is unique and the engineer always customizes the audit to address specific building, site, technology interest, available utility programs and/or other concerns. AESC's audits can include identifying demand response (DR), retrocommissioning (RCx), distributed and/or renewable energy, water efficiency and EE opportunities individually or comprehensively in measure categories such as:

- Interior and exterior lighting & controls
- HVAC (gas and electric)
- Building envelope
- IT (Data center/server virtualization/Thin clients)
- Air compressors
- Pumping systems
- Water heaters and boilers
- Interior and exterior water uses including fixtures and landscaping

AESC's typical audit process includes the following steps:

1. Audit preparation including initial customer contact,
2. Initial customer site meeting or project kick-off call,
3. Site visit preparation including billing analysis,
4. Detailed site audit using standardized forms for customer interview, equipment data collection, spot and/or long-term measurement (when necessary) and Title 24 compliant or industry standard practice opportunity identification,
5. Audit data analysis on potential measures including
 - a. calculations using AESC's utility proprietary platform or other appropriate method
 - b. economic analysis to determine cost effectiveness including metrics such as simple payback, net present value (NPV), Internal Rate of Return (IRR), Return on Investment (ROI) and Lifecycle Cost
 - c. an energy model or other acceptable tools such as eQUEST when appropriate

6. Audit report generation using templates and software tools,
7. Report presentation either in-person or conference call presentation of the results depending on the customer and utility program. This final open discussion is instrumental in substantially increasing the measure implementation rate.

AESC provides in-depth process investigation and energy and demand savings analysis to motivate the water/wastewater market sector to action. Our multi-phase approach drives projects with the customer's core business mission as the primary consideration. Using a continuous engagement model with energy intensive customers, utilities get larger, multi-year program savings.

AESC has also performed and can provide specialized audits for individual customer's needs such as LEED Certification, Proposition 39 support and RCx scoping investigations.

AREA 2 – EE, DR AND/OR RCx PROGRAM DESIGN AND DEVELOPMENT

Properly designed and cost-effective EE programs are based on strong information about customers and technologies, with emphasis on customer needs and behaviors, while adhering to statewide EE policies. However, many well-designed programs fail because of lack of tools and administrative process controls that ensure good program execution.

AESC proposes to assist MVU by designing EE programs, developing program policy and procedures and developing customer facing tools such as application forms with associated review processes and software calculation tools.

AESC has significant experience in the design, implementation and evaluation of EE, demand reduction and onsite generation programs within California. This diverse background is ideal for supporting MVU EE, DR and RCx program development and deployment.

Task A: Design Market Segment and/or Technology Focused Programs

EE programs are typically designed either to target specific market segments (broad or narrowly defined) or to accelerate emerging technologies across related segments. Market-segment based EE programs try to address specific barriers found in a specific group of similar customers to increase the adoption of an array of EE measure options. Technology focused programs deal with the barriers associated with accelerating the adoption of a particular technology or practice across one or more market segments. Each approach has its advantages and disadvantages. AESC proposes to assist in the design of EE programs tailored to MVU's service territory, customer base, marginal supply cost and available budget.

AESC will perform some or all of the following steps depending on the program requirements and type. The step may be done for Market based program if designated by an "M" in the table and a "T" for Technology based programs.

Program Design Task		
Identify the target market segment.	M	T
Identify the applicable end-use area(s) and market segments.		T
Gather the targeted technology(ies) performance, cost and expected useful life data.		T
Develop performance and energy savings calculations for the technology(ies).		T
Identify demographics, operational practices, service/equipment delivery channels, business models & energy use characteristics of the technology or target market segment.	M	T
Assemble a catalog of applicable EE measures.	M	
Identify the most cost-effective way to increase efficiency measure(s) per technology implementation	M	T
Forecast the EE measure or technology's technical, market & program savings potential.	M	T
Forecast the customers' cost of participation	M	T
Determine the delivery channel, incentive design and amount that will effectively influence customer purchase and behavior decisions.	M	T
Determine the appropriate target total resource cost (TRC)	M	T
Develop program implementation plan, policy and procedure documents.	M	T
Develop the market and outreach activities and collateral materials.	M	T
Develop program timeline with launch and end dates, program milestones, goals & activities	M	T
Launch program	M	T

Task B: Develop Program Policies and Procedures

AESC has provided substantial assistance with formation of technical policies throughout the history of the California IOU Customized Incentive EE programs. This assistance has involved such areas as generational lighting analysis, standardized calculation procedures, capital cost verification tools, early retirement procedures, boiler baseline efficiency assessment, program financial tool development, the new/added load concept, non-essential equipment, interactive effects analysis, Title 24 analysis, DEER peak analysis and many other areas.

Under this task, AESC proposes to provide MVU with technical support to develop program policies and procedures that implement the program plan that was described in the previous task. AESC will draw on its extensive experience in implementing EE related programs within California to develop processes and procedures that are consistent with existing MVU programs as well as with other similar California programs. Maintaining consistency within MVU programs will reduce the training required, and cost, to implement the program, while maintaining consistency with other state programs will help ensure regulatory compliance.

AESC recognizes that program policies and processes must be transparent to the user and as easy to follow as possible for the program to gain acceptance. But it is also understood that the policies and processes must be defensible in terms of regulatory requirements and therefore must be based on sound technical principles, historical information or both. The specific program policies and procedures required will be driven by the program implementation plan developed as part of the previous task. Under this task, AESC will refine and “flesh out” the previously developed implementation plan. Specific program policies and procedures will vary with the technology and markets involved:

Task C: Create Application Forms and Review Processes

The next task is to create the specific application forms and establish the review process needed to process the resulting application. AESC has been involved in the development of application forms and associated documents since 1999 and thoroughly understands the forms and their proper utilization. AESC has worked with the California IOUs’ Program Personnel to develop hard-copy PDF and Excel versions for both the Customized Incentive and the Express Efficiency programs. AESC was involved with planning and development of Calculated Incentive Program forms for the 2010-2012 IOU EE program period. In addition, AESC has assisted individual IOUs with their custom versions of a combined Customer EE Program application form.

Application Forms

Under this task, AESC will create application forms and review processes that are consistent with other program forms and are as easy to use as possible. Form updates both at the beginning of a new project year and throughout the year as revisions are required are also included. Updates can result in a variety of ways but typically, an issue is raised by anyone of the many stakeholders.

Review Forms

AESC has been involved in the development of program review forms since 1999 and fully understands how they are used. AESC has maintained these forms for three of California’s IOUs. The review forms are used by both Utility and consulting reviewers to collect and maintain project inspection reports, review notes and results. The review forms have evolved into a standardized reporting mechanism that allows the Utilities to consistently manage this process.

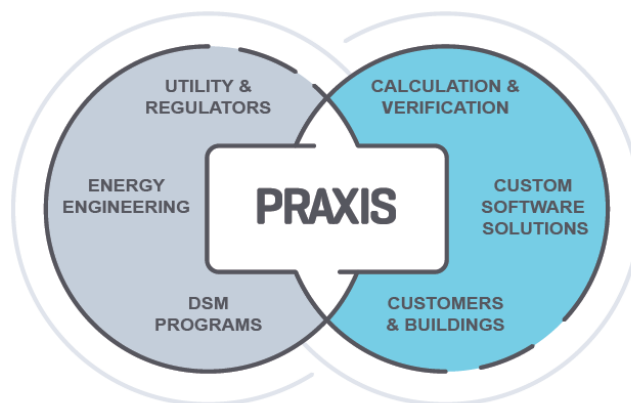
Task D: Develop Savings Calculation Tools

AESC has extensive experience in developing savings calculation tools including the statewide Customized Calculation Tools (formerly SPC) software since its inception in 1999. These tools have

been used extensively by the IOUs and their customers and grew from the original list of six measures to more than 30 electric and gas savings measures. In addition to a wide variety of spreadsheet tools, AESC has built many PC tools and executable applications, and now primarily develops web-based solutions.

AESC has evolved this vast engineering knowledge, multitude of previous calculator tools, and the functionality of various file types and platforms, into a common software platform called Praxis. AESC now builds tools for utility customers in this web-based and cloud hosted environment.

While Praxis consists of calculation tools, it has integrated components that address each stage of the energy project lifecycle including Facility Scoping, Energy Modeling (Calculations), Customer Engagement, and M&V. A more comprehensive description of Praxis is provided in Area 3 Task C; (Develop Program Support Software) along with an example of how the platform is deployed to support Duke Energy's Smart \$aver program.



AREA 3 – EE, DR AND/OR RCx PROGRAM IMPLEMENTATION AND TECHNICAL SUPPORT

AESC proposes to provide engineering services in support of MVU's existing or planned EE incentive programs. AESC has extensive experience in supporting all aspects of EE programs in California including energy savings calculation review, equipment inspections, extended energy monitoring and spot power measurements for hundreds of customer sites.

Task A: Evaluate Project Energy Savings and Cost Estimates

In this task, AESC will review and evaluate the savings and cost estimates that have been developed by MVU customers seeking an incentive payment for energy saving measures. It is understood that these analyses may range from detailed building/system simulations to a simple spreadsheet-based analysis. Understanding that any energy savings analysis, whether it be a computer simulation or engineering analysis based on fundamental engineering principles, is no better than the quality of the inputs, AESC engineers will work closely with the facility owners and MVU representatives to confirm all of the inputs and/or gather additional information as needed. Depending on the energy saving measures involved, it may also be necessary to validate simulation or analysis results using billing data or other available information.

Specific items provided under this task may include:

- Review of submitted analyses and input data with follow up interaction with the MVU customer to confirm critical inputs and clarify the analysis approach, if needed.

- Computer simulation of building energy use consumption using eQUEST, EnergyPro, EnergyPlus, or AESC's own Praxis tool.
- Use of other general engineering models or custom development of models such as; process modeling, refrigeration cycle simulation, computational fluid dynamics, lighting models, stochastic modeling, fluid flow modeling, heat transfer and thermodynamic simulations.
- Review and analysis of engineering studies, collected data, codes and standards as they relate to baseline energy use, measure performance and persistence.
- Development of engineering calculations to forecast or verify energy savings in various projects using measured data or first principle methods.
- Review of submitted project cost estimates and comparison to RS Means or from similar projects as a way of confirming that costs are both realistic and documented sufficiently.

Task B: Provide Customer Calculation and Incentive Application Assistance

The incentive application is the vehicle that customers must use to properly document the project savings to receive the appropriate incentive. Likewise, the incentive application is the vehicle that the MVU uses to document that the project complies with regulatory requirements for issuance of an incentive. Therefore, successful completion of the incentive application is essential to both the customer and MVU. However, many customers do not have the experience, skill set or knowledge to estimate the energy savings or to properly complete the incentive application. In these instances, upon request of the MVU PM, AESC proposes to:

- work closely with the customer to identify the savings potential,
- develop energy savings calculations, and
- document the savings in the incentive application consistent with program rules.

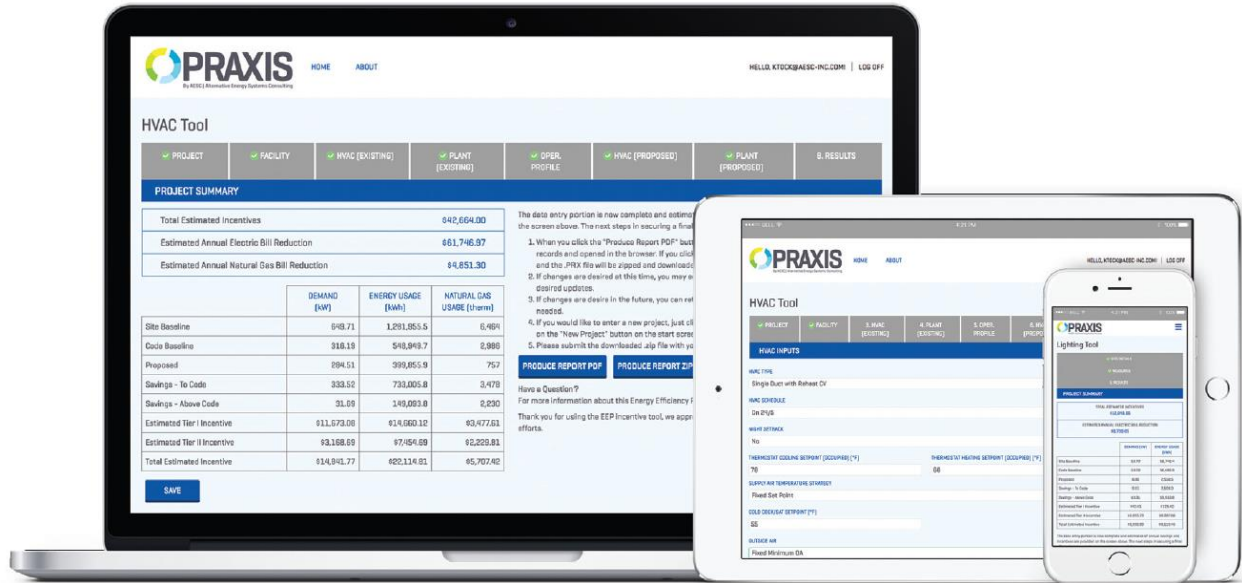
This effort will likely require that AESC personnel meet with the customer and conduct a site inspection to fully understand the facility and the equipment involved.

Task C: Develop Program Support Software

Software can play a critical and important role in the success of an incentive program. AESC's software practice was initiated in 1996 with the sole purpose to develop custom tools for energy programs; specifically, the first California statewide SPC incentive calculators for SCE, PG&E and SDG&E. Since then, the team has pioneered the development of Intelligent Agent technologies under CEC PIER and US Department of Energy grants, and created and maintained an automated on-line application tool for SCE. More recently, the team developed customized calculation tools for several significant utilities across the country. The team's enduring strategy is based on specialized knowledge of energy engineering, utility and regulatory issues, and utilizes a development environment and user experience that meet today's consumer software standards.

Praxis by AESC

Praxis is a web-based platform that streamlines and accelerates utility program project lifecycles including facility scoping, project calculation/modeling, incentive application processing, and M&V.



Praxis is cloud hosted and optimized for mobile devices, which enables easy customization and expansion to fit specific program or customer requirements. The components of Praxis include customized energy calculation tools, energy audit and facility inventory tools, application processing and software, as well as robust analytics functionality. The intent of Praxis is a suite of applications that perform critical functions, and shepherd the customer/user into the next phase of the project.

The following highlights the Praxis platform capabilities:

Facility Scoping	Energy Audits and Reporting
	Project Scoping
	Rate Tools and Benchmarking
Energy Modeling	Whole-Building Energy Modeling
	Comprehensive, multi-measure modules for HVAC upgrades and controls, lighting retrofits, fan optimization, VFD's, pumps, etc.
	Transparent, accurate and defensible savings estimations based on decades of energy engineering, supported by a published methodology document

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Customer Engagement	Incentive Program Management
	CRM Integration
	Automatic report generation for instant results & seamless application submittal
Measurement and Verification	IPMVP and ASHRAE Guideline 14 compliant
	Normalized Metered Energy Consumption (NMEC) baseline development
	Energy Intensity Modeling for SEM

Praxis provides program participants a clear, user-friendly platform to enter project information and generate accurate and uniform energy savings estimates and documentation for application submittals. The user interface includes both semi-custom fields, where the user can select from a list of predefined values via drop down menus, and custom fields, that allow the user to define custom values. When no selection is made in certain fields, the tool will default towards common practice values. Enhancing the user experience is the ability to perform multiple scenario analysis and identify superior alternatives to include in the project submittal.

The calculation engine behind Praxis is driven by decades of energy engineering expertise, a comprehensive understanding of building systems, and calculation tool development. Praxis is compliant with industry standard requirements for full building thermal model using 8760 weather data and selectable baselines (CA Title 24, ASHRAE 90.1, etc.). The results are consistent, reliable and transparent with the imbedded assumptions and algorithms explained in methodology documentation. The tool leverages this technical intelligence to reduce engineering review time, program costs, and ultimately increases participation.

Each deployment of Praxis is customized to each utility program to accommodate different measure mixes, code baselines, and branding guidelines.

Other Services

Measurement and Verification

AESC exhibits a unique understanding of the fundamentals and subtleties of energy program delivery. The team helps inform policy, formulate guidance to implementers, technical reviewers, and customers, and ultimately engages with administration staff to work through an array of technical issues. Project-level M&V and program-level impact and process evaluations are key elements to the process, and are within AESC's area of expertise. For example, AESC recently supported PG&E's enhancement and clarification of M&V guidelines for custom programs; a custom protocol in alignment with International Performance Measurement and Verification Protocol (IPMVP).

At the project level, stemming from the role of custom project technical reviewer, AESC assesses several critical aspects of submitted M&V plans such as adequate system component descriptions and diagrams, identification of crucial variables impacting energy, sufficient monitoring duration and intervals, completeness of discussion of monitoring equipment accuracy, and general consistency with IPMVP framework. In the field, the team has extensive experience performing equipment inspections, extended energy monitoring and spot power measurements having inspected, surveyed and obtained energy utilization and performance metrics at thousands of customer sites.

At the program level, the AESC team has delivered several impact evaluation reports using the framework of multiple published guidelines in addition to IPMVP such as the EE Program Impact Evaluation Guide, California PUC Evaluator's Protocol, CEC EM&V Guidelines and ASHRAE Guideline 14.

AESC also has expertise in experimental design, statistical analysis, data collection, regression techniques, modeling, and econometric analysis. AESC personnel apply these techniques to define and understand market segments, including segment-specific characteristics. Collecting preliminary data such as age and income distributions, household or business sizes, education levels, and other demographic information sets the context for understanding the market structure of a given geographic region or intended program audience. AESC staff also have experience utilizing survey instruments to quantify perceptions of targeted populations; the firm's analysts leverage proven techniques to design survey questions that yield actionable insights. AESC designs carefully worded questions to develop practical conclusions and solicit responses that provide immediate insight into how program adoption rates can be increased at minimal cost.

Emerging Technology Studies

Since 1999, AESC has executed emerging EE and DR studies for all California IOUs in multiple residential and commercial building types including technologies such as HVAC controls, HVAC maintenance protocols, new motor designs, plug load control, refrigeration, lighting technologies, and pumping. These projects include either individual case studies, or larger, scaled field trials. The implementation scale often depends on the stage of product development and what information is needed to drive market transformation. Through this work, AESC exercises expertise in experimental design, statistical analysis, data collection, regression techniques, modeling, and econometric analysis to measure energy and demand savings, as well as the total market potential.

One of the first tasks in development of emerging technology studies is to perform primary market research for products that are at the early stages of market adoption. AESC gathers information on available baseline and new products, understands the served customer segment and their interests, and projects statewide or utility-specific savings potential. AESC is adept at performing market research tasks including DEER database research, market size assessment, user feedback surveys, user demographics surveys, and market barrier assessment. An added value to this process is that AESC engineers are in facilities daily performing energy audits or inspections, resulting in a deep awareness of today's building market, what equipment is being installed, and how systems operate.

A subsequent step is monitoring and evaluating equipment deployed in the field. AESC is adept at planning, conducting, evaluating, and reporting on controlled field studies for specific equipment. AESC plans, organizes, and deploys measurement and evaluation protocol for equipment to ensure

all salient data points are collected. The team then analyzes the results and formulates technical recommendations based on product performance in relation to manufacturer claims and industry standard practice (ISP).

Nearly all projects result in publicly available reports that explain the technology's potential, applications, potential improvements, and inclusion in incentive programs. These reports are tailored to serve multiple target audiences, including product stakeholders, consumers, regulators, and utility staff. A key aspect of AESC's reporting is to document recommendations to the technology provider to improve any future models or updates with customer and utility needs in mind.

One example of AESC's end-to-end emerging technology work involved a new type of refrigerated case evaporator fan motor (ET15SDG1061). SDG&E's Emerging Technology group requested AESC to quantify the energy savings and demand reduction potential of this new motor designed by a startup company with support from the DOE. AESC designed and executed a field retrofit experiment at a supermarket with the intention of providing a representative sample size. AESC developed an M&V plan that limited measurement points to essential data in order to manage project resources, and completed a report and accompanying data that would support a work paper. The test was executed successfully with enough data to move towards a deemed savings calculation and presentation to the California Technical Forum (Cal TF) in anticipation of submission for CPUC review. This current process will result in a new measure to replace a series of outdated similar measures.

System Performance Testing

Under this task, AESC engineers will conduct performance testing of equipment or systems installed at MVU's customer sites.

Step 1: Background Research - This is a critically important function to fully understand the system that will be tested. It may entail research in industry publications, information gathered from industry workshops or conferences or discussions with the manufacturer and/or knowledgeable distributor.

Step 2: M&V Plan - AESC will prepare a preliminary M&V plan that will detail the results of the background search along with the details of the M&V effort that will be needed to fully characterize the energy use and demand profile of the subject technology or process. The plan will consist of: a description of monitoring goals and objective, details of monitored parameters (electric power/energy, temperatures, flows, etc.), proposed energy savings calculations/methodologies, sample calculations of data for performance indices, data recording intervals, M&V schedule, description of reporting activities, and an explanation of data quality control procedures. The types and interval of data collected will depend on the type of equipment or system monitored.

Strategic Energy Management (SEM)

Our team is comprised of experienced coaches who deliver SEM curriculum in an engaging manner that is understandable, actionable, and fosters a sense of community and sharing within the cohort-interspersed with friendly competition. We structure all cohort workshops whether for First Year or Continuing customers, as peer learning opportunities, encouraging participants to share their new knowledge and to support each other in implementing SEM. During the engagement, cohort members are encouraged to take full advantage of the AESC provided tools and opportunities to

engage their peers. The workshop activities foster a sense of ownership and empowerment, and reward advocacy, ensuring the participants have the successes they need to complete the SEM course and carry their learning back to their companies. Individual consultations come in when participants are stuck, or a little support can provide the final motivation for action.

AESC has experience providing SEM training in a cohort environment, both for multi-site organizations and for representatives from multiple companies. Our previous coaching experiences prove that peer-based learning and sharing is a very effective method of ensuring that participants achieve their goals. First and foremost, AESC's coaches create a supportive environment in which participants learn from their peers by sharing problem-solving, challenges, successes, and failures.

When delivering SEM on a 1:1 basis, AESC takes advantage of the opportunity to tailor the approach even more. For example, some organizations with strong energy management practices already established require consistent yet streamlined support to ensure that core SEM components are integrated into existing plans. For these customers providing an opportunity for them to drive the conversation and ask coaches for specific advice, is the preferred approach. Customers without an existing systematic approach to energy management may require more-in depth onsite sessions, perhaps less frequently, that enables them to implement larger components of the program.

Rounding out the SEM experience is providing measured savings using industry standard approaches including Normalized Metered Energy Consumption (NMEC) baseline development, and modeling tools. AESC deploys its performance tracking tool so customers can take ownership their own data and progress towards goals. AESC has developed both Excel-based tools and software tools that adhere directly to industry guidelines in IPMVP and ASHRAE 14.

AESC's approach entails acquiring all required data from customers during recruitment to develop an initial baseline model efficiently, so models can be reviewed with the customer as soon as possible. AESC then utilizes customized statistical code developed in R to automatically screen the data and generate different combinations of variables to optimize the regression equation. The R code helps reduce time spent modeling while determining the most optimal regression equation. The selected variables, coefficients and regression equation are then integrated into the internally-developed modeling and performance tracking tool for customer and SEM Coach use.

AREA 4 – QUALITY ASSURANCE/QUALITY CONTROL

The two primary purposes for conducting Evaluation, Measurement & Verification (EM&V) of POU EE programs are to assess credible grid impacts from program implementation, and to determine and improve the cost-effectiveness of POU EE programs. These objectives are essential to ensure that POU benefits resulting from these programs are realized and persistent. The CEC uses reported energy savings to develop its statewide load forecast and work with the POU's to ensure that the EM&V methods are thorough and transparent. AB 2021 requires that POU's annually report EM&V results for EE and demand reduction programs to the CEC.

AESC proposes to assist MVU by providing EM&V engineering services. It is important to note that AESC will not provide EM&V services for programs where it has participated in program design or implementation since this would constitute a conflict of interest.

Task A: Verify Program Energy Savings and Costs

An initial step in evaluating EE program results is to verify program energy savings, demand reduction (if included in the program) and cost as reported by the utility. AESC will assist in this process by performing the 3rd party verification of EE program energy savings and costs. It is assumed that this effort would be primarily applied to custom types of projects where the energy savings are calculated using engineering methods and/or simulation models. The process is below:

Step 1: Determine the best method of sampling by gathering databases and lists of program project applications, and by balancing the needed analysis precision and the cost of the program evaluation.

Step 2: Review three main groups of program information for the sample projects: 1) individual project application files containing final energy savings estimates, paid incentive amounts and project costs; 2) total program incentives paid; and 3) non-incentive program administrative costs.

Step 3: Perform desktop reviews of the project energy savings for each sampled project. If necessary, AESC will adjust the estimated savings reflecting corrections to the baseline energy consumption, engineering calculations, simulation inputs, production levels, equipment loading, eligibility issues and/or equipment specifications. AESC might also perform energy savings verifications by review available billing and M&V data.

Step 4: Determine the percent of free riders that exist in the program and the net to gross ratio (NTGR) by one of three methods: use of established NTGR accepted by California utilities (especially suitable for deemed programs), survey-based methods or econometric methods.

Step 5: Determine the ex-post net load impact by applying NTGR to ex-post gross load impact.

Step 6: Review the project costs reported for the sampled applications and compare results with published references, construction estimation guides, discussions with vendors or from past experience with similar projects.

Step 7: Develop a program energy savings and cost report for inclusion in the overall EM&V report.

Task B: Evaluate Program Cost Effectiveness – TRC and PAC

AESC will evaluate program cost effectiveness to help MVU understand if specific programs are producing adequate net benefits that warrant continued investment as well as provide important diagnostic information by comparing planned versus actual program performance. The two cost effectiveness tests used for California POU EE programs are the Total Resource Cost (TRC) and the Program Administrator Cost (PAC). The specific calculations and definitions of benefits and costs for each test are detailed in the California Standard Practice Manual.

AESC will work with MVU to collect benefit data (avoided marginal costs) specific to their service territory and to gather program administrator and participant costs data. AESC will work closely with California Municipal Utilities Association (CMUA) and the California Energy Commission (CEC) so the data collected is consistent with statewide POU practices.

The primary method to implement the TRC and PAC tests is by using the E3 Calculator or Cost Effectiveness Tool (CET). The E3 Calculator and CET are spreadsheet tools that allows users to input program information and select from pre-determined end-use shapes to calculate program cost effectiveness. AESC program managers have used the E3 calculator on many occasions and are becoming well versed in the new CET.

Task C: Conduct Site Inspections

Like post-installation inspections, the purpose of these inspections will be to confirm that the equipment and associated energy savings measure(s) are operating as described in the incentive application. Unlike typical post-installation inspections, these inspections will occur after there has been significant operation of the equipment (years as opposed to days or weeks). The AESC inspector must therefore place additional emphasis on locating monitoring data and interviewing facility personnel to better understand how the equipment has and is being operated.

Upon assignment, AESC will work with the MVU PM and the customer to schedule and execute the inspection. AESC is aware that some inspections may be sensitive in nature. All inspections conducted by AESC will be professional and will follow all customer rules. During the inspection AESC may gather and assess the following types of information: project's level of completion, installed equipment specifications, operating conditions, control configuration/set points, monitoring points, operating parameters & schedule, and note any deviations from proposed.

Additionally, the AESC inspector may arrange with the facility decision maker to administer a brief survey to determine the impact the incentive program had on the decision to install the measure(s).

Task D: Perform Program Evaluation, Measurement & Verification (EM&V)

Under this task, AESC will conduct portfolio and program EM&V activities that will result in a comprehensive report explaining the results. AESC applies a pyramid methodology, a very effective visualization of the findings, that allows a high-level reader to take away one number, but allows analysts to obtain the information needed to judge performance and assess potential improvements

To ensure that portfolio and program design is clearly explained, AESC will include in the EM&V report a description of the EE programs in MVU's portfolio that includes; the program design, targeted market segment and measures, delivery channel and planned savings goals. Following the portfolio overview, AESC will provide a description of the M&V activities completed including sampling methodology, desktop technical review and field inspections.

AESC will report the savings results and the performance of each program, relative to planned performance. AESC will relate differences in actual to planned performance to the findings discovered during the M&V activities. Effectiveness of specific programs will be discussed in the EM&V report and will include comments on cost effectiveness, overall savings, key market actors, hard to reach market sub-sectors and suggestions for improvements. The report will be reviewed by the utility and then forwarded to the CMUA, the CEC or their EM&V contractor to be included in the overall statewide POU energy savings report.

AREA 5 – EFFICIENCY AND ELECTRIC UTILITY-RELATED TRAINING SERVICES

For technical training programs and content development, AESC brings several important and relevant skills. First, AESC is an authority in EE, demand management and distributed generation technologies. Secondly, AESC is an expert in energy policy and utility program requirements. Thirdly, AESC has developed customized training content targeting utility customers, utility personnel, project developers, architect/engineering firms and regulators for over 20 years.

Educational materials can consist of published project case studies, technology/code/program summary reports, demonstrations, and presentation slide decks. Course delivery is accomplished by in-person lectures at utility or customer facilities, or through distance learning methods such as webinars. Course formats can range from presentations with Q&A, interactive workshops, lectures with comprehension testing and workshops including hands-on training and assessment.

AESC has delivered technical trainings for several entities including California Community College instructor forums, LADWP, PG&E's Pacific Energy Center, SCE's CTAC and AgTAC facilities, SoCalGas' Energy Resource Center and through public webinar settings.

AESC's engineering and program management staff have the technical and training skills to develop and deliver effective training for MVU and their customers in the following topics:

Small Business EE	Energy Efficient AC – Package Units
Variable Speed Drives	Thermal Energy Storage
Chilled-Water Plant Efficiency	Compressed Air Efficiency
Cooling Tower EE and Water Conservation	EE for Hotels
Air Handling Systems New Technology	EE for Boilers
Commercial Refrigeration Efficiency	HVAC Testing & Update
Industrial Refrigeration Technology	Raw and Waste Water Treatment Plant Optimization
Distributed Energy Resources	

AREA 6 – REGULATORY PROCEEDING SUPPORT

AESC has in-depth knowledge and experience with, regulatory requirements based on our established track record with POU and IOU programs and statewide involvement. Our team provides energy engineering consulting services on many projects in Customized, Deemed, RCx and New Construction programs, and advises utilities on changing policies for these programs. Understanding the constantly evolving Codes, Standards and Regulations takes continued maintenance and effort, and interpreting the governing policies and developing application guidelines is a critical component of our expertise. Confirming eligibility and developing a baseline for a project or measure requires a strong understanding of these guidelines; AESC employs these skills on a daily basis. Our team often aids customers with project design and application assistance. Utility program managers often assign AESC the most challenging projects whether it involves a new technology, a fuel switch,

increased load or non-operational equipment, or other complicated scenarios. The Codes, Standards, tools and procedures that the team implements regularly and advises utilities on are:

- Title 24 Part 6 and other Building Codes,
- ASHRAE Standards including 55, 62 and 90.1,
- CPUC and CEC policies,
- DSA and other local jurisdiction standards,
- IPMVP,
- Industry Standard Practice, and
- Other applicable regulations that affect EE programs.

AREA 7 – TRANSPORTATION ELECTRIFICATION

AESC has considerable recent experience supporting regulatory and legislative initiatives pertaining to transportation electrification and understands there are inherent risks to be mitigated along with the significant potential benefits. A proven method to manage the proliferation of zero energy vehicles (ZEVs) and ZEV infrastructure is the adoption of comprehensive Strategic Roadmap for transportation electrification. AESC can tailor a service for MVU ranging from a complete strategic roadmap, to the development of specific components or milestones to complement ongoing efforts. The following is the list of tasks of a comprehensive Strategic Roadmap that AESC can support:

- Provide initial assessment and report
- Develop readiness plan
- Develop infrastructure implementation plan
- Develop marketing and communications plan
- Create rate design and program incentives
- Support development of network of experts
- Provide business innovation services

AREA 8 – ENERGY INTELLIGENCE (SMART SYSTEMS)

The grid is becoming increasingly distributed as current and future technologies in smart-homes, -buildings, -facilities, and -cities contribute to uncharted impacts on the grid, leaving utilities with the challenge of maintaining grid stability and resiliency. Strategic tariff structures and dynamic pricing offer the promise of a market-based control mechanism to provide lowest cost and protect grid services. Additionally, municipal load, such as fleet EV charging, present ability to enact direct control of load shifting. Distributed Energy Resource Management Systems (DERMS) will be the gateway that allows effective communications and operations within this smarter grid.

The introduction of a DERMS provides a pathway for utilities to have a more direct impact on how DERS are used behind-the-meter (BTM). More specifically, a DERMS enables distributed intelligence that provides dynamic, transactive control of local BTM load, storage, and generation with the smart grid through bi-directional communication, a closed loop of load forecasts, price signals, and price response. DERs that can be controlled and/or dispatched include:

- Solar PV
- Battery Energy Storage
- Thermal Energy Storage
- Electric Vehicle Charging
- HVAC BAS / Thermostat
- Lighting (including adaptive controls)
- Domestic Hot Water
- Plug Loads
- Process

While there are multiple ways to achieve the benefits of a DERMS, the primary options are:

1. through direct load control where the utility already has administrative rights to manage energy use, as in utility-owned buildings, utility-owned electric vehicle fleets and charging infrastructure, as well as customer sites with which the utility has existing agreements, and
2. through market-based load control, which leverages a rate pricing structure to incent the customer to change their behavior to lower their bill simultaneously benefitting the grid.

AESC can work with MVU to conduct an applied research project to test the deployment of a DERMS in a controlled, real-world setting.

The following example tasks provide a glimpse of a potential project workflow. These can be adjusted, removed, replaced, or further customized according to MVU's needs.

- **Task 1: Administrative:** manage project, sub-contractors, timelines, and deliverables
- **Task 2: System Integration and Testing:** establish communications and control of devices
- **Task 3: Rate and Agreement Analysis and Modeling:** analyze pilot rate structures that maximize customer and system value
- **Task 4: Sample Design and Recruitment:** develop a sample that represents the targeted population
- **Task 5: Participant Retrofits:** engage participants and retrofit customers with the equipment according to an installation plan
- **Task 6: Installation of DERMS:** install the control system, communications bridge, and associated software
- **Task 7: Integration of DERs:** integrate DERs with DERMS; develop and implement a solution to provide pricing and DR signals to the DERMS
- **Task 8: Operations and Maintenance:** provide engineering and software support to ensure proper operation and system maintenance
- **Task 9: Data Collection and Analysis:** collect data captured during the research project and analyze the results
- **Task 10: Assessment of Tariffs:** assess retail tariffs and potential high value structures

- **Task 11: Evaluation of Project Benefits:** estimate benefits of the project periodically throughout the agreement as required
- **Task 12: Technology Activities:** develop a plan to make the knowledge gained, experimental results, and lessons learned available to the public and key decision makers

COSTS

AESC is strictly a professional services organization so each potential project would be priced on a time and materials basis using the rates below:

Hourly Labor Rate Table	
Labor Category	2019 Hourly Rates
Principal Engineer	\$225
Senior Program Manager	\$195
Program/Engineering Manager	\$180
Senior Engineer	\$165
Project Manager	\$140
Staff Engineer	\$140
Engineer	\$125
Associate Engineer	\$100
Engineering Assistant	\$95
Administrator	\$88

We are confident in our abilities to provide the aforementioned suite of technical services. AESC is excited at the prospect of working with the MVU and its Customers. Should you have any questions or need additional information regarding our proposal, please don't hesitate to contact Briana Rogers (626-483-6834).

Sincerely,



Briana Rogers, Director of Operations

brogers@aesc-inc.com

Attachment: AESC Agreement 032019 (3389 : APPROVE AGREEMENT WITH AESC)

EXHIBIT B**CITY RESPONSIBILITIES**

1. Furnish the Contractor all data which is pertinent to services to be performed by the Contractor and which is within the custody or control of the City, including, but not limited to, copies of financial data related to MVU, rate information.
2. Provide timely review, processing, and reasonably expeditious approval of all submittals by the Contractor.
3. Provide timely City staff liaison with the Contractor when requested and when reasonably needed.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed \$100,000.00 annually with renewals over 4 additional consecutive years.

2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml

3. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

Copies of invoices may be submitted to the FMS Department at michaelmc@moval.org or calls directed to (951) 413-3511.

3. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf

4. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date

- C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
8. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 19, 2019

TITLE: AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS CONSTRUCTION, INC. FOR THE ALESSANDRO BLVD AND GRANT ST. TRAFFIC SIGNAL PROJECT NO. 808 0029

RECOMMENDED ACTION

Recommendations:

1. Award a construction contract to Alfaro Communications Construction, Inc., 15614 S. Atlantic Avenue, Compton, CA 90221, for the Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street project.
2. Authorize the City Manager to execute a contract with Alfaro Communications Construction, Inc., in substantial conformance with the attached contract.
3. Authorize the issuance of a Purchase Order for Alfaro Communications Construction, Inc. in the amount of \$579,251.20 (\$526,592.00 bid amount plus a 10% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related change orders to the contract, but not exceeding, the total contingency of \$52,659.20 subject to the approval of the City Attorney.

SUMMARY

This report recommends approval of a contract with Alfaro Communications Construction, Inc. for the construction of the Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street. This project is funded by Community Development Block Grant (CDBG 2512) and Development Impact Fee Traffic Signal (DIF 3302) funds. This project is consistent with the City Council's Momentum MoVal Strategic

Plan.

DISCUSSION

The intersection of Alessandro Boulevard and Grant Street is located approximately 4,000 feet from the I-215 and Alessandro Boulevard interchange. Alessandro Boulevard serves as a major arterial traversing through the City from the City of Riverside in the west end to Gilman Springs road on the east end. Immediately to the north of the intersection is residential housing. Further north is a regionally significant major shopping center and additional housing. Immediately south of the intersection are business centers with potential growth in the future. A Traffic Signal Analysis was completed for this intersection in August 2017, which concludes a traffic signal is warranted at this location.

This project consists of street and traffic signal improvements at the Alessandro Boulevard at Grant Street intersection in Moreno Valley. Street improvements includes pavement removal and reconstruction, median modification, curb and gutter, sidewalks, curb ramps, landscape and irrigation, and retaining wall. Traffic signal improvements includes a new signal at intersection and re-establishment of traffic striping and signing.

The Planning Division of the Community Development Department determined on May 16, 2018 that this project is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301(c) (Existing Facilities), Article 19, commencing with Section 15300. In addition, Planning Division also reviewed this project under the National Environmental Policy Act (NEPA) as part of the CDBG funding approval and determined that the project qualifies for a Categorical Exclusion pursuant to 24 CFR Part 58.34(a)(1), and 58.34(a)(2).

The project design and bidding documents were completed in January 2019. The project was advertised for construction bids on February 7, 2019 and formal bidding procedures were followed in conformance with the Public Contract Code. Bids were received via the electronic bid management system, PlanetBids, on March 6, 2019 and eleven (11) bids were received as follows:

<u>CONTRACTORS</u>	<u>Base Bid + Additive Alt. Bids</u>
1. Alfaro Communications Construction, Inc.	\$526,592.00
2. Calpromax Engineering, Inc.	\$529,961.00
3. International Line Builders	\$538,389.63
4. Elecnor Belco Electric, Inc.	\$557,921.00
5. PTM General Engineering Services, Inc.	\$579,975.00
6. Hillcrest Contracting Inc.	\$584,503.00
7. Leonida Builders Inc.	\$596,395.00
8. California Professional Engineering, Inc.	\$606,488.75
9. Sturgeon Electric California, LLC	\$616,000.00
10. All American Asphalt	\$643,945.00
11. Aramexx Group Inc.	\$697,345.00

The lowest responsible bidder was determined by comparing the cumulative total for all base bid items as stipulated in the bidding documents. Staff has reviewed the bid by Alfaro Communications Construction, Inc. and finds it to be the lowest responsible bidder in possession of a valid license and bid bond. No outstanding issues were identified through review of the references submitted by Alfaro Communications Construction, Inc. in their bid.

Staff recommends the award of the construction contract to Alfaro Communications Construction, Inc. A contingency of 10% of the bid amount (\$52,659.20) is recommended to account for any latent or unforeseen circumstances encountered during construction and allows for rapid response to unforeseen conditions to avoid costly delays and additional payment to the contractor.

Approval of the recommended actions would support Objective 4 of the *Momentum MoVal* Strategic Plan: “Manage and maximize Moreno Valley’s public Infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.”

ALTERNATIVES

- 1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely construction of the Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street.*
- 2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will delay the timely construction of the Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street and may result in a loss of future grant funding Street.*

FISCAL IMPACT

This project is funded by Community Development Block Grant (CDBG 2512) and Development Impact Fee Traffic Signal (DIF 3302) funds for design and construction phases and was included in the FY 2017/18 & 2018/19 Capital Improvement Plan. There is no impact to the General Fund.

AVAILABLE FUNDS IN FISCAL YEAR 2018-2019:

Alessandro Boulevard Traffic Signal and Street Improvement at Grant Street	
CDBG	
(Account No. 2512-70-76-80008, Project No. 808 0029)	\$400,300
DIF	
(Account No. 3302-70-76-80008, Project No. 808 0029)	\$270,000
Total Available Funds	\$670,300

ESTIMATED PROJECT CONSTRUCTION RELATED COSTS:

Construction (Includes 10% Contingency)	\$579,300
Construction Survey Services	\$25,000
Construction Geotechnical Services.....	\$20,000
Project Administration and Inspection*	\$40,000
Total.....	\$664,300

*Project management and inspection will be provided by City staff.

ANTICIPATED PROJECT SCHEDULE:

Start Construction.....	April 2019
Complete Construction.....	September 2019

NOTIFICATION

Prior to construction, all utilities, adjacent property owners, business owners, law enforcement, fire department, and other emergency services responders in the area will be notified in a timely manner of the proposed construction.

PREPARATION OF STAFF REPORT

Prepared By:
Henry Ngo, P.E.
Capital Projects Division Manager

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

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

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

6. Youth Programs

ATTACHMENTS

1. Agreement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/11/19 10:33 AM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 9:29 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:29 AM

Agreement No. _____

AGREEMENT**PROJECT NO. 808 0029
ALESSANDRO BOULEVARD TRAFFIC SIGNAL AND
STREET IMPROVEMENT AT GRANT STREET**

THIS Agreement, effective as of the date signed by the City of Moreno Valley by and between the City of Moreno Valley, a municipal corporation, County of Riverside, State of California, hereinafter called the "City" and **Alfaro Communications Construction, Inc.**, hereinafter called the "Contractor."

That the City and the Contractor for the consideration hereinafter named, agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of the following, which are incorporated herein by this reference:

- A. This Agreement
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. Addenda No. 1 inclusive, issued prior to the opening of the Bids
- D. Federal Provisions and Requirements
- E. Any Federal Certifications, documentation and reports as required, including but not limited to Contractor's Certification on Federal Contract Requirements, Certification of Nonsegregated Facilities, Certification of Equal Employment Opportunity, Certification on Good Faith Efforts Regarding Minority Based Enterprise (MBE) and Women Based Enterprise (WBE), Race and Ethnic Data Reporting Form.
- F. City of Moreno Valley Supplementary General Conditions
- G. The bound Contract Documents that includes City Special Provisions, General Provisions, and Technical Provisions.
- H. Standard Specifications for Public Works Construction ("Greenbook") – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- I. Reference Specifications/Reference Documents other than those listed in paragraph 2, below.
- J. Project Plans
- K. City Standard Plans
- L. Caltrans Standard Plans
- M. American Public Works Association (APWA)
- N. Governmental approvals, including, but not limited to, permits required for the Work
- O. Contractor's Labor and Materials Payment Bond
- P. Contractor's Faithful Performance Bond
- Q. Contractor's Certificates of Insurance and Additional Insured Endorsements
- R. Contractor's Bidder's Proposal, Subcontractor and Material Supplier Listing

In the event of conflict between any of the Contract Documents, the provisions placing a more stringent requirement on the Contractor shall prevail. The Contractor shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by City in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Contractor, the controlling provision shall be that which is found in the document with higher precedence in accordance with the above order of precedence.

Standard Form of Agreement
00500-1

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

2. REFERENCE DOCUMENTS. The following Reference Documents are not considered Contract Documents and are made available to the Contractor for informational purposes:

A. None

3. SCOPE OF WORK. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work described in the Contract Documents, except as otherwise provided in the Plans, Standard Specifications, or City Special Provisions to be the responsibility of others.

4. PAYMENT.

4.1. Contract Price and Basis for Payment. In consideration for the Contractor's full, complete, timely, and faithful performance of the Work required by the Contract Documents, the City shall pay Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items, if any, set forth the Bidder's Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Bid Items awarded by the City is **Five Hundred Twenty Six Thousand Five Hundred Ninety Two and 00/100 Dollars (\$526,592.00)** ("Contract Price"). It is understood and agreed that the quantities set forth in the Bidder's Proposal for which unit prices are fixed are estimates only and that City will pay and Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder's Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the City Engineer.

4.2. Payment Procedures. Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Section 7 of the Standard Specifications, as modified by Section 7 of the City Special Provisions.

5. CONTRACT TIME.

A. Initial Notice to Proceed. After the Agreement has been fully executed by the Contractor and the City, the City shall issue the "Notice to Proceed to Fulfill Preconstruction Requirements." The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements constitutes the date of commencement of the Contract Time of **One Hundred Twenty (120) Working Days**. The Contract Time includes the time necessary to fulfill preconstruction requirements and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements shall further specify that Contractor must complete the preconstruction requirements within Ten (10) Working Days after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Critical preconstruction requirements include, but are not limited to, the following:

- Submitting and obtaining approval of Traffic Control Plans
- Submitting and obtaining approval of the Water Pollution Control Plan (WPCP)
- Submitting and obtaining approval of critical required submittals

- Obtaining an approved no fee Encroachment Permit
- Notifying all agencies, utilities, residents, etc., as outlined in the Contract Documents

If the City's issuance of a Notice to Proceed to Fulfill Preconstruction Requirements is delayed due to Contractor's failure to return the fully executed Agreement and insurance and bond documents within Ten (10) Working Days after Contract award, then Contractor agrees to the deduction of one (1) Working Day from the number of days to complete the Project for every Working Day of delay in the City's receipt of said documents. This right is in addition to and does not affect the City's right to demand forfeiture of Contractor's Bid Security if Contractor persistently delays in providing the required documentation.

B. Notice to Proceed with Construction. After all preconstruction requirements are met in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements, the City shall issue the "Notice to Proceed with Construction," at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

6. LIQUIDATED DAMAGES AND CONTROL OF WORK.

6.1. **Liquidated Damages.** The Contractor and City (collectively, the "Parties") have agreed to liquidate damages with respect to Contractor's failure to fulfill the preconstruction requirements, and/or failure to complete the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Contractor acknowledges and agrees that the liquidated damages are intended to compensate the City solely for Contractor's failure to meet the deadline for completion of the Work and will not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

In the event that Contractor fails to fulfill the preconstruction requirements and/or fails to complete the Work within the Contract Time, Contractor agrees to pay the City **\$900.00 per Calendar day** that completion of the Work is delayed beyond the Contract Time, as adjusted by Contract Change Orders. The Contractor will not be assessed liquidated damages for delays occasioned by the failure of the City or of the owner of a utility to provide for the removal or relocation of utility facilities.

The Contractor and City acknowledge and agree that the foregoing liquidated damages have been set based on an evaluation of damages that the City will incur in the event of late completion of the Work. The Contractor and City acknowledge and agree that the amount of such damages are impossible to ascertain as of the date of execution hereof and have agreed to such liquidated damages to fix the City's damages and to avoid later disputes. It is understood and agreed by Contractor that liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that the City will have the right to deduct liquidated damages against progress payments or retainage and that the City will issue a Change Order or Construction Change Directive and reduce the Contract Price accordingly. In the event the remaining unpaid Contract Price is insufficient to cover the full amount of liquidated damages, Contractor shall pay the difference to the City.

6.2. **Owner is Exempt from Liability for Early Completion Delay Damages.** While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the Owner is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever, including but not limited to, delay cause by Owner or other Excusable Compensable Delay. See Section 6-4 of the Standard Specifications and City Special Provisions regarding compensation for delays.

6.3. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in Section 3-5 of the City Special Provisions.

7. INSURANCE.

7.1. **General.** The Contractor shall procure and maintain at its sole expense and throughout the term of this Agreement, any extension thereof, Commercial General Liability, Automobile Liability, and Workers' Compensation Insurance with such coverage limits as described herein.

7.2. **Additional Insured Endorsements.** The Contractor shall cause the insurance required by the Contract Document to include the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives as an additional insureds. For the Commercial General Liability coverage, said parties shall be named as additional insureds utilizing either:

1. Insurance Services Office ("ISO") Additional Insured endorsement CG 20 10 (11/85); or
2. ISO Additional Insured endorsement CG 20 10 (10/01) and Additional Insured Completed Operations endorsement CG 20 37 (10/01); or
3. Substitute endorsements providing equivalent coverage, approved by the City.

The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. The coverage shall contain no special limitations on the scope of protection afforded to such additional insureds. Coverage for such additional insureds does not extend to liability to the extent prohibited by Insurance Code Section 11580.4.

7.3. **Waivers of Subrogation.** All policies of insurance required by the Contract Documents shall include or be endorsed to provide a waiver by the insurers of any rights of recovery or subrogation that the insurers may have at any time against the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective

officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives.

7.4. **Primary Coverage.** All policies and endorsements shall stipulate that the Contractor's (and the Subcontractors') insurance coverage shall be primary insurance as respects the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives, and shall be excess of the Contractor's (and its Subcontractors') insurance and shall not contribute with it.

7.5. **Coverage Applies Separately to Each Insured and Additional Insured.** Coverage shall state that the Contractor's (and its Subcontractors') insurance shall apply separately to each insured or additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage shall apply to any claim or suit brought by an additional insured against a named insured or other insured.

7.6. **Self-Insurance.** Any self-insurance (including deductibles or self-insured retention in excess of \$50,000) in lieu of liability insurance must be declared by Contractor and approved by the City in writing prior to execution of the Agreement. The City's approval of self-insurance, if any, is within the City's sole discretion and is subject to the following conditions:

1. Contractor must, at all times during the term of the Agreement and for a period of at least **one (1)** year after completion of the Project and any extension of the one-year correction guarantee period in accordance with section 6-8.1 of the City Special Provisions, maintain and upon Owner's reasonable request provide evidence of:
 - (a) Contractor's "net worth" (defined as "total assets" [defined as all items of value owned by the Contractor including tangible items such as cash, land, personal property and equipment and intangible items such as copyrights and business goodwill]) minus total outside liabilities must be reflected in a financial statement for the prior fiscal year reflecting sufficient income and budget for Contractor to afford at least one loss in an amount equal to the amount of self-insurance;
 - (b) Financial statements showing that Contractor has funds set aside/budgeted to finance the self-insured fund (i.e., Contractor has a program that fulfills functions that a primary insurer would fill; and
 - (c) A claims procedure that identifies how a claim is supposed to be tendered to reach the financing provided by the self-insured fund.
2. If at any time after such self-insurance has been approved Contractor fails to meet the financial thresholds or otherwise fails to comply with the provisions set forth in this Paragraph 7, at the option of the City:

- (a) The Contractor shall immediately obtain and thereafter maintain the third party insurance required under this Paragraph 7 and otherwise on the terms required above; or
- (b) The insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or
- (c) The Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration, and defense expenses.

7.7. Insurer Financial Rating. Insurance companies providing insurance hereunder shall be rated A-VII or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

7.8. Notices to City of Cancellation or Changes. Each insurance policy described in this Paragraph 7 shall contain a provision or be endorsed to state that coverage will not be cancelled without **thirty (30) days'** prior written notice by certified or registered mail to the City (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to the City), except that cancellation for non-payment of premium shall require (10) days prior written notice by certified or registered mail. If an insurance carrier cancels any policy or elects not to renew any policy required to be maintained by Contractor pursuant to the Contract Documents, Contractor agrees to give written notice to the City at the address indicated on the first page of the Agreement. Contractor agrees to provide the same notice of cancellation and non-renewal to the City that is required by such policy(ies) to be provided to the First Named Insured under such policy(ies). Contractor shall provide confirmation that the required policies have been renewed not less than seven (7) days prior to the expiration of existing coverages and shall deliver renewal or replacement policies, certificates and endorsements to the City Clerk within fourteen (14) days of the expiration of existing coverages. Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City Clerk copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

7.9. Commercial General Liability. Coverage shall be written on an ISO Commercial General Liability "occurrence" form CG 00 01 (10/01 or later edition) or equivalent form approved by the City for coverage on an occurrence basis. The insurance shall cover liability, including, but not limited to, that arising from premises operations, stop gap liability, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The policy shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 (11/85). Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground (x, c, u) property damage. Contractor shall provide Products/Completed Operations coverage to be maintained continuously for a minimum of **one (1) year** after Final Acceptance of the Work, and any extension of the one-year correction guarantee period in accordance with Section 3-13.3 of the City Special Provisions.

Contractor shall maintain Commercial General Liability insurance with the following minimum limits: \$1,000,000 per occurrence / \$2,000,000 aggregate / \$2,000,000 products-completed operations.

7.10. **Business Automobile Liability.** Coverage shall be written on ISO form CA 00 01 (12/93 or later edition) or a substitute form providing equivalent coverage for owned, hired, leased and non-owned vehicles, whether scheduled or not, with \$1,000,000 combined single limit per accident for bodily injury and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.11. **Workers' Compensation.** Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

1. Provide copy of permissive self-insurance certificate approved by the State of California; or
2. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of **\$1,000,000** per accident; or
3. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12. **Subcontractors' Insurance.** The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

8. **BONDS.** The Contractor shall furnish a satisfactory Performance Bond meeting all statutory requirements of the State of California on the form provided by the City. The bond shall be furnished as a guarantee of the faithful performance of the requirements of the Contract Documents as may be amended from time to time, including, but not limited to, liability for delays and damages (both direct and consequential) to the City and the City's Separate Contractors and consultants, warranties, guarantees, and indemnity obligations, in an amount that shall remain equal to one hundred percent (100%) of the Contract Price.

The Contractor shall furnish a satisfactory Labor and Materials Payment Bond meeting all statutory requirements of the State of California on the form provided by the City in an amount that shall remain equal to one hundred percent (100%) of the Contract Price to secure payment of all claims, demands, stop notices, or charges of the State of California, of material suppliers, mechanics, or laborers employed by the Contractor or by any Subcontractor, or any person, firm, or entity eligible to file a stop notice with respect to the Work.

All bonds shall be executed by a California-admitted surety insurer. Bonds issued by a California-admitted surety insurer listed on the latest version of the U.S Department of Treasury Circular 570 shall be deemed accepted unless specifically rejected by the City. Bonds issued by sureties not listed in Treasury Circular 570 must be accompanied by all documents enumerated in California Code of Civil Procedure Section 995.660(a). The bonds shall bear the same date as the Contract. The attorney-in-fact who executes the required bonds on behalf of the surety shall affix thereto a certified and current copy of the power of attorney. In the event of

changes that increase the Contract Price, the amount of each bond shall be deemed to increase and at all times remain equal to the Contract Price. The signatures shall be acknowledged by a notary public. Every bond must display the surety's bond number and incorporate the Contract for construction of the Work by reference. The terms of the bonds shall provide that the surety agrees that no change, extension of time, alteration, or modification of the Contract Documents or the Work to be performed thereunder shall in any way affect its obligations and shall waive notice of any such change, extension of time, alteration, or modification of the Contract Documents. The surety further agrees that it is obligated under the bonds to any successor, grantee, or assignee of the City.

Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

Should any bond become insufficient, or should any of the sureties, in the opinion of the City, become non-responsible or unacceptable, the Contractor shall, within ten (10) Calendar Days after receiving notice from the City, provide written documentation to the Satisfaction of the City that Contractor has secured new or additional sureties for the bonds; otherwise the Contractor shall be in default of the Contract. No further payments shall be deemed due or will be made under Contract until a new surety(ies) qualifies and is accepted by the City.

Contractor agrees that the Labor and Materials Payment Bond and Faithful Performance Bond attached to this Agreement are for reference purposes only, and shall not be considered a part of this Agreement. Contractor further agrees that said bonds are separate obligations of the Contractor and its Surety, and that any attorney's fee provision contained in any payment bond or performance bond shall not apply to this Agreement. In the event there is any litigation between the parties arising from the breach of this Agreement, each party will bear its own attorneys' fees in the litigation.

9. RECORDS. The Contractor and its Subcontractors shall maintain and keep books, payrolls, invoices of materials, and Project records current, and shall record all transactions pertaining to the Contract in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Moreno Valley, Riverside County, the State of California, the Federal Government, and to any authorized representative thereof for purposes of audit and inspection at all reasonable times and places. All such books, payrolls, invoices of materials, and records shall be retained for at least five (5) years after Final Acceptance.

10. INDEMNIFICATION.

10.1. General. To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless), the City of Moreno Valley, its City Council, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and all of their respective officials, officers, directors, employees, commission members, representatives and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of

accountants, attorneys, experts or other professionals, or investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor ("Indemnity Claims"). Such Indemnity Claims include, but are not limited to, claims for:

- A. Any activity on or use of the City's premises or facilities;
- B. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;
- C. The failure of Contractor or the Work to comply with any Applicable Law, permit or orders;
- D. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
- E. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor's warranties, representations or agreements set forth in the Contract Documents;
- F. Any failure to coordinate the Work with City's Separate Contractors;
- G. Any failure to provide notice to any party as required under the Contract Documents;
- H. Any failure to act in such a manner as to protect the Project from loss, cost, expense or liability;
- I. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
- J. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the City) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
- K. Any liability imposed by Applicable Law including, but not limited to criminal or civil fines or penalties;
- L. Any dangerous, hazardous, unsafe or defective condition of, in or on the Site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors;
- M. Any operation conducted upon or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
- N. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
- O. Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Contractor or Owner arising out of Contractor's Work, for which the Contractor is responsible; and

- P. Any and all claims against the City seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Project, including all incidental or consequential damages resulting to the City from such claims.

10.2. **Effect of Indemnitees' Active Negligence.** Contractor's obligations to indemnify and hold the Indemnitees harmless **exclude** only such portion of any Indemnity Claim which is attributable to the active negligence or willful misconduct of the Indemnitee, provided such active negligence or willful misconduct is determined by agreement of the parties or by findings of a court of competent jurisdiction. In instances where an Indemnitee's active negligence accounts for only a percentage of the liability for the Indemnity Claim involved, the obligation of Contractor will be for that entire percentage of liability for the Indemnity Claim not attributable to the active negligence or willful misconduct of the Indemnitee(s). Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 10. Subject to the limits set forth herein, the Contractor, at its own expense, shall satisfy any resulting judgment that may be rendered against any Indemnitee resulting from an Indemnity Claim. The Indemnitees shall be consulted with regard to any proposed settlement.

10.3. **Independent Defense Obligation.** The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor's obligation to defend the Indemnitee(s) shall be at Contractor's sole expense, and not be excused because of the Contractor's inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise asserts that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. The Contractor shall respond within thirty (30) Calendar Days to the tender of any Indemnity Claim for defense and/or indemnity by an Indemnitee, unless the Indemnitee agrees in writing to an extension of this time. The defense provided to the Indemnitees by Contractor shall be by well qualified, adequately insured and experienced legal counsel acceptable to the City.

10.4. **Intent of Parties Regarding Scope of Indemnity.** It is the intent of the parties that the Contractor and its Subcontractors of all tiers shall provide the Indemnitees with the broadest defense and indemnity permitted by Applicable Law. In the event that any of the defense, indemnity or hold harmless provisions in the Contract Documents are found to be ambiguous, or in conflict with one another, it is the parties' intent that the broadest and most expansive interpretation in favor of providing defense and/or indemnity to the Indemnitees be given effect.

10.5. **Waiver of Indemnity Rights Against Indemnitees.** With respect to third party claims against the Contractor, to the fullest extent permitted by law, the Contractor waives any and all rights to any type of express or implied indemnity against the Indemnitees.

10.6. **Subcontractor Requirements.** In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor's Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way

related to each such Subcontractors' Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Paragraph 10.

10.7. No Limitation or Waiver of Rights. Contractor's obligations under this Paragraph 10 are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Contractor's indemnification and defense obligations set forth in this Paragraph 10 are separate and independent from the insurance provisions set forth in the Contract Documents, and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Paragraph 10 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.8. Withholding to Secure Obligations. In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.9. Survival of Indemnity Obligations. Contractor's obligations under this Paragraph 10 are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

11. FEDERAL REQUIREMENTS. If the Contractor or Subcontractor is performing work on Section 3, Housing and Urban Development Act of 1968, projects for which the amount of the assistance exceeds \$200,000 and the contract or subcontract exceeds \$100,000:

11.1 The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

11.2 The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

11.3 The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

11.4 The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

11.5 The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

11.6 Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

11.7 With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

12. SUCCESSORS AND ASSIGNS. The Parties bind themselves, their heirs, executors, administrators, successors and assigns the covenants, agreements and obligations contained in the Contract Documents. The Contractor shall not, either voluntarily or by action of law, assign any right or obligation of the Contractor under the Contract Documents without prior written consent of the City.

(SIGNATURE PAGE FOLLOWS)

CITY OF MORENO VALLEY, Municipal Corporation

Alfaro Communications Construction, Inc.

BY: _____
Thomas M. DeSantis, City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

<u>INTERNAL USE ONLY</u>	
APPROVED AS TO LEGAL FORM:	
_____	City Attorney
_____	Date
RECOMMENDED FOR APPROVAL:	
_____	Public Works Director/City Engineer
_____	Date
_____	Chief Financial Officer / City Treasurer
_____	Date

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR:

Signature(s) must be accompanied by a completed notary certificate of acknowledgement attached hereto. A general partner must sign on behalf of a partnership. **Two (2)** corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

DESCRIPTION OF THE ATTACHED DOCUMENT

BIDDER'S BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

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

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

CONTRACTOR'S BONDS

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

City of Moreno Valley
Project Nos. 808 0029

BOND NO. _____

PREMIUM \$ _____

**FAITHFUL PERFORMANCE BOND
(100% of Total Contract Price)**

**PROJECT NO. 808 0029
ALESSANDRO BOULEVARD TRAFFIC SIGNAL AND
STREET IMPROVEMENT AT GRANT STREET**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City," has awarded to _____, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City of Moreno Valley, and identified as **Project No. 808 0029**, and all Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond guaranteeing the faithful performance of said Agreement;

NOW THEREFORE, we the undersigned Contractor and _____, as Surety, are held and firmly bound unto the City of Moreno Valley, County of Riverside in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, to be paid to the said City or its certain attorney, its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bound Contractor, his or her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in said Contract Documents and any alterations thereof made as therein provided, on his or her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In the event suit is brought upon this bond by the City and judgement is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Faithful Performance Bond shall not be considered a part of this Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Faithful Performance Bond is a separate obligation of the Contractor and its Surety, and that any attorney's fee provision contained in this Faithful Performance Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract Documents or to the Work to be performed thereunder, or the Provisions accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Work or the Provisions.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____

Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)
personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

DESCRIPTION OF THE ATTACHED DOCUMENT

BIDDER'S BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

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

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

BOND NO. _____
PREMIUM \$ _____

**LABOR AND MATERIALS PAYMENT BOND
(100% of Total Contract Amount)**

**PROJECT NO. 808 0029
ALESSANDRO BOULEVARD TRAFFIC SIGNAL AND
STREET IMPROVEMENT AT GRANT STREET**

KNOW ALL MEN AND WOMEN BY THESE PRESENTS:

THAT WHEREAS, the City Council of the City of Moreno Valley, State of California, known as "City", has awarded to _____, as Principal hereinafter designated as "Contractor" and have entered into an Agreement whereby the Contractor agrees to construct or install and complete certain designated public improvements, which said Agreement, effective on the date signed by the City of Moreno Valley, and identified as **Project No. 808 0029**, and Contract Documents are hereby referred to and made a part hereof; and

WHEREAS, said Contractor under the terms of said Contract Documents is required to furnish a bond to secure the payment of claims of laborers, mechanics, materialmen, and other persons, as provided by law;

NOW, THEREFORE, we the undersigned Contractor and _____, as Surety are held and firmly bound unto the City of Moreno Valley, County of Riverside, in the penal sum of _____ dollars, (\$ _____), lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally liable (CCP 995.320 (a)(1)), firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said Contractor, his or her or its heirs, executors, administrator, successors or assigns, or subcontractors, shall fail to pay any of the persons described in the State of California Civil Code, Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his or her subcontractors, pursuant to Section 13020, of the Unemployment Insurance Code, with respect to such work and labor, that the Surety or Sureties herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In the event suit is brought upon this bond by the City or other person entitled to bring such an action and judgement is recovered, the Surety shall pay all costs incurred by the City in such suit, including a reasonable attorney fee to be fixed by the court.

Contractor and Surety agree that this Labor and Materials Payment Bond shall not be considered a part of this Agreement between Contractor and the City ("Agreement"). Contractor and Surety further agree that this Labor and Materials Payment Bond is a separate obligation of the Contractor and its Surety, and that any attorney's fee provision contained in this Labor and Materials Payment Bond shall not apply to the Agreement. In the event there is any litigation between the parties arising from the breach of the Agreement, each party will bear its own attorneys' fees in the litigation.

This bond shall inure to the benefit of any of the persons described in the State of California Civil Code Section 3181, to give a right of action to such persons or their assigns in any suit brought upon this bond.

(SIGNATURE PAGE FOLLOWS)

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

BOND NO. _____

IN WITNESS WHEREOF, we have hereunto set our hands, and seals on this _____ day
of _____ 20____.

CONTRACTOR (Principal)

SURETY

Contractor Name: _____

Name: _____

Address: _____

Address: _____

Telephone No.: _____

Telephone No.: _____

Print Name: _____

Print Name: _____

Attorney-in-Fact

Signature: _____

Signature: _____

Approved as to Form this

_____ day of _____ 20____

City Attorney
City of Moreno Valley

NOTE:

- The bond shall be executed by a California admitted surety insurer (CCP 995.311).
- The bond shall include an attached Notary Certificate for the Attorney-in-Fact.
- The bond shall include an attached Notary Certificate for the Bidder.
- The bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety.
- The bond shall include the address at which the Principal (Bidder) and Surety may be served with notices, papers and other documents.
- The Bidder's and Surety's corporate seal may be affixed hereto.

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT SAMPLE

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

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- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, is/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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- Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
- Indicate title or type of attached document, number of pages and date.
- Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

DESCRIPTION OF THE ATTACHED DOCUMENT

BIDDER'S BOND SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

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

Attachment: Agreement (3394 : AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALFARO COMMUNICATIONS

**CITY OF MORENO VALLEY
SUPPLEMENTARY GENERAL CONDITIONS**

**PROJECT NO. 808 0029
ALESSANDRO BOULEVARD TRAFFIC SIGNAL AND
STREET IMPROVEMENT AT GRANT STREET**

The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.

- (1) CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
- (2) CITY may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
- (3) CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CITY and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
- (4) CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)
- (5) CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
- (6) CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).
- (7) CONTRACTOR shall observe CITY requirements and regulations pertaining to reporting included in the General Conditions.
- (8) Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CITY.

- (9) Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CITY. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.
- (10) CONTRACTOR shall provide access by the City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (11) CONTRACTOR shall retain all required records for three years after CITY makes final payments and all other pending matters relating to the Agreement are closed.
- (12) CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)
- (13) CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

City of Moreno Valley

Alfaro Communications Construction, Inc.

BY: _____
 Thomas M. DeSantis, City Manager

 Date

BY: _____
 TITLE: _____
(Select only one please)
 (President or Vice President)

 Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Public Works Director/City Engineer
_____ Date
_____ Chief Financial Officer / City Treasurer

BY: _____
 TITLE: _____
 (Corporate Secretary)

 Date



Report to City Council

TO: Mayor and City Council

FROM: Kathleen Sanchez, Human Resources Director

AGENDA DATE: March 19, 2019

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

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

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

FISCAL IMPACT

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

PREPARATION OF STAFF REPORT

Prepared By:
Denise Hansen
Executive Assistant

Department Head Approval:
Kathleen M. Sanchez
Human Resources Director

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

- 1. Personnel Changes 3.19.19

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/14/19 10:51 AM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 11:03 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 11:52 AM

**City of Moreno Valley
Personnel Changes
March 19, 2019**

New Hires

J. "Jose" Rosario Vargas Hurtado, Traffic Signal Technician
Public Works Department/Transportation Division

Steve McQueen, Park Ranger
Parks & Community Services Department/Parks Maintenance Division

Promotions

Jeanine Heynen

From: Recreation Program Leader, Parks & Community Services Department/Community Services Division

To: Sr. Recreation Program Leader, Parks & Community Services Department/Community Services Division

Joe Mattox

From: Fleet Maintenance Supervisor, Public Works Department/Maintenance & Operations Division

To: Fleet & Facilities Maintenance Supervisor, Public Works Department/Maintenance & Operations Division

Jasmin Rivera

From: Sr. Administrative Assistant, Financial & Management Services Department/Purchasing & Facilities Division

To: Management Aide, Financial & Management Services Department/Purchasing & Facilities Division

Kevin Teagarden

From: Management Assistant, Public Works Department/Maintenance & Operations Division

To: Management Analyst, Public Works Department/Maintenance & Operations Division

Transfers

None

Separations

Kimberly Sutherland, Public Information & Intergovernmental Relations Officer
City Manager's Office/Media & Communications Division



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 19, 2019

TITLE: PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NO. 32 AND 34 (RESO. NO. 2019-__ AND 2019- __)

RECOMMENDED ACTION

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2019-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 32)
2. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2019-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District. (Amendment No. 34)

SUMMARY

Approval of the proposed resolutions will certify annexation of ten parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) ("District"). This action impacts only those property owners identified below, not the general citizens or taxpayers of the City.

The City requires property owners of new development projects to mitigate the cost of certain impacts created by the proposed development (i.e., the cost of operation and

maintenance of public landscaping and/or street lights). The City created CFD No. 2014-01 to provide the development community with a funding mechanism to assist in satisfying the requirement. After a property owner elects to annex their property into the District and the City Council approves the annexation, a special tax can be levied on the annual property tax bills of the annexed parcels to fund the costs.

As a condition of approval for development of their projects, KB Home Coastal, Inc. and Arlene Hamann, et al. (the "Property Owners") are required to provide a funding source for the operation and maintenance of certain public improvements (i.e., landscape maintenance and/ or street lighting services) and have elected to annex the parcels of their projects into the District to satisfy the condition. The Property Owners have submitted Landowner Petitions approving the annexation and the City Clerk has confirmed the petitions are valid.

DISCUSSION

The District was formed by adoption of Resolution No. 2014-25 to provide an alternative funding tool for the development community. It provides a mechanism to fund the operation and maintenance of street lighting services and maintenance of public landscaping. After a landowner approves annexation of their property into the District and the City Council approves the annexation, the City is authorized to levy a special tax onto the annual property tax bill.

The Rate and Method of Apportionment of Special Tax ("RMA") for the District describes the different special tax rate areas, services provided, and the formula to calculate the special tax rate for each of the tax rate areas. Several special tax rate layers were created to accommodate a variety of scenarios to ensure costs are proportionally shared between property owners. For example, there is a tax rate layer for "single-family residential street lighting" and one for "street lighting for property other than single-family residential" (e.g., commercial, industrial, or multi-family projects). Different tax rate layers are needed for street lighting because the spacing and size/type of lights differ based on the type of development. Likewise, there are several tax rate areas for maintenance of public landscaping. A property owner's proportionate share of landscape maintenance costs will vary depending upon the total square footage of landscaping to be maintained and the number of properties sharing in the cost for that development.

Annexation to the District

On February 10, 2015, the City Council adopted Ordinance No. 889, which designated the entire territory of the City as a future annexation area for the District. With the future annexation area designated, annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service they are receiving.

KB Home Coastal, Inc. has been approved to construct a 97-lot single-family subdivision (Tentative Tract Map 24203) at the northeast corner of Pigeon Pass Rd. and Lawless

Rd. As a condition of approval, the project is required to provide an ongoing funding source for operation and maintenance services of public landscaping and street lights which are required to be installed on public streets as part of the development project.

Arlene Hamann, et al. is approved to develop a mini-storage facility south of John F. Kennedy Dr., west of Perris Blvd. As a condition of approval, the project is required to provide an ongoing funding source for operation and maintenance services of street lights which are required to be installed on public streets as part of the development project.

The table below provides information for the parcels under development (the "Subject Property") that have elected to annex into CFD No. 2014-01:

Property Owner/Project	Assessor's Parcel Number(s)	Location	Amendment No.
KB Home Coastal, Inc. 97-lot single-family subdivision (TTM 24203) P06-171/SBP18-0012	259-260-029, 259-260-036, 259-260-039, 259-260-041, 259-260-042, 259-260-082, 259-260-084, and 259-260-086	Northeast corner of Pigeon Pass Rd. and Lawless Rd.	32
Arlene Hamann, et al. JFK Self-Storage Facility PEN17-0135/SBP18-0013	485-081-037 and 485-081-043	South of John F. Kennedy Dr., west of Perris Blvd.	34

A property owner has two options to satisfy the condition of approval:

1. Submit a Landowner Petition unanimously approving annexation of their property into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bills of their property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area; or
2. Establish a homeowner or property owner association to provide the ongoing operation and maintenance of the improvements.

The Property Owners elected to annex the Subject Property into CFD No. 2014-01 and have the special tax applied to the annual property tax bills. The Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at the Subject Property, allowing a special election of the landowner to be conducted. Adoption of the attached resolutions (Attachment 1 & 2) adds the Subject Property to the tax rate areas identified in the Fiscal Impact section of this report and directs the recordation of the boundary maps (Attachment 3 & 4) and amended notice of special tax lien for Amendment No. 32 and 34. The City Clerk received and reviewed the Landowner Petitions and confirmed the Property Owners unanimously approved the annexation of the Subject Property into the District (Attachments 5 & 6).

Successful completion of the annexation process satisfies each project's condition of approval to provide a funding source for the operation and maintenance of landscaping and/or street lighting on public streets.

ALTERNATIVES

1. Adopt the proposed resolutions. *Staff recommends this alternative as it will annex the Subject Property into CFD No. 2014-01 at the request of the Property Owners and satisfy the condition of approval for the proposed developments.*
2. Do not adopt the proposed resolutions. *Staff does not recommend this alternative as it is contrary to the request of the Property Owners, will not satisfy the condition of approval, and may delay development of the projects.*
3. Do not adopt the proposed resolutions but rather continue the item to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owners from satisfying the condition of approval and may delay development of the projects.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services for each tax rate area within the District. If the projected revenue received from the maximum special tax exceeds what is necessary to fund the services within each tax rate area, a lower amount will be applied to the property tax bills for all properties within the affected tax rate area. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. The estimated maximum special tax revenue which can be generated from the projects is detailed below:

Property Owner	Service Tax Rate Area¹	No. of Parcels/ Front Linear Footage²	FY 2018/19 Maximum Special Tax³	FY 2018/19 Maximum Special Tax³
KB Home Coastal, Inc.	Single-Family Residential Street Lighting, SL-01	97	\$239.91/parcel	\$23,271.27
	Single-Family Residential Landscaping, LM-01(C)	97	\$94.86/parcel	\$9,201.42
Arlene Hamann, et al.	Street Lighting for Property Other than Single-Family Residential, SL-02	253	\$3.93/linear foot	\$994.29

¹For the residential project, the street lights will be installed on Lawless Rd, Trailhead Ln., Valley Vista Ln., Jacobs Way, Samantha Pl., Park View Ct., American Way, and Pigeon Pass Rd. The landscape improvements will be on Pigeon Pass Rd. For the commercial project, the street light will be installed on John F. Kennedy Dr.

²Estimated based on proposed parcel configuration. The special tax calculation will be based on final development of the project.

³The special tax applied to the property tax bill will be based on the needs of the District. The applied special tax can be lower than but cannot exceed the maximum special tax. The FY 2018/19 applied rate is \$81.10/per parcel for SL-01 and \$1.24/front linear foot for SL-02. The applied rate for LM-01(C) was set at \$0 during FY 2018/19 because there were no improvements within the tax rate area at the time the rates were set.

The maximum special tax rates are subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. Each year, the City Council must authorize any proposed adjustment prior to the levy of the special tax onto the property tax bills. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors within the affected tax rate area.

NOTIFICATION

On January 31, 2019, the annexation materials were mailed to the Property Owners. A cover letter, Landowner Petition, RMA, and an envelope to return the completed petition were included.

PREPARATION OF STAFF REPORT

Prepared by:
Isa Rojas
Management Analyst

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel
Special Districts Division Manager

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library

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

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

ATTACHMENTS

- 1. Resolution Ordering Annexation - Amendment No. 32
- 2. Resolution Ordering Annexation - Amendment No. 34
- 3. Boundary Map CFD 2014-01 - Amendment No. 32
- 4. Boundary Map CFD 2014-01 - Amendment No. 34
- 5. Certificate of Election Official - Amendment No. 32
- 6. Certificate of Election Official - Amendment No. 34

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/05/19 7:41 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 2:15 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:38 PM

RESOLUTION NO. 2019-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 889 designated the entire territory of the City as a future annexation area for the CFD and approved the second amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcel(s) listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel(s) (the "Annexation Parcel(s)") to the CFD; and

WHEREAS, the Annexation Parcel(s) are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 32 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcel(s) to the CFD.

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

1. Recitals. The above recitals are all true and correct and are herein incorporated.
2. Annexation Approved. The Annexation Parcel(s) are hereby added to and part of the CFD with full legal effect. The Annexation Parcel(s) are subject to the

1
Resolution No. 2019-___
Date Adopted: March 19, 2019

Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

3. Description of Services. The following is a general description of all services (the "Services") provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

The Annexation Parcel(s) will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcel(s) associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision,

2
Resolution No. 2019-____
Date Adopted: March 19, 2019

Attachment: Resolution Ordering Annexation - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 19th day of March, 2019.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2019-3
Date Adopted: March 19, 2019

Attachment: Resolution Ordering Annexation - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2019-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 19th day of March, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2019-___ 4
Date Adopted: March 19, 2019

Attachment: Resolution Ordering Annexation - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

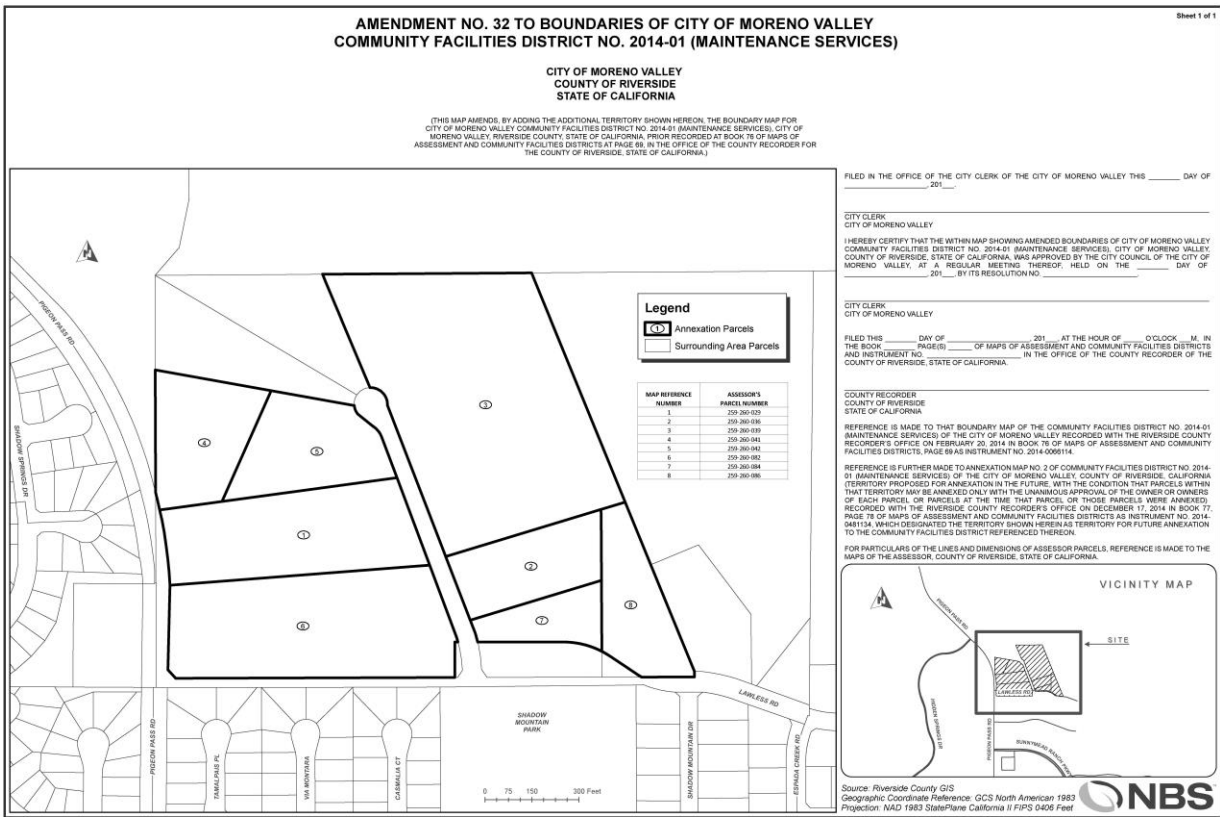
EXHIBIT A

List of Annexation Parcel(s)			
Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
Amendment No. 32	259-260-029	Single-Family Residential Street Lighting	SL-01
	259-260-036		
	259-260-039		
	259-260-041	Single-Family Residential Landscaping	LM-01(C)
	259-260-042		
	259-260-082		
	259-260-084		
	259-260-086		
<p>Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.</p> <p>The parcels associated with a given development constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.</p>			

Attachment: Resolution Ordering Annexation - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

5
Resolution No. 2019-
Date Adopted: March 19, 2019

EXHIBIT B



Attachment: Resolution Ordering Annexation - Amendment No. 32 (3434) : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

6
Resolution No. 2019-____
Date Adopted: March 19, 2019

RESOLUTION NO. 2019-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 889 designated the entire territory of the City as a future annexation area for the CFD and approved the second amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcel(s) listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel(s) (the "Annexation Parcel(s)") to the CFD; and

WHEREAS, the Annexation Parcel(s) are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 34 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcel(s) to the CFD.

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

1. Recitals. The above recitals are all true and correct and are herein incorporated.

2. Annexation Approved. The Annexation Parcel(s) are hereby added to and part of the CFD with full legal effect. The Annexation Parcel(s) are subject to the

1
Resolution No. 2019-___
Date Adopted: March 19, 2019

Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

3. Description of Services. The following is a general description of all services (the "Services") provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

The Annexation Parcel(s) will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcel(s) associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision,

2

Resolution No. 2019-____
Date Adopted: March 19, 2019

section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 19th day of March, 2019.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2019-3
Date Adopted: March 19, 2019

Attachment: Resolution Ordering Annexation - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2019-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 19th day of March, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2019-___ 4
Date Adopted: March 19, 2019

Attachment: Resolution Ordering Annexation - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

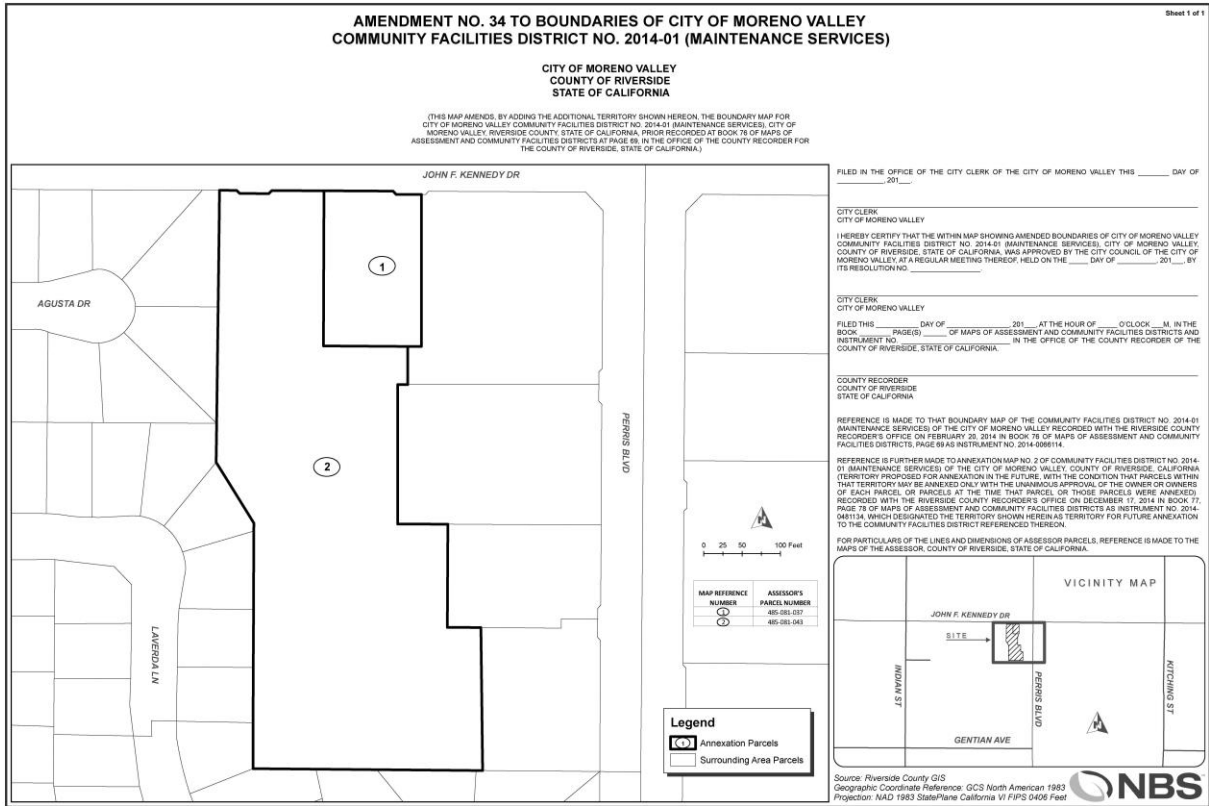
EXHIBIT A

List of Annexation Parcel(s)			
Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
Amendment No. 34	485-081-037 485-081-043	Street Lighting for Property Other than Single-Family Residential	SL-02
<p>Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.</p> <p>The parcels associated with a given development constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.</p>			

Attachment: Resolution Ordering Annexation - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

Resolution No. 2019-5
Date Adopted: March 19, 2019

EXHIBIT B



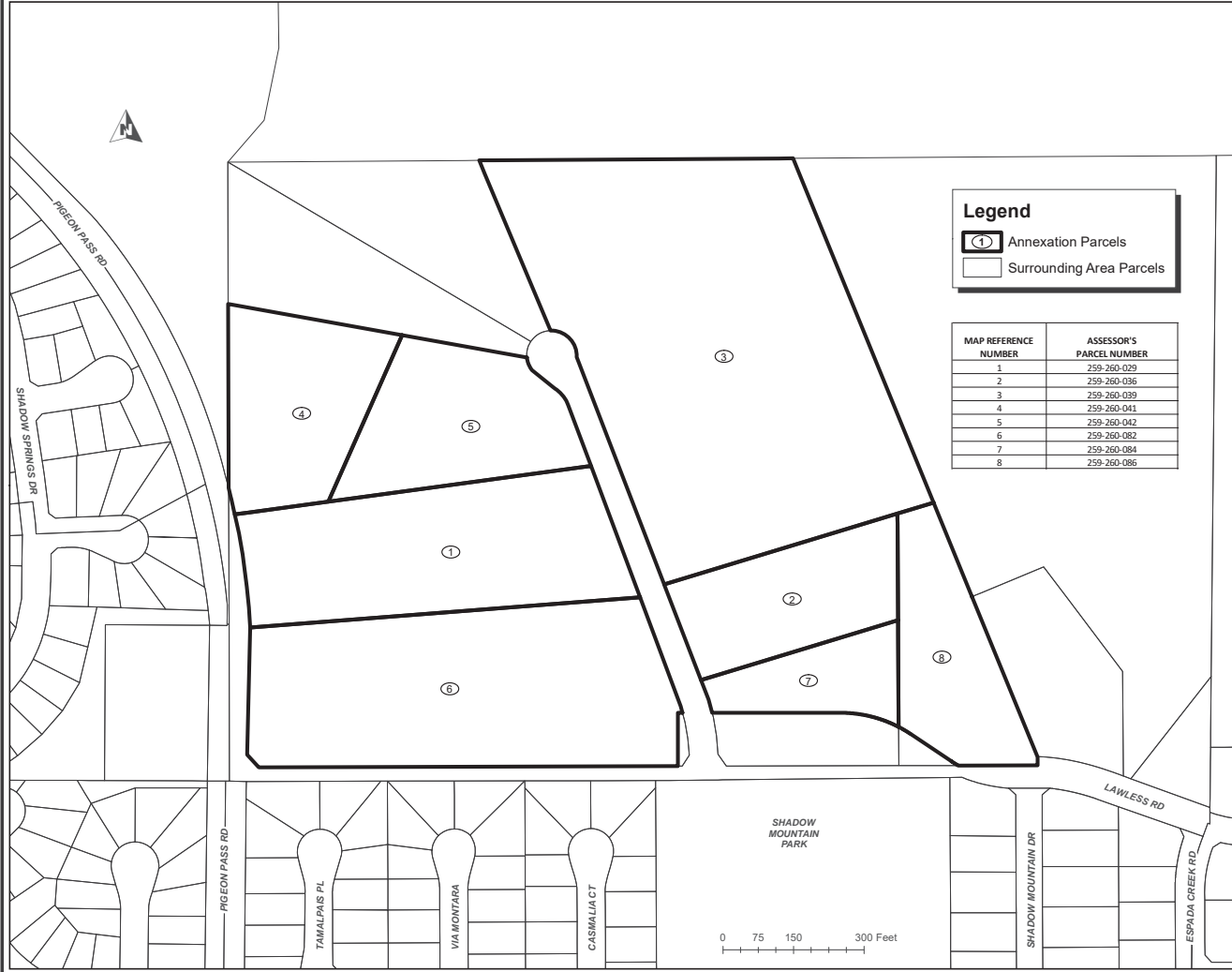
Attachment: Resolution Ordering Annexation - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS

6
Resolution No. 2019-_____
Date Adopted: March 19, 2019

AMENDMENT NO. 32 TO BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)

**CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

(THIS MAP AMENDS, BY ADDING THE ADDITIONAL TERRITORY SHOWN HEREON, THE BOUNDARY MAP FOR CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, PRIOR RECORDED AT BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 69, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.)



Legend

- 1 Annexation Parcels
- Surrounding Area Parcels

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	259-260-029
2	259-260-036
3	259-260-039
4	259-260-041
5	259-260-042
6	259-260-082
7	259-260-084
8	259-260-086

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ OF _____, 201____.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ OF _____, 201____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

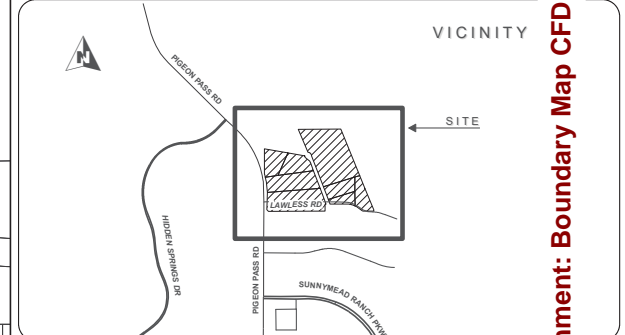
FILED THIS _____ DAY OF _____, 201____, AT THE HOUR OF _____ O'CLC
THE BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES
AND INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER FOR
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114. WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



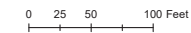
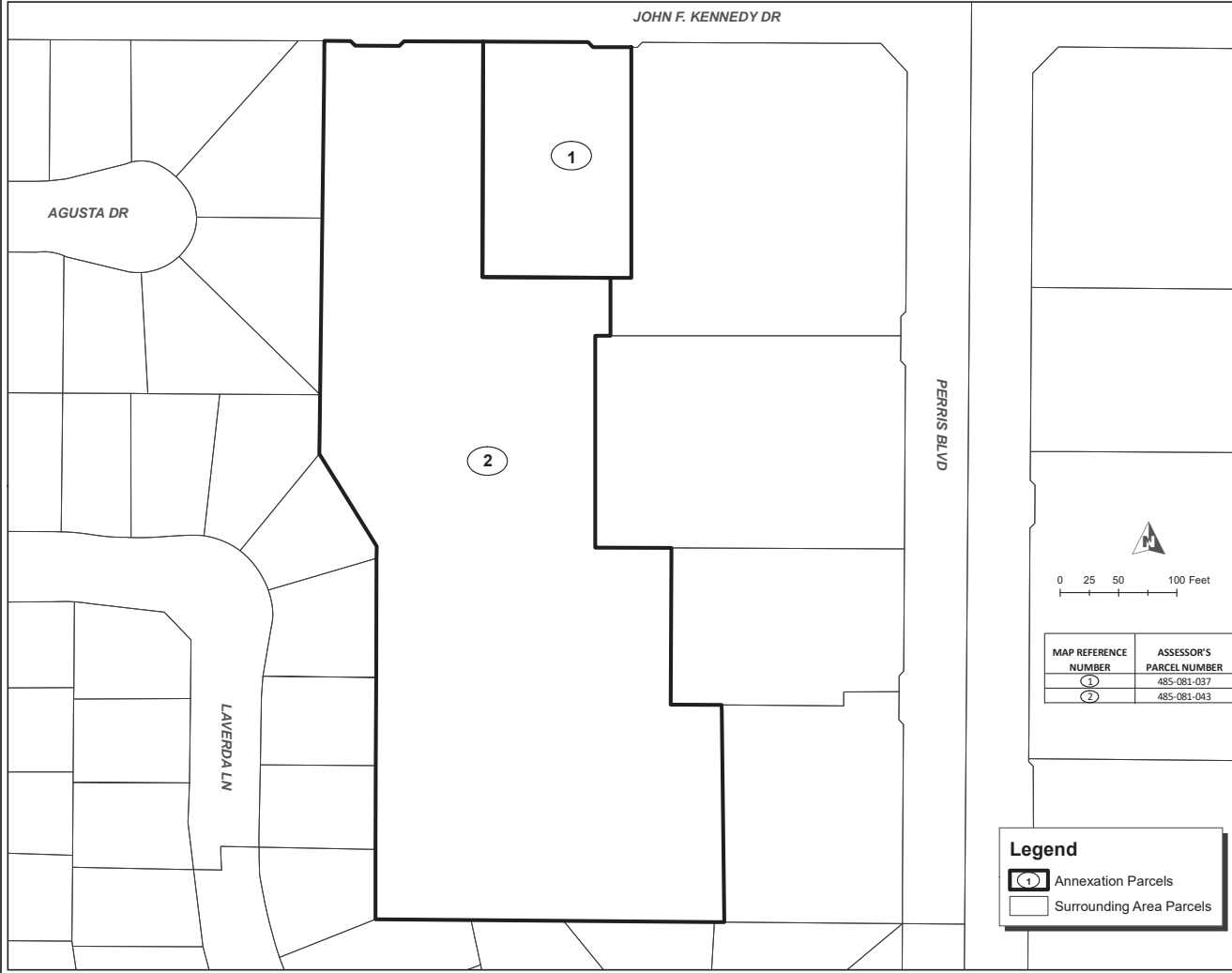
Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California II FIPS 0406 Feet

Attachment: Boundary Map CFD 2014-01 - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER

AMENDMENT NO. 34 TO BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(THIS MAP AMENDS, BY ADDING THE ADDITIONAL TERRITORY SHOWN HEREON, THE BOUNDARY MAP FOR CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, PRIOR RECORDED AT BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 69, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.)



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
①	485-081-037
②	485-081-043

Legend

- ① Annexion Parcels
- Surrounding Area Parcels

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ OF _____, 201____.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201____, AT ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

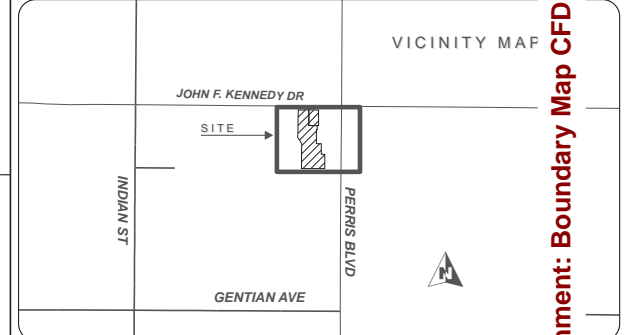
FILED THIS _____ DAY OF _____, 201____, AT THE HOUR OF _____ O'CLOCK _____ OF THE _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114. THAT TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS THAT TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS WERE RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 0481134, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet



Attachment: Boundary Map CFD 2014-01 - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER

**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

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

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on February 14th, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 32

WITNESS my hand this 14th day of February, 2019.

Jr Regina Flores
ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

LANDOWNER PETITION

Requesting and Approving Annexation of Territory to
City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services)

Pursuant to the Mello-Roos Community Facilities Act of 1982 (Section 53311 *et seq.* of the California Government Code) (the "Act"), the undersigned ("Landowner") hereby petitions the City Council of the City of Moreno Valley (the "City") as follows:

1. Landowner certifies that it is the owner of a certain lot and parcel (the "Property"), which lot and parcel is identified at the end of this document.
2. Landowner recognizes that the Property is located within the "future annexation area" of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "District"), as shown on the Boundary Map entitled "Annexation Map No. 2 of Community Facilities District No. 2014-01 (Maintenance Services) of City of Moreno Valley, County of Riverside, California (Territory proposed for annexation in the future, with the condition that parcels within that territory may be annexed only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed)" (the "Map"). The Map is recorded in the records of the Riverside County Recorder at Book 77 of Maps of Assessment and Community Facilities Districts at page 78.
3. Landowner requests and approves the annexation of the Property to the District as a part of the following Tax Rate Area(s) of the District: Tax Rate Area No. SL-01 (Street Lighting for Single-Family Residential) and LM-01C (Single-Family Residential Landscaping).
4. Landowner acknowledges receipt of the Rate and Method of Apportionment for the District entitled "SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and acknowledges that, upon annexation, the Property will be subject to an annual special tax to fund the following services, as well as the incidental expenses of administration of the District:
 - A. Street Lighting Services: Maintaining, servicing and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.
 - B. Landscape Maintenance Services: Maintaining, servicing and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements

Landowner Petition
CFD No. 2014-01
Amendment No. 32

may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities. The Property will constitute a single Annexation Group for purposes of funding Landscape maintenance. Based on current development plans, it is anticipated that the Annexation Group will be in Maintenance Category LM-01C; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.

- 5. Landowner acknowledges that, pursuant to Section 53339.7(a) of the Mello-Roos Act, as a consequence of the consent and approval given by it in this petition, the City Council of the City may annex the Property to the District without any further public hearings or elections. Such annexation may only subject the property to the taxes associated with the Tax Rate Area(s) listed in Paragraph 3 of this Petition.

The undersigned is the owner of the following parcel, identified below by their legal description or by the Assessor's Parcel Number assigned to them by the Riverside County Assessor:

- 259-260-029
- 259-260-036
- 259-260-039
- 259-260-041
- 259-260-042
- 259-260-082
- 259-260-084
- 259-260-086

The undersigned certifies under penalty of perjury under the laws of the State of California that it is authorized to execute this petition and that the foregoing is true and correct:

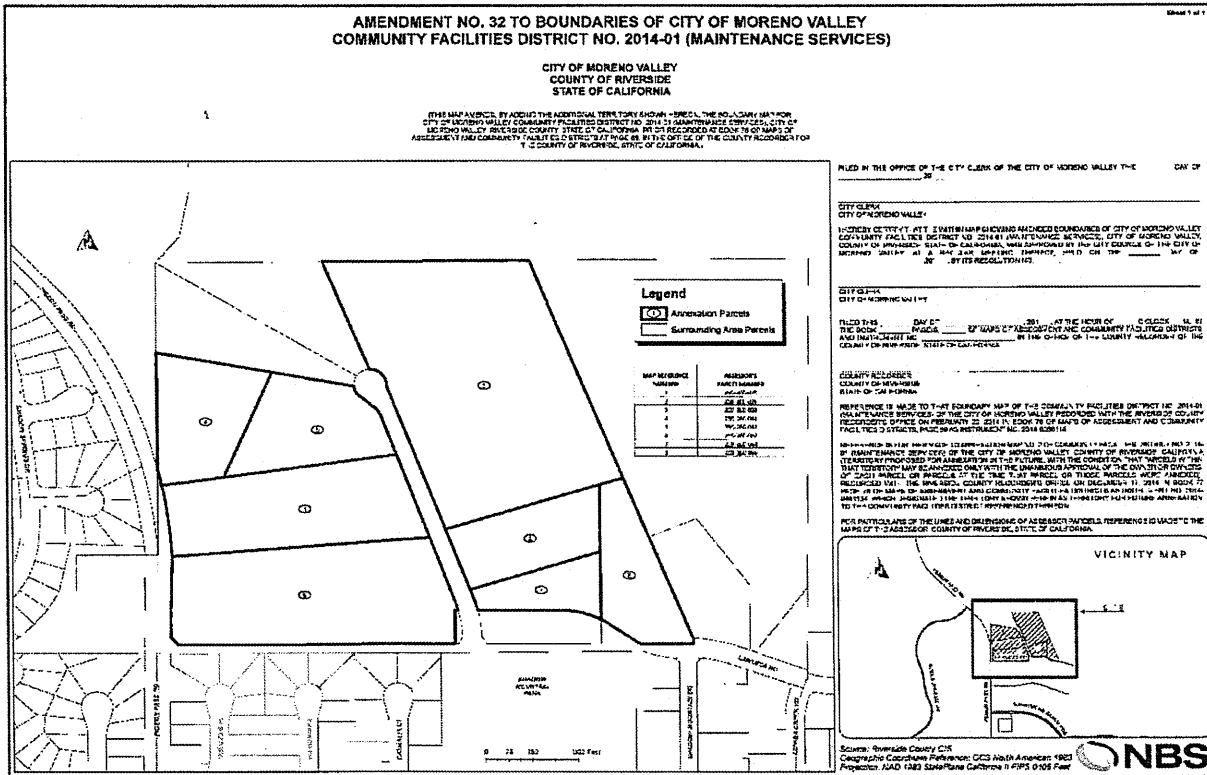
Owner Name: KB HOME COASTAL INC [Printed]
By: [Signature] [Signature]
SCOTT HANSEN [Printed Name of Signer]
Its: V.P.-PLANNING/DEV. [Title]
Date: 2/5/19 [Date]

Attachment: Certificate of Election Official - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

Landowner Petition
CFD No. 2014-01
Amendment No. 32

EXHIBIT A

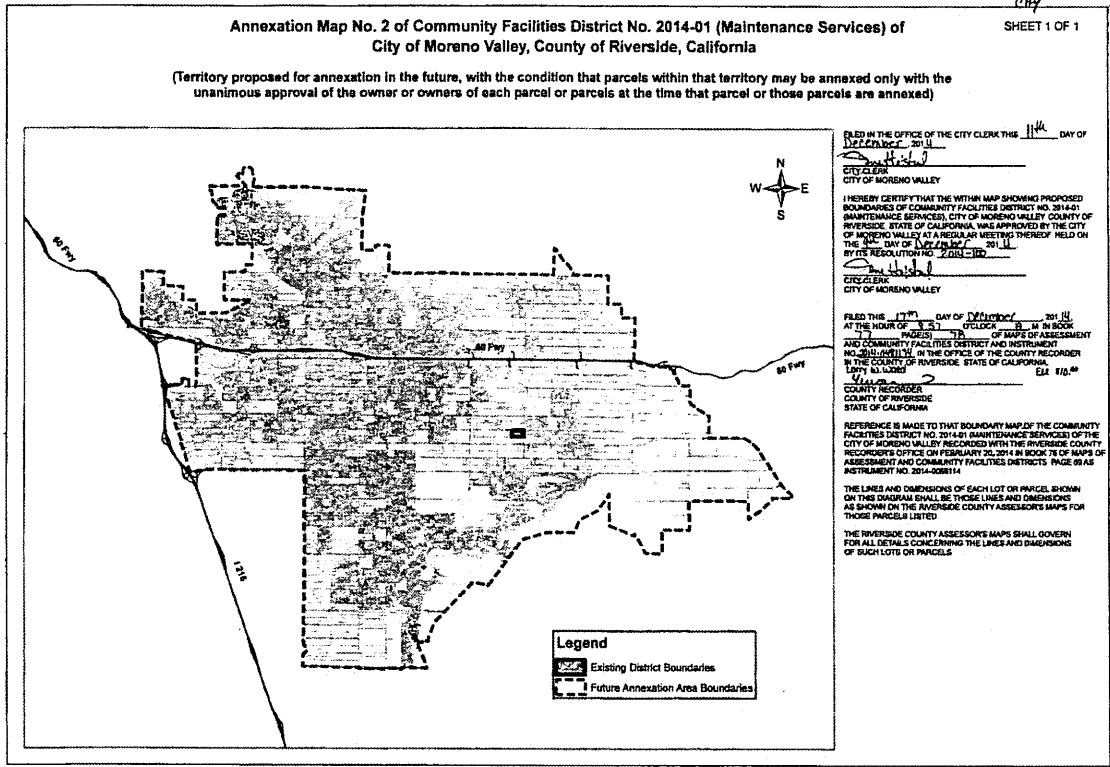
The following map shows the proposed boundaries of Amendment No. 32.



Attachment: Certificate of Election Official - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

Landowner Petition
CFD No. 2014-01
Amendment No. 32

The following map shows the Future Annexation Area Boundaries.



Attachment: Certificate of Election Official - Amendment No. 32 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

EXHIBIT B



**SECOND AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax for the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") shall be levied on all Assessor's Parcels in the CFD and collected each Fiscal Year in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq*).

"Administrative Expenses" means the expenses incurred by the City as administrator of the CFD to determine, levy and collect the Special Taxes, including salaries and benefits of City employees whose duties are related to administration of the CFD and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annexation Group" means a Parcel or group of Parcels that are annexed into the CFD and designated as an Annexation Group by the City Council action ordering annexation. In the event such order does not designate parcels as an Annexation Group, all parcels annexed by the order shall constitute a single Annexation Group.

"Annual Escalation Factor" means the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Region as published by the Department of Labor's Bureau of Labor Statistics or five percent (5%). If the CPI for the Los Angeles-Riverside-Orange County area is discontinued, the CFD administrator may replace it with a similar index for the purposes of calculating the Annual Escalation Factor.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on the official map of the Riverside County Assessor designating parcels by assessor's parcel number.

"Building Permit" means a permit issued for new construction of a residential or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits issued solely for grading, utility improvements, or other such improvements that are constructed and installed and are not intended for human occupancy.

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“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and administering the levy and collection of the Special Taxes.

“CFD” means City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services).

“City” means the City of Moreno Valley.

“Fiscal Year” means the period starting July 1 and ending the following June 30.

“Landscaping Area” means the area of landscaping added to the landscaping improvements to be maintained in connection with the CFD and funded by the Special Tax for specified Annexation Group(s).

“Maintenance Ratio” means the ratio derived by:

- (i) taking the square footage of the Landscaping Area associated with an Annexation Group, then
- (ii) dividing the amount from (i) by the number of Taxable Parcel(s) within that Annexation Group. Such amount will be rounded to the nearest whole number.

The Maintenance Ratio represents the number of square feet of landscaping that will be maintained for each taxed parcel.

For example, if an Annexation Group consists of all of the parcels in a new single family residential subdivision consisting of 100 single family residential parcels, and the CFD will fund the maintenance of 15,000 square feet of landscaping in the subdivision, then the Maintenance Ratio for the Annexation Group is 150 (15,000 divided by 100).

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section B below that can be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Median” means any landscaped area to be maintained in connection with the CFD that is located between lanes of traffic within the street right-of-way.

“Median-Shared” means any Median that is located in the right-of-way of a street that is bordered on both sides by parcels that are within the CFD (even if such parcels are separated from the right-of-way by a wall, parkway or other improvement).

“Parkway” means any landscaped area, other than a Median, to be maintained in connection with the CFD.

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“Property Owner Association Property” means any property within the boundaries of the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder, to a property owner association, including any master or sub-association.

“Proportional Front Foot” means, for a parcel of Taxable Property that is part of an Annexation Group, the result of the following calculation:

- (i) Take the total linear footage adjacent to each street light, Median, or Parkway improvements for all parcels of Taxable Property in that Annexation Group; then,
- (ii) Divide the total linear front footage calculation in step (i) by the total acreage of all Taxable Property in the Annexation Group; then,
- (iii) Multiply the result in step (ii) by the parcel's acreage for which the Proportional Front Foot is being calculated.

This calculation should be done separately with respect to:

- a) Median-Shared improvements
- b) Median improvement other than Median-Shared improvements
- c) Parkway improvements, and/or
- d) Street light improvements

The purpose of this calculation is to determine, based on a parcel's share of the acreage in its Annexation Group, the parcel's "fair share" of the linear footage of improvements maintained in connection with the CFD.

For example: if an Annexation Group consist of 10 acres of Taxable Property and in total 500 linear feet of the frontage of these parcels is adjacent to CFD-Maintained Parkway Improvement, then a 1.5 acre parcel of Taxable Property in that Annexation Group would have 75 Proportional Front Feet of Parkway $((500 / 10) * 1.5)$.

“Proportionately” means with respect to a Tax Rate Area, the ratio of the actual Special Tax levy to the Maximum Special tax is equal for all Assessor's Parcels within the Tax Rate Area.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency and is used for public purposes.



"Single-Family Residential" means any Assessors' Parcel within the CFD for which a Building Permit has been, or is intended to be, issued for purposes of constructing a residential structure consisting of one single-family unit.

"Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections B and C, below.

"Special Tax Requirement" means, for each Tax Rate Area separately, the amount required in any Fiscal Year to: (i) pay for the services financed by the CFD; (ii) pay Administrative Expenses; (iii) pay any amounts required to establish or replenish any Reserve Funds; and (iv) pay for anticipated delinquent Special Taxes (not to exceed 10% of total requirement) less any surplus of funds available from the previous Fiscal Year's Special Tax levy.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of the CFD other than Tax-Exempt Property.

"Tax-Exempt Property" means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, and (iii) property otherwise exempted by law from the Special Tax.

"Tax Rate Area" means a grouping of parcels that are taxed to fund a specific service. For example, Tax Rate Area No. SL-01 includes all parcels that are taxed for standard residential street lighting services and Tax Rate Area No. LM-01 includes all parcels that are taxed for landscape maintenance services for the public landscaping maintained in connection with Tax Rate Area No. LM-01. Tax Rate Areas may be created from time to time, and each parcel annexed to the CFD shall, at the time it is annexed, be assigned to one or more Tax Rate Area(s) by action of the City Council (with the consent of the property owner or with voter approval).

B. MAXIMUM SPECIAL TAX RATES

Each Tax Rate Area has separate Maximum Special Taxes for Taxable Property. On each July 1 following its indicated "base year", the Maximum Special Tax for Taxable Property for a Tax Rate Area shall be increased in accordance with the Annual Escalation Factor. No Special Tax shall be levied on Tax-Exempt Property.

1. Tax Rate Area No. SL-01 (Single-Family Residential Street Lighting)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. SL-01 will be \$197.39 per Single-Family Residential Parcel.

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The base year for Tax Rate Area No. SL-01 is Fiscal Year 2014/15.

2. Tax Rate Area No. SL-02 (Street Lighting for Property Other than Single-Family Residential)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. SL-02 will be \$3.25 per Proportional Front Foot.

The base year for Tax Rate Area No. SL-02 is Fiscal Year 2014/15.

3. Tax Rate Area No. LM-01 (Single-Family Residential Landscaping)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. LM-01 will be as follows:

Maintenance Category	Maintenance Ratio	Rate per Single-Family Residential Parcel
LM-01A	Less than or equal to 20 square feet per Single-Family Residential Parcel	\$14.19
LM-01B	21 - 40 square feet per Single-Family Residential Parcel	\$42.58
LM-01C	41 - 70 square feet per Single-Family Residential Parcel	\$78.06
LM-01D	71 - 110 square feet per Single-Family Residential Parcel	\$127.73
LM-01E	111 - 160 square feet per Single-Family Residential Parcel	\$191.60
LM-01F	161 - 220 square feet per Single-Family Residential Parcel	\$269.66
LM-01G	221 - 290 square feet per Single-Family Residential Parcel	\$361.91
LM-01H	291 - 370 square feet per Single-Family Residential Parcel	\$468.36
LM-01I	371 - 460 square feet per Single-Family Residential Parcel	\$589.00
LM-01J	461 - 560 square feet per Single-Family Residential Parcel	\$723.83
LM-01K	561 - 670 square feet per Single-Family Residential Parcel	\$872.85
LM-01L	671 - 790 square feet per Single-Family Residential Parcel	\$1,036.07
LM-01M	791 - 920 square feet per Single-Family Residential Parcel	\$1,213.48
LM-01N	921 - 1,060 square feet per Single-Family Residential Parcel	\$1,405.08
LM-01O	1,061 - 1,210 square feet per Single-Family Residential Parcel	\$1,610.87
LM-01P	1,211 - 1,370 square feet per Single-Family Residential Parcel	\$1,830.86
LM-01Q	1,371 - 1,540 square feet per Single-Family Residential Parcel	\$2,065.04
LM-01R	1,541 - 1,720 square feet per Single-Family Residential Parcel	\$2,313.41
LM-01S	1,721 - 1,910 square feet per Single-Family Residential Parcel	\$2,575.98
LM-01T	1,911 - 2,110 square feet per Single-Family Residential Parcel	\$2,852.73

The base year for Tax Rate Area No. LM-01 is Fiscal Year 2014/15.

4. Tax Rate Area No. LM-02 (Landscaping for Property Other than Single-Family Residential)

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The Maximum Special Tax for Taxable Property in Tax Rate Area No. LM-02 will be as follows:

Maintenance Category	Maintenance Description	Rate per Proportional Front Foot
LM-02A	Median(s) (other than Medians-Shared)	\$10.94
LM-02B	Median(s)-Shared	\$5.47
LM-02C	Parkway(s)	\$13.48

In the event the Proportional Front Footage for a single Annexation Group contains multiple Maintenance Categories, the Maximum Special Tax for Taxable Property in the Annexation Group will be the sum of the Special Taxes for each applicable Maintenance Category. For example if a parcel has 75 Proportional Front Feet of Parkway (see the example given as part of the definition of "Proportional Front Foot") and 50 Proportional Front Feet of Medians that are not Medians-Shared, that parcel's Maximum Special Tax will be \$1,558 (75 x \$13.48)+(50 x \$10.94).

If, as a result of an annexation, improvements (or portions of improvements) that had been classified in prior fiscal years as "Median" become "Median-Shared" improvements, the proportional front feet associated with those improvements (or portions of improvements) shall be taxed at the LM-02B rate rather than the LM-02A rate.

The base year for Tax Rate Area No. LM-02 is Fiscal Year 2014/15.

C. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, the CFD Administrator shall, separately within each Tax Rate Area, levy the Special Tax Proportionately on each Assessor's Parcel, whether Developed or Undeveloped, within that Tax Rate Area at up to 100% of the applicable Maximum Special Tax until the amount levied is equal to the Special Tax Requirement assigned to that Tax Rate Area in that Fiscal Year.

D. APPEALS

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or its designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable, a refund shall be granted.



The City Council may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals. Any decision of the City Council shall be final and binding as to all persons.

E. MANNER OF COLLECTION

The Special Tax as levied pursuant to Section D above and shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; however, the CFD Administrator may directly bill the Special Tax or collect Special Taxes at a different time, if necessary, to meet the financial obligations of the CFD as otherwise determined appropriate by the CFD Administrator.

The Special Tax shall be subject to the same penalties, procedure, sale, and lien priority in any case of delinquency as applicable for ad valorem taxes.

F. PREPAYMENT OF SPECIAL TAX OBLIGATION

The Special Tax may not be prepaid.

G. TERM OF SPECIAL TAX

Taxable Property in the CFD shall remain subject to the Special Tax in perpetuity or until the City Council takes appropriate actions to terminate the Special Tax pursuant to the Act.

H. ANNEXATIONS

It is intended that territory will, from time to time, be annexed to the CFD. Such territory will be assigned to new Tax Rate Areas, existing Tax Rate Areas, or a combination of new and existing Tax Rate Areas. In the event annexed territory is assigned to an existing Tax Rate Area, services (of a nature similar to those already provided in connection with the Tax Rate Area) will be provided to the annexed territory (or public improvements associated with the annexed territory).

I. RESTATEMENT

This document has been amended and restated from its original form. The purpose of restatements is to maintain the clarity of this document over time; to allow the document to be relevant to both existing and newly annexed parcels; and to aid in the efficient administration of the CFD. Amendments, except where approved by the relevant property owners, are not intended to increase the Maximum Special Tax Rate(s) applicable to parcels already a part of the CFD at the time of the amendment. To the extent an amendment inadvertently increases the Maximum Special Tax Rate(s) applicable to a Parcel, the Maximum Special Tax Rate(s) (adjusted by any associated

Landowner Petition
 CFD No. 2014-01
 Amendment No. 32



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Annual Escalation Factor) consented to by the owners of that Parcel at the time the Parcel was annexed to the CFD (or the voter-approved Maximum Special Tax Rate(s)) shall apply to that Parcel.

For purposes of the preceding paragraph, with respect to actions that occurred before a Parcel (the "Current Parcel") existed, the owners of the Current Parcel shall be understood to mean the owners of the Parcel that included the territory of the Current Parcel at the time the action occurred.

J. FORMER TAX RATE AREA NO. 1

Note that, beginning with the first amended and restated version of this document, the Tax Rate Area that was designated Tax Rate Area No. 1 in previous versions of this document has been redesignated as Tax Rate Area Nos. LM-01 and SL-01 (the "Successor Areas"). The combined Maximum Special Tax Rates in connection with the Successor Areas with respect to each Assessor's Parcel in former Tax Rate Area No. 1 is equal to the Maximum Special Tax Rate for former Tax Rate Area No. 1 and, together, the Successor Areas fund all services funded by the former Tax Rate Area No. 1. This change was made for administrative convenience and is not intended to increase the tax on the parcels included in former Tax Rate Area No. 1.

K. REVISION TO RATE TABLE FOR TAX RATE AREA NO. LM-01

Note that, beginning with the second amended and restated version of this document, an expanded tax rate table was created for Tax Rate Area No. LM-01. This tax rate table was designed to provide appropriate Maximum Tax Rates for parcels with different Maintenance Ratios.

All Taxable Parcels in Tax Rate Area No. LM-01 prior to this amendment were subject to a Base Year 2014/15 Maximum Special Tax of \$468.36 and are part of an Annexation Group with a Maintenance Ratio of 291 - 370 square feet per Single-Family Residential Parcel. This amendment does not change the maximum special tax rate for parcels already in the District. This change is not intended to increase the tax on the parcels included in Tax Rate Area No. LM-01 prior to the amendment.

**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

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

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on February 14th, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 34

WITNESS my hand this 14th day of February, 2019.

for Regina Flores
ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

LANDOWNER PETITION

Requesting and Approving Annexation of Territory to
City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services)

Pursuant to the Mello-Roos Community Facilities Act of 1982 (Section 53311 *et seq.* of the California Government Code) (the “Act”), the undersigned (“Landowner”) hereby petitions the City Council of the City of Moreno Valley (the “City”) as follows:

1. Landowner certifies that it is the owner of a certain lot and parcel (the “Property”), which lot and parcel is identified at the end of this document.
2. Landowner recognizes that the Property is located within the “future annexation area” of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the “District”), as shown on the Boundary Map entitled “Annexation Map No. 2 of Community Facilities District No. 2014-01 (Maintenance Services) of City of Moreno Valley, County of Riverside, California (Territory proposed for annexation in the future, with the condition that parcels within that territory may be annexed only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed)” (the “Map”). The Map is recorded in the records of the Riverside County Recorder at Book 77 of Maps of Assessment and Community Facilities Districts at page 78.
3. Landowner requests and approves the annexation of the Property to the District as a part of the following Tax Rate Area(s) of the District: Tax Rate Area No. SL-02 (Street Lighting for Property Other than Single-Family Residential).
4. Landowner acknowledges receipt of the Rate and Method of Apportionment for the District entitled “SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” and acknowledges that, upon annexation, the Property will be subject to an annual special tax to fund the following services, as well as the incidental expenses of administration of the District:
 - A. Street Lighting Services: Maintaining, servicing and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.
5. Landowner acknowledges that, pursuant to Section 53339.7(a) of the Mello-Roos Act, as a consequence of the consent and approval given by it in this petition, the City Council of the City may annex the Property to the District without any further public


Landowner Petition
CFD No. 2014-01
Amendment No. 34

hearings or elections. Such annexation may only subject the property to the taxes associated with the Tax Rate Area(s) listed in Paragraph 3 of this Petition.

The undersigned is the owner of the following parcel, identified below by their legal description or by the Assessor's Parcel Number assigned to them by the Riverside County Assessor:

485-081-037
485-081-043

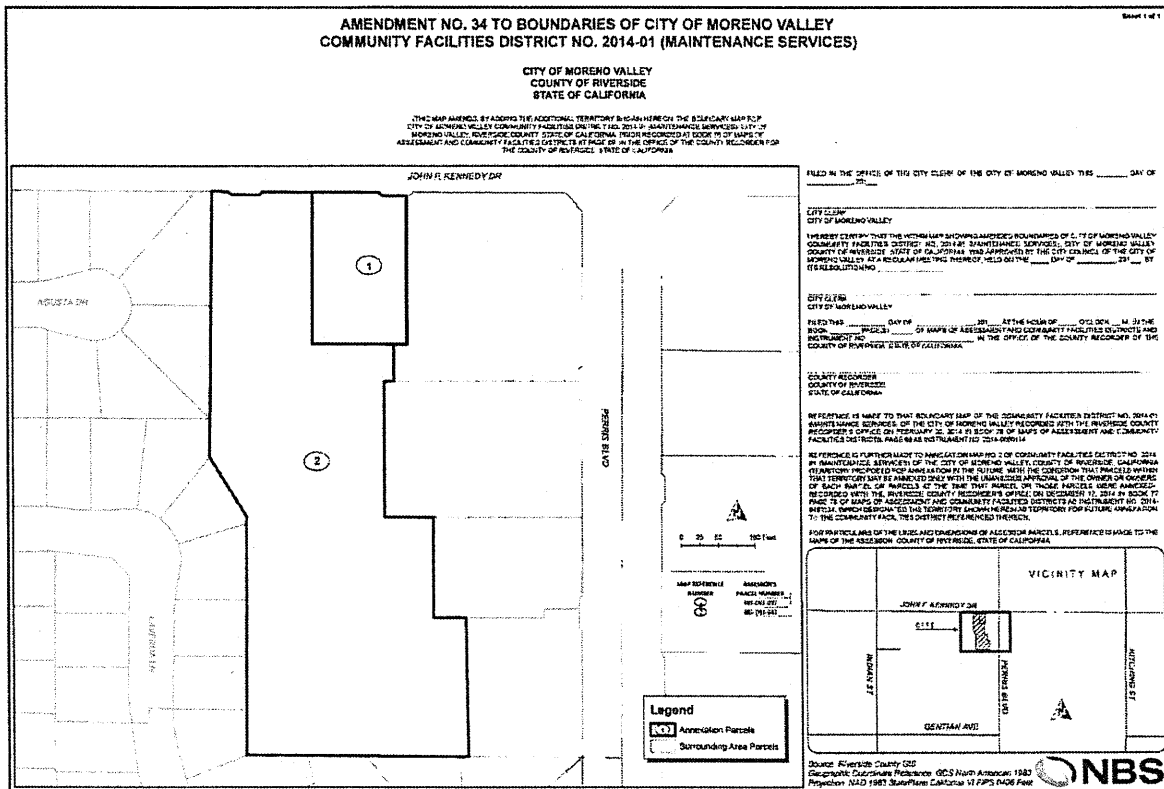
The undersigned certifies under penalty of perjury under the laws of the State of California that it is authorized to execute this petition and that the foregoing is true and correct:

Owner Name: Jeff Gossett [Printed]
By:  [Signature]
JEFF GOSSETT [Printed Name of Signer]
Its: OWNER [Title]
Date: 2/5/19 [Date]

Landowner Petition
CFD No. 2014-01
Amendment No. 34

EXHIBIT A

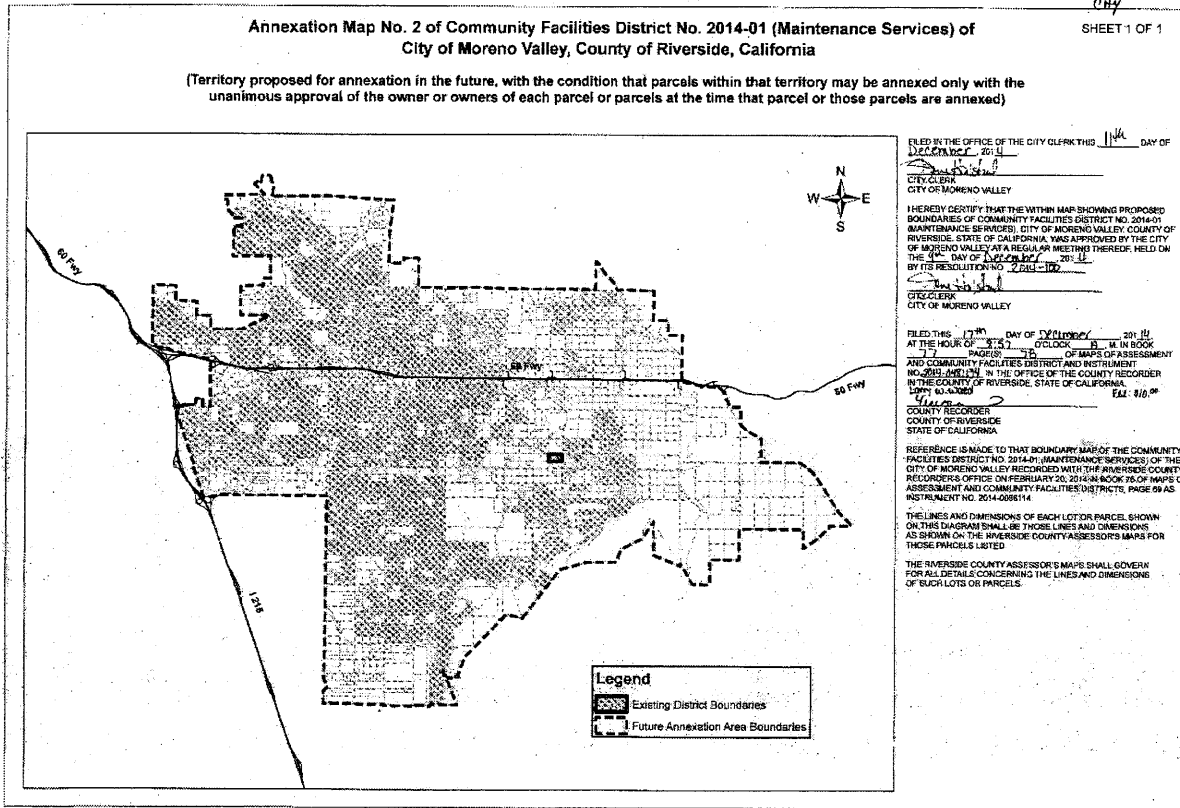
The following map shows the proposed boundaries of Amendment No. 34.



Attachment: Certificate of Election Official - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

Landowner Petition
CFD No. 2014-01
Amendment No. 34

The following map shows the Future Annexation Area Boundaries.



Attachment: Certificate of Election Official - Amendment No. 34 (3434 : PURSUANT TO A LANDOWNER PETITION, ANNEX TEN PARCELS INTO

EXHIBIT B



**SECOND AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax for the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") shall be levied on all Assessor's Parcels in the CFD and collected each Fiscal Year in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*).

"Administrative Expenses" means the expenses incurred by the City as administrator of the CFD to determine, levy and collect the Special Taxes, including salaries and benefits of City employees whose duties are related to administration of the CFD and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annexation Group" means a Parcel or group of Parcels that are annexed into the CFD and designated as an Annexation Group by the City Council action ordering annexation. In the event such order does not designate parcels as an Annexation Group, all parcels annexed by the order shall constitute a single Annexation Group.

"Annual Escalation Factor" means the greater of the increase in the annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County Region as published by the Department of Labor's Bureau of Labor Statistics or five percent (5%). If the CPI for the Los Angeles-Riverside-Orange County area is discontinued, the CFD administrator may replace it with a similar index for the purposes of calculating the Annual Escalation Factor.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on the official map of the Riverside County Assessor designating parcels by assessor's parcel number.

"Building Permit" means a permit issued for new construction of a residential or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits issued solely for grading, utility improvements, or other such improvements that are constructed and installed and are not intended for human occupancy.

Landowner Petition
CFD No. 2014-01
Amendment No. 34



Page 2 of 8

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and administering the levy and collection of the Special Taxes.

“CFD” means City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services).

“City” means the City of Moreno Valley.

“Fiscal Year” means the period starting July 1 and ending the following June 30.

“Landscaping Area” means the area of landscaping added to the landscaping improvements to be maintained in connection with the CFD and funded by the Special Tax for specified Annexation Group(s).

“Maintenance Ratio” means the ratio derived by:

- (i) taking the square footage of the Landscaping Area associated with an Annexation Group, then
- (ii) dividing the amount from (i) by the number of Taxable Parcel(s) within that Annexation Group. Such amount will be rounded to the nearest whole number.

The Maintenance Ratio represents the number of square feet of landscaping that will be maintained for each taxed parcel.

For example, if an Annexation Group consists of all of the parcels in a new single family residential subdivision consisting of 100 single family residential parcels, and the CFD will fund the maintenance of 15,000 square feet of landscaping in the subdivision, then the Maintenance Ratio for the Annexation Group is 150 (15,000 divided by 100).

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section B below that can be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Median” means any landscaped area to be maintained in connection with the CFD that is located between lanes of traffic within the street right-of-way.

“Median-Shared” means any Median that is located in the right-of-way of a street that is bordered on both sides by parcels that are within the CFD (even if such parcels are separated from the right-of-way by a wall, parkway or other improvement).

“Parkway” means any landscaped area, other than a Median, to be maintained in connection with the CFD.



“Property Owner Association Property” means any property within the boundaries of the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder, to a property owner association, including any master or sub-association.

“Proportional Front Foot” means, for a parcel of Taxable Property that is part of an Annexation Group, the result of the following calculation:

- (i) Take the total linear footage adjacent to each street light, Median, or Parkway improvements for all parcels of Taxable Property in that Annexation Group; then,
- (ii) Divide the total linear front footage calculation in step (i) by the total acreage of all Taxable Property in the Annexation Group; then,
- (iii) Multiply the result in step (ii) by the parcel's acreage for which the Proportional Front Foot is being calculated.

This calculation should be done separately with respect to:

- a) Median-Shared improvements
- b) Median improvement other than Median-Shared improvements
- c) Parkway improvements, and/or
- d) Street light improvements

The purpose of this calculation is to determine, based on a parcel's share of the acreage in its Annexation Group, the parcel's "fair share" of the linear footage of improvements maintained in connection with the CFD.

For example: if an Annexation Group consist of 10 acres of Taxable Property and in total 500 linear feet of the frontage of these parcels is adjacent to CFD-Maintained Parkway Improvement, then a 1.5 acre parcel of Taxable Property in that Annexation Group would have 75 Proportional Front Feet of Parkway $((500 / 10) * 1.5)$.

“Proportionately” means with respect to a Tax Rate Area, the ratio of the actual Special Tax levy to the Maximum Special tax is equal for all Assessor's Parcels within the Tax Rate Area.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency and is used for public purposes.



“Single-Family Residential” means any Assessor’s Parcel within the CFD for which a Building Permit has been, or is intended to be, issued for purposes of constructing a residential structure consisting of one single-family unit.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections B and C, below.

“Special Tax Requirement” means, for each Tax Rate Area separately, the amount required in any Fiscal Year to: (i) pay for the services financed by the CFD; (ii) pay Administrative Expenses; (iii) pay any amounts required to establish or replenish any Reserve Funds; and (iv) pay for anticipated delinquent Special Taxes (not to exceed 10% of total requirement) less any surplus of funds available from the previous Fiscal Year’s Special Tax levy.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD other than Tax-Exempt Property.

“Tax-Exempt Property” means an Assessor’s Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, and (iii) property otherwise exempted by law from the Special Tax.

“Tax Rate Area” means a grouping of parcels that are taxed to fund a specific service. For example, Tax Rate Area No. SL-01 includes all parcels that are taxed for standard residential street lighting services and Tax Rate Area No. LM-01 includes all parcels that are taxed for landscape maintenance services for the public landscaping maintained in connection with Tax Rate Area No. LM-01. Tax Rate Areas may be created from time to time, and each parcel annexed to the CFD shall, at the time it is annexed, be assigned to one or more Tax Rate Area(s) by action of the City Council (with the consent of the property owner or with voter approval).

B. MAXIMUM SPECIAL TAX RATES

Each Tax Rate Area has separate Maximum Special Taxes for Taxable Property. On each July 1 following its indicated “base year”, the Maximum Special Tax for Taxable Property for a Tax Rate Area shall be increased in accordance with the Annual Escalation Factor. No Special Tax shall be levied on Tax-Exempt Property.

1. Tax Rate Area No. SL-01 (Single-Family Residential Street Lighting)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. SL-01 will be \$197.39 per Single-Family Residential Parcel.



The base year for Tax Rate Area No. SL-01 is Fiscal Year 2014/15.

2. Tax Rate Area No. SL-02 (Street Lighting for Property Other than Single-Family Residential)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. SL-02 will be \$3.25 per Proportional Front Foot.

The base year for Tax Rate Area No. SL-02 is Fiscal Year 2014/15.

3. Tax Rate Area No. LM-01 (Single-Family Residential Landscaping)

The Maximum Special Tax for Taxable Property in Tax Rate Area No. LM-01 will be as follows:

Maintenance Category	Maintenance Ratio	Rate per Single-Family Residential Parcel
LM-01A	Less than or equal to 20 square feet per Single-Family Residential Parcel	\$14.19
LM-01B	21 - 40 square feet per Single-Family Residential Parcel	\$42.58
LM-01C	41 - 70 square feet per Single-Family Residential Parcel	\$78.06
LM-01D	71 - 110 square feet per Single-Family Residential Parcel	\$127.73
LM-01E	111 - 160 square feet per Single-Family Residential Parcel	\$191.60
LM-01F	161 - 220 square feet per Single-Family Residential Parcel	\$269.66
LM-01G	221 - 290 square feet per Single-Family Residential Parcel	\$361.91
LM-01H	291 - 370 square feet per Single-Family Residential Parcel	\$468.36
LM-01I	371 - 460 square feet per Single-Family Residential Parcel	\$589.00
LM-01J	461 - 560 square feet per Single-Family Residential Parcel	\$723.83
LM-01K	561 - 670 square feet per Single-Family Residential Parcel	\$872.85
LM-01L	671 - 790 square feet per Single-Family Residential Parcel	\$1,036.07
LM-01M	791 - 920 square feet per Single-Family Residential Parcel	\$1,213.48
LM-01N	921 - 1,060 square feet per Single-Family Residential Parcel	\$1,405.08
LM-01O	1,061 - 1,210 square feet per Single-Family Residential Parcel	\$1,610.87
LM-01P	1,211 - 1,370 square feet per Single-Family Residential Parcel	\$1,830.86
LM-01Q	1,371 - 1,540 square feet per Single-Family Residential Parcel	\$2,065.04
LM-01R	1,541 - 1,720 square feet per Single-Family Residential Parcel	\$2,313.41
LM-01S	1,721 - 1,910 square feet per Single-Family Residential Parcel	\$2,575.98
LM-01T	1,911 - 2,110 square feet per Single-Family Residential Parcel	\$2,852.73

The base year for Tax Rate Area No. LM-01 is Fiscal Year 2014/15.

4. Tax Rate Area No. LM-02 (Landscaping for Property Other than Single-Family Residential)



The Maximum Special Tax for Taxable Property in Tax Rate Area No. LM-02 will be as follows:

Maintenance Category	Maintenance Description	Rate per Proportional Front Foot
LM-02A	Median(s) (other than Medians-Shared)	\$10.94
LM-02B	Median(s)-Shared	\$5.47
LM-02C	Parkway(s)	\$13.48

In the event the Proportional Front Footage for a single Annexation Group contains multiple Maintenance Categories, the Maximum Special Tax for Taxable Property in the Annexation Group will be the sum of the Special Taxes for each applicable Maintenance Category. For example if a parcel has 75 Proportional Front Feet of Parkway (see the example given as part of the definition of "Proportional Front Foot") and 50 Proportional Front Feet of Medians that are not Medians-Shared, that parcel's Maximum Special Tax will be \$1,558 (75 x \$13.48)+(50 x \$10.94).

If, as a result of an annexation, improvements (or portions of improvements) that had been classified in prior fiscal years as "Median" become "Median-Shared" improvements, the proportional front feet associated with those improvements (or portions of improvements) shall be taxed at the LM-02B rate rather than the LM-02A rate.

The base year for Tax Rate Area No. LM-02 is Fiscal Year 2014/15.

C. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, the CFD Administrator shall, separately within each Tax Rate Area, levy the Special Tax Proportionately on each Assessor's Parcel, whether Developed or Undeveloped, within that Tax Rate Area at up to 100% of the applicable Maximum Special Tax until the amount levied is equal to the Special Tax Requirement assigned to that Tax Rate Area in that Fiscal Year.

D. APPEALS

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or its designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable, a refund shall be granted.



The City Council may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals. Any decision of the City Council shall be final and binding as to all persons.

E. MANNER OF COLLECTION

The Special Tax as levied pursuant to Section D above and shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; however, the CFD Administrator may directly bill the Special Tax or collect Special Taxes at a different time, if necessary, to meet the financial obligations of the CFD as otherwise determined appropriate by the CFD Administrator.

The Special Tax shall be subject to the same penalties, procedure, sale, and lien priority in any case of delinquency as applicable for ad valorem taxes.

F. PREPAYMENT OF SPECIAL TAX OBLIGATION

The Special Tax may not be prepaid.

G. TERM OF SPECIAL TAX

Taxable Property in the CFD shall remain subject to the Special Tax in perpetuity or until the City Council takes appropriate actions to terminate the Special Tax pursuant to the Act.

H. ANNEXATIONS

It is intended that territory will, from time to time, be annexed to the CFD. Such territory will be assigned to new Tax Rate Areas, existing Tax Rate Areas, or a combination of new and existing Tax Rate Areas. In the event annexed territory is assigned to an existing Tax Rate Area, services (of a nature similar to those already provided in connection with the Tax Rate Area) will be provided to the annexed territory (or public improvements associated with the annexed territory).

I. RESTATEMENT

This document has been amended and restated from its original form. The purpose of restatements is to maintain the clarity of this document over time; to allow the document to be relevant to both existing and newly annexed parcels; and to aid in the efficient administration of the CFD. Amendments, except where approved by the relevant property owners, are not intended to increase the Maximum Special Tax Rate(s) applicable to parcels already a part of the CFD at the time of the amendment. To the extent an amendment inadvertently increases the Maximum Special Tax Rate(s) applicable to a Parcel, the Maximum Special Tax Rate(s) (adjusted by any associated



Annual Escalation Factor) consented to by the owners of that Parcel at the time the Parcel was annexed to the CFD (or the voter-approved Maximum Special Tax Rate(s)) shall apply to that Parcel.

For purposes of the preceding paragraph, with respect to actions that occurred before a Parcel (the "Current Parcel") existed, the owners of the Current Parcel shall be understood to mean the owners of the Parcel that included the territory of the Current Parcel at the time the action occurred.

J. FORMER TAX RATE AREA NO. 1

Note that, beginning with the first amended and restated version of this document, the Tax Rate Area that was designated Tax Rate Area No. 1 in previous versions of this document has been redesignated as Tax Rate Area Nos. LM-01 and SL-01 (the "Successor Areas"). The combined Maximum Special Tax Rates in connection with the Successor Areas with respect to each Assessor's Parcel in former Tax Rate Area No. 1 is equal to the Maximum Special Tax Rate for former Tax Rate Area No. 1 and, together, the Successor Areas fund all services funded by the former Tax Rate Area No. 1. This change was made for administrative convenience and is not intended to increase the tax on the parcels included in former Tax Rate Area No. 1.

K. REVISION TO RATE TABLE FOR TAX RATE AREA NO. LM-01

Note that, beginning with the second amended and restated version of this document, an expanded tax rate table was created for Tax Rate Area No. LM-01. This tax rate table was designed to provide appropriate Maximum Tax Rates for parcels with different Maintenance Ratios.

All Taxable Parcels in Tax Rate Area No. LM-01 prior to this amendment were subject to a Base Year 2014/15 Maximum Special Tax of \$468.36 and are part of an Annexation Group with a Maintenance Ratio of 291 - 370 square feet per Single-Family Residential Parcel. This amendment does not change the maximum special tax rate for parcels already in the District. This change is not intended to increase the tax on the parcels included in Tax Rate Area No. LM-01 prior to the amendment.



Report to City Council

TO: Mayor and City Council

FROM: Mike Lee, Economic Development Director

AGENDA DATE: March 19, 2019

TITLE: EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT FOR FUTURE SALE OF CITY-OWNED PROPERTY AT ALESSANDRO BOULEVARD AND LASSELLE STREET WITH PANORAMA PROPERTIES, INC.

RECOMMENDED ACTION

Recommendation:

1. That the City Council approve an Exclusive Right to Negotiate agreement with Panorama Properties, Inc. regarding the proposed development of City-owned property at Alessandro Boulevard and Lasselle Street.
2. That the City Council authorize the City Manager or designee to execute the Exclusive Right to Negotiate agreement with Panorama Properties, Inc.
3. That the City Council authorize the City Manager or designee to negotiate a Purchase & Sale Agreement during the Exclusive Right to Negotiate period for the development of City-owned property at Alessandro Boulevard and Lasselle Street.

SUMMARY

This report requests City Council approval of an Exclusive Right to Negotiate agreement (“ERN”) for the proposed development of City-owned property at the southeast corner of Alessandro Boulevard and Lasselle Street (See Exhibit A). If the City Council approves, staff seeks further authorization to negotiate a Purchase & Sale Agreement with Panorama Properties, Inc. (“Panorama”), which would be brought back to the City Council for consideration in a future public meeting.

BACKGROUND

The City owns 8.78 gross acres of vacant land at the southeast corner of Alessandro Boulevard and Lasselle Street (“City Parcels” - depicted in Exhibit A). The majority of

this property is zoned for Multi-Family Residential (R-30) development. However, a substantial portion that represents a large boulder is zoned as Open Space. Net of the boulder acreage, the property is left with an irregularly shaped buildable area.

The City has examined the City Parcels and determined that the severe site constraints created by the size, location, and removal cost of the boulder render the property less valuable for housing but provide good potential for a neighborhood commercial development.

DISCUSSION

The City received a proposal (“Panorama Proposal” - Exhibit B) from Panorama Properties, Inc. (“Panorama”) to purchase the property from the City. The developer is proposing to develop the vacant City Parcels for commercial uses.

If the City Council desires to develop the City Parcels in partnership with Panorama, staff recommends approving an ERN for 12 months with an option to extend for an additional 6 months. An ERN is a legal agreement that allows the developer time to:

- Perform Due Diligence Site Research
- Design Project
- Process Entitlement Applications (Conditional Use Permits, Zone Change, General Plan Amendment)
- Complete an Appraisal
- Negotiate Terms of Sale
- Market Space for Potential Commercial Uses

Following are the summarized major terms of the attached ERN (see Exhibit C):

- **TERM:** ERN would be in effect for 12 months and may be extended for a period of 6 months.
- **ASSIGNMENT:** Panorama may not assign its rights without consent of the City, except to an entity of which a Panorama affiliate is a managing and/or controlling member.
- **DEVELOPMENT PLAN:** Panorama will present a proposed plan for the project (“Development Plan”) to the City staff for review within 90 days of the ERN effective date.
- **PANORAMA COSTS:** Panorama will bear all the predevelopment costs during the ERN period and any extension.
- **CITY APPLICATION FEES:** Panorama will pay all fees, deposits, and bonds associated with submitting and processing the City’s development applications and other documents.
- **CITY COSTS:** Panorama will deposit \$50,000 with the City to be the source used to reimburse the City for the actual out-of-pocket costs incurred fulfilling its obligations under the ERN, as well as negotiating / preparing the Purchase & Sale Agreement (“Purchase Agreement”).
- **COUNCIL AUTHORITY:** The ERN does not guarantee that any proposed Purchase & Sale Agreement negotiated by City staff will be approved by the City

Council.

If the ERN is approved, staff will negotiate a Purchase Agreement during the ERN period that will be brought back to the City Council for consideration. The Purchase Agreement will include terms related to the following provisions, among others:

- Financial terms
- Use covenants that run with the land
- Scope of the entitlement and development work
- Development schedule
- Performance bonding
- Insurance and indemnities
- Default processes

As drafted, Panorama is proposing to pay the City fair market value for the properties. As such, an appraisal will need to be completed, the cost for which Panorama has agreed to pay by reimbursing the City during the ERN period. It is important to note that this site has a large rock outcropping that is a severe site constraint that may diminish the value of the property because of the oddly-shaped buildable area.

Panorama Properties, Inc. has successfully developed a broad range of complex commercial projects. Its expertise includes planning, entitlements, development, management, strategic planning, and negotiations:

- Moreno Valley: Iris Plaza, CVS @ Perris / JFK
- Rancho Cucamonga: Day Creek Square, a mixed use, joint development with DR Horton at SEC of Baseline and Day Creek
- San Jacinto: Rancho Estudillo Plaza, an 8.81-acre 54,640 sq. ft. neighborhood center with anchor retail, fast casual restaurants, and a corner gas station at Sanderson and 7th

ALTERNATIVES

1. Approve the attached Exclusive Right to Negotiate agreement with Panorama Properties, Inc. for development of City-owned property at Alessandro Boulevard and Lasselle Street and authorize the City Manager to execute the ERN as drafted. This alternative will allow for development of a neighborhood commercial center on oddly-shaped and otherwise difficult to develop parcels. Staff recommends this alternative.
2. Approve the attached Exclusive Right to Negotiate agreement with Panorama Properties, Inc. for development of City-owned property at Alessandro Boulevard and Lasselle Street and authorize the City Manager to execute the ERN as drafted. This alternative will allow for development of a neighborhood commercial center on oddly-shaped and otherwise difficult to develop parcels. Staff recommends this alternative.
3. Approve the attached Exclusive Right to Negotiate agreement with Panorama Properties, Inc. for development of City-owned property at Alessandro Boulevard and Lasselle Street and authorize the City Manager to execute the ERN as drafted. This alternative will allow for development of a neighborhood

commercial center on oddly-shaped and otherwise difficult to develop parcels. Staff recommends this alternative.

FISCAL IMPACT

Authorizing execution of the Exclusive Right to Negotiate has no impact on the General Fund. If the ERN is executed as drafted, Panorama will bear all the predevelopment costs during the ERN period and any extension. Panorama will also pay all entitlement and plan check fees, deposits, and bonds associated with processing the City's development applications and other documents.

If a Purchase & Sale Agreement is successfully negotiated and executed, the City would receive land sale proceeds as revenue. In addition, the successful development of the project may create substantial jobs and generate new revenues to the City's General Fund in the form of property tax revenue, sales tax revenue, business license gross receipts, and utility users tax revenue.

PREPARATION OF STAFF REPORT

Prepared By:
Mike Lee
Economic Development Director

Department Head Approval:
Mike Lee
Economic Development Director

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

1. City Parcels
2. Panorama Development Proposal

3. Exclusive Right to Negotiate

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/05/19 7:42 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 2:27 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:39 PM

Attachment A – City Parcels



Attachment: City Parcels (3458 : EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH PANORAMA)

PANORAMA PROPERTIES, INC.

2005 WINSTON COURT
UPLAND, CALIFORNIA 91784
(909) 931-3363 PHONE

October 17, 2018

Mr. Mike Lee
City of Moreno Valley

**Re: SEC Alessandro Blvd. & Lasselle Street
Moreno Valley, California**

Dear Mr. Lee:

The following are the terms and conditions we propose for the purchase of the above-referenced property.

- Property:** APN: 486-280-044 comprising approximately 8.47 Acres or net usable property.
- Buyer:** Panorama Properties, Inc.
- Price:** Fair market rate to be determined by certified appraisal.
- Deposit:** Upon full execution of a Purchase Agreement, Panorama Properties, Inc. shall deposit into escrow, upon the opening of escrow, Twenty Thousand and No/100 Dollars (\$20,000.00) that shall be credited toward the purchase price at closing. Upon the issuance of the Conditional Use Permits, Zone Change, and General Plan Amendment for the Property, the Deposit shall become nonrefundable but applicable to the Purchase Price.
- Escrow:** Escrow shall close Thirty (30) days after the issuance of the Conditional Use Permits and other noncontingent governmental approval of Buyer’s proposed Use(s) for the Property.
- Conditions:**
 - A. The Buyer shall obtain all permits and governmental approvals from the necessary agencies to construct its building(s) for its intended uses.
 - B. Buyer to approve a current title report.
 - C. Seller agrees to deliver the property free and clear of any violations of federal or local laws, ordinances or regulations relating to environmental conditions on, under or about the property.
- Condition of the Property:** The Property shall be delivered in “As Is” condition.
- Investigation:** Seller agrees to deliver to Buyer within five (5) days from Opening of Escrow copies of the following documents:
 - 1. Copies of recent property tax statements.
 - 2. Copies of all leases, service maintenance, management or other contracts or agreements relating to the ownership of the property.
 - 3. Current ALTA Survey for property, if available.
 - 4. Copies of any environmental reports, if available.
- Offer expiration:** This letter shall expire on October 31, 2018.

Attachment: Panorama Development Proposal (3458 : EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH PANORAMA)

This letter is intended solely and exclusively as a preliminary expression of general intentions. The parties mutually intend that neither shall have any binding contractual obligations to the other with respect to the matters referred to herein unless and until a formal written contract has been prepared with adequate opportunity for review by legal counsel and has been fully executed and delivered by the parties. Disclosure: Wes Fifield is a licensed California Real Estate Broker.

Upon acceptance of this proposal, Buyer shall prepare a Purchase and Sale Agreement for execution by both Buyer and Seller. This contract will incorporate the terms and conditions of this letter and other customary terms and conditions. I look forward to working on this transaction with you. If you have any questions or comments, please feel free to give me a call.

Sincerely yours,

Panorama Properties, Inc., a California Corporation

Wesley M. Fifield
President

Attachment: Panorama Development Proposal (3458 : EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH PANORAMA)

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

This Exclusive Right to Negotiate Agreement ("**Agreement**") is made and entered into this ____ day of _____, 2019 ("**Effective Date**"), by and between the CITY OF MORENO VALLEY, a municipal corporation located in the County of Riverside, State of California ("**City**"), and PANORAMA PROPERTIES, INC., a California corporation, ("**Developer**"), collectively hereinafter referred to as the "Parties" and sometimes, singularly, a "Party," upon the following terms:

RECITALS

WHEREAS, City is the owner of that certain real property on the Southeast corner of the intersection of Alessandro Blvd. and Lasselle Street, comprising 8.78 gross acres ("**City Parcels**"), as legally described in Exhibit "A," attached hereto and incorporated herein by this reference; and

WHEREAS, Developer is the owner of that certain real property on the east side of Perris Boulevard and south of Iris Avenue ("**Iris Plaza**") and the CVS pharmacy at the southwest corner of Perris Boulevard and John F Kennedy Drive and has demonstrated expertise in commercial development, as described in Exhibit "B" (the "**Developer Proposal**" dated October 17, 2018); and

WHEREAS, subject to compliance with all requirements of the California Environmental Quality Act ("**CEQA**"), Developer desires to negotiate with City, and City desires to negotiate with Developer, to establish terms and conditions upon which Developer can purchase from City and develop a commercial shopping center on the City Parcels (the "**Project**"); and

WHEREAS, Developer and City desire as part of the negotiation process, to further define the concept for the future Project development following the purchase of the City Parcels from the City and their development by Developer, and to further define the scope and design of the overall use and development of the Project.

WHEREAS, it is the intent of both the City and Developer in entering into this Agreement to establish a specific, limited period of time to negotiate the terms of an agreement for the purchase of the City Parcels from City by Developer ("**Purchase Agreement**"), subject to certain conditions that address:

1. The purchase of the City Parcels by City and sale of same to Developer; and
2. The scope of the entitlement and development of the Project by Developer in a manner generally consistent with the Developer Proposal, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be negotiated and documented in the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, City and Developer agree as follows:

1. **Recitals.** The Recitals set forth above are hereby incorporated into this Agreement by this reference, as though fully set forth herein.
2. **Identity of Parties.** The legal identities of the Parties to this Agreement and their addresses are as follows:
 - a. Developer is Panorama Properties, Incorporated, a California corporation. The principal office of Developer for purposes of this Agreement is 2005 Winston Court, Upland, California, 91784.
 - b. City is the City of Moreno Valley, a municipal corporation. The principal office of the City for purposes of this Agreement is 14177 Frederick Street, Moreno Valley, California 92552.
 - c. Notices to any Party shall be personally delivered or sent by first class mail or by overnight courier to its principal office address.
 - d. Notices to City shall be to City's principal office and clearly marked, "Attention: Economic Development Director."
 - e. Notices to Developer shall be to Developer's principal office and clearly marked, "Attention: Wes Fifield, President."
3. **Restrictions on Change in Ownership and Assignment of Agreement.**
 - a. The qualifications and identity of Developer are of particular concern to the City. Developer's qualifications, experience and proposal for the Project as generally set forth in Exhibits "B" are the reasons that the City has entered into this Agreement with Developer.
 - b. Developer may not assign its rights under this Agreement without the prior written consent of the City, which the City may withhold at its reasonable discretion provided, however, City agrees that Developer may assign its rights under this Agreement to an entity of which Developer, Wes Fifield, is a managing and/or controlling member, partner or owner, whether by ownership, contract or voting control.
4. **Term of Agreement.**
 - a. **Negotiation Period.** This Agreement shall be in effect for the period of twelve (12) months commencing on the Effective Date unless extended by its terms ("**Negotiation Period**").

- a. **Extension Period.** Upon satisfactory performance during the Negotiation Period by Developer as determined in City's reasonable discretion, and upon Developer's request, the Agreement shall be extended for a period of six (6) months ("**Extension Period**").
 - b. **Automatic Termination.** This Agreement shall automatically expire and be of no further force or effect on the earlier of:
 - i. the expiration or earlier termination of the Negotiation Period or subsequent Extension Period; and
 - ii. the execution of a separate Purchase Agreement by both the City and Developer, in their respective sole and absolute discretion.
5. **Obligations of Parties and Schedule of Performance.** During the Negotiation Period, City and Developer shall proceed diligently and in good faith to do all of the following:
- a. Within ninety (90) days following the Effective Date, Developer shall present to the City staff for review, a proposed plan ("**Development Plan**") for the development of the Project consistent with the Developer Proposal, including, without limitation:
 - i. the proposed land use for the future development and operation of the Project; and
 - ii. the scope of due diligence and design work required to implement the Development Plan.
 - b. City and Developer shall use the Developer Proposal submitted by Developer as a starting point to negotiate in good faith the terms of the Purchase Agreement for the City Parcels, as more specifically discussed in Section 12 below.
 - c. Developer shall, at least monthly throughout the Negotiation Period and subsequent Extension Period, if any, submit progress reports to the City, and upon request meet and confer with the City concerning the ongoing progress of the required actions. Throughout the Negotiation Period and any Extension Period, the City shall make its staff reasonably available to meet with the Developer to discuss the acquisition of the City Parcels, development of the Project and negotiation and preparation of the Purchase Agreement.
 - d. During the Negotiation Period and any Extended Period, Developer and its employees, agents or representatives, shall have the right of reasonable access to the City Parcels during normal business hours for the purposes

of inspecting the City Parcels and undertaking any necessary soils and other tests, studies and reports and otherwise conducting due diligence to ensure that the City Parcels are suitable for Developer's intended use. Notwithstanding anything else in this Agreement, Developer shall defend, indemnify and hold the City, its employees, officers and agents, harmless from any injury, property damage or liability arising out of the exercise by Developer of this right of access, other than injury, property damage or liability relating to the gross negligence or willful misconduct of the City or its officers, agents or employees.

6. Predevelopment Costs.

- a. Developer shall bear all predevelopment costs relating to actions of Developer under this Agreement. All fees or expenses of engineers, architects, financial consultants, attorneys, planning or other consultants or contractors, retained by Developer, for any study, analysis, evaluation, report, schedule, estimate, environmental review, surveys, planning and/or design activities, drawings, specifications or other activity or matter relating to the Project or negotiation of a Purchase Agreement that may be undertaken by Developer during the Negotiation Period and any subsequent Extension Period, pursuant to, in connection with, or in reliance upon this Agreement or in Developer's discretion, regarding any matter relating to a Purchase Agreement of the City Parcels, shall be the sole responsibility of and undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of, or in reliance upon the City.
- b. Developer shall pay all fees, charges and costs, make all deposits and provide all bonds or other security associated with the submission to and processing by the City of any and all applications and other documents and information to be submitted to the City by Developer pursuant to this Agreement or otherwise associated with the design, planning, entitlement, or development of the Project.

7. Deposit.

- a. Developer shall reimburse the City for the actual, out-of-pocket costs and expenses incurred (consultants' fees, title reports, and appraisal costs) in negotiating and preparing the Purchase Agreement and fulfilling its obligations under this Agreement ("**Reimbursable Costs**"). Within five (5) business days after the City approves and executes this Agreement and delivers a copy to Developer, Developer shall deposit with the City the sum of Fifty Thousand Dollars (\$50,000.00) ("**Deposit Funds**"). The Reimbursement Funds shall be used and applied from time to time by the City to pay itself for the Reimbursable Costs.
- b. The City shall provide Developer with a detailed accounting of the City's use

of any of the Reimbursement Funds within a reasonable time after the end of each sixty (60) day period during the term of this Agreement. The City shall also provide Developer with a quarterly budget for its use of such funds. Any remaining amount of the Reimbursement Funds shall be delivered to the Developer (along with a final accounting of the City's use of the Reimbursement Funds) within thirty (30) business days after the earlier of:

- i. the execution of the Purchase Agreement or
- ii. the expiration or earlier termination of this Agreement. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

8. **Exclusive Negotiations.** During the Negotiation Period and subsequent Extension Period, and in addition to the obligations it shares with Developer under Section 5, above, the City agrees that it shall not negotiate with any other person regarding the Purchase Agreement or sale or development of the City Parcels. The term "negotiate," as used in this Section 8, means engaging in any discussions with a person other than Developer with respect to that person's development of the City Parcels to the total or partial exclusion of Developer from acquiring or developing upon the City Parcels, without Developer's written consent, which may be withheld in Developer's sole and absolute discretion. The City may receive and retain unsolicited offers regarding the City Parcels, but shall not negotiate with the proponent of any such offer during the Negotiation Period or any Extension Period.

9. **Negotiation of Purchase Agreement.** During the Negotiation Period and any subsequent Extension Period, the City and Developer shall diligently and in good faith negotiate the potential terms, conditions, covenants, restrictions and agreements of a Purchase Agreement between them. The City and Developer shall generally cooperate with each other and supply such documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. Both the City and Developer shall exercise reasonable efforts to complete discussions relating to the terms and conditions of a Purchase Agreement and such other matters, all as may be mutually acceptable to both the City and Developer. The exact terms and conditions of a Purchase Agreement, if any, shall be determined during the course of these negotiations. Nothing in this Agreement shall be interpreted or construed to be a representation or agreement by either the City or Developer that a mutually acceptable Purchase Agreement will be produced from negotiations under this Agreement. Nothing in this Agreement shall impose any obligation on either Party to agree to a definitive Purchase Agreement in the future. Nothing in this Agreement shall be interpreted or construed to be a guaranty, warranty or representation that any proposed Purchase Agreement that may be negotiated by City staff and Developer will be approved by the City's governing body. Developer acknowledges and agrees that the City's consideration of any Purchase Agreement is subject to the sole

discretion of the City governing body and all legally required public hearings, public meetings, notices, factual findings and other determinations required by law.

- 10. Legislative Action.** City and Developer acknowledge that the City must exercise its independent legislative authority in making any and all findings and determinations required of them by law concerning the City Parcels. This Agreement does not restrict the legislative authority of the City in any manner, whatsoever, and does not obligate the City to enter into the Purchase Agreement or to take any course of action with respect to the Project. Except as expressly stated in this Agreement, if this Agreement expires or sooner terminates without execution of a Purchase Agreement, each party shall bear its own costs related to this Agreement.
- 11. Defaults.** Either the City or Developer shall be in default of this Agreement if it (a) fails to fulfill its obligations when due, which failure is not caused by the other party, or otherwise violates any covenant, restriction or obligation contained in this Agreement, (b) does not negotiate the Purchase Agreement in good faith and upon the terms stated in this Agreement, (c) does not reasonably cooperate with the other in fulfilling the other's obligations under this Agreement, or (d) refuses to execute the Purchase Agreement when negotiations are completed and the Purchase Agreement has been approved by both Parties and deposit any funds then required of it for the Purchase Agreement (except if the City has disapproved the Project after public hearing in exercise of its legislative authority or in accordance with CEQA in exercise of its independent review. The defaulting Party shall have thirty (30) days to cure the default. Should the defaulting Party fail to cure the default within that thirty (30) day period, the non-defaulting Party may, as its sole remedy at law or in equity terminate this Agreement by written notice given to the defaulting Party. This thirty (30) day period in no way, manner, or form extends, continues, tolls, or modifies the Negotiation Period or Extended Period under this Agreement. Notwithstanding the terms of this Section 11, if City defaults in its obligations under Section 7 above, Developer may seek injunctive relief or specific performance to enforce its exclusive rights under Section 8.
- 11.1 Termination for Developer Default.** After termination of this Agreement for default of Developer, subject to Developer's cure rights, Developer shall have no rights under this Agreement to participate in the development of the Project, and the City shall have the absolute right to pursue development of the City Parcels, in any manner it deems appropriate.
- 11.2 Remedies.** The remedies contained in this Section 11 are the sole and exclusive remedies for default of this Agreement and neither Party may claim, as a result of a default of this Agreement, any damages, whether monetary, non-monetary, contingent, consequential, or otherwise.
- 12. Purchase Agreement.** In addition to other provisions stated in this Agreement, the Purchase Agreement will address, without limitation, the following provisions:

- a. Terms for financial consideration.
 - b. Use covenants to run with the land related to the Project.
 - c. The scope of work for the entitlement and development of the Project on the City Parcels.
 - c. Payment and performance bonding and other completion assurance.
 - e. Insurance and indemnities, including hazardous materials indemnities.
 - f. Anti-discrimination provisions.
 - g. Compliance with all applicable state and federal laws.
 - h. Performance assurances such as a good faith deposit to open escrow.
 - i. Limitation on assignments and transfers of the Purchase Agreement and its obligations and benefits without City approval.
 - j. Compliance with CEQA mitigation.
 - k. Definition of the net area of the City Parcels for sale by City to Developer.
 - l. City's rights to revest the City Parcels upon Developer default.
 - m. An estimated Project completion date.
 - n. City's rights to cure defaults, assume loans, and complete construction of the Project.
- 13. City Reliance on Developer.** Developer understands and acknowledges that the City is entering into this Agreement with Developer because Developer has reputed financial capacity, specific expertise and experience.
- 14. Acknowledgements and Reservations.**
- 14.1** The City and Developer agree that, if this Agreement expires or is terminated for any reason, or a future Purchase Agreement is not signed by both the City and Developer, for any reason, neither the City nor Developer shall be under any obligation, nor have any liability to each other or any other person regarding the sale or other disposition of the City Parcels or the development of the Project, except as may be expressly provided in this Agreement.

- 14.2** Developer acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the City, nor an acceptance by the City of any offer or proposal from Developer for the City to convey any estate or interest in the City Parcels to Developer or for the City to provide any financial or other assistance to Developer for development of the Project or the City Parcels.
- 14.3** Developer acknowledges and agrees that Developer has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in real or personal property from the City.
- 14.4** The City reserves the right to reasonably obtain further information, data and commitments to ascertain the ability and capacity of Developer to lease, develop and operate the City Parcels and/or the Project. Developer acknowledges that it may be requested to make certain financial disclosures to the City, its staff, legal counsel or other consultants, as part of the financial due diligence investigations of the City relating to the potential acquisition of the City Parcels and development of the Project on the City Parcels by Developer and that any such disclosures shall, to the fullest extent permitted by law, be maintained by the City as confidential information but may become public records that are subject to the Public Records Act.
- 14.5** The City shall not be deemed to be a party to any agreement for the acquisition, lease, or disposition of real or personal property, including the City Parcels, the provision of financial assistance to Developer or development of the Project on the City Parcels or elsewhere, until the terms and conditions of a complete future Purchase Agreement are considered and approved by the City's governing body in its sole discretion, following the conclusion of any public hearing(s) required by law. Developer expressly acknowledges and agrees that the City will not be bound by any statement, promise or representation made by City staff or representatives during the course of negotiations of a future Purchase Agreement and that the City shall only be legally bound upon the approval of a complete Purchase Agreement by the City's governing body in its sole discretion.
- 15. Waiver of Lis Pendens.** The Parties to this Agreement hereby expressly understand, acknowledge and agree that no lis pendens shall be filed against the City Parcels or any portion of such property for any claim, action or dispute arising from this Agreement except to the limited extent permitted in Section 11.
- 16. Indemnification and Hold Harmless.** Developer shall indemnify, defend, and hold City harmless from and against any and all claims, demands, actions, losses, damage, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therewith) arising out of the performance of this Agreement and also for all aspects of the Project to the fullest extent permitted by law, provided this Section 16 shall not apply to any claims arising from the willful misconduct of City.

17. **Applicable Law; Venue.** This Agreement shall be construed in accordance with the law of the State of California, and venue for any action under this Agreement shall be in Riverside County, California.
18. **Attorneys' Fees.** In the event of any dispute between the Parties which dispute results in litigation, the prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, witness and expert fees and investigation costs as part of its judgement. A party receiving an award after arbitration or an order or judgment after hearing or trial shall not be considered a prevailing party if such award, order or judgment is not substantially greater than the other party's offer of settlement made in advance of the arbitration, hearing or trial.
19. **Unavoidable Delay.** For the purposes of any of the provisions of this Agreement, neither City nor Developer shall be considered in breach of, or default in, its obligations with regard to their respective obligations, if the delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, litigation filed in state or federal court by any third party which either directly results in a delay of either party's performance, or which, in the reasonable judgment of either party substantially increases the cost or risk of continued performance, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather (as for example, floods, tornadoes, or hurricanes). In the event of the occurrence of any such delay, the time or times for performance of such obligations of City and Developer shall be extended for the period of the delay provided that the party seeking the benefit of the provisions of this Section shall, within twenty (20) days after it has knowledge of any such delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the delay.
20. **Entitlements.** Developer shall, during the Negotiation Period and any subsequent Extension Period, prepare and process an Initial Study and undertake all other actions required under CEQA for City approval of the Project, at Developer's cost. In addition to the Initial Study, Developer may, during the Negotiation Period and any subsequent Extension Period, without any guaranty of approval therefor seek City approval of a General Plan amendment, zone change, and all subdivision entitlements that may be required for the development of the Project.
21. **No Third Parties Benefited.** This Agreement is made and entered into for the sole protection and benefit of the City and Developer, and no other person or entity does now or will have any right of action or any rights under or pursuant to this Agreement.
22. **Notice.** Any notice, request, approval or other communication to be provided by one Party to the other shall be in writing and provided by personal service or a reputable overnight delivery service (such as Federal Express) or by deposit in the

United States mail, certified, postage prepaid, return receipt requested and addressed as follows:

If to the Developer:

Panorama Properties, Inc.
2005 Winston Court
Upland, California 91784
Attention: Wesley Fifield

If to the City:

City of Moreno Valley
14177 Fredrick Street
Moreno Valley, California 92553
Attention: Mike Lee

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed in the manner provided above shall be deemed effective on the fourth business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by a notice given in accordance with this Section.

23. **Representatives.** For purposes of the negotiations contemplated by this Agreement, the Developer's representative shall be Wesley Fifield (Phone: 909-921-5959; Email: wes@panoramadev.com), and the City's representative shall be Mike Lee, Economic Development Director (Phone: (909) 413-3238 Email: mikel@moval.org).
24. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. Signatures delivered by facsimile or e-mailed (in pdf format) shall be as binding as originals upon the Parties so signing and delivering.
25. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof. There are no other agreements or understandings between the Parties with respect to the subject matter hereof or any related subject and no representations by either Party to the other have been made as an inducement to enter into this Agreement. All prior negotiations between the Parties are superseded by this Agreement.

- 26. **Amendments.** This Agreement may not be altered, amended or modified except by a writing executed by all Parties hereto.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Effective Date above.

CITY OF MORENO VALLEY

PANORAMA
PROPERTIES, INC.,
a California corporation

BY: _____
Thomas M. DeSantis, City Manager

BY: Wes Fifi
TITLE: Wes Fifi, President

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:

City Attorney

Date
RECOMMENDED FOR APPROVAL:

Department Head

Date

2-27-19
Date

Attachment: Exclusive Right to Negotiate (3458 : EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH PANORAMA)

EXHIBIT "A"

City Parcel Descriptions

The land referred to in this Exclusive Right to Negotiate Agreement is identified by Assessor's Parcel Numbers 486280044 and 486280059.

Exhibit "B"

Developer Proposal



Report to City Council

TO: Mayor and City Council

FROM: Richard J. Sandzimier, Community Development Director

AGENDA DATE: March 19, 2019

TITLE: AUTHORIZATION TO AWARD AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES FOR CITYWIDE SHOPPING CART RETRIEVAL SERVICES TO WEST COAST SHOPPING CART SERVICE, INC.

RECOMMENDED ACTION

Recommendations:

1. Approve and award an Agreement for On-Site and/or Professional Services to West Coast Shopping Cart Services, Inc. to provide citywide shopping cart retrieval services.
2. Authorize the City Manager, or his designee, to execute an Agreement for On-Site and/or Professional Services with West Coast Shopping Cart Services, Inc. subject to the approval of the City Attorney.
3. Authorize the Chief Financial Officer, or his designee, to approve a purchase order with West Coast Shopping Cart Services, Inc. in accordance with approved terms of the Agreement.

SUMMARY

This report recommends approval of an Agreement for On-Site and/or Professional Services with West Coast Shopping Cart Services, Inc. in the amount of \$ 212,500 (\$12,500 for FY18/19 and \$50,000 annually for FY19/20-FY22/23) for citywide shopping cart retrieval services.

West Coast Shopping Cart Services, Inc. is recommended for this project following a thorough review and rating of multiple proposals submitted to the City in response to a Request for Quotes (RFQ) issued for this work. The selected vendor will work in concert with City staff to ensure timely collection of abandoned shopping carts throughout the

City.

DISCUSSION

The City's shopping cart retrieval program aims to maintain carts for their intended purposes, and to control and limit blight because of misused and abandoned shopping carts. Currently, the City's vendor collects over 6,000 abandoned shopping carts annually throughout the City.

This report recommends award of an Agreement to West Coast Shopping Cart Services, Inc. Collections services will be provided citywide, 7 days-a-week. The monthly rate for services will be billed on a per-cart basis with a "not-to-exceed" cap of 950 carts per month. Under the Agreement, all collected carts will be returned to the City Yard for recovery by the individual stores/businesses. Carts not collected by the respective stores will be recycled in accordance with state guidelines.

In addition to collection duties 7 days-a-week, this report recommends a \$15,000 annual expense for part-time staff to perform admin duties of cart collection and to be available for businesses to recover their carts per the Business & Professional code. This role will also be available for the collection vendor to drop off abandoned carts on weekends when the City Yard is typically closed.

On October 30, 2018, the Code & Neighborhood Services Division issued a Request for Quotes (RFQ) soliciting services for the shopping cart retrieval program. The RFQ was broadly advertised on the City's online bid portal, PlanetBids, to ensure an open competitive process. On November 26, 2018, the City received two (2) qualifying responses from the following firms:

Retail Marketing Services, Inc., dba West Coast Shopping Cart Services, Inc.
Cartrac

The Community Development Director and Code and Neighborhood Services Division Manager reviewed the submitted quotes. Based on consideration of the City's current collection rates and the fees provided, West Coast Shopping Cart Services was selected as the best suited for the project.

The Agreement will be in effect from the date the City executes the Agreement through June 30, 2023, if no written notice of termination is received by either party in accordance with and as provided for in the Agreement.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this report. *This alternate is recommended by staff as it will facilitate uninterrupted cart collection services citywide.*
2. Do not approve and authorize the recommended actions in this report. *This*

alternative is not recommended by staff as it would cause interruption in the City's cart collection services with the current vendor contract expiring March 31, 2019.

FISCAL IMPACT

The first year impact will be absorbed in the current budget. The impact of the second and third year have been added to the FY19/20 and FY20/21 proposed budget which will come before Council in May or June 2019 for adoption. The remaining years will be budgeted in their respective budget cycles.

NOTIFICATION

This item was previously presented at a City Council Study Session on February 12, 2019. The recommendation was to proceed and present to the City Council for approval and award.

PREPARATION OF STAFF REPORT

Prepared By:
Steve Alvarado
Code and Neighborhood Services Division Manager

Department Head Approval:
Richard J. Sandzimier
Community Development Director

CITY COUNCIL GOALS

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

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

Objective 5.5: Promote a healthy community and lifestyle.

ATTACHMENTS

- 1. RFQ 2018-030 Shopping Cart Retrieval Program - Final
- 2. Cartrac Moreno Valley Proposal FINAL
- 3. West Coast Moreno Valley Proposal FINAL
- 4. West Coast Shopping Cart Agreement for On-Site and-or Professional Services

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/12/19 4:57 PM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 9:36 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:38 AM

Attachment "1"

City of Moreno Valley



Request for Quote

2018-030

Shopping Cart Retrieval Program

October 30, 2018

Question Deadline:

November 16, 2018, 4:00 pm, PST

Proposal Due Date:

November 26, 2018, 2:00 pm, PST

Submit proposal online at:

<https://www.planetbids.com/portal/portal.cfm?CompanyID=24660>

Overview, Project Location, Schedule, Qualifications, Definitions

I. Overview of Requirements

(a) The City of Moreno Valley is seeking bids for a shopping cart retrieval program to be awarded at the earliest possible date. This program will commence on the date the contract is signed by the City through June 30, 2023, contingent upon annual budget allocations.

(b) The City of Moreno Valley desires to have all abandoned shopping carts in the City promptly collected and returned to the City's designated collection area by an experienced and knowledgeable contractor that has the personnel and equipment capable of providing such services. The intent is to quickly, efficiently, and proactively have all abandoned shopping carts in the City promptly collected to eliminate actual and potential safety hazards and blight with a high level of customer service.

A. Contractor must provide everything necessary at contractor's expense including, but not limited to all labor, prep work, materials, supplies, parts, tools, equipment, and the like required to perform and complete the required work.

II. Project Location & Project Schedule

A. **Location:** Various locations throughout the City of Moreno Valley

B. **Schedule:** Please see scope of services for detailed instructions regarding Contractor's work schedule.

III. Bidder Qualifications

A. References

1. Have at least three satisfactory references for whom bidder has provided similar services within the past three years **OR**

2. Have performed satisfactory work for the City within the past three years.

IV. Intended Awardee Requirements

A. Submit a City Business License and Insurance Certificates and Policies per General Terms and Conditions section.

B. Provide any additional items required by CR or elsewhere in the Specifications.

V. Definitions, Acronyms, and Abbreviations

A. **Acronyms and Abbreviations**

1. The following list is not all-inclusive; there may be additional and specific ones used elsewhere in the RFQ.

a) City = City.

b) Contractor/Consultant = the prospective or actual bidder, proposer, quoter.

c) Solicitation Documents = documents, forms, exhibits, etc. included in or attached to the Solicitation.

General Requirements

I. **Specific Terms and Conditions**

- A. Industry Standards, Legal and Best Practice Requirements
 - 1. Ensure that all equipment, materials, supplies, and work meet or exceed all applicable industry standards.
 - 2. Be self-informed, abide by, and comply with all applicable, local, state, federal or other legal requirements and best practices at all times.
 - 3. Do not cause, allow to be caused, or permit the continuance of any violation of any legal requirements or best management practices.
 - 4. Be responsible and bear all associated costs should any work be performed in contrary to any laws, ordinances, codes, rules, or regulations.
- B. Environmental Requirements
 - 1. Comply with all current applicable local, state, and federal requirements.
- C. Safety and Protection
 - 1. Note it is Contractor's responsibility to be fully self-informed regarding all legal and industry standard requirements regarding all applicable safety requirements.
 - 2. Exercise all necessary and reasonable precautions regarding safety of persons and property in performance of the contract requirements and while on site.
 - 3. Ensure that all Personal Protective Equipment (PPE) is provided as-needed for all persons engaged in work.
 - 4. Ensure an adequate number of workers are onsite to ensure safety.
 - 5. Ensure all safety requirements are exercised at all times during performance of work including any barricading, taping, coning, plating, etc.
 - 6. Report, immediately, all safety concerns, incidents, or accidents to the City.
- D. Security
 - 1. Contractor's vehicles shall be clearly identified with the cart retrieval service provider's company name.
 - 2. Contractor shall make every effort to prevent damage to the shopping carts.
- E. Damages
 - 1. Protect materials, products, and facilities against damage for project duration.
- F. Work Done by Others
 - 1. Be solely responsible for any and all actions performed by Contractor and subcontractor workers.

2. All subcontracting must be done according to the laws of the State of California.
- G. Work Schedules
1. Please see scope of services for detailed instructions regarding Contractor's work schedule.
- H. Unsatisfactory Work
1. City will NOT pay for any unsatisfactory work.
 2. City may utilize alternate sources to correct any Contractor-attributed deficiency that Contractor fails to correct within 5 calendar days of notice and City will deduct from Contractor's payment the total cost including City overhead.

(CONTINUED ON NEXT PAGE)

Exhibit A: Scope of Work

II. Scope of Work

- (a) The Contractor, using its “designated Contractor Agent(s)” shall patrol all City streets, including streets in residential housing tracts, business sites, and commercial locations to search for and retrieve abandoned shopping carts within City limits.
- (b) The Contractor will be responsible for providing a toll-free 800 number hotline and an online portal for residents to report abandoned shopping carts locations.
- (c) The Contractor shall review the City’s shopping cart hotline at least two (2) times daily, at start of business day, and again at 1:00p.m. Contractor shall retrieve reported shopping carts on the same day, whenever possible. All carts must be retrieved within a 24-hour period of the reported time.
- (d) The Contractor shall tag each cart in accordance with the City’s defined tagging system, and shall maintain daily cart collection logs for all carts collected under the City’s cart retrieval service. Cart collection logs will show time, location, and number of carts picked up.

The approved daily cart collection logs will be provided by the City in time for Contractor to begin cart collection, and will be required to be submitted with Contractor’s monthly invoicing.

- (e) While performing shopping cart retrieval services for the City, the Contractor shall not collect, record collections, nor deliver to the City designated collection area, any carts for businesses that also contract with the Contractor for services. Carts collected under non-City agreements shall not be submitted for invoice to the City, and shall not be collected for, or returned to, the stores during the hours the designated Contractor Agent is performing City services. The City is not responsible to pay for these carts.

This provision of the contract does not preclude the Contractor from having separate “designated Contractor Agent(s)” using entirely separate tools, equipment, and vehicle(s) to perform service under non-City agreements.

- (f) Except for carts identified in item (e) above, the Contractor shall deliver all collected carts to the City’s designated collection area during regular drop-off hours (Monday, Wednesday, Friday, Saturday, and Sunday, 7:30am-4:30pm*), shall organize the carts in the collection corrals, and shall maintain a log of each.
- (g) The Contractor shall obtain a delivery confirmation signature on the cart collection log(s) from City personnel at the time of delivery to the City’s designated collection area.
- (h) The Contractor will be responsible for removal and disposal of trash/debris from all carts delivered to City designated collection area.
- (i) In addition to contact information for the “designated Contractor Agent(s),” the Contractor shall identify a daily supervisor and provide contact information to City for

use during regular drop-off hours (Monday, Wednesday, Friday, Saturday, and Sunday, 7:30am-4:30pm*).

- (j) The Contractor shall provide the City with a secondary, backup representative contact for use during regular drop-off hours (Monday, Wednesday, Friday, Saturday, and Sunday, 7:30am-4:30pm*).
- (k) The Contractor shall assign “designated Contractor Agent(s)” to perform work solely for the City in accordance with the provisions of this contract. Name(s) and vehicle identification number(s) shall be provided to City. Contractor shall provide valid driver’s license and insurance.

The Contractor shall provide a vehicle(s) and staff to adequately patrol and retrieve shopping carts five (5) days per week (Monday, Wednesday, Friday, Saturday, and Sunday*), six (6) hours a day.

- (l) The Contractor shall meet with City personnel a **minimum** of one (1) meeting per quarter (September, December, March, and June) to facilitate communication, allow opportunity for input, and discuss program issues, status, schedules, coordination and guidance. Schedule to be set by City at start of each fiscal year in July.
- (m) Contractor shall submit a detailed, monthly invoice covering the billing period from the 1st of the month to the EOM (end of month).
- (n) Invoices shall be submitted no later than 12 days following the EOM. If that day falls on a weekend or holiday, invoices shall be submitted to City the following business day.
- (o) Contractor’s monthly invoice shall include:
 - a. Cart collection log(s) (including City representative signatures) for each billing period;
 - b. A total of carts collected for each category:
 - i. Identifiable – Undamaged
 - ii. Identifiable – Damaged
 - iii. Unidentifiable – Undamaged
 - iv. Unidentifiable – Damaged
 - c. A sum total of all carts collected.
- (p) Contractor’s monthly invoice shall be submitted to the following address:

City of Moreno Valley
 Attn: Senior Administrative Assistant, Code & Neighborhood Services – Shopping Carts
 14177 Frederick Street
 P O Box 88005
 Moreno Valley, CA 92552

Copies of invoices may also be submitted via email to Finance & Management Services at accountspayable@moval.org

- (*) Cart Delivery to City's designated collection area not available on City-recognized holidays. It shall be Contractor's responsibility to obtain and follow the annual City Holiday List. Holiday list can be obtained from Code & Neighborhood Services.

3. CITY'S RESPONSIBILITIES

- (a) The City shall cooperate with Contactor as may be reasonably necessary for Contactor to perform retrieval services.
- (b) The City agrees to provide direction to Contractor in writing as early as practical regarding any particular service requirements that may become necessary from time to time in the performance of the scope of services.
- (c) The City shall provide cart collection logs in adequate quantities to allow Contractor to begin and continue services.

(CONTINUED ON NEXT PAGE)

Exhibit B: Pricing

I. Term

- A. **Term:** This program will commence on the date the contract is signed by the City through June 30, 2023, contingent upon annual budget allocations.

II. Pricing

A. Pricing Terms (Average 600 carts/mth)

1. **Mandatory Pricing:** Monthly rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday)
2. **Optional Alternate Pricing #1:** Monthly rate to provide services 7 days per week; Monday, Tuesday, Wednesday, Thursday, Friday, Saturday and Sunday)
3. **Optional Alternate Pricing #2:** Per Cart rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday)

B. Additional

1. **Permits, Licenses, and Fees:** Obtain, at Contractor's sole expense, all permits and licenses required in connection with the work and in Contractor's name.
2. **Additional Charges:** not allowed: no fuel surcharges, no mileage rates

Bid Terms and Conditions

(See Agreement for On-Site and/or Professional Services)

Attachment: RFQ 2018-030 Shopping Cart Retrieval Program - Final (3463 : AUTHORIZATION TO AWARD AGREEMENT FOR ON-SITE AND/OR



AN RMS COMPANY



Proposal for Service

City of Moreno Valley

Brian Raymond

Retailer & Municipal
Coordinator

braymond@cartrac.net

Office: 818.817.6712

Direct: 818.817.6708

www.retailsolutionsus.com



Attachment: Cartrac Moreno Valley Proposal FINAL (3463 : AUTHORIZATION TO AWARD AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL



Proposal for Contract

Nov 26, 2018

Retail Marketing Services doing business as CarTrac a California Company and a wholly owned subsidiary of the **California Grocers Association, (CGA)** a California non-profit corporation, submits this proposal to furnish services for the **City of Moreno Valley, (CITY)**.

Formed in 1993, CarTrac was created in response to the need for major grocery store chains to gain control over their shopping cart retrieval. With the help of these major chains, CARTRAC began operating with 200 area stores. Today, that business has grown to over **5500** stores serviced weekly. CARTRAC currently retrieves almost **8 million** shopping carts annually. The shopping cart retrieval program is available to any retailer, including all supermarkets, mass merchandisers, department stores, home improvement stores and drug stores. Since CARTRAC has existing contracts with MANY of the retailers in the city, the cost to the CITY is significantly reduced, by CARTRAC's already extensive retrieval presence. The CITY will only be charged for **NON-CUSTOMER** shopping carts retrieved in the CITY. Additionally, with the numerous contracts with retailers in the adjacent municipalities, their carts located in the CITY, will be returned to them at **no cost** to the CITY.

- Responsibilities of CARTRAC.** In providing shopping cart retrieval services to the CITY, CARTRAC shall have and perform general responsibilities, including but not limited to the following:

- A. CARTRAC agrees to be responsible for retrieval and the return of shopping carts per the specifications of the CITY, up to 7 days a week
- B. CARTRAC agrees to use ramps for unloading shopping carts and to make every effort to prevent damage to the shopping.
- C. CARTRAC agrees to have sub-contractors comply with all laws pursuant to the California State Business and Professions Code, Section 22435.
- D. CARTRAC understands the CITY LOGS are the means by which fees are calculated and paid, and that it is CARTRAC's responsibility to provide the CITY with true, correct and accurate CITY LOGS. A copy of the CITY LOG shall be provided to the CITY on a monthly basis
- E. CARTRAC shall deliver all collected carts, to the appropriate retailer, which is identified on the cart. Unidentifiable "no name" carts shall be disposed of.
- F. CARTRAC will typically respond within 24 hours to cart locations called into an (800) phone number provided by CARTRAC. This number shall be available 24 hours a day and a log of all calls shall be made available to the CITY upon request.
- G. CARTRAC will also make available a website to report cart locations, and CARTRAC will typically respond to those reported carts within 24 hours.
- H. CARTRAC will conduct random field inspections by its representatives and/or agents to ensure compliance with all terms of the Agreement with the CITY by its sub-contractors.

2. **Fees.** In consideration for the cart retrieval services provided pursuant to an Agreement with the CITY, CARTRAC shall be paid the following fees:

See attachment A

CARTRAC shall invoice the CITY on a monthly basis for services performed. Invoices shall contain as much detail and supporting documentation as is reasonably prescribed by CITY.

3. **Drivers License.** CARTRAC agrees that CARTRAC and ALL of CARTRAC'S representatives performing services shall maintain a valid unrestricted California Drivers License (CDL) during the term of the Agreement.
4. **Licenses and Permits.** CARTRAC's sub-contractors shall possess and keep current all necessary licenses and permits as required by any federal, state or local laws.
5. **Insurance.** CARTRAC maintains general liability and excess liability insurance in the amounts \$2,000,000 and **\$4,000,000**. CARTRAC shall evidence such insurance coverage by delivering to the CITY, before the commencement of services under any Agreement, certificates of insurance and additional endorsements made out in forms suitable to the CITY and naming the CITY as an additional insured on all classes of insurance required.
6. **Additionally,** CARTRAC's sub-contractor maintains General Liability Insurance, with a combined single limit of not less than \$2,000,000 per occurrence; automobile liability insurance for all owned, non-owned and hired vehicles with a combined single limit of not less than \$1,000,000 per occurrence, and Workers' compensation as required by law.
7. **Discrimination.** CARTRAC or its sub-contractors will not engage in, nor permit its employees or sub-contractors to engage in any form of discrimination in employment of persons because of their race, religion, color, national origin, ancestry, physical handicap, medical condition, lifestyle, marital status, age or sex.

CARTRAC currently has 35 municipal contracts including contracts with Los Angeles County, Sacramento County and our largest contract with the City of Riverside.

Our qualifications far exceed any other potential bidders, and our insurance is also more substantial than anyone else's. We can perform the services requested better than the other submitters and have helped develop programs for many other municipalities around the state.

We realize the CITY has determined that abandoned shopping carts constitute a nuisance, and interfere with pedestrian and vehicular traffic. By entering into a contract with CARTRAC, the CITY will close the loop in the system established by the major retailers and correct the conditions, which reduce property values and promote blight and deterioration.

Should you have any questions regarding this proposal, or want clarification, please feel free to contact me.

Sincerely,
Retail Marketing Services, Inc.

A handwritten signature in black ink, appearing to read "Brian Raymond". The signature is written in a cursive style with a large, stylized "B" and "R".

Brian Raymond
Retailer and Municipal Coordinator
carTrac

REFERENCES

Kirsten Rosales
Public Works Dept.
CITY OF RIVERSIDE
3900 Main St.
Riverside, CA 92522
951.826.5847

Brian Phillips
Store Operations Administration
RALPHS GROCERY COMPANY
P.O.Box 54143
Los Angeles, CA 90054
310.884.4015

Cheryl Hughes
Public Works
CITY OF PALMDALE
39110 3rd St East
Palmdale, CA 93550
661.267.5318

Curt Showalter
Public Works Manager
CITY OF CORONA
730 W. Corporation Yard Way
Corona, CA 92880
909.279.3677

Tim James
Director, Local Government Relations
CALIF. GROCERS ASSOCIATION
1415 L Street, Suite 450
Sacramento, CA 95814
916.448.3545

Carrie Inciong
Pubic Works Dept.
Los Angeles county
900 S. Fremont
Alhambra, CA 91803
626-458-3990

Attachment: Cartrac Moreno Valley Proposal FINAL (3463 : AUTHORIZATION TO AWARD AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL

Attachment A

1. **Mandatory Pricing:** *Monthly rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday). This price also includes a yard administration fee.*

\$2,775.00 per Month

2. **Optional Alternate Pricing #1:** *Monthly rate to provide services 7 days per week; Monday, Tuesday, Wednesday, Thursday, Friday, Saturday and Sunday). This also includes a yard administration fee.*

\$3,800.00 Per Month

3. **Optional Alternate Pricing #2:** *Per Cart rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday). This also includes a yard administration fee.*

\$5.00 per Cart

Note: We request an annual service and price review to address market conditions and changes that may occur each year.



11/25/2018

City of Moreno Valley

Subject: Proposal for Reliable and Timely Shopping Cart Pickup Services

I want to thank you for taking the time and attention to consider options for a cleaner city, free from shopping carts.

The City of Moreno Valley should be able to rely on a shopping cart return service that will ensure that the streets, parks, and other public areas are free from shopping carts during those times they might be seen by the citizen who work and, especially, do business in your city. As an experienced industry professional, I know how important it is for carts to be picked up and removed off the streets, along with accurate documentation. Our goal is to make sure Moreno Valley's streets be clear from shopping carts with the city free of any liability.

This is one key reason why West Coast Shopping Cart Service, Inc. guarantees timeliness, attention to detail and an attitude that is exclusively focused on your day-to-day business needs. We would certainly appreciate the opportunity to convince you that our services will solve any problems that the city may currently be experiencing with regards to blight, safety, or citizen complaints regarding unattended shopping cart.

Superior Processes

For over twenty years, West Coast Shopping Cart Service Inc., has developed a process for efficiently and effectively managing your shopping cart pickup needs.

Priority Pickups

You may designate some locations as "high priority" so that these locations are some of the first locations to be serviced each day.

Communication

Our dispatchers stay in constant contact with the drivers throughout the day and will also work close with city officials.

**West Coast Shopping Cart Service, Inc. PO Box 32 West Covina, CA 91793
Phone: (888) 787-CART Mobile: (626) 786-0530**

Responsiveness

Residents may report abandoned shopping carts by calling 1-888-787-CART or via our website at www.wcshoppingcart.com.

Maps

We provide maps for each driver illustrating all of the city streets.

Insurance

Drivers are covered under a \$2 Million Liability Insurance Policy.

Billing Schedule and Terms

The rate will be agreed upon with city official.

1. Mandatory Pricing: Monthly rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday)

\$ 3,000.00 per month

2. Optional Alternate Pricing #1: Monthly rate to provide services 7 days per week; Monday, Tuesday, Wednesday, Thursday, Friday, Saturday and Sunday)

\$ 4,200.00 per month

3. Optional Alternate Pricing #2: Per Cart rate to provide services 5 days per week (Monday, Wednesday, Friday, Saturday, and Sunday)

\$ 4.25 per cart

Scope of Work

The services rendered to the City of Moreno Valley will be picking up every shopping cart off the streets and sidewalks seven days a week. Carts will be tagged and a log will be maintained for each month describing the name and location of where the shopping cart was picked up. This log will be submitted at the end of each month to a representative of the city. Stores serviced by West Coast Shopping Cart Service within city borders will not be logged. Any shopping cart that enters the City of Moreno Valley serviced by West Coast Shopping Cart Service will not be logged.

Shopping carts with store names will be returned back to the store. Shopping carts with no name will be discarded.

Shopping cart locations called in by a city representative will be considered as a rush pick-up and picked up in less than an hour.

**West Coast Shopping Cart Service, Inc. PO Box 32 West Covina, CA 91793
Phone: (888) 787-CART Mobile: (626) 786-0530**

If a resident reports a shopping cart location to our 888 number or via the website, the cart will be picked up in less than 12 hours.

In closing of our offer, I again thank you for the opportunity to provide shopping cart pickup services for the City of Moreno Valley.

I am confident that we can improve the reliability and levels of service. I guarantee a 90% reduction of shopping carts left on city streets.

Pursuant to your acceptance of our offer, we are ready to begin servicing your account immediately. If you have any questions, I can be reached at (626) 786-0530 or (626) 945-3711, or via e-mail at jose@wcshoppingcart.com.

Most Sincerely,

Jose Pacheco
West Coast Shopping Cart Service, Inc.

References

City of Azusa- Community Improvement Manager, Rick McMinn (626) 812-5285, rmcminn@ci.azusa.ca.us.

City of Arcadia- Administrative Assistant Development Services Department, Amy Hsieh (626) 574-5493, ahsieh@arcadiaca.gov.

City of San Gabriel- Building and Safety Division, Joe Chen (626) 308-2806. JCen@sgch.org.

City of Pasadena-Senior Code Enforcement, Gregory Grigoryna (626) 744-7118.

**West Coast Shopping Cart Service, Inc. PO Box 32 West Covina, CA 91793
Phone: (888) 787-CART Mobile: (626) 786-0530**

City of Moreno Valley

AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES

This Agreement is made by and between the City of Moreno Valley, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the "City", and **West Coast Shopping Cart Service, Inc.**, with its principal place of business at **16211 Dubesor Street, Valinda, CA 91744**, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional **shopping cart retrieval and removal** contracting services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional **shopping cart retrieval and removal** contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for the **shopping cart retrieval and removal** contracting services as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor's Name: **West Coast Shopping Cart Service, Inc.**
 Address: **16211 Dubesor Street**
 City: **Valinda** State: **CA** Zip: **91744**
 Business Phone: **888.787.2278** Fax No. **n/a**
 Other Contact Number: _____
 Business License Number: _____
 Federal Tax I.D. Number: _____

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.

Attachment: West Coast Shopping Cart Agreement for On-Site and-or Professional Services (3463 : AUTHORIZATION TO AWARD AGREEMENT

- B. The City’s responsibilities, other than payment, are described in Exhibit “B” attached hereto and incorporated herein by this reference.
 - C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
 - D. The term of this Agreement shall be from **April 1, 2019** to **June 30, 2023** unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.
3. **STANDARD TERMS AND CONDITIONS:**
- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
 - B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
 - C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
 - D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
 - E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed

below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: **Jose Pacheco, CEO**.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **Jose Pacheco, CEO**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be

uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.

- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.
- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

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

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

Bodily Injury	\$1,000,000	per occurrence/	\$2,000,000
aggregate			
Property Damage	\$500,000	per occurrence/	\$500,000
aggregate			

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

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

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

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers,

employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

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

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.

(b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.

(c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.

(d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.

- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

West Coast Shopping Cart Service, Inc.
16211 Dubesor Street
Valinda, CA 91744
 Attn: **Jose Pacheco, CEO**

City:

City of Moreno Valley
 14177 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552
 Attn: **Code & Neighborhood Services/Shopping
 Cart Abatement**

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

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates

or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

BB Supplementary General Conditions (for projects that are funded by Federal programs). The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.

1. CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
2. CITY may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
3. CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CITY and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
4. CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)
5. CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
6. CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).
7. CONTRACTOR shall observe CITY requirements and regulations pertaining to reporting included in the General Conditions.
8. Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CITY.

9. Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CITY. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.

10. CONTRACTOR shall provide access by the City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

11. CONTRACTOR shall retain all required records for three years after CITY makes final payments and all other pending matters relating to the Agreement are closed.

12. CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)

13. CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

SIGNATURE PAGE TO FOLLOW

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

City of Moreno Valley

West Coast Shopping Cart Service, Inc.

BY: _____
Thomas M. DeSantis, City Manager

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head <i>(if contract exceeds 15,000)</i>
_____ Date

Attachment: West Coast Shopping Cart Agreement for On-Site and/or Professional Services (3463 : AUTHORIZATION TO AWARD AGREEMENT

EXHIBIT A
CONTRACTOR'S SCOPE OF SERVICE

- (a) The Contractor, using its “designated Contractor Agent(s)” shall patrol all City streets, including streets in residential housing tracts, business sites, and commercial locations to search for and retrieve abandoned shopping carts within City limits.
- (b) The Contractor will be responsible for providing a toll-free 800 number hotline and an online portal for residents to report abandoned shopping carts locations.
- (c) The Contractor shall review the City’s shopping cart hotline at least two (2) times daily, at start of business day, and again at 1:00p.m. Contractor shall retrieve reported shopping carts on the same day, whenever possible. All carts must be retrieved within a 24-hour period of the reported time.
- (d) The Contractor shall tag each cart in accordance with the City’s defined tagging system, and shall maintain daily cart collection logs for all carts collected under the City’s cart retrieval service. Cart collection logs will show time, location, and number of carts picked up.

The approved daily cart collection logs will be provided by the City in time for Contractor to begin cart collection, and will be required to be submitted with Contractor’s monthly invoicing.

- (e) While performing shopping cart retrieval services for the City, the Contractor shall not collect, record collections, nor deliver to the City designated collection area, any carts for businesses that also contract with the Contractor for services. Carts collected under non-City agreements shall not be submitted for invoice to the City, and shall not be collected for, or returned to, the stores during the hours the designated Contractor Agent is performing City services. The City is not responsible to pay for these carts.

This provision of the contract does not preclude the Contractor from having separate “designated Contractor Agent(s)” using entirely separate tools, equipment, and vehicle(s) to perform service under non-City agreements.

- (f) Except for carts identified in item (e) above, the Contractor shall deliver all collected carts to the City’s designated collection area during regular drop-off hours (Monday, Tuesday, Wednesday, Thursday, and Friday, 8:00am-5:00pm, and Saturday and Sunday,

8:00am-2:00pm *), shall organize the carts in the collection corrals, and shall maintain a log of each.

- (g) The Contractor shall obtain a delivery confirmation signature on the cart collection log(s) from City personnel at the time of delivery to the City's designated collection area.
- (h) The Contractor will be responsible for removal and disposal of trash/debris from all carts delivered to City designated collection area.
- (i) In addition to contact information for the "designated Contractor Agent(s)," the Contractor shall identify a daily supervisor and provide contact information to City for use during regular drop-off hours (Monday, Tuesday, Wednesday, Thursday, and Friday, 8:00am-5:00pm, and Saturday and Sunday, 8:00am-2:00pm *).
- (j) The Contractor shall provide the City with a secondary, backup representative contact for use during regular drop-off hours (Monday, Tuesday, Wednesday, Thursday, and Friday, 8:00am-5:00pm, and Saturday and Sunday, 8:00am-2:00pm *).
- (k) The Contractor shall assign "designated Contractor Agent(s)" to perform work solely for the City in accordance with the provisions of this contract. Name(s) and vehicle identification number(s) shall be provided to City. Contractor shall provide valid driver's license and insurance.

The Contractor shall provide a vehicle(s) and staff to adequately patrol and retrieve shopping carts seven (7) days per week (Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, and Sunday *), six (6) hours a day.

- (l) The Contractor shall meet with City personnel a **minimum** of one (1) meeting per quarter (September, December, March, and June) to facilitate communication, allow opportunity for input, and discuss program issues, status, schedules, coordination and guidance. Schedule to be set by City at start of each fiscal year in July.
- (m) Contractor shall submit a detailed, monthly invoice covering the billing period from the 1st of the month to the EOM (end of month).
- (n) Invoices shall be submitted no later than 12 days following the EOM. If that day falls on a weekend or holiday, invoices shall be submitted to City the following business day.
- (o) Contractor's monthly invoice shall include:

- a. Cart collection log(s) (including City representative signatures) for each billing period;
- b. A total of carts collected for each category:
 - i. Identifiable – Undamaged
 - ii. Identifiable – Damaged
 - iii. Unidentifiable – Undamaged
 - iv. Unidentifiable – Damaged
- c. A sum total of all carts collected.

(*) Cart Delivery to City’s designated collection area not available on City-recognized holidays. It shall be Contractor’s responsibility to obtain and follow the annual City Holiday List. Holiday list can be obtained from Code & Neighborhood Services.

1. Fee Schedule

- a. For services rendered pursuant to this Agreement, the Contractor shall be compensated according to the fee schedule outlined in this Exhibit which will remain in effect for the term of this Agreement.

Rate Period	Monthly Rate
Monthly	\$4.25 per cart collected Not-to-exceed 950 carts monthly

EXHIBIT B
CITY'S RESPONSIBILITIES

1. Provide timely review, processing, and reasonably expeditious approval of all submittals by the contractor.
2. The City agrees to provide direction to Contractor in writing as early as practical regarding any particular service requirements that may become necessary from time to time in the performance of the scope of services.
3. The City shall provide cart collection logs in adequate quantities to allow Contractor to begin and continue services.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed **\$212,500.00** for the term of the agreement (\$12,500 for FY18/19, and \$50,000 annually for FY19/20-FY22/23).

2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/city_hall/departments/fin-man-serv/b-license.shtml.

3. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices with the abatement files to Code & Neighborhood Services Division staff at CodeAdmin@moval.org.

Copies of invoices may be submitted to the **Accounts Payable, Finance & Management Services** at accountspayable@moval.org or calls directed to **(951) 413-3088**.

4. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at:

http://www.moval.org/city_hall/forms.shtml#bf

5. The minimum information required on all invoices is:
 - a. Vendor Name, Mailing Address, and Phone Number
 - b. Invoice Date
 - c. Vendor Invoice Number
 - d. City-provided Reference Number (e.g. Project, Activity)

- e. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Reimbursement for Expenses
 - a. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
8. Maintenance and Inspection
 - a. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.



Report to City Council

TO: Mayor and City Council

FROM: Richard J. Sandzimier, Community Development Director

AGENDA DATE: March 19, 2019

TITLE: APPROVE THE FIRST AMENDMENT TO AGREEMENT WITH ANNEALTA GROUP, INC. FOR PLANNING ENTITLEMENT AND PLAN CHECK SERVICES

RECOMMENDED ACTION

Recommendations:

1. Approve the First Amendment to Agreement with Annealta Group, Inc. for Planning Entitlement and Plan Check Services.
2. Authorize the City Manager, or his designee, to execute the First Amendment with Annealta Group, Inc., subject to the approval of the City Attorney.
3. Authorize an increase of \$227,232.00 to the not-to-exceed amount of the five-year Agreement with Annealta Group, Inc., to \$602,232.00.
4. Authorize the Chief Financial Officer, or his designee, to execute a change order to increase Purchase Order #2019-226 to Annealta Group, Inc., for Planning Entitlement and Plan Check Services from \$144,264.40 up to \$371,496.40 for FY18/19.
5. Authorize the Chief Financial Officer, or his designee, to make the appropriate budget adjustments as set forth in the Fiscal Impact section of this report.

SUMMARY

This report recommends approval of the First Amendment to the previously approved Agreement with Annealta Group, Inc., to provide planning entitlement and plan check consultant services. The Amendment will increase the not-to-exceed amount of the City's Agreement by \$227,232.00 up to \$602,232.00 and allow for continued use of consultant services through the end of FY18/19.

Consultant services in the Planning Division are used to augment internal staffing resources, particularly during heavy workload periods, to ensure timely entitlement application processing, environmental review and overall customer service.

The new “not-to-exceed” amount of this Agreement will increase the existing Purchase Order, as needed, to cover the consultant costs associated with processing of a higher volume of cannabis Conditional Use Permit (CUP) applications.

DISCUSSION

The Planning Division has used contract services over the past two years to provide planning entitlement and plan check services. The Division is currently experiencing a significantly increased workload based primarily on processing of CUPs for cannabis activities in the City; this workload is further expected to increase based on cannabis CUP applications that are yet to be submitted.

The requested increases and budget adjustments will allow the Division to meet current and projected expenditure and revenue levels through FY18/19. Funds allocated would be recovered from fees paid by project applicants.

ALTERNATIVES

1. Approve the First Amendment with Annealta Group, Inc. for planning entitlement and plan check consultant services, authorize the City Manager to execute the First Amendment upon City Attorney approval, and amend the budget as required. *This alternative is recommended by staff as it continues the existing level of professional and timely development services.*
2. Do not approve the First Amendment with Annealta Group, Inc. *This alternative is not recommended by staff and would result in delays at all levels of processing for current and future cannabis CUP applications.*

FISCAL IMPACT

There is no additional impact projected for the General Fund. Additional consultant costs will be fully offset by fees collected on applications.

With regard to cannabis CUPs alone, zoning potential allows for a total of 43 separate cannabis businesses. A total of 32 provisional Commercial Cannabis Business Permits (CCBP) have already been issued, which results in the expectation for a corresponding 32 CUP applications to be processed. Staff projects additional revenue of up to \$349,632 (32 @ \$10,926 CUP fee) be received in FY18/19.

The estimated consultant costs for processing all 32 applications are calculated by multiplying the total number of potential CUP applications by the permissible consultant

billing allowance of \$7,101.00 per application as set forth in the consultant’s contract.

Total Cannabis Applications Applied/Approved:	32
CUP Consultant fees:	<u>\$7,101 per CUP</u>
Added contract need:	\$ 227,232

Note: Consultant fee of \$7,101 = 65% of CUP Application Fee

The following sets forth the recommended expense budget adjustments:

Description	Fund	GL Account Project Number	Type	FY18/19 Amended Budget	FY18/19 Proposed Adjustment	FY18/19 Revised Budget
Planning Fees	General Fund	1010-20-27-20211-52500	REV	\$1,500,000	\$349,632	\$1,849,632
Contractual Svcs - Other	General Fund	1010-20-27-20211-625099	EXP	\$219,265	\$227,232	\$446,497

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Patty Nevins
Planning Official

Department Head Approval:
Richard J. Sandzimier
Community Development Director

CITY COUNCIL GOALS

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

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

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

ATTACHMENTS

- 1. First Amendment to Agreement - Annealta

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/11/19 6:19 AM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 8:40 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:38 AM

**FIRST AMENDMENT TO AGREEMENT
BETWEEN THE CITY OF MORENO VALLEY AND ANNEALTA GROUP, INC. FOR
PLANNING ENTITLEMENT AND PLAN CHECK SERVICES**

The First Amendment to Agreement is by and between the **City of Moreno Valley**, a municipal corporation, hereinafter referred to as “City,” and **Annealta Group, Inc.**, hereinafter referred to as “Consultant.” This First Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Consultant entered into an Agreement entitled “**Agreement for Planning Entitlement and Plan Check Services**,” hereinafter referred to as “Agreement,” dated **February 16, 2018**.

Whereas, the Consultant is providing **planning entitlement and plan check services**.

Whereas, it is desirable to amend the Agreement to increase the Consultant’s total “not-to-exceed” compensation to **\$602,232.00 (\$375,000.00 for the original Agreement plus \$227,232.00 for this First Amendment)** pursuant to Exhibit “C” of said Agreement.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The total “Not-to-Exceed” fee for this contract is **\$602,232.00 (\$375,000.00 for the original Agreement plus \$227,232.00 for this First Amendment to Agreement)**.

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND ANNEALTA GROUP, INC. FOR PLANNING ENTITLEMENT AND PLAN CHECK SERVICES

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

City of Moreno Valley

Annealta Group, Inc.

By: _____

By: _____

Thomas M. DeSantis, City Manager

Title: _____

(President of Vice President)

Date: _____

Date: _____

<u>INTERNAL USE ONLY</u>
APPROVED AS TO FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head <i>(if contract exceeds 15,000)</i>
_____ Date

By: _____

Title: _____

(Corporate Secretary)

Date: _____

Attachment: First Amendment to Agreement - Annealta [Revision 1] (3476 : APPROVE THE FIRST AMENDMENT TO AGREEMENT WITH



Report to City Council

TO: Mayor and City Council

FROM: Kathleen Sanchez, Human Resources Director

AGENDA DATE: March 19, 2019

TITLE: APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION

RECOMMENDED ACTION

Recommendations:

1. Modify the City's Position Control Summary to de-fund one Community Services Supervisor position and fund one Community Services Superintendent position in the Parks and Community Services Department.
2. Approve the Classification Specification for the position of Community Services Superintendent.

SUMMARY

This report recommends that the City Council update the Position Control Summary for the Parks and Community Services Department by de-funding one vacant Community Services Supervisor position and funding one Community Services Superintendent position. The recommended revision will appropriately align position responsibilities as the Department prepares to recruit to fill a recently vacated supervisory position.

DISCUSSION

The City Position Summary, as approved by the City Council, serves as an important internal control tool to establish and fund authorized positions within the City. The authorized and funded positions enable staff to deliver services to our community. The City Position Summary addresses career authorized positions and does not include temporary positions.

As our Parks and Community Services Department continues to evolve to meet the community's public service needs, similar changes are seen in the scope of

responsibilities assigned to various operational positions. Following a study of existing classifications, the Human Resources Department has determined that the duties of the now vacant Community Services Supervisor position should be reclassified to correspond with assigned tasks as well as supervision responsibilities. The Community Services Superintendent classification, commonly found in larger cities like ours which offer similar programs, accurately reflects the level of responsibility for this position. Revising the position at this time will also equip the City to attract highly experienced applicants for this key role within the Parks and Community Services Department.

Staff recommends the following updates to the City Position Summary:

- De-fund one Community Services Supervisor position (C23 \$65,102.96 - \$91,661.02) in the Parks and Community Services Department.
- Fund one Community Services Superintendent position (C25 \$71,776.02 - \$101,056.38) in the Parks and Community Services Department.

No additional funds are required, as estimated costs of \$6,700 will be absorbed within the current budget.

<u>Department / Position Title</u>		FY 2018/19 Adjustment	Requested Budget Amendment
<u>Parks and Community Services Department</u>			
Community Services Supervisor	FT	(1)	\$0
Community Services Superintendent	FT	1	
Total Adjustment		0	\$0

ALTERNATIVES

1. Approve Recommended Actions as set forth in this staff report, including the approval of the City Position Summary for FY 2017/2018 - 2018/19 and Classification Specification as presented in the attachments to this report. *Staff recommends this alternative.*
2. Do not approve proposed Recommended Actions as set forth in this staff report. *Staff does not recommend this alternative.*

FISCAL IMPACT

Estimated costs of \$6,700 will be absorbed within the current budget and no additional funding is being requested.

NOTIFICATION

Publication of the Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Kathleen M. Sanchez
Human Resources Director

Department Head Approval:
Kathleen M. Sanchez
Human Resources Director

Concurred By:
Patti Solano
Parks and Community Services Director

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

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

Objective 1.5: Showcase Moreno Valley's unique assets.

Objective 1.6: Establish Moreno Valley as the worldwide model in logistics development.

ATTACHMENTS

- 1. City Position Summary FY 1718 - 1819 v7
- 2. Community Services Superintendent Class Specification 2019

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/05/19 10:40 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 1:53 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:40 PM

City of Moreno Valley
 FY 2017/18 - 2018/19
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2012/13 No.	2013/14 No.	2014/15 No.	2015/16 No.	2016/17 No.	2017/18 Adj.	2017/18 No.	2018/19 Adj.	2018/19 No.
Accountant I	2	2	2	1	1	-	1	-	1
Accountant II	-	-	1	1	1	-	1	-	1
Accounting Asst	3	3	3	3	3	-	3	-	3
Accounting Technician	4	3	3	2	2	-	2	-	2
Accounts Payable Supervisor	1	1	1	1	1	-	1	-	1
Administrative Asst	5	8	7	7	8	-	8	-	8
Administrative Services Dir	1	1	1	1	1	(1)	-	-	-
After School Prog Coordinator	-	-	-	-	-	-	-	-	-
After School Prog Specialist	-	-	-	-	-	-	-	-	-
After School Prog Supervisor	-	-	-	-	-	-	-	-	-
Animal Care Technician	4	4	4	5	5	-	5	-	5
Animal Care Technician Supervisor	-	-	-	-	-	1	1	-	1
Animal Control Officer	7	7	7	7	7	-	7	-	7
Animal Rescue Coordinator	-	-	-	1	1	-	1	-	1
Animal Services Asst	2	2	2	4	4	-	4	-	4
Animal Svcs Dispatcher	1	2	2	1	1	-	1	-	1
Animal Svcs Division Manager	1	1	1	1	1	-	1	-	1
Animal Svcs Field Supervisor	1	1	1	1	1	-	1	-	1
Animal Svcs License Inspector	1	1	1	1	1	-	1	-	1
Animal Svcs Office Supervisor	1	1	1	1	1	-	1	-	1
Applications & DB Admin	2	2	2	2	1	-	1	-	1
Applications Analyst	2	2	2	2	1	-	1	-	1
Assistant City Attorney	-	-	-	1	1	-	1	-	1
Assistant City Clerk	-	-	-	-	-	-	-	-	-
Assoc Environmental Engineer	1	1	1	1	1	(1)	-	-	-
Associate Engineer	5	5	5	4	4	-	4	-	4
Associate Planner	4	4	4	4	4	-	4	-	4
Asst Buyer	2	2	2	2	2	-	2	-	2
Asst City Manager	1	1	1	1	1	-	1	-	1
Asst Crossing Guard Spvr	1	1	1	1	1	-	1	-	1
Asst Network Administrator	2	2	2	2	1	-	1	-	1
Asst to the City Manager	1	1	1	-	-	-	-	-	-
Asst. Applications Analyst	-	-	-	-	-	-	-	-	-
Banquet Facility Rep	1	1	1	1	1	-	1	-	1
Budget Officer	1	-	-	-	-	-	-	-	-
Building & Neighborhood Services Div Mgr	-	1	1	-	-	-	-	-	-
Building Safety Supervisor	-	-	-	1	1	-	1	-	1
Building Div Mgr / Official	1	-	-	-	-	-	-	-	-
Building Inspector I I	4	4	4	4	4	-	4	-	4
Business License Liaison	-	-	-	1	1	-	1	-	1
Bus. Support & Neigh Prog Admin	1	-	-	-	-	-	-	-	-
Cable TV Producer	2	2	2	4	2	-	2	-	2
Capital Projects Division Manager	-	-	-	-	1	-	1	-	1
Chief Financial Officer/City Treasurer	1	1	1	1	1	-	1	-	1
Child Care Asst	5	4	4	4	4	-	4	-	4
Child Care Instructor I I	5	4	4	4	4	-	4	-	4
Child Care Program Manager	1	1	1	1	1	-	1	-	1
Child Care Site Supervisor	5	4	4	4	4	-	4	-	4
City Attorney	1	1	1	1	1	-	1	-	1
City Clerk	1	1	1	1	1	-	1	-	1
City Manager	1	1	1	1	1	-	1	-	1
Code & Neigh Svcs Division Manager	-	-	-	-	-	1	1	-	1
Code & Neigh Svcs Official	1	-	-	-	-	-	-	-	-
Code Compliance Field Sup.	-	1	1	1	1	(1)	-	-	-
Code Compliance Officer I/I I	5	6	6	6	6	-	6	-	6
Code Supervisor	-	-	-	-	-	-	-	-	-
Comm & Economic Dev Director	1	1	-	-	-	-	-	-	-
Community Dev Director	-	-	1	1	1	-	1	-	1
Community Services Coordinator	-	-	-	-	3	-	3	1	4
Community Services Superintendent	-	-	-	-	-	-	-	1	1
Community Svcs Supervisor	1	1	1	1	1	-	1	(1)	-
Construction Inspector	5	5	5	5	5	-	5	(3)	2

Attachment: City Position Summary FY 1718 - 1819 v7 (3478 : APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION)

City of Moreno Valley
 FY 2017/18 - 2018/19
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2012/13 No.	2013/14 No.	2014/15 No.	2015/16 No.	2016/17 No.	2017/18 Adj.	2017/18 No.	2018/19 Adj.	2018/19 No.
Construction Inspector Supervisor	-	-	-	-	-	-	-	1	1
Crossing Guard	35	35	35	35	35	-	35	-	35
Crossing Guard Supervisor	1	1	1	1	1	-	1	-	1
Customer Service Asst	1	-	-	-	-	-	-	-	-
Dep PW Dir /Asst City Engineer	1	1	1	1	-	-	-	-	-
Deputy City Attorney I	-	-	-	-	1	-	1	-	1
Deputy City Attorney III	2	-	1	-	-	-	-	-	-
Deputy City Clerk	1	1	1	1	1	-	1	-	1
Deputy City Manager	-	-	-	-	-	-	-	-	-
Dep. Comm & Economic Dev Director	-	-	-	-	-	-	-	-	-
Development Svcs Coordinator	-	-	-	-	-	-	-	-	-
Economic Dev Director	-	-	1	1	1	-	1	-	1
Economic Dev Division Mgr	-	-	-	1	1	-	1	1	2
Electric Utility Chief Engineer	-	-	-	-	-	-	-	1	1
Electric Utility Division Mgr	1	1	1	1	1	-	1	-	1
Electric Utility Program Coord	1	1	1	1	1	-	1	-	1
Emerg Mgmt & Vol Svc Prog Spec	1	1	1	1	1	-	1	-	1
Emerg Mgmt & Vol Svcs Prog Mgr	1	1	1	1	1	-	1	-	1
Engineering Division Manager/Assistant City Engineer	-	1	1	1	1	-	1	-	1
Engineering Technician II	1	1	1	1	1	-	1	-	1
Enterprise Systems Admin	2	2	2	2	1	-	1	-	1
Environmental Analyst	1	1	1	1	1	(1)	-	-	-
Equipment Operator	4	4	4	4	4	-	4	-	4
Exec Asst to Mayor / City Council	1	1	1	1	1	-	1	-	1
Exec. Assistant to the City Manager	-	-	-	-	-	-	-	-	-
Executive Asst I	9	9	9	9	9	-	9	-	9
Executive Asst II	1	1	1	1	1	-	1	-	1
Facilities Maint Mechanic	1	1	1	1	1	-	1	-	1
Facilities Maint Worker	3	3	2	3	3	-	3	-	3
Facilities Maintenance Spvr	-	-	-	-	1	-	1	(1)	-
Financial Analyst	-	-	-	1	1	(1)	-	-	-
Financial Operations Div Mgr	1	1	1	1	1	-	1	-	1
Financial Resources Div Mgr	-	1	1	1	1	-	1	-	1
Fire Inspector I	-	2	2	-	-	-	-	-	-
Fire Inspector II	2	2	1	-	-	-	-	-	-
Fire Marshall	1	1	-	-	-	-	-	-	-
Fire Safety Specialist	1	2	1	-	-	-	-	-	-
Fleet Supervisor	-	-	-	1	1	-	1	(1)	-
Fleet & Facilities Maintenance Supervisor	-	-	-	-	-	-	-	1	1
GIS Administrator	2	2	-	-	-	-	-	-	-
GIS Specialist	2	2	2	2	1	-	1	-	1
GIS Technician	-	-	2	2	1	-	1	-	1
Housing Program Coordinator	1	1	1	-	-	-	-	-	-
Housing Program Specialist	3	-	-	-	-	-	-	-	-
Human Resources Analyst	1	1	1	1	1	-	1	(1)	-
Human Resources Director	-	-	-	-	-	1	1	-	1
Human Resources Technician	-	-	-	-	-	-	-	-	-
Info Technology Technician	4	4	4	4	2	-	2	-	2
Landscape Development Coord	-	-	-	-	-	-	-	-	-
Landscape Irrigation Tech	1	1	1	1	1	(1)	-	-	-
Landscape Svcs Inspector	3	2	2	2	2	-	2	-	2
Landscape Svcs Supervisor	-	-	1	1	1	-	1	-	1
Lead Animal Care Technician	1	1	1	1	1	(1)	-	-	-
Lead Facilities Maint Worker	-	-	1	1	1	-	1	-	1
Lead Maintenance Worker	3	3	3	4	4	-	4	-	4
Lead Parks Maint Worker	5	5	5	6	6	-	6	-	6
Lead Traffic Sign/Marking Tech	2	2	2	2	2	-	2	-	2
Lead Vehicle / Equip Tech	1	1	1	-	-	-	-	-	-
Legal Secretary	1	1	1	-	-	-	-	-	-
Lib Serv Div Mgr	1	-	-	-	-	-	-	-	-
Librarian	4	-	-	-	-	-	-	-	-
Library Asst	13	-	-	-	-	-	-	-	-

Attachment: City Position Summary FY 1718 - 1819 v7 (3478 : APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION)

City of Moreno Valley
 FY 2017/18 - 2018/19
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2012/13 No.	2013/14 No.	2014/15 No.	2015/16 No.	2016/17 No.	2017/18 Adj.	2017/18 No.	2018/19 Adj.	2018/19 No.
Library Circulation Supervisor	1	-	-	-	-	-	-	-	-
Maint & Operations Div Mgr	1	1	1	1	1	-	1	-	1
Maintenance Worker I	-	7	-	-	-	-	-	-	-
Maintenance Worker II	1	1	-	-	-	-	-	-	-
Maintenance Worker I/II	12	12	18	18	18	-	18	-	18
Management Aide	-	-	1	2	2	(1)	1	1	2
Management Analyst	14	12	11	10	9	4	13	1	14
Management Asst	3	4	5	4	4	1	5	1	6
Media Division Manager	-	-	-	-	-	1	1	-	1
Media & Production Supervisor	1	1	1	2	1	(1)	-	-	-
Network Administrator	2	2	2	2	1	-	1	-	1
Office Asst	1	1	-	-	-	-	-	-	-
Paralegal	-	-	-	1	1	-	1	-	1
Park Ranger	3	3	3	3	3	-	3	-	3
Parking Control Officer	2	2	2	2	2	-	2	-	2
Parks & Community Services Deputy Director	-	-	-	-	-	1	1	-	1
Parks & Community Services Director	1	1	1	1	1	-	1	-	1
Parks & Community Services Division Manager	1	1	1	1	1	(1)	-	-	-
Parks Maintenance Division Manager	-	-	-	-	-	-	-	-	-
Parks Maint Supervisor	2	2	2	2	2	-	2	-	2
Parks Maint Worker	13	13	13	12	12	-	12	-	12
Parks Projects Coordinator	1	1	1	1	1	-	1	-	1
Payroll Supervisor	1	1	1	1	1	-	1	-	1
Permit Technician	6	5	5	5	5	-	5	-	5
Planning Commissioner	7	7	7	7	7	-	7	-	7
Planning Div Mgr / Official	1	1	1	1	1	-	1	-	1
Principal Accountant	1	1	1	1	1	-	1	-	1
Public Information/Intergovernmental Relations Officer	-	-	-	1	1	-	1	-	1
Public Safety Contract Administrator	-	-	-	-	-	1	1	-	1
Purch & Facilities Div Mgr	1	1	1	1	1	-	1	-	1
PW Director / City Engineer	1	1	1	1	1	-	1	-	1
Recreation Program Coord	1	1	1	2	-	-	-	-	-
Recreation Program Leader	7	7	7	7	7	-	7	-	7
Recreation Supervisor	1	1	1	-	-	-	-	-	-
Recycling Specialist	-	1	1	2	1	-	1	-	1
Resource Analyst	-	-	-	-	-	-	-	-	-
Risk Division Manager	-	-	-	-	-	-	-	-	-
Security Guard	2	2	2	2	2	-	2	-	2
Spec Dist Budg & Accting Spvr	-	-	-	-	-	-	-	-	-
Spec Districts Div Mgr	1	1	1	1	1	-	1	-	1
Special Districts Prog Mgr	1	1	1	-	-	-	-	-	-
Sr Accountant	1	1	1	2	2	1	3	-	3
Sr Administrative Asst	16	14	17	17	17	-	17	-	17
Sr Applications Analyst	-	-	2	2	1	-	1	-	1
Sr Citizens Center Coord	1	1	1	1	-	-	-	-	-
Sr Code Compliance Officer	-	-	-	-	-	2	2	-	2
Sr Construction Inspector	-	-	-	-	-	-	-	2	2
Sr Customer Service Asst	3	3	3	3	3	-	3	-	3
Sr Deputy City Clerk	-	-	-	-	-	-	-	1	1
Sr Electrical Engineer	1	1	1	1	1	-	1	-	1
Sr Engineer, P.E.	9	9	9	7	6	(1)	5	-	5
Sr Engineering Technician	1	1	1	1	1	-	1	-	1
Sr Equipment Operator	1	1	1	1	1	-	1	-	1
Sr Financial Analyst	2	2	1	-	-	-	-	-	-
Sr GIS Analyst	2	2	2	2	1	-	1	-	1
Sr Graphics Designer	1	1	1	2	1	-	1	-	1
Sr Human Resources Analyst	1	1	1	1	1	-	1	-	1
Sr IT Technician	-	-	-	-	-	-	-	-	-
Sr Landscape Svcs Inspector	1	1	-	-	-	-	-	-	-
Sr Management Analyst	2	2	3	4	5	(1)	4	(1)	3
Sr Office Asst	5	4	3	3	3	(1)	2	-	2
Sr Park Ranger	-	-	-	-	-	-	-	-	-

Attachment: City Position Summary FY 1718 - 1819 v7 (3478 : APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION)

City of Moreno Valley
 FY 2017/18 - 2018/19
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2012/13 No.	2013/14 No.	2014/15 No.	2015/16 No.	2016/17 No.	2017/18 Adj.	2017/18 No.	2018/19 Adj.	2018/19 No.
Sr Parking Control Officer	1	1	1	1	1	-	1	-	1
Sr Parks Maint Technician	2	2	2	2	2	-	2	-	2
Sr Payroll Technician	1	1	1	1	1	-	1	-	1
Sr Permit Technician	2	2	2	2	2	-	2	-	2
Sr Planner	2	2	2	2	2	-	2	-	2
Sr Recreation Program Leader	2	2	2	2	2	-	2	-	2
Sr Telecomm Technician	2	2	2	2	1	-	1	-	1
Sr Traffic Engineer	1	1	1	-	-	-	-	-	-
Sr Traffic Signal Technician	1	1	1	1	1	-	1	-	1
Storekeeper	1	1	1	1	1	-	1	-	1
Storm Water Prog Mgr	1	1	1	1	1	(1)	-	-	-
Strategic Initiatives Manager	-	-	-	-	-	1	1	-	1
Street Maintenance Supervisor	2	2	2	2	2	-	2	-	2
Sustainability & Intergovernmental Prog Mgr	-	1	1	-	-	-	-	-	-
Technology Services Div Mgr	2	2	2	2	1	(1)	-	-	-
Telecomm Engineer / Admin	2	2	2	2	1	-	1	-	1
Telecomm Technician	2	2	2	2	1	-	1	-	1
Traffic Operations Supervisor	1	1	1	1	1	-	1	-	1
Traffic Sign / Marking Tech I	1	1	1	1	1	-	1	-	1
Traffic Sign/Marking Tech II	2	2	2	2	2	-	2	-	2
Traffic Signal Technician	2	2	2	2	2	-	2	-	2
Trans Div Mgr / City Traf Engr	1	1	1	1	1	-	1	-	1
Treasury Operations Div Mgr	1	1	1	1	1	-	1	-	1
Tree Trimmer	1	1	1	-	-	-	-	-	-
Vehicle / Equipment Technician	2	3	3	3	3	-	3	1	4
Total	391	374	375	374	356	-	356	5	361

Attachment: City Position Summary FY 1718 - 1819 v7 (3478 : APPROVAL TO FUND A COMMUNITY SERVICES SUPERINTENDENT POSITION)

City of Moreno Valley

Date Council Approved _____

Date Effective _____

CLASS SPECIFICATION
Community Services Superintendent

GENERAL PURPOSE

Under direction, supervises, evaluates, oversees and participates in the operations and activities of the Community Services Division. Coordinates and supervises recreation, youth and adult sports and senior programs, front office operations, and numerous citywide special events; coordinates marketing of division programs and activities; and performs related duties as assigned.

DISTINGUISHING CHARACTERISTICS

Community Services Superintendent is responsible for supervising, overseeing, evaluating and participating in the operations of the Community Services Division. Incumbent oversees front office responsible for providing customer service to the public and is also responsible for supervising and coordinating recreation programs, youth and adult sports, and the Senior Center, its classes, and activities; marketing of division programs and activities and plans and coordinates special events. Duties and responsibilities are carried out with considerable independence within the framework of established policies, procedures and guidelines.

ESSENTIAL DUTIES AND RESPONSIBILITIES

The duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to this class.

1. Plans, organizes, supervises and evaluates the work of assigned staff; with staff, develops, implements and monitors work plans to achieve assigned goals and objectives; contributes to the development and monitoring of performance against annual division and program budgets; participates in developing, implementing and evaluating work programs, plans, processes, systems and procedures to achieve division and City goals, objectives and performance measures consistent with the City's quality and service expectations.
2. Plans and evaluates the performance of assigned staff; establishes performance requirements and personal development targets; regularly monitors performance and provides coaching for performance improvement and development; recommends compensation and provides other rewards to recognize performance; subject to management concurrence, takes disciplinary action, up to and including termination, to address performance deficiencies, in accordance with the City's human resources policies and labor contract provisions.
3. Supervises all Community Services Division programming personnel, application and administration of grant programs, youth and adult sports programs, senior/community center, conference and recreation centers, after-school programs and associated activities.
4. Provides day-to-day leadership and works with staff to ensure a high-performance, customer service-oriented work environment that supports achieving City objectives and service expectations; provides leadership and participates in programs and activities that promote a positive employee relations

environment.

5. Supervises, evaluates, oversees and participates in the work of Community Services Division front-office and public counter staff responsible for providing information to the public on City recreation programs and facilities, facility and special event applications and reservations and recreation program registration; provides facility schedules and makes park and picnic shelter and field reservations for customers; registers customers in recreation programs; processes special event applications; maintains division insurance records; programs lights for evening athletic events; balances cash drawer and prepares daily deposits; answers division phones and routes calls to appropriate staff member; responds to and resolves citizen inquires and complaints or refers to appropriate staff member for resolution.
6. Coordinates marketing of the division's programs and activities; provides direction and assists with the design of division printed materials, including flyers, brochures, invitations, banners, promotional items and folders; provides recreation program and activity information and schedules for upload to the City's and division's website; prepares printing schedules; assists in the design, revision and preparation of recreation activity guide; researches and makes recommendations on marketing plans for sponsorship campaigns for division programs.
7. Plans, coordinates and supervises City-wide special events; ; promotes and acquires sponsorships for major programs and events and prepares staff reports for agencies requesting City co-sponsorship; plans and coordinates park dedications and grand openings.
8. Prepares requests for proposal, contracts and service agreements to obtain necessary services, equipment and supplies for City recreation programs; recommends award of contracts to vendors and service providers.
9. Analyzes and prepares reports for Director regarding usage and participant fees for parks and recreation programs, services, facilities and equipment; prepares other special studies and reports as assigned.
10. Researches, develops and prepares recommendations regarding division policies and procedures; prepares reports regarding City ordinances and fee schedules for City Council consideration; prepares memorandums regarding division activities and programs to the City Manager as assigned; coordinates with the City Attorney's Office to resolve legal issues.
11. Provides leadership and works with supervisors and staff to develop and maintain a high-performance, customer service-oriented work environment that supports achieving the City's mission, strategic goals and core values; provides leadership and participates in programs and activities that promote workplace diversity and a positive employee relations environment.
12. Provides intradepartmental and interdepartmental support on various projects, including capital projects, park development, and facility management.
13. Acts as the software administrator for the division's computerized recreation registration system; creates specialized reports to extrapolate data for division evaluation of program revenues; acts as liaison with other divisions to verify accounts; provides technical support and training to division staff on system use.
14. Interfaces with Finance staff to reconcile accounts receivables and journal entries, make customer account adjustments, monitor revolving accounts, monitor refunds and credit card transactions, and justify and analyze funds handling in division accounts; tracks revenue and funding sources; may participate in developing and monitoring performance against the annual departmental budget.

15. Develops, maintains and updates financial, statistical and other division reports and records; develops and prepares written reports and correspondence.

OTHER DUTIES

1. Serves on a variety of commissions, boards and committees as assigned.
2. Keeps abreast of current trends in related fields by reviewing professional literature and participating in professional organizations
3. Attends a variety of meetings, training sessions, conferences and seminars as required.
4. Serves on the Emergency Operations Team and assists with preparations for City-wide disaster drills; serves as division call-out contact for care and shelter set-up during emergencies.
5. Serves as Deputy Director in that individual's absence.
6. May direct and manage administration and enforcement of permits for use of applicable recreation sites

QUALIFICATIONS

Knowledge of:

1. Basic principles of community service, recreation programming and reservation systems.
2. City goals and policies pertaining to providing recreation activities and programs to the public.
3. Federal, state and local laws, regulations and court decisions applicable to assigned areas of responsibility.
4. City park systems, facilities and programs.
5. Graphics design processes and materials, and marketing strategies using graphics alternatives.
6. Office administrative and management practices and procedures.
7. Basic research techniques, methods and procedures.
8. Basic principles and practices of public administration, including budgeting, purchasing and maintenance of public records.
9. Principles and practices of sound business communication.
10. Principles and practices of effective supervision.
11. City human resources policies and procedures and labor agreement provisions.

Ability to:

1. Design and develop software programs to assist management and staff in tracking budget expenditures and developing budget expenditure projections.
2. Attend and participate in public functions or gatherings to provide information on community services programming and events.

3. Understand and carry out oral and written instructions.
4. Communicate clearly and effectively, both orally and in writing.
5. Prepare clear, concise and comprehensive correspondence, reports and other written materials.
6. Organize, set priorities and exercise sound independent judgment within areas of responsibility.
7. Exercise tact and diplomacy in dealing with sensitive and complex issues and situations.
8. Establish and maintain effective working relationships with City management, staff, outside organizations, customers, the public and others encountered in the course of work.
9. Respond sensitively to community issues and concerns; handle citizen complaints in a timely and effective manner.
10. Develop, implement and enforce recreation program policies, procedures and processes.

Education, Training and Experience:

A bachelor's degree in public or business administration, recreation, kinesiology, sociology, or a closely related field; and four years of progressively responsible supervisory experience in the administration of organized recreation, social service, and community activities.

Licenses; Certificates; Special Requirements:

A valid California driver's license and the ability to maintain insurability under the City's vehicle insurance policy.

CPR and first-aid certificates or the ability to obtain certification within six months of date of hire.

PHYSICAL AND MENTAL DEMANDS

The physical and mental demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical Demands

While performing the duties of this job, the employee is regularly required to sit; talk or hear, both in person and by telephone; use hands to finger, handle and feel computers and standard business equipment; and reach with hands and arms. The employee is frequently required to stand and walk.

Specific vision abilities required by this job include close vision, distance vision, peripheral vision and the ability to adjust focus.

Mental Demands

While performing the duties of this class, the incumbent is regularly required to use written and oral communication skills; read and interpret data, information and documents; analyze and solve problems; use math/mathematical reasoning; perform highly detailed work under changing deadlines on multiple concurrent tasks; work with constant interruptions; and interact with City management, staff, outside organizations, customers, the public and others encountered in the course of work.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The employee works under typical office conditions, and the noise level is usually quiet. The employee may occasionally be required to work in outside conditions, exposed to wet and/or humid conditions, where the noise level may be loud.



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 19, 2019

TITLE: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH THE LEW EDWARDS GROUP

RECOMMENDED ACTION

Recommendation:

1. Approve the Agreement for Consulting Services (“Agreement”) with the Lew Edwards Group
2. Authorize the City Manager to execute the Agreement and subsequent amendments based on City Attorney review and available appropriations
3. Approve budget adjustments to the budget as set forth in the Fiscal Impact section of this report.

SUMMARY

The City has established a long history of public engagement through surveys, town hall meetings, and other public meetings. As the City strives to continually increase feedback from the public, we are seeking an agreement to enhance current efforts and to provide additional survey work and public engagement.

On February 26, 2019, the Finance Sub Committee expressed interest in seeking community feedback and exploring funding alternatives that could address anticipated long-term budgetary needs.

DISCUSSION

The City of Moreno Valley prides itself on being a safe, well-maintained community where residents thrive, businesses prosper and families grow together. Moreno Valley’s

evolution as a premier Inland Southern California community relies upon the City’s continued financial stability to provide critical quality of life services.

In past years, the City conducted a series of community surveys which asked the public about a range of issues, including satisfaction with some of the services we provide and issues of concern to the public. Some of the priorities identified by residents in those surveys included:

- Maintaining 911 emergency response times
- Maintaining robbery and burglary suppression programs
- Maintaining safe and clean public areas
- Repairing potholes, local streets, and roads
- Maintaining 911 emergency response services
- Maintaining the number of sworn police officers on the streets
- Maintaining the number of fire engines in service at a given time
- Improving fire protection services

Enhancing public input mechanisms is an essential component of current budget development efforts and long-term fiscal planning. This reflects the Council’s strong commitment to mirror the community’s priorities in the budget decision-making process to maintain quality of life in our neighborhoods and making Moreno Valley less susceptible to swings in the national and regional economies.

By utilizing a public outreach firm, the City can more effectively identify the needs of the community to foster stronger public engagement. Based on the Lew Edwards Group’s (LEG) prior survey work for the City of Moreno Valley, staff recommends the proposed contract with LEG to conduct survey activities and assist with public engagement.

Feedback from the Moreno Valley residents and businesses will prepare the City to explore options favored by residents to meet the needs of our community. Most recently through approved ballot measures, the City has been able to develop increased revenues through the 2018 Commercial Cannabis Activity Tax and the 2016 Transient Occupancy Tax measures, which also brought those elements of the City’s tax rates in line with the County and surrounding cities.

In November 6, 2018, voters throughout the state were presented with 386 local ballot measures with 81% of those measures being approved by the voters. Three of the top new revenues sources included Transient Occupancy, Sales, and Cannabis Taxes. Fifty-two of the 58 general purpose transactions and use taxes passed, similar to November 2016 when 51 of 59 passed.

Voters in recent elections have approved a series of measures to fund and maintain services in many Riverside County communities:

City	Measure/Year	Type	Approval
Wildomar	Measure AA/2018	1 cent sales	58.5%
Norco	Measure R/2018	1 cent sales	56.4%

Murrieta	Measure T/2018	1 cent sales	52.2%
Palm Springs	Measure D/2017	½ cent sales	56.5%
Riverside	Measure Z/2016	1 cent sales	57.3%
Temecula	Measure S/2016	1 cent sales	51.0%
Hemet	Measure U/2016	1 cent sales	61.0%
Coachella	Measure U/2014	1 cent sales	50.0%
Cathedral City	Measure B/2014	1 cent sales	66.8%
Indian Wells	Measure K/2018	+1% TOT	73.6%
Indio	Measure O/2014	+3% TOT	79.5%
Canyon Lake	Measure S/2018	3.95% UUT	76.7%
Desert Hot Springs	Measure C/2017	7% UUT	76.3%
Desert Hot Springs	Measure B/2017	\$103 parcel	74.9%
Idyllwild Fire	Measure W/2016	+\$65 parcel	58.0%

While revenue measures were an avenue of interest to cities over the last several years, it is important to continue outreach to Moreno Valley residents to obtain additional input on the city’s current financial situation and solicit community feedback on priorities before setting any course on future planning.

A robust community engagement program will allow the city to obtain such feedback in a timely and coordinated manner.

ALTERNATIVES

1. Approve the Agreement for Consulting Services (“Agreement”) to provide initial public survey work and the development of public outreach information. Authorize the City Manager to execute the Agreement. Approve budget adjustments to the adopted budget as set forth in the Fiscal Impact section of this report. *Staff recommends this alternative.*
2. Provide alternate direction to staff.

FISCAL IMPACT

The following adjustments will provide for the funding of the Agreement.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 18/19 Amended Budget	Proposed Adjustment	FY 18/19 Amended Budget
Public Outreach	Gen Fund	1010-30-35-25011-620299	Exp.	\$165,500	\$50,000	\$215,500

PREPARATION OF STAFF REPORT

Prepared By:
Marshall Eyerman
Chief Financial Officer

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

CITY COUNCIL GOALS

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

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

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

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

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

- 1. MoVal.2019.contract.exhibits

APPROVALS

Budget Officer Approval	<u> ✓ Approved </u>	3/07/19 5:49 PM
City Attorney Approval	<u> ✓ Approved </u>	3/07/19 1:49 PM
City Manager Approval	<u> ✓ Approved </u>	3/13/19 5:40 PM

EXHIBIT A-SCOPE OF SERVICES

Task One: Initial Strategic Consulting Planning and Communications Services related to Customer Satisfaction, City budget adoption, and community priorities

- Review City archival information
- Develop initial short-term and overall project timeline and confer with City’s dedicated project professionals or opinion researchers as needed
- Draft initial Budget Messaging Platform
- Provide recommendations to proposed city budget reports, presentations, or documents
- Provide recommendations for communications and engagement content
- Participate in selected City briefing and planning sessions related to budget adoption
- Review past and current City budget materials and planning
- Draft text copy for selected communications collaterals such as FAQs, web content, and other materials
- Provide Strategic Recommendations for continued community engagement on budget issues
- Continuously update timeline of recommended communications engagement and activities
- Facilitate updated Customer Satisfaction/Priorities study by City’s designated public opinion research professional, FM3 Research
- Independently analyze survey results and make strategic recommendations

The parties expressly acknowledge and agree that legal services or advice are not within Consultant’s scope of services.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Not to Exceed Forty-nine Thousand, Nine Hundred and Fifty Dollars (\$49,950):

Ten (5) monthly payments at Consultant’s discounted rate of Four Thousand, Nine Hundred and Fifty Dollars (\$4,950) per month due and payable on the last business day of each month. ;

Professional fees do not include hard project costs such as opinion research, graphic design, printing, bulk postage, or mail house processing fees, which will be budgeted for separately by the City throughout the project.

Attachment: MoVal.2019.contract.exhibits (3481 : APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH THE LEW EDWARDS



Report to City Council

TO:

FROM: Richard J. Sandzimier, Community Development Director

AGENDA DATE: March 19, 2019

TITLE: SECOND READING AND ADOPTION OF ORDINANCE NO. 951 AMENDING THE MORENO VALLEY RANCH SPECIFIC PLAN 193 AND ORDINANCE NO. 952 AUTHORIZING A CHANGE OF ZONE FOR PROPERTY AT THE NORTHEAST CORNER OF KRAMERIA AVENUE AND LASSELLE STREET

RECOMMENDED ACTION

Recommendation: That the City Council:

1. Adopt Ordinance No. 951 amending the Moreno Valley Ranch Specific Plan 193 and adopt Ordinance No. 952 authorizing the Change of Zone for approximately 11.64 acres located at the northeast corner of Lasselle Street and Krameria Avenue

SUMMARY

This report recommends adoption of Ordinance No. 951 introduced at the last City Council meeting for approval of a Specific Plan Amendment (PEN18-0120), and Ordinance No. 952 for Change of Zone (PEN18-0121) changing the zoning from High Density Residential (SP 193 H) to Medium High Density Residential (SP 193 MHR) and Neighborhood Commercial (NC) for the areas described in the Ordinances.

DISCUSSION

Based on review and consideration of the applications for a Specific Plan Amendment and a Change of Zone submitted by the applicant Continental East Fund III, LLC, the City Council introduced the ordinances to amend the Moreno Valley Ranch Specific Plan and amend the Official Zoning Atlas, changing the zoning classification from High Density Residential to Medium High Density Residential and Neighborhood Commercial. The site is located at the northeast corner of Krameria Avenue and

Lasselle Street.

Ordinance No. 951 and Ordinance N. 952 were introduced at the City Council meeting of March 5, 2019.

ALTERNATIVES

The City Council may consider the following alternatives:

1. Conduct the second reading by title only and adopt Ordinance No. 951 and Ordinance No. 952. Staff recommends this alternative.
2. Provide revisions to the draft Ordinance and have staff return with the revised draft for another adoption process.

FISCAL IMPACT

There are no anticipated fiscal impacts from the recommended action.

NOTIFICATION

The agenda was posted in accordance with the Brown Act.

PREPARATION OF STAFF REPORT

Prepared by:
Jeff Bradshaw
Associate Planner

Department Head Approval:
Richard Sandzimier
Community Development Director

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

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

Objective 1.1: Proactively attract high-quality businesses.

Objective 1.3: Promote local hiring through the expansion of local, quality, high paying jobs, and workforce development efforts.

Objective 1.5: Showcase Moreno Valley’s unique assets.

Objective 1.9: Ensure the City’s General Plan articulates the vision for how Moreno Valley wants to evolve over time, and provides an orderly and predictable process through which this vision is developed and implemented, including new attention to economic development, sustainability, public health, and innovation.

ATTACHMENTS

- 1. Ordinance 2019-951 - Specific Plan Amendment
- 2. Exhibit A to Ordinance 2019-951 - Specific Plan Amendment
- 3. Ordinance 2019-952 - Zone Change
- 4. Exhibit A to Ordinance 2019-952 - Zone Change

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/08/19 4:10 PM
City Attorney Approval	<u>✓ Approved</u>	3/13/19 2:37 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:40 PM

ORDINANCE NO. 2019-951

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT APPLICATION NO. PEN18-0120 CHANGING THE SPECIFIC PLAN ZONING FROM HIGH DENSITY RESIDENTIAL TO MEDIUM DENSITY RESIDENTIAL AND NEIGHBOR COMMERCIAL FOR PROPERTY LOCATED AT THE NORTHEAST CORNER OF KRAMERIA AVENUE AND LASSELLE STREET

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1 GENERAL:

1.1 The applicant, Continental East Fund III, LLC, has filed application PEN18-0120, requesting an amendment Planning Area 21 of the Moreno Valley Ranch Specific Plan for certain property as described in the title of this ordinance and the attached Exhibit A.

1.2 Pursuant to the provisions of the law, a public hearing was held before the City Council on March 5, 2019, for deliberations and decision.

1.3 The matter was fully discussed, and the public and other agencies were given opportunity to present testimony and documentation.

1.4 An Addendum has been prepared for the Project for the purpose of compliance with the California Environmental Quality Act (CEQA). Based on the Addendum including all supporting technical evidence, it was determined that the project impacts are expected to remain less than significant with implementation of project design features and compliance with mitigation measures outlined in the Moreno Valley Ranch Specific Plan Environmental Impact Report, and therefore, certification of an Addendum is an appropriate action for the Project.

SECTION 2 FINDINGS:

2.1 Based upon substantial evidence presented to this City Council during the above-referenced meeting on March 5, 2018, including written and oral staff reports, and the record from the public hearing, this City Council hereby specifically finds as follows:

- 1. Conformance with General Plan Policies – The proposed amendment is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The Continental East Phase II Apartment project proposes to modify the previously approved Continental Villages project by subdividing the approximately 19 acre site into three parcels; establishing land use designations for development of Medium High Density Residential and future neighborhood commercial development; and replacing the previously approved detached dwelling units with a 112 unit apartment project.

The project site is located within Planning Area 21 of the Moreno Valley Ranch Specific Plan (SP 193) which as approved on August 13, 1985. The General Plan land use designations for the project site were Commercial and High Density Residential.

In 2001, the City of Moreno Valley approved Amendment No. 6 to Specific Plan 193, which amended the land use designations for Planning Area 21, eliminating the Commercial designation and assigning High Density Residential to the entire site.

The project site has a current General Plan designation of R20. The proposed Specific Plan Amendment would change the land use for 8.8 acres from High Density Residential to Medium High Density Residential and from High Density Residential to Neighborhood Commercial for 2.8 acres located at the corner of Lasselle Street and Krameria Avenue.

The project site is bounded by Lasselle Street along its western property line and Krameria along its eastern and southern property line. Beyond the contiguous streets, land uses surrounding the project site are primarily single-family residences in the Low and Medium-low Density Residential zones. Moreno Valley Community College is located directly north of Cahuilla Drive. Lasselle Elementary School is located northeast of the Project site and contiguous to the Project site on two sides.

General Plan Policy 2.2.10 states that the primary purpose of areas designated Residential 20 is to provide a range of high density multi-family housing types. Developments within Residential 20 areas shall also provide amenities, such as common open spaces and recreational facilities. The maximum density shall be 20 dwelling units per acre.

Medium High Density Residential is a zoning district with development standards that are consistent with the goals and intent of the Residential 20 land use designation.

General Plan Policy 2.4.1 states that the primary purpose of areas designated Commercial is to provide property for business purposes, including, but not limited to, retail stores, restaurants, banks, hotels, professional offices, personal services and repair services.

With approval of the requested Zone Change, the project as designed and conditioned will achieve the objectives of the City of Moreno Valley's General Plan for multiple family and commercial land uses and will promote development of the undeveloped portion of the project site.

- 2. Health, Safety and Welfare – The proposed amendment will not adversely affect the public health, safety or general welfare.

FACT: The proposed Specific Plan Amendment is a legislative action and will not result in any direct physical impacts; therefore, the action itself could not be detrimental to the public health, safety or welfare.

The change in land use designations for the project site vacant will allow for development of 112 unit apartment project and future commercial development that is consistent with the General Plan, zoning, and public health safety and welfare.

An Initial Study was for the project for the purpose of compliance with the California Environmental Quality Act (CEQA). Based on the Initial Study, it was determined that the project impacts remain less than significant and certification of an Addendum to a previously approved Negative Declaration and Moreno Valley Ranch Specific Plan Environmental Impact Report is recommended.

There is no evidence that the proposed project will have a significant impact on public health or be materially injurious to surrounding properties of the environment as a whole.

- 3. Conformance with the Zoning Regulations – The proposed Specific Plan Amendment is consistent with the purposes and intent of Title 9 of the City of Moreno Valley Municipal Code.

FACT: The proposed Specific Plan Amendment would change the land use for 8.8 acres from High Density Residential to Medium High Density Residential (MHR) and from High Density Residential to Neighborhood Commercial (NC) for 2.8 acres located at the corner of Lasselle Street and Krameria Avenue.

Both the MHR and NC zones defer to the City's Municipal Code for development standards. With the adoption of the Specific Plan Amendment, the project would be consistent with the purposes and intent of Title 9.

SECTION 3 EFFECT OF ENACTMENT:

3.1 Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council, which addresses the same subject addressed herein.

SECTION 4. NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 5. EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this _____ day of _____, _____.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

4
Ordinance No. 2019-951
Date Adopted: March __, 2019

ORDINANCE JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 2019-951 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the _____ day of March, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

5
Ordinance No. 2019-951
Date Adopted: March __, 2019

Moreno Valley Ranch Specific Plan Amendment No. 10

Executive Summary

The tenth Amendment to the Specific Plan covers approximately 11.64 acres of land designated High Density Residential in the Moreno Valley Ranch Specific Plan (SP No. 193). Specific Plan No. 193 was initially approved for 12,703 residential units encompassing 3,959 acres. The proposed change in Specific Plan land use designation for the 11.64-acre parcel is a negligible change affecting less than one-half percent of the total land area of the Specific Plan.

The acreage that would be modified by this Specific Plan Amendment is part of Planning Area 21 and 21A. More specifically, the project site is bound on the west by Lasselle Street, on the north by Cahuilla Drive, and on the south by Krameria Avenue.

Moreno Valley Ranch Specific Plan Amendment No. 10 changes the land use designation on 2.84 acres from High Density Residential to Neighborhood Commercial and on 8.80 acres from High Density Residential to Medium High Density Residential. These changes would accommodate approximately 21,000 square feet of neighborhood commercial and 112 multi-family dwelling units. There is no impact on the overall acreage of the Specific Plan itself.

The following table summarizes the progression of land use designations over the 11.64-acre Project site from original Specific Plan through Specific Plan Amendment No. 6.

Land Use	Original SP 193	SPA #1	SPA #6	SPA #10
Medium Low Density Residential	11.64 acres (69 dus)	-	-	
Medium High Density Residential				8.80 acres (112 dus)
High Density Residential	-	7.07 acres (130 du)	11.64 (215 dus)	
Commercial	-	4.57 acres (119,442 sq. ft.)	-	2.84 acres (21,000 sq. ft)
Total	11.64 acres	11.64 acres	11.64 acres	11.64 acres

Attachment: Exhibit A to Ordinance 2019-951 - Specific Plan Amendment (3484 : SECOND READING AND CONSIDERATION OF ADOPTION OF

Proposed Action

The Specific Plan Amendment pertains to 11.64 acres and would change the land use designations for parcels located within Planning Areas 21 and 21A of the Moreno Valley Ranch Specific Plan (SP No. 193) (Figure 1).

This Specific Plan Amendment is comprised of the Specific Plan text included herein, and the update of the land use and zoning exhibits of the Specific Plan. No other modifications to the Specific Plan are required to satisfy the State Government Code sections applicable to Specific Plans.

Summary of Key Elements of Specific Plan Amendment 10

The proposed Specific Plan Amendment would make the following changes to the Moreno Valley Ranch Specific Plan No. 193.

- Revert the currently approved land use on Parcel 2, 2.84 acres, at the corner of Lasselle Street and Krameria Avenue, from High Density Residential back to Neighborhood Commercial as designated by Specific Plan Amendment No. 1.
- Change the designation of High Density Residential on Parcel 3, 8.80 acres, to Medium-High Density, to accommodate lower density residential housing more consistent with the surrounding land uses.
- The development standards for the multi-family land use shall be consistent with the R20 zoning standards, except where modified per Specific Plan No. 193.
- The development standards for the Neighborhood Commercial land use shall be consistent with the Neighborhood Commercial zoning standards.
- Parcel 3, 8.80 acres, is the area subject to the proposed General Plan Amendment, Zone Change, Specific Plan Amendment, and Plot Plan, to reduce the density from R20 to R15 for the construction of multi-family residential apartments.

Background

In 1985, the Moreno Valley City Council adopted Specific Plan 193 and EIR 190, creating the Moreno Valley Ranch Specific Plan. Specific Plan 193 was initially approved for 12,703 residential units encompassing 3,959 acres. During the intervening years Specific Plan 193 has been amended 9 times, as summarized below.

Amendment 1 (1987) added the Moreno Valley campus of the Riverside Community College to the Specific Plan 193. The addition of the college campus rearranged land uses in other Planning Areas resulting in a net reduction of 8 dwelling units.

Amendment 2 (1987) incorporated the 27-hole golf course into the Specific Plan. The effect of that change was a reduction of 642 residential units.

Amendment No. 3 (1988) changed land use designations in Planning Areas 18, 19, and 23, resulting in an increase in public parkland by 1.3 acres and a reduction in dwelling units by approximately 54 single family dwellings.

Amendment No. 4 (1990) changed land uses among Planning Areas, most notably resulting in the construction of a 10-acre sports complex in Planning Area 4. The other land uses changes resulted in an increased in the maximum number of residential development units by approximately 137 dwelling units.

Amendment No. 5 (1998) amended the Specific Plan to modify eight planning areas of the Specific Plan generally modifying residential categories that allow for higher density to Medium Low Residential (4-8 dwelling units per acre) and Medium Residential (8-13 dwelling units per acre). The approval decreased the potential build-out within these Planning Areas of the Specific Plan by 1,160 dwelling units.

Amendment No. 6 (2001) modified uses in fourteen Planning Areas on 227 acres, resulting in a 1,221 dwelling unit reduction.

Amendment No. 7 modified the Specific Plan to allow for a maximum of 176 additional dwelling units.

Amendment No. 8 modified the Specific Plan to allow for condominiums, increasing the number of dwelling units by 135.

Amendment No. 9 (2018) amended land use designations, including the conversion of nine holes of the golf course known as the Lakes 9 to passive park and open space. Amendment No. 9 added 439 dwelling units.

The prior nine Specific Plan Amendments reduced the total number of permitted dwelling units within the Moreno Valley Ranch Specific Plan from 12,703 to approximately 10,505¹ dwelling units.

The Project Site is located in Planning Areas 21 and 21A of the Moreno Valley Ranch Specific Plan, which have been previously amended by Specific Plan Amendment Nos. 1 and 6.

¹ Specific Plan Amendment No. 9 concluded the prior nine Specific Plan Amendments result in 10,439 dwelling units permitted within the Specific Plan area. The difference between 10,505 and 10,439 is due to several planning areas that permit a range of densities that could alter the total number of permitted dwelling units.

Specific Plan 193 originally designated Planning Area 21 (50 acres) for Medium Low density residential. Assuming 6 dwelling units per acre, Planning Area 21 could accommodate approximately 300 dwelling units.

In 1987, the City of Moreno Valley approved Amendment No. 1 to Specific Plan 193 to permit the Riverside Community College campus within Planning Area 22 and a portion of Planning Area 21. Amendment No. 1 reconfigured the Planning Area boundaries, leaving Planning Area 21 (15 acres) designated as Commercial and created Planning Area 21A (18 acres) designated as High Density Residential (333 dwelling units).

In 2001, the City of Moreno Valley approved Amendment No. 6 to Specific Plan 193, which amended the land use designations for Planning Areas 21 and 21A. Specific Plan Amendment No. 6 eliminated the Commercial designation and designated both Planning Areas as High Density Residential (32.19 acres).

In 2004, approximately 13.35 acres of Planning Areas 21 and 21A became an elementary school. The Lasselle Elementary School is primarily situated in Planning Area 21A, but a portion crosses into Planning Area 21, leaving the remaining 18.84 acres designed High Density Residential.

In 2012, the City of Moreno Valley approved a subdivision on the remaining 18.84 acres (PA 11-0026) to build three types of residential products for a total of 216 dwelling units. Conditional Use Permit (CUP) PA11-0027 provided for 36 detached single family and 55 cluster residential units. A CUP was required because the housing was less than the minimum density established for the property's land use and zoning designations. Plot Plan PA11-0025 provided for a 125-unit multi-family apartment project with a recreation building on approximately 7.20 acres. A variance was also approved to allow for parking to encroach into street side setbacks given the site's unique constraints.

While the City approved a CUP and Plot Plan, an Amendment to Specific Plan 193 was not approved. Therefore, the underlying zoning for the 18.84 acres remains High Density Residential as established in Specific Plan Amendment No. 6.

As a result of the City's action in 2012, approximately 7.20 acres of the Planning Area is currently being constructed with 125 apartments. The remaining 11.64 acres is subject to Specific Plan Amendment No. 10.

Requirements for a Specific Plan

Based on Section 65451 of the Government Code, it is mandated that a specific plan include the following structure:

- A. A Specific Plan shall include a text and diagram which specify the distribution, location, and extent of the uses of land, including open space covered by the plan.
- B. The proposed distribution, location, extent and intensity of major components of public and private transportation, sewer, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the plan.
- C. Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
- D. A program of implementation of measures including regulations, programs, public works projects, and financing measures necessary to carry out (A), (B), and (C).

Analysis of Specific Plan Amendment

Specific Plan Amendment No. 10 includes a reversion of 2.84 acres back to Neighborhood Commercial and a reduction in density on the remaining 8.8 acres from High Density Residential to Medium High Density Residential. The proposed land use changes are consistent with the purpose and intent of the land use patterns established in the Specific Plan.

This Specific Plan Amendment would 1) adjust the Specific Plan land use map, as shown in Figure 2 (attached); 2) amend the text to specify the development standards for the multi-family land use shall be consistent with the R-15 zoning standards, except building separations of 15 feet shall be permitted for buildings two-stories or less and buildings with 8 or less units in each building; and 3) Neighborhood Commercial zoning standards shall apply to the Neighborhood Commercial land use designation. These amendments to the Specific Plan are consistent with the purpose and intent of the land use patterns and design guidelines established in Specific Plan 193 and no conflicts would arise.

In evaluating the major components of infrastructure in the Specific Plan, the Specific Plan Amendment will have a negligible effect on infrastructure as the Amendment is within the scope of the Specific Plan as originally adopted. Further, the existing backbone street and utility systems have already been constructed and have sufficient capacity to adequately serve the site. Conditions of approval will be placed on the project to make sure that the project complies with all City requirements.

An Addendum to EIR 190 has been prepared and the Specific Plan Amendment would not cause new or more severe significant impacts. Several mitigation measures and conditions of approval established in EIR 190 and Amendment No. 1 remain applicable to this Specific Plan Amendment. No new mitigation measures are required.

Public Participation and Review Process

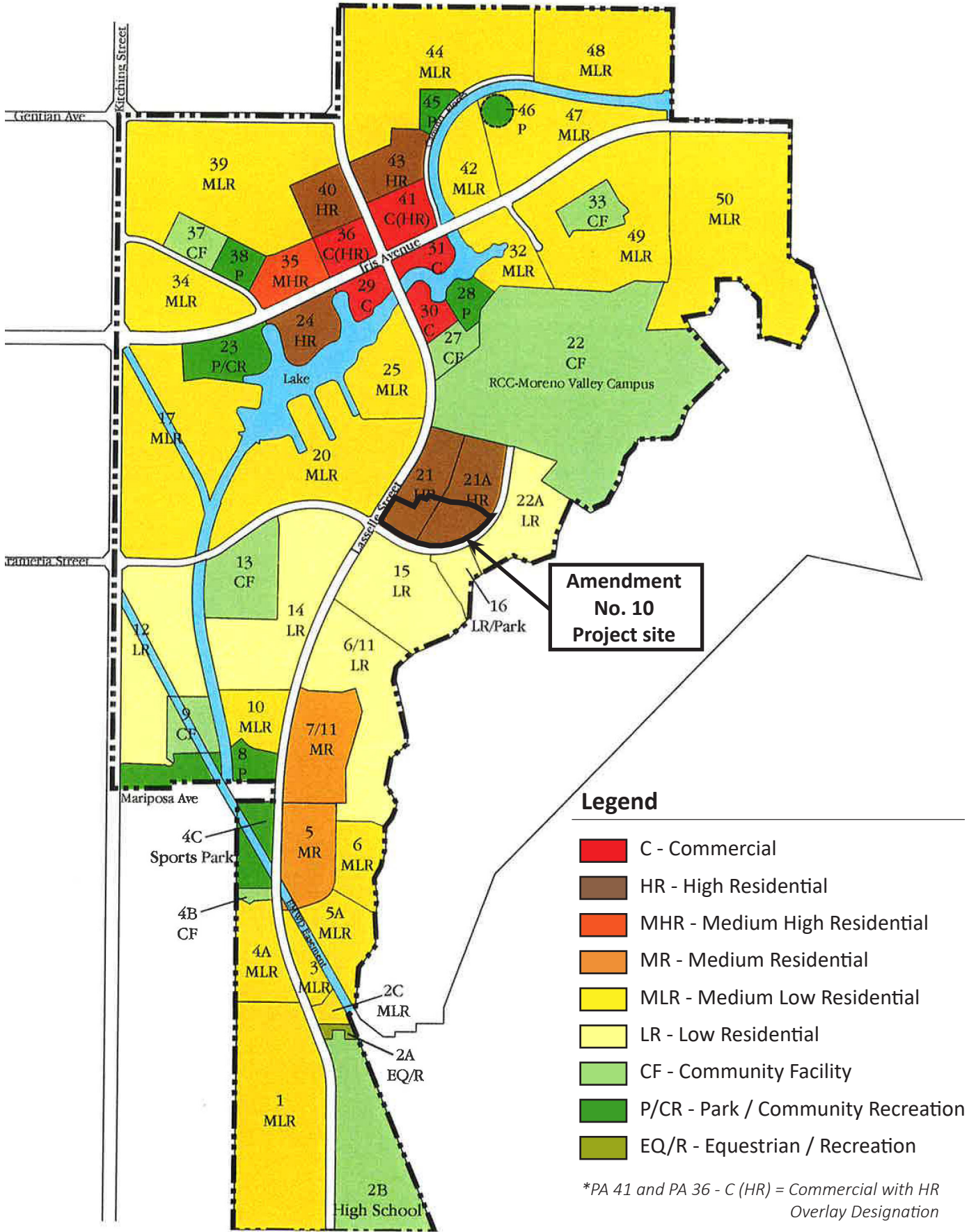
A specific plan is a tool for implementation of the General Plan. Consistent with the recommended specific plan process, public input will be provided through the public hearing process. The Specific Plan Amendment will be reviewed by the Planning Commission, and approval will require City Council review and action.

Specific Plan Objectives

The implementation of the Specific Plan to date has furthered one of the primary purposes of a Specific Plan which is to provide a tool for developing a community “sense of place.” The Specific Plan is over 90% developed with only a few remaining sites to complete. The key backbone infrastructure, generous streetscapes, entry monumentation, and architecture have established a “sense of place” for existing development within the Specific Plan.

For Specific Plan Amendment No. 10, any development project on the 11.64 acres will be required to comply with the Specific Plan and the related zoning standards ensuring that this project is of a quality similar to other development within Moreno Valley Ranch. In addition, the measures included within this Specific Plan Amendment, and the project conditions of approval for any development implementing this Amendment, will ensure that the design and quality of development is compatible with surrounding land uses.

As outlined above, Specific Plan Amendment 10 will be consistent with all required elements of a Specific Plan as provided for in Government Code section 65451, and related sections.



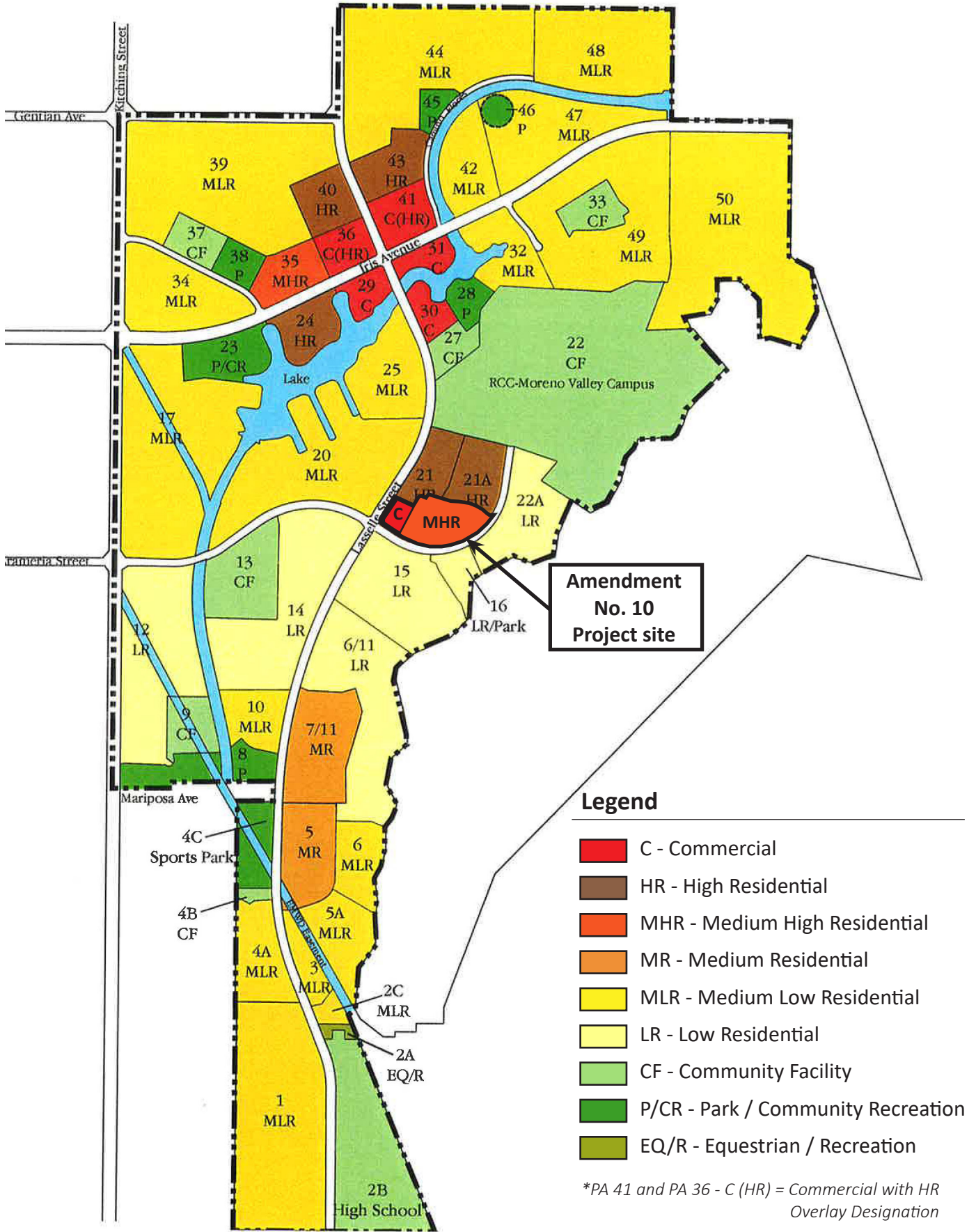
Attachment: Exhibit A to Ordinance 2019-951 - Specific Plan Amendment (3484 : SECOND READING AND CONSIDERATION OF ADOPTION OF

Graphic Prepared By:
Carlson SLS
Created: January 10, 2019



Data Source: Moreno Valley Ranch
West Village: Figure II
(February 2001)

Moreno Valley Ranch Specific Plan Amendment No. 10
Specific Plan Amendment No. 6
Existing Land Use Plan
Packet Pg. 327
FIGURE 1



Attachment: Exhibit A to Ordinance 2019-951 - Specific Plan Amendment (3484 : SECOND READING AND CONSIDERATION OF ADOPTION OF

Graphic Prepared By:
Carlson SLS
Created: January 10, 2019



Data Source: Moreno Valley Ranch
West Village: Figure II
(February 2001)

Moreno Valley Ranch Specific Plan Amendment No. 10
Specific Plan Amendment No. 10
Revised [unclear]
Packet Pg. 328

ORDINANCE NO. 2019-952

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING ZONE CHANGE APPLICATION NO. PEN18-0121: AN AMENDMENT TO THE OFFICIAL ZONING ATLAS, CHANGING THE ZONING CLASSIFICATION FROM HIGH DENSITY RESIDENTIAL TO MEDIUM DENSITY RESIDENTIAL AND NEIGHBOR COMMERCIAL FOR PROPERTY LOCATED AT THE NORTHEAST CORNER OF KRAMERIA AVENUE AND LASSELLE STREET

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1 GENERAL:

1.1 The applicant, Continental East Fund III, LLC, has filed application PEN18-0121, requesting an amendment to Page 156 of the Official Zoning Atlas to change the zoning classification for certain property as described in the title of this ordinance and the attached Exhibit A.

1.2 Pursuant to the provisions of the law, a public hearing was held before the City Council on March 5, 2019, for deliberations and decision.

1.3 The matter was fully discussed, and the public and other agencies were given opportunity to present testimony and documentation.

1.4 An Addendum has been prepared for the Project for the purpose of compliance with the California Environmental Quality Act (CEQA). Based on the Addendum including all supporting technical evidence, it was determined that the project impacts are expected to remain less than significant with implementation of project design features and compliance with mitigation measures outlined in the Moreno Valley Ranch Specific Plan Environmental Impact Report, and therefore, certification of an Addendum is an appropriate action for the Project.

SECTION 2 FINDINGS:

2.1 Based upon substantial evidence presented to this City Council during the above-referenced meeting on March 5, 2018, including written and oral staff reports, and the record from the public hearing, this City Council hereby specifically finds as follows:

- 1. Conformance with General Plan Policies – The proposed amendment is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The Continental East Phase II Apartment project proposes to modify the previously approved Continental Villages project by subdividing the approximately 19 acre site into three parcels; establishing land use designations for development of Medium High Density Residential and future neighborhood commercial development; and replacing the previously approved detached dwelling units with a 112 unit apartment project.

The project site is located within Planning Area 21 of the Moreno Valley Ranch Specific Plan (SP 193) which as approved on August 13, 1985. The General Plan land use designations for the project site were Commercial and High Density Residential.

In 2001, the City of Moreno Valley approved Amendment No. 6 to Specific Plan 193, which amended the land use designations for Planning Area 21, eliminating the Commercial designation and assigning High Density Residential to the entire site.

The project site has a current General Plan designation of R20. The proposed Zone Change would change the land use for 8.8 acres from High Density Residential to Medium High Density Residential and from High Density Residential to Neighborhood Commercial for 2.8 acres located at the corner of Lasselle Street and Krameria Avenue.

The project site is bounded by Lasselle Street along its western property line and Krameria along its eastern and southern property line. Beyond the contiguous streets, land uses surrounding the project site are primarily single-family residences in the Low and Medium-low Density Residential zones. Moreno Valley Community College is located directly north of Cahuilla Drive. Lasselle Elementary School is located northeast of the Project site and contiguous to the Project site on two sides.

General Plan Policy 2.2.10 states that the primary purpose of areas designated Residential 20 is to provide a range of high density multi-family housing types. Developments within Residential 20 areas shall also provide amenities, such as common open spaces and recreational facilities. The maximum density shall be 20 dwelling units per acre.

Medium High Density Residential is a zoning district with development standards that are consistent with the goals and intent of the Residential 20 land use designation.

General Plan Policy 2.4.1 states that the primary purpose of areas designated Commercial is to provide property for business purposes, including, but not limited to, retail stores, restaurants, banks, hotels, professional offices, personal services and repair services.

With approval of the requested Zone Change, the project as designed and conditioned will achieve the objectives of the City of Moreno Valley's General Plan for multiple family and commercial land uses and will promote development of the undeveloped portion of the project site.

- 2. Health, Safety and Welfare – The proposed amendment will not adversely affect the public health, safety or general welfare.

FACT: The proposed Zone Change is a legislative action and will not result in any direct physical impacts; therefore, the action itself could not be detrimental to the public health, safety or welfare.

The change in land use designations for the project site vacant will allow for development of 112 unit apartment project and future commercial development that is consistent with the General Plan, zoning, and public health safety and welfare.

An Initial Study was for the project for the purpose of compliance with the California Environmental Quality Act (CEQA). Based on the Initial Study, it was determined that the project impacts remain less than significant and certification of an Addendum to a previously approved Negative Declaration and Moreno Valley Ranch Specific Plan Environmental Impact Report is recommended.

There is no evidence that the proposed project will have a significant impact on public health or be materially injurious to surrounding properties of the environment as a whole.

- 3. Conformance with the Zoning Regulations – The proposed Zone Change is consistent with the purposes and intent of Title 9 of the City of Moreno Valley Municipal Code.

FACT: The proposed Zone Change would change the land use for 8.8 acres from High Density Residential to Medium High Density Residential (MHR) and from High Density Residential to Neighborhood Commercial (NC) for 2.8 acres located at the corner of Lasselle Street and Krameria Avenue.

Both the MHR and NC zones defer to the City's Municipal Code for development standards. With the adoption of the Specific Plan Amendment, the project would be consistent with the purposes and intent of Title 9.

SECTION 3 AMENDMENT OF THE OFFICIAL ZONING ATLAS:

3.1 The City of Moreno Valley Official Zoning Atlas, as adopted by Ordinance No. 359, on April 14, 1992, of the City of Moreno Valley, and as amended thereafter from

3
Ordinance No. 2019-952
Date Adopted: March __, 2019

time to time by the City Council of the City of Moreno Valley, is further amended by placing in effect the zone or zone classification to Page 156 of the Official Zoning Atlas as shown on the attached map marked "Exhibit A" and included herein by reference and on file in the office of the City Clerk).

SECTION 4 EFFECT OF ENACTMENT:

4.1 Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 5. NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 6. EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this _____ day of _____, _____.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

4
Ordinance No. 2019-952
Date Adopted: March __, 2019

ORDINANCE JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 2019-952 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the _____ day of March, 2019, by the following vote:

AYES:

NOES:

ABSENT:

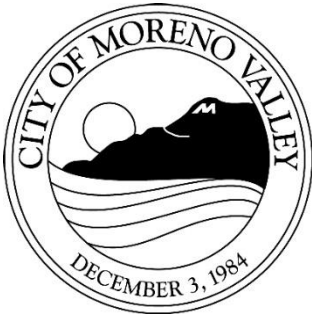
ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

5
Ordinance No. 2019-952
Date Adopted: March __, 2019



ZONE CHANGE
 Application No. PEN18-0121
 Ordinance No. 2019-952



Exhibit A to Ordinance 2019-952

Attachment: Exhibit A to Ordinance 2019-952 - Zone Change (3484 : SECOND READING AND CONSIDERATION OF ADOPTION OF ORDINANCE



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 19, 2019

TITLE: SECOND AMENDMENT TO THE AGREEMENT FOR ON-CALL CONSTRUCTION INSPECTION SERVICES WITH INTERWEST CONSULTING GROUP

RECOMMENDED ACTION

Recommendations:

1. Approve the Second Amendment to the On-Call Professional Consultant Services for Construction Inspection Services with Interwest Consulting Group, 431 S. Palm Canyon Drive, Suite 200 Palm Springs, CA 92507.
2. Authorize the City Manager to execute the Second Amendment with Interwest Consulting Group which includes executing subsequent Amendments or Extensions to the Agreement, and the authority to authorize associated purchase orders in accordance with the terms of the Agreement, subject to the approval of the City Attorney.
3. Authorize the issuance of a change order to Purchase Order with Interwest Consulting Group from a not-to-exceed amount of \$150,000.00 to a not-to-exceed amount of \$215,000.00 (an increase of \$65,000.00 for additional inspection services).

SUMMARY

This report recommends approval of the Second Amendment to the Project Specific Agreement for On-Call Professional Consultant Services for Construction Inspection Services with Interwest Consulting Group (“Contractor”) to provide additional development related inspection services for the amendment.

The proposed Second Amendment increases the budgeted amount to provide adequate coverage for inspection services. Development in residential, commercial, industrial

and utility projects has continued to be busy. Due to the high demand for inspection services, it is necessary to retain a consultant inspector in the Land Development Division for the remainder of FY 2018/19 and the beginning of FY 2019/20.

DISCUSSION

The City has contracted for professional services to meet increased demands during high construction periods in order to provide development services to utility companies, developers, and contractors in a timely manner. On March 30, 2018, the Public Works Department, Land Development Division entered into an agreement with Interwest Consulting Group for consultant inspection services and subsequently amended that agreement on July 10, 2018. Due to the sustained development occurring in Moreno Valley, the demand for construction inspection requests has resulted in the need to retain a consultant inspector.

Currently, the City has two fulltime construction inspectors overseeing all private development projects and one consultant inspector overseeing utility construction projects. With the continued activity in utility projects, it is necessary to retain a consultant inspector to meet the inspection requests within the utility's aggressive schedules.

Attached is a proposed Second Amendment to the Agreement, which increases the compensation amount by \$65,000.00. The agreement compensation amount currently is not to exceed \$150,000.00. The new not to exceed amount will be \$215,000.00. Increasing the inspection services contract amount will allow the City to respond to developer and utility inspection requests in a timely manner and meet their schedules. To ensure inspection services are available for active projects, the amendment includes a time extension until June 30, 2020.

ALTERNATIVES

1. Approve the recommended actions as presented in this staff report. *Staff recommends this alternative in order to accommodate all inspection requests by developers and utilities.*
2. Do not approve the recommended actions as presented in this staff report. *Staff does not recommend this alternative, as it would result in prioritizing inspections and possible development project delays.*

FISCAL IMPACT

The proposed Second Amendment includes a \$65,000 increase in compensation for inspection services. The demand for construction inspection services was not anticipated as part of the FY 2018/19 budget. On March 5, 2019, City Council approved the FY 2018/19 Mid-Year Budget Amendments that included an increase in Public Works Professional Services expenditures (GL Account Number 1010-70-29-20410-

620299) that accounted for this proposed increase. These costs have an offsetting revenue as inspection fees (GL Account Number 1010-70-29-20410-52310) collected from developers and utility companies will fund the professional services account.

NOTIFICATION

N/A

PREPARATION OF STAFF REPORT

Prepared By:
Michael D. Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

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

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

ATTACHMENTS

- 1. Interwest Agreement
- 2. First Amendment
- 3. Second Amendment

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/11/19 9:01 AM
City Attorney Approval	<u>✓ Approved</u>	3/13/19 2:39 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:41 PM

**PROJECT SPECIFIC AGREEMENT FOR ON-CALL
PROFESSIONAL CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES**

This Agreement is made and entered into as of the date signed by the City of Moreno Valley, by and between the City of Moreno Valley, California, a municipal corporation, hereinafter described as "City," and Interwest Consulting Group, a California corporation, hereinafter described as "Consultant."

RECITALS

WHEREAS, the City has pre-qualified Consultant for On-call Consultant work in an Agreement ("On-Call Agreement") executed on March 9, 2016 for Construction Management and Peer Review Plan Check Services hereinafter described as "Project"; and

WHEREAS, the City wishes to engage the services of Consultant for the Project set forth in Exhibit "A".

THEREFORE, the City and the Consultant, for the consideration hereinafter described, mutually agree as follows:

1. The previously executed On-Call Agreement and subsequent Amendments between City and Consultant are incorporated herein by reference and made a part of this Agreement as if set forth in full and available for review in the City Engineer's office. Notwithstanding any expiration or termination of the On-Call Agreement or Amendment, all terms and provisions of the aforementioned On-Call Agreement and Amendments incorporated herein shall survive the expiration or termination of such Agreement or Amendment for the duration of this Project Specific Agreement. In the event of a conflict between this Agreement and the On-Call Agreement, the most current amendment shall prevail.

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

**PROJECT SPECIFIC AGREEMENT FOR PROFESSIONAL
CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES**

2. The City's scope of service is for Construction Inspection Services for Land Development Division and is described in detail in Exhibit "A" attached hereto and incorporated herein by this reference.

3. The Consultant's scope of service is described in detail in Exhibit "B" attached hereto and incorporated herein by this reference.

4. The City's responsibility is described in Exhibit "C" attached hereto and incorporated herein by this reference.

5. The City agrees to pay the Consultant and the Consultant agrees to receive a "Not-to-Exceed" fee of **\$50,000** in accordance with the payment terms provided in Exhibit "D", attached hereto and incorporated herein by this reference.

6. The Consultant shall commence services upon receipt of written direction to proceed from the City.

7. This agreement will terminate on **June 30, 2019** unless the termination date is extended by an amendment to the agreement, subject to any earlier termination in accordance with this Agreement, or extensions in one year increments up to four additional years as further provided for in the City's Procurement Policy.

8. Consultant shall provide updated insurance documentation, certificates or endorsements unless specifically waived by the City Attorney.

SIGNATURE PAGE FOLLOWS

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

City of Moreno Valley

Interwest Consulting Group

BY: [Signature]
City Manager

BY: [Signature]

3.20.18
Date

TITLE: President
(President or Vice President)

3/13/2018
Date

INTERNAL USE ONLY

APPROVED AS TO LEGAL FORM:

[Signature]
City Attorney

3-19-18
Date

RECOMMENDED FOR APPROVAL:

[Signature]
Department Head

3/20/18
Date

BY: [Signature]

TITLE: CFO
(Corporate Secretary)

3/13/2018
Date

- Enclosures: Exhibit "A" – City Scope of Services
- Exhibit "B" – Consultant Proposal
- Exhibit "C" – City's Responsibility
- Exhibit "D" – Terms of Payment
- Exhibit "E" – Insurance Requirements

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

TEL: 951.413.3120
 FAX: 951.413.3158
 WWW.MOVAL.ORG



14177 FREDERICK STREET
 P.O. BOX 88005
 MORENO VALLEY, CA 92552

February 5, 2018

Mr. James Ross
 Interwest Consulting Group
 431 S. Palm Canyon Drive, Suite 200
 Palm Springs, CA 92262

**Subject: Request for Proposal for
 Construction Inspection Services for Land Development Division**

Dear Mr. James Ross:

The City of Moreno Valley is requesting a proposal for construction inspection services for the Land Development Division, in accordance with the Agreement for Professional Consultant Services for Construction Management/Inspection Services. The Land Development Division (LDD) oversees private development activities such as grading, erosion control, drainage, and water quality BMPs. Furthermore, LDD oversees encroachment permits issued to utilities and private developers that typically require roadway and sidewalk/pedestrian ramp construction/repairs. This request is to augment existing City staff on an as needed basis as determined by the City, and the expected number of hours needed are between 20 and 50 hours per week. If a firm is selected to provide construction inspection services, the first agreement will be through the end of FY 17/18, with options to extend the agreement up to two years. The Proposal should include, but not be limited to:

- a. Identify staff member(s) that will provide the construction inspection services along with resume, certifications, and similar experience. Please note that the agreement will stipulate that the City has the right to accept/reject any changes in personnel during the term of the agreement
- b. List of references.
- c. List of similar projects/tasks.
- d. Number of hours per week for each staff member identified in (a) that the firm can commit to provide the services as well as the hourly rate.

Three (3) copies of your Proposal should be submitted to the City before 5:00 p.m. on February 19, 2018. Forward your Proposal to:

Michael Lloyd, P.E.
 Land Development Division
 14177 Frederick Street (hand delivery)
 P.O. Box 88005 (mail delivery)
 Moreno Valley, California 92552-0805

EXHIBIT "A"
 LAND DEVELOPMENT DIVISION

RFP for Construction Inspection Services
February 5, 2018
Page 2

Per the on-call agreement, final consultant selection will be based on:

1. Project Understanding – does the Consultant understand the project's objectives and issues? (20 points)
2. Project Deliverable Plan – has Consultant submitted a sound, executable work plan? (30 points)
3. Project Resource Allocation – does the proposal reflect efficient utilization of experienced, dedicated project manager and staff? (30 points)
4. Project Deliverable Schedule – does the proposal reflect timely deliverables at appropriate milestones? (20 points).

Should you have any questions, please contact Michael Lloyd, P.E., at 951.413.3120.

Sincerely,



Michael Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

c: Project File

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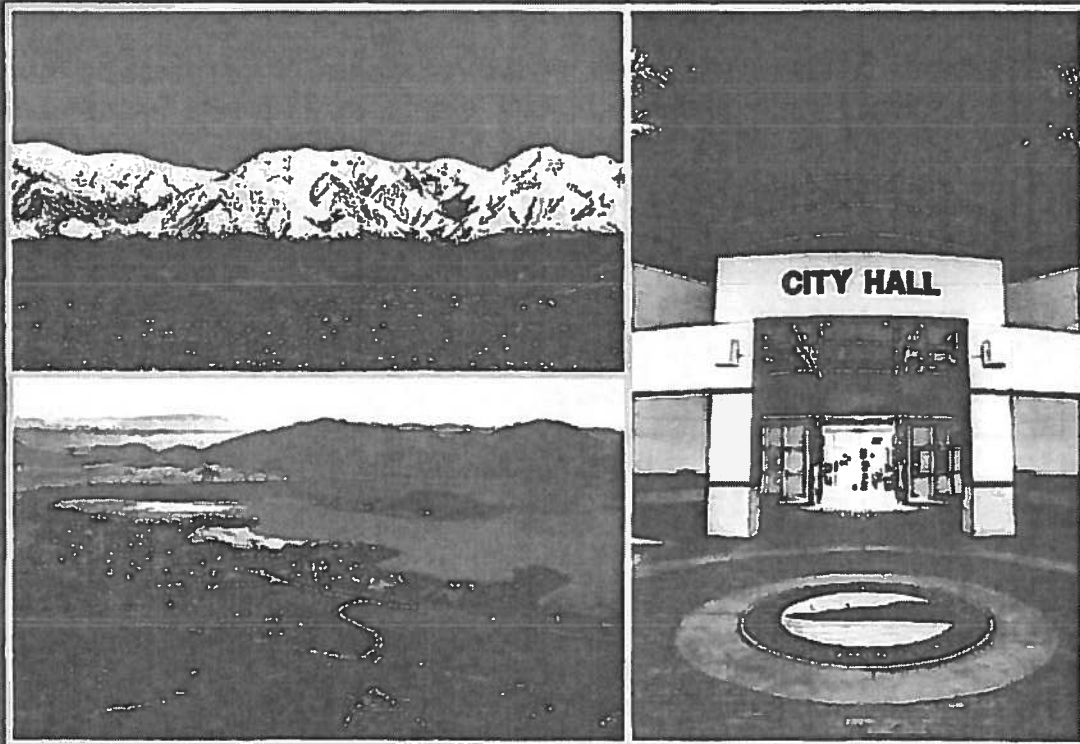
Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

February 20, 2018

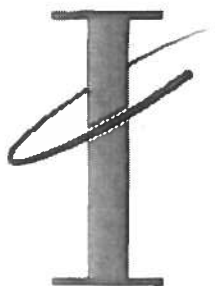
PREPARED FOR THE

**CITY OF MORENO VALLEY
LAND DEVELOPMENT DIVISION**

Response to Request for Proposals for
**CONSTRUCTION INSPECTION SERVICES
FOR LAND DEVELOPMENT DIVISION**



Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

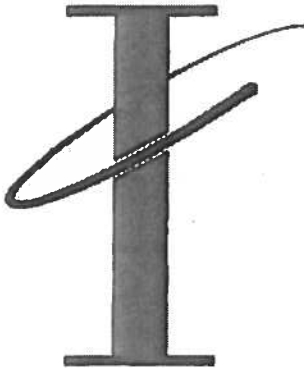


**INTERWEST
CONSULTING
GROUP**

James G. Ross
Municipal Services Group Leader
431 S. Palm Canyon Drive, Suite 200
Palm Springs, CA 92262
760.417.4329

www.interwestgrp.com

EXHIBIT "B"



February 20, 2018

Proposal to Provide
**Construction Inspection Services for
Land Development Division**



Prepared for the
City of Moreno Valley
Land Development Division
Michael Lloyd, PE
14177 Frederick Street
Moreno Valley, CA 92552-0805

By
Interwest Consulting Group, Inc.

James G. Ross – Public Works Group Leader
431 S. Palm Canyon Drive, Ste. 200
Palm Springs, CA 92262
jross@interwestgrp.com
760.417.4329 Office
714.742.1551 Mobile

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

February 20, 2018

City of Moreno Valley
Land Development Division
Michael Lloyd, PE
14177 Frederick Street
Moreno Valley, CA 92552-0805



RE: Proposal to Provide Construction Inspection Services for Land Development Division

Interwest Consulting Group is pleased to submit our proposal to provide construction inspection services to the City of Moreno Valley's Land Development Division. Our proposal is crafted and submitted for the purpose of demonstrating our ability to inspect a wide variety of development activities.

With more than 350 employees, we are large enough to provide qualified staff in a variety of specialties, yet small enough to ensure that we maintain focus and are responsive to the needs of the City of Moreno Valley. We currently serve over 100 cities, counties and state agencies including the municipalities of Eastvale, Wildomar, Palm Springs, and Rancho Mirage, just to name a few.

Interwest is an excellent choice to provide a variety of public works services to the City of Moreno Valley for the following reasons:

- o Extensive experience with local construction projects
- o Proven ability to deliver in complex municipal environments
- o Well-qualified staff that will meet or exceed goals set for assigned projects

We thoroughly understand the challenges and requirements of municipal governments since many of our staff have held senior and executive management positions with numerous California cities. Our staff includes former Public Works Directors, City Engineers, Capital Projects Managers, and Construction Managers. This background and experience is important because serving as a local agency representative requires a high level of sensitivity towards community and special interest group issues. Accordingly, our professional staff truly understands and values the importance of maintaining a focus on representing the interests of our public agency clients in a manner which reflects positively on the cities we serve.

James G. Ross, Public Works Group Leader will serve as Principal-in-Charge for the City. James is an authorized representative of Interwest Consulting Group with the authority to sign all necessary agreements. Our proposed Project Manager for this contract is **Chris A. Vogt, PE**. Chris is a seasoned engineer with a track record of delivering successful construction projects to several local

municipalities. Contact information for Mr. Ross and Mr. Vogt follows:

James G. Ross
431 S. Palm Canyon Drive, Ste. 200
Palm Springs, CA 92262
760.417.4329 Office
714.742.1551 Direct
jross@interwestgrp.com

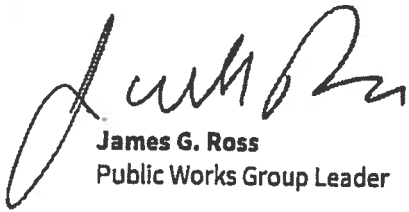
Chris A. Vogt, PE
431 S. Palm Canyon Drive, Ste. 200
Palm Springs, CA 92262
760.417.4329 Office
951.616.4925 Direct
cvogt@interwestgrp.com

Our team possesses the experience and skills necessary to work with existing City staff to successfully achieve established goals. We view the keys to serving the City of Moreno Valley as follows:

- o Providing all services in a coordinated, timely, cost-effective & transparent manner
- o Providing a high level of customer service for internal and external customers
- o Balancing the need to ensure conformance to standards and regulations with the need for predictability, uniformity and efficiency

Services will be directed from our Palm Springs office, less than an hour from City Hall, which serves the entire Southern California region with professional staff performing functions in all of our disciplines. We are available to meet with you to discuss our proposal and approach in more detail at your convenience. Please call if you have any questions or would like additional information.

Sincerely,



James G. Ross
Public Works Group Leader

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

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APPENDIX

Resumes

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

Section 1

Company Background

INTRODUCTION TO FIRM

The seamless integration of municipal service professionals in support of public agencies has been our purpose since Interwest Consulting Group formed in 2002. Interwest was founded by individuals with a passion for serving municipalities. We currently employ approximately 350 employees spanning a multitude of disciplines within public works and building and safety departments throughout California. We currently serve over 100 cities, counties and state agencies, including the municipalities of Eastvale, Grand Terrace, Yorba Linda, Wildomar, Palm Springs, and Rancho Mirage, just to name a few.

We provide the following services to cities/counties:

- o Construction Management & Inspection
- o Land Development Inspection Services
- o Capital Improvement Plan/Map Review and Entitlement
- o City Engineering
- o Building and Safety
- o Floodplain Management
- o Geographic Information System (GIS)
- o Information Technology
- o Planning
- o Real Property Acquisition
- o Traffic Engineering & Transportation Planning
- o Transportation Program Management & Funding

Our staff has held senior and executive management positions within numerous California cities including the titles of City Engineer, Public Works Director, Building Official, Traffic Engineer and other well-seasoned management personnel. This depth of experience brings a high level of expertise and sensitivity towards community and special interest group issues. We value the importance of a focus that represents the interests of our public agency clients and reflects positively on the citizens they serve.

Collectively, our professionals have programmed and delivered projects, and developed and implemented innovative programs and public policies recognized by the American Public Works Association, California Transportation Foundation, Solid Waste Association of North America, State of California Office of Traffic Safety, American Planning Association, and awarded with the Leadership in Energy and Environmental Design (LEED) Award. We furnish both technical excellence and a thorough understanding of the regulatory process to assist our clients through the sometimes daunting complexities associated with the delivery of projects, implementation of important public programs, and adoption of significant public policy.

AFFILIATIONS

Education and certification are at the very core of our company. We support and encourage staff to participate in and contribute to the many associations important to the industry knowing that technical excellence and proficiency is vital to public service. Attending specialized training classes, seminars and industry-related conferences is part of our dedication to the industry. Many of our staff holds or have held key positions within the groups listed below:

- o League of California Cities
- o California Association of Building Officials
- o County Building Officials of California
- o Various ICC Chapters
- o SEAOSC
- o California Stormwater Quality Association
- o American Public Works Association
- o International Code Council
- o Institute of Transportation Engineers
- o California Water Environment Association
- o City Engineer's Association of Orange County

RESOURCE LOCATIONS

Our convenient locations and responsive staff help you get what you want, when you need it.

<p>NORTHERN CALIFORNIA 9300 W. Stockton Blvd., Suite 105 Elk Grove, CA 95758 916.683.3340 Office</p> <p>1613 Santa Clara Drive, Suite 100 Roseville, CA 95661 916.781.6600 Office</p> <p>6280 W. Las Positas Blvd., Suite 220 Pleasanton, CA 94588 925.462.1114 Office</p> <p>CENTRAL CALIFORNIA 1171 W. Shaw Avenue, Suite 102 Fresno, CA 93711 559.201.6381 Office</p> <p>NEVADA 4815 W. Russell Road, Suite 11K Las Vegas, NV 89118 702.476.2200 Office</p>	<p>SOUTHERN CALIFORNIA 15140 Transistor Lane Huntington Beach, CA 92649 714.899.9039 Office</p> <p>1500 S. Haven Avenue, Ste. 220 Ontario, CA 91761 909.295.3142 Office</p> <p>9519 Chamberlain Street Ventura, CA 93004 805.659.0017 Office</p> <p>431 S. Palm Canyon Drive, Suite 200 Palm Springs, CA 92262 760.417.4329 Office</p> <p>COLORADO 1218 W. Ash Street, Suite A Windsor, CO 80550 970.674.3300 Office</p> <p>311 Mapleton Avenue, Unit 370 Boulder, CO 80304 303.444.0524 Office</p>
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Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

Section 2

Staff Identification & Qualifications

PROPOSED STAFF

All of our proposed staff has significant direct experience working as city employees and as contract staff members in similar jurisdictions throughout California providing the services requested by the City. The individual resumes for each professional are included in the Appendix of this proposal and highlight their significant personal experience on a variety of public works tasks.

Individually, the professionals showcased below excel in each of their backgrounds. As a team, they possess the professional capability to innovatively create and implement effective solutions with your agency and the community's interests in mind.

The following individuals will be available to serve the City.

James G. Ross	PRINCIPAL-IN-CHARGE
Chris A. Vogt, PE	PROJECT MANAGER
John Chesworth	CONSTRUCTION INSPECTOR

James G. Ross | PRINCIPAL-IN-CHARGE

James has supported municipalities and public agencies at an executive management level for the past 35 years, specializing in Public Works and Water Departments. James' experience includes successfully managing staffs of over 400 people and Capital Improvement Program budgets of approximately \$200 million. He has served on the Board of Directors and has been President of the Public Works Officers for the League of California Cities. James is also the recipient of the James Martin Award for Excellence and Service to the League and Public Works Profession. James was chosen Top Leader of the Year in 2004 and nominated for the National Top 10 Director of the Year in 2008, both for the American Public Works Association, Southern California Chapter

Chris A. Vogt, PE | PROJECT MANAGER

Chris has over 35 years of successful management, planning, implementing, and administering public works projects and programs. He brings a solid history of successful management with over 24 years as a Public Works Director/City Engineer. He brings an exemplary work ethic focusing on continuous process improvements while maintaining the ability to effectively navigate politically sensitive environments.

He has managed an operational budget of over \$39 million and a comprehensive Capital Improvement Program in excess of \$1.6 billion. Supporting cities in Southern California, Chris has a wealth of knowledge in budget preparation; infrastructure maintenance; professional and construction contract negotiations; organizational development; project management; water, sewer and electrical utility operations and construction; engineering design; staff development; training and

mentoring; complex engineering studies such as Development Impact Fees and assessment engineering; and public informational and collaborative meetings.

Chris is a professional who brings solutions to our clients. He is flexible and open with his communications and fosters a teamwork atmosphere in resolving challenges. He is committed to serving the needs of the client through strong leadership and a collaborative approach.

John Chesworth | CONSTRUCTION INSPECTOR

John has more than 22 years of public works inspection experience, including more than 4 years with the City of Moreno Valley, on projects including roadway, highway, freeway, and utilities construction. He has worked as a construction lead inspector and superintendent for large construction companies specializing in various fields including but not limited to: highway widening and improvements, bridge widening and reconstruction, HMA Pavement per Caltrans Section 39 and QA/QC procedures, utilities construction and relocation, commercial construction, and development construction. He has extensive experience with Structural Concrete, Minor Concrete, Paving, Traffic Control, MBGR, Drainage, Water and Sewer Lines, Electrical, Landscape, Safety, and SWPPP. Over his career, John has been responsible for construction inspection and Quality Control, daily reports and quantities take-offs, review and monitor schedule of work, compliance with plans and specifications and certificates, shop drawings, change orders, submittals and RFI's, safety compliance, preparing and reviewing as-built plans, and preparing final punch list.

John has the ability to interpret contract plans and specifications properly due to his extensive understanding of the Caltrans Standard Plans and Specifications, Caltrans Construction Manual, OSHA Safety Manual, Traffic Control Manual, Watch Manual, and "Green Book". His wealth of code knowledge makes him a qualified inspector for any construction project.

STAFF AVAILABILITY

According to the RFP, the City requires Construction Inspection staff on an as-needed basis with expected hours between 20 and 50 per week. Interwest is dedicated to meeting the City's service goals and expectations. Proposed staff, or individuals with commensurate experience and qualifications, will be available on a part time or full time basis as determined necessary by the City. We understand that the City has the right to accept/reject any changes to personnel during the term of the agreement.

Section 3

Scope of Work

PROJECT UNDERSTANDING

We understand that the City is looking for qualified firms to provide as-needed construction inspection staff to address various land development projects. Consultant staff will work as a seamless extension of existing City staff to oversee private development activities including: grading, erosion control, drainage, and water quality BMPs, as well as issue encroachment permits to utilities and developers for roadway and sidewalk/pedestrian ramp construction and repairs. Our proposed team has decades of practical experience overseeing relevant construction, as well as extensive knowledge of local and industry regulations and codes. We are confident that we can meet and exceed the City's expectations for successful project delivery in this arena.

Utilizing consultant services through Interwest is an extremely valuable strategy for delivering cost-effective, high quality municipal services. By design, our staff is comprised of professionals with extensive experience working directly for public agencies and developing collaborative relationships with community and business stakeholders. Our team understands that the development of quality assurance and control procedures is critical to ensuring that sound construction practices and quality deliverables are produced for our clients.

PROJECT DELIVERABLE PLAN & SCHEDULE

GENERAL APPROACH

Utilizing construction inspection services through Interwest Consulting Group is an extremely valuable strategy for delivering cost-effective, high quality municipal services. We understand the City is seeking highly qualified firms to provide construction inspection services for various development projects. This could include a variety of elements such as: grading, erosion control, drainage, water quality BMPs, and encroachment permits. We have a proven track record of providing all of these services.

Our Inspectors will ensure that all work conforms to the project construction documents, City Codes and Ordinances including the City Grading Code and Manual, APWA "Greenbook" Standard Specifications for Public Works Construction, AWWA Standards, County Public Works Standards, State and Federal Building Codes related to site accessibility as well as Title 24 and ADA requirements, Caltrans' Local Programs Manual, and all applicable prevailing wage laws including the Davis-Bacon and Related Acts.

Our team of professionals proposed for this assignment has extensive career expertise in the public works industry. Our local knowledge in combination with our depth of experience translates into better, more consistent decision making. This provides the City with excellent value not only today in cost for services, but more importantly in the future while operating the infrastructure. All inspections shall be carried out using City established policies and procedures with the highest quality staff in a

timely and professional manner. We shall be an advisor and advocate and provide services with the best interest of the City in mind.

QUALITY CONTROL

For all projects, we closely track work quality, quantity, and cost. Delivering projects under aggressive schedules requires careful oversight of project development teams from inception to completion with committed, complete ownership of all aspects. Despite this approach, some projects may fall behind schedule. If this occurs, Interwest will quickly review the reasons for the delay, identify options for getting the project back on track, and implement the selected option after consulting with the City. Scope, schedule and budget impacts of the delay will be scrutinized to ensure critical elements are not jeopardized by implementation of the corrective action.

GUARANTEED DELIVERABLES

There are several important areas of work requiring special attention to ensure successful completion of a project:

Standardization & Maintenance of Project Documentation – In order to effectively combat claims, it is vitally important that the construction inspector follow a uniform standard to ensure that potentially volatile issues are dealt with in a timely, accurate and consistent manner. Interwest has instituted such a system and has a proven track record of helping its clients to avoid costly claims.

Monitoring Quality & Objectiveness of Field Personnel – Our project managers routinely check the files and performance of our construction inspectors. Regular training meetings are conducted at which changes in rules and regulations are discussed.

Public Relations – Public works projects that impact residents and businesses present unique, non-technical challenges which must be addressed throughout the life of a project. Interwest staff will work closely with these stakeholders to make them aware of the project, its status and any changes that are made. Our assigned staff possesses the non-technical skill set needed to navigate the public relations arena.

Construction Inspections – Our Inspector will document all work, quantities, contractor and subcontractor personnel and equipment, visitors, and field orders on a daily basis.

Some specific duties include:

- Oversee Quality Assurance of the construction activities to conform to plans and specifications.
- Monitor contractor work performance for deficiencies and recommend any special testing needed.
- Perform all special inspection required for project.
- Maintain daily onsite project log and as-built schedule report. Prepare daily reports of observations and activities. Secure the general contractor's daily log reports. Our reports will be based on the Caltrans daily report forms.

- o Perform periodic digital video and still photography of the progress of the project. Said photography will show date of the events and conditions being recorded. All non-compliance issues as well as any other site conditions requested by the City shall be photographed. Our inspectors will take photographs of work on a daily basis as part of our inspection protocol.
- o Maintain a daily log containing a record of weather, contractors, work onsite, number of workers, work accomplished, problems encountered, solutions agreed upon, and other similar relevant data as the City may require.
- o Monitor and endeavor to ensure the establishment and implementation of appropriate safety programs by the Contractor.

Section 4

Related Experience & References

COMPARABLE CONTRACTS

The following is a list of clients to whom we provide similar services to those being requested.

CLIENT	SCOPE OF WORK
City of Costa Mesa	Construction Management and Inspection, Project Engineering, Building Plan Review, Building Inspection, Interim Building Official, Interim Public Works Director
City of Compton	Engineering Plan Check, Public Works Inspection, Building and Safety Plan Check, Building Inspection
City of Culver City	Construction Management, Public Works Inspection
City of Eastvale	City Engineering, Plan Review, Building Inspection, Construction Management, Public Works Inspection
	Engineering Plan Check, Engineering Support, NPDES, Transportation Planning, Traffic Engineering, Information Technology (IT), Drainage Engineering, GIS, Real Estate Acquisition, Grant Administration
City of Lomita	Construction Management, Public Works Inspection
City of Maywood	Traffic Engineering, Civil Engineering, Construction Management
City of Newport Beach	Construction Management, Public Works Inspection
City of Palm Springs	Construction Management, Inspection
City of Pomona	Construction Management, Public Works Inspection, Building Official, Plan Review, Inspection & Permit Technician
City of Rancho Mirage	Construction Management, Public Works Inspection
City of Rancho Palos Verdes	Interim Public Works Director Services, Project Management, Construction Management & Construction Inspection
City of Wildomar	City Engineering, Building Plan Review, Building Inspection, Public Works Inspection, Transportation Planning, Traffic Engineering, Code Enforcement, Drainage Engineering, GIS, Information Technology (IT), Real Estate Acquisition, Grant Writing & Administration
City of Yorba Linda	Public Works Inspection, Construction Management, Building & Safety Plan Review

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

CLIENT REFERENCES

Below are references for clients to whom Interwest has provided similar services.

City of Eastvale

Michele Nissen, City Manager
951.361.0900 | mnissen@eastvaleca.gov

City of Grand Terrace

Alan French, Public Works Director | City Engineer
909.824.6621 x251 | afrench@grandterrace-ca.gov

City of Palm Springs

Marcus Fuller, Assistant City Manager | City Engineer
760.322.8380 | marcus.fuller@palmspringsca.gov

City of Rancho Mirage

Mark Sambito, PE, Former Public Works Director | City Engineer
951.836.1561

City of Yorba Linda

Rick Yee, Assistant City Engineer
714.961.7171 | ryee@yorba-linda.org

City of Wildomar

Gary Nordquist, City Manager
951.677.7751 | gnordquist@cityofwildomar.org

SIMILAR PROJECT EXPERIENCE

As a full service company to government agencies, we take pride in providing quality, cost-effective and prompt services to our clients. The following are current clients to whom our team is providing similar services.

City of Eastvale

Interwest Consulting Group performed a variety of services resulting in the delivery of efficient and cost effective services to the newly incorporated City of Eastvale. These services included: (1) the gathering of essential information and key data which served as the basis for confirming service area responsibilities for the City of Eastvale, (2) preparation of fiscally prudent and conservative operating budgets and, (3) identified cost effective, efficient, and innovative methods of providing public works, planning, building and safety activities and services transitioned from the County of Riverside.

Since incorporation of the City of Eastvale on July 1, 2010, Interwest Consulting Group has created and implemented necessary systems and processes to provide the following services:

- o City Engineering
- o Program Management
- o Construction Management
- o Public Works Inspection
- o Engineering Support Services
- o NPDES – Storm Water Compliance Support
- o Development Engineering and Entitlements
- o Drainage Engineering
- o Geographic Information Systems
- o Real Estate Acquisitions Services

HIGHLIGHTED PROJECTS

The Public Works Inspector is responsible for inspecting all of the streets, sidewalks, curb and gutter, and installation of all traffic control devices that are installed in new subdivisions. We are also responsible for overseeing the construction of utilities in the City’s right-of-way to ensure trenches are properly compacted, streets are repaired to the satisfaction of the City, and proper traffic control is provided during construction.

Schleisman Road: This development project consists of 354 new single family homes. Inspections performed by Interwest will include approximately 3.15 miles of new residential roadway pavement (19 new streets), 6.3 miles of sidewalk, curb and gutter, .85 mile of arterial roadway pavement, .85 mile of sidewalk, curb and gutter on the major roadway and all traffic control devices.

Archibald Ave and Schleisman Road: This development project consists of 173 new single family homes. Project includes approximately 1.3 miles of new residential roadway pavement (8 new streets); 2.6 miles of sidewalk, curb and gutter; 1.5 miles of arterial roadway pavement; 1 mile of sidewalk, curb and gutter on the arterial roadway and all traffic control devices associated with the improvements.

City of Palm Springs

Interwest Consulting Group began serving the City of Palm Springs in March 2015. We were selected to provide the services listed below on projects identified in the City's Capital Improvement Plan and on commercial and residential development projects. We currently provide the following services:

- Construction Management
- Public Works Inspection
- Project Management
- Engineering Support Services
- Building Inspection

HIGHLIGHTED PROJECTS

2017 Annual Overlay Project – Interwest provided Construction Management and Inspection on the City's Annual Overlay Project for 2017.

2017 Annual Slurry Seal Project – Interwest provided Construction Management and Inspection on the City's Annual Slurry Seal Project for 2017.

James O. Jesse Desert Highland Community Center Outdoor Stage and Sports Lighting Project – In 2016, we provided Construction Management and Inspection for the re-grading of an existing baseball field, installation of an outdoor stage with bleachers, and the installation of outdoor sports lighting for the field.

Mesquite Avenue Street Rehabilitation and Widening – In 2016, we provided Construction Management and Inspection for the rehabilitation and widening of Mesquite Avenue. This included grinding and overlay, full depth construction of the widened areas, curb, sidewalk and ADA ramp construction, cross gutter construction, and street pavement re-stripping.

Hermosa Drive Street and Storm Drain Construction – In 2016, we provided Construction Management and Inspection for the improvements to Hermosa Drive including roadway reconstruction to change road grade, street widening, and the installation of new storm drain.

City of Rancho Mirage

Interwest Consulting Group began serving the City of Rancho Mirage in May 2016. We were selected to provide the services listed below on projects identified in the City's Capital Improvement Plan and on commercial and residential development. We currently provide the following services:

- Construction Management
- Construction Inspections

HIGHLIGHTED PROJECTS

Frank Sinatra Drive/Bob Hope Drive Intersection Improvements – In 2016, we provided Construction Management and Inspection for the rehabilitation and widening of the intersection of two major arterials, Frank Sinatra Drive and Bob Hope Drive, in Rancho Mirage. This included grinding and overlay, full depth construction of the widened areas, curb, sidewalk and ADA ramp construction, cross gutter construction, and street pavement re-stripping. This also included much coordination with Utilities, adjacent property owners, and other agencies.

Rancho Mirage Amphitheater Remedial Work Inspection – In 2016 and 2017, we provided remedial inspection of a newly constructed Amphitheater and Park area that began failing a year after construction. This project required coordination with Geotechnical Firms regarding sub-surface compaction issues.

City of Yorba Linda

Interwest Consulting Group began serving the City of Yorba Linda [population 64,000] in April 2010. We are pleased to provide Building and Safety plan review and Public Works inspection services for this City which continues to see growth. Building Plan Review services are performed off-site by experienced, licensed engineers with a focus on delivering thorough and timely plan reviews for the development community. Our full-time on-site staff performs public works inspection services and construction management services on a variety of commercial and residential development projects.

Interwest currently provides:

- o Building Plan Review
- o Building Inspection
- o Construction Management
- o Construction Inspection

HIGHLIGHTED PROJECTS

Bastanchury Road: This project involved the installation of two intersections of new traffic signal poles and head, traffic loops, interconnect communication conduit, construction of new horse trail fencing, sidewalk and handicap ramp construction. Interwest provided construction management and field inspection services for this very visible and busy arterial. During construction, previously buried traffic signal foundations were discovered leading to discussion of either relocating the new signal poles or removing the old, buried foundations. We opted to resolve the issue by removing the buried foundations and then backfilling and re-drilling the new traffic signal foundations. The cost of this project was \$1 Million.

Richfield Widening Project: This project included the construction of approximately 500 LF of new curb and gutter, sidewalk and a retaining wall. Our employees coordinated utility relocations, survey and materials testing. The design of the project provided many challenges that included complying with ADA handicap access and smooth driveway approaches for low profile vehicles. The Interwest inspector recognized and anticipated these potential issues early in the demolition phase to have these issues resolved and a redesign provided to the contractor in enough time to not impact the construction schedule in any negative way.

Yorba Linda Boulevard Rehabilitation: This project consisted of grinding the existing pavement and replacing it with new asphalt concrete pavement as well as restriping over roadway and adjusting the utility boxes. This was an important and high-visibility project for the City because the site is a traffic-heavy arterial adjacent to one of Yorba Linda's busiest shopping centers. During pre-construction meetings and in speaking with local business-owners while handing out notifications, Interwest determined that a majority of the grind and overlay should be performed at night in order to minimize the impact on businesses and the traveling public. We were able to negotiate with contractor to eliminate additional costs for the night work, ensuring that the project was completed within budget while satisfying business owners and the general public.

City of Wildomar

Prior to incorporation, on July 1, 2008, Interwest Consulting Group worked on initiatives to gather essential information and data which served as the basis for confirming service area responsibilities for the City of Wildomar. We prepared fiscally prudent and conservative operating budgets and identified cost effective and innovative processes for providing public works, planning, building and safety activities and services transitioned from the County of Riverside. Since incorporation of the City of Wildomar on July 1, 2008, Interwest Consulting Group has created and implemented necessary systems and processes to provide the following services:

- o City Engineering
- o Development Engineering
- o Public Works Inspection
- o Traffic Engineering Services
- o Drainage Engineering
- o Geographic Information Systems
- o Information Technology
- o Real Estate Acquisitions Services

HIGHLIGHTED PROJECTS

Safe Routes to School Sidewalks Improvement Project: Interwest was responsible for the design and management of sidewalk and roadway improvements to two existing elementary schools - Wildomar Elementary School and Ronald Reagan Elementary School. Improvements included new sidewalks, handicap-accessible ramps, curb and gutter, and roadway widening along selected routes to each school. The projects were funded by bicycle and pedestrian safety grants. The Wildomar Elementary improvements were approximately 1.5 acres in size and the Ronald Reagan improvements consisted of approximately 0.5 acres. This project involved coordination with the police department and School District to bring to fruition and received extensive coverage in the local news. Interwest provided oversight for the City's participation in the WRCOG Transportation Uniform Mitigation Fee (TUMF) Program and assisted the City in evaluating a regional effort to consider TUMF reductions. The Wildomar Elementary Improvements had several challenges including maintaining multiple existing driveway access points, meandering the sidewalk to avoid existing trees and utilities, and minor drainage improvements along the affected area. The biggest challenge associated with the Ronald Reagan improvements was acquiring the additional right-of-way required to construct the roadway and sidewalk. Interwest services provided included: Transportation Planning, Capital Project Management, Grant Writing, and Traffic Engineering. The project was made possible by two grants written and secured by Interwest for the City.

Accessibility Evaluation Report and ADA Transition Plan: Interwest prepared the "Accessibility Evaluation Report." This Report identified the existing architectural barriers at the various City facilities and along City Right-of-Way. Specifically, Interwest conducted extensive surveys of city hall, parks, bus stops, and roadways (curb ramps, sidewalks) and provided information in a detailed checklist of each location. Interwest furnished suggestions to remove those barriers that are readily achievable and suggested a method of providing equivalent facilitation. Interwest also prepared cost estimates for improvements. In cases where the barrier was not proposed for removal, Interwest provided documentation justifying that the barrier is an undue hardship to remove. The Report is based on the guidelines established by the Department of Justice's Title III of the Americans with Disabilities Act. With information from the evaluation report, Interwest developed the ADA Transition Plan for the city which prioritized the improvements.

Section 5

Fee Schedule

The rates displayed in the fee schedule below reflect Interwest's current fees. Hourly rates are typically reviewed yearly on July 1 and may be subject to revision unless under specific contract obligations. In addition, there is no charge for shipping, supply, or material costs.

CLASSIFICATION	HOURLY BILLING RATE
Principal in Charge.....	\$140
Project Manager	130
Construction Manager	125
Assistant Construction Manager	110
Supervising Public Works Observer.....	105
Senior Public Works Observer	95
Construction Inspector III	90
Construction Inspector II	85
Construction Inspector I	80

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)

Appendix

- o Resumes

Attachment: Interwest Agreement (3485 : Second Amendment to Agreement with Interwest)



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GROUP**

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EXPERTISE

Program and Project Management

EDUCATION

Masters in Public Administration, 1986
Bachelor of Science Civil Engineering, 1970
California State University, Long Beach

**PROFESSIONAL
AFFILIATIONS**

League of California Cities
Public Works Officers, President | 1998
Board of Directors, Member | 2001-2003
James Martin Award Winner for Excellence
& Service to the League & Public Works
Profession | 2006

American Public Works Association
California Chapter
Top Leader of the Year Award | 2004
Nominated, National Top 10
Director of the Year | 2008

Santa Ana North Rotary Club
President | 2000

James G. Ross

Public Works Services Group Leader | Principal-in-Charge

James has supported municipalities and public agencies at an executive management level for the past 35 years, specializing in Public Works and Water Departments. James' experience includes successfully managing staffs of over 400 people and Capital Improvement Program budgets of approximately \$200 million. He has served on the Board of Directors and has been President of the Public Works Officers for the League of California Cities. James is also the recipient of the James Martin Award for Excellence and Service to the League and Public Works Profession. James was chosen Top Leader of the Year in 2004 and nominated for the National Top 10 Director of the Year in 2008, both for the American Public Works Association, California Chapter.

PROJECT SPECIFIC EXPERIENCE

Public Works Group Leader

2015 - Present Interwest Consulting Group | CA

Managing Public Works Staff and Clients in Southern California Regions.

Special Advisor

2011 - 2015 Management Partners | CA

James conducted organizational assessments and provided interim support for local Governments, specializing in Public Works and Water Departments. Some representative projects included the cities of Fountain Valley Public Works Department review and support, San Carlos Public Works/Community Development Efficiency Study, Orange Alternative Service Deliveries Study, Glendora Water Division Efficiency Study, San Juan Capistrano Interim Public Works Department support, Newport Beach Municipal Operations Department Organizational Assessment, Benicia Public Works Organizational Assessment, Long Beach Organizational Assessment, and the Napa City/County Service Sharing Study.

Interim Executive Program Manager

2009 - 2011 Imperial Irrigation District | CA

Imperial Irrigation District (IID) is one of the largest Irrigation Districts in North America, with a 3.1 million acre foot entitlement to Colorado River Water. He managed 445 staff of the Water Department which were responsible for a 3000-mile system of irrigation and drainage canals. James was retained under an original 6-month contract by the General Manager to conduct an organizational assessment and make recommended changes to improve customer service and operational efficiencies. Involved in implementation of the "Quantification Settlement Agreement" which makes it possible to transfer conserved water from Imperial's farming Community to urban water users in Southern California. The contract was renewed twice by the GM before James elected not to renew again.

Executive Director of Public Works

1988 - 2009 City of Santa Ana | CA

The department had more than 200 staff members. Responsibilities included construction and maintenance of City's street, water and sewer systems. In addition to the Water Enterprise, James also created enterprise funds for Refuse, Sanitation and Sewers. Annual budget including Capital Improvement Program was approximately \$200 million. Major facility projects included a \$100 million Police Detention and Administration Building, the City Hall Ross Annex, a new Corporation Yard, the remodel of the Main Library and numerous Community Park Facilities. Major Street projects included the \$100 million widening of the Bristol Corridor and an innovative \$100 million 5-year program to repair and rebuild the City's



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residential street system. He also led the development of a City Transit Plan which envisions a Street Car from the transit terminal thru the downtown to a connection with the regional express bus system.

Principal Projects Manager

1981 - 1988 City of Irvine | CA

James supervised the City's Project Management Team of 7 staff. They were responsible for administrating the design and construction of the City's Capital Improvement Program. At the time, Irvine was one of the fastest growing cities in California. Most of the new streets, parks and community facilities were funded by assessment districts which James and the Management team administered.

Associate Engineer

1978 - 1981 City of Costa Mesa | CA

James managed the 5-member Development Section in the Public Works Department. He reviewed and conditioned developments, processed track maps and parcel maps, represented Department at Planning Commission Meetings.

Assistant Engineer

1971 - 1978 Port of Los Angeles | CA

James designed and prepared specifications for major backland projects including all infrastructures to accommodate new container terminals.

Assistant Engineer

1970 - 1971 City of Los Angeles | CA

James designed street maintenance projects for the City of Los Angeles.



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E D U C A T I O N

Bachelor of Science, Civil Engineering
University of Pittsburgh
Pittsburgh, PA

**R E G I S T R A T I O N S
C E R T I F I C A T I O N S**

CA Registered Civil Engineer | 44250

**P R O F E S S I O N A L
A F F I L I A T I O N S**

APWA - American Public Works
Association,
Southern California Chapter President
2012

APWA - American Public Works
Association, Coachella Valley Branch of
Southern CA,
President & Creator, 2000 – 2001

City/County Engineers Association
Inland Empire President, 1996

Chris A. Vogt, PE

Project Manager

Chris has over 35 years of successful management, planning, implementing, and administering public works projects and programs. He brings a solid history of successful management with over 24 years as a Public Works Director/City Engineer. He brings an exemplary work ethic focusing on continuous process improvements while maintaining the ability to effectively navigate politically sensitive environments.

He has managed an operational budget of over \$39 million and a comprehensive Capital Improvement Program in excess of \$1.6 billion. Supporting cities in Southern California, Chris has a wealth of knowledge in budget preparation; infrastructure maintenance; professional and construction contract negotiations; organizational development; project management; water, sewer and electrical utility operations and construction; engineering design; staff development; training and mentoring; complex engineering studies such as Development Impact Fees and assessment engineering; and public informational and collaborative meetings.

Chris is a professional who brings solutions to our clients. He is flexible and open with his communications and fosters a teamwork atmosphere in resolving challenges. He is committed to serving the needs of the client through strong leadership and a collaborative approach.

S P E C I F I C E X P E R I E N C E

City Engineer | Senior Project Manager

2012 – Present

Interwest Consulting Group | CA

Chris provides various public works director and city engineer services to jurisdictions throughout Southern California. His responsibilities include: implementing and developing capital improvement programs and development impact fees; staff training, mentoring and management; direction and supervision of professional, technical and maintenance staff; program management over consulting contracts (design and construction management professionals); completion of specialty projects; and coordination of issues with public utilities.

Director of Public Works | City Engineer

2006 – 2011

City of Moreno Valley | CA

Managed a Public Works Department of 145 professional, technical, maintenance and clerical staff with an operational budget of \$39 million and Capital Improvement budget of \$180 million (comprehensive \$1.6 billion). Public Works included seven divisions: Administration, Engineering Land Development, Traffic, Capital Improvement Projects, Maintenance (solid waste, street, storm drainage, graffiti, and fleet), Special Districts, and the Moreno Valley Electric Utility.

Select Accomplishments:

- Completed a \$25 million electric sub-station project and participated on the City's bond team
- Reorganized the new City Electric Utility
- Completed a \$1.6 million Veterans Memorial project within schedule and budget by working with a citizen design committee
- Directed staff in the development of a comprehensive Capital Improvement Program that reflects all projects to ultimate build-out of the City (\$1.6 billion)
- Coordinated City regional projects with Caltrans, Western Riverside Council of Governments, and the Riverside County Transportation Commission
- Completed a \$10 million regional soccer facility (synthetic turf)
- Renegotiated the City's Solid Waste contract resulting in enhanced services and full indemnification under AB 939 without additional costs to the City



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Director of Public Works | City Engineer

2001 – 2006

City of Pomona | CA

Supervised the Public Works Department of 97 professionals, which included Administration, Engineering, Development, Traffic, Capital Improvement Projects, Streets, Stormwater, Graffiti Abatement, Facilities Maintenance, Building and Safety, and City Communications.

Select Accomplishments:

- Developed a comprehensive Capital Improvement Program
- Developed a bond issue with Gas Tax proceeds to complete \$10 million worth of street rehabilitations and improvements
- Completed \$2 million White Avenue beautification project fronting the L.A. County Fairgrounds
- Established and implemented the City's Graffiti Abatement Program that improved removal time to 24 hours

Director of Public Works | City Engineer

1996 – 2001

City of La Quinta | CA

Managed the Public Works Department of 20 professional, technical, and clerical staff. This included Administration, Engineering, Development, Traffic, Capital Improvements and Street Maintenance.

Select Accomplishments:

- Coordinated the development and implementation of La Quinta's first Development Impact Fees
- Updated the City's \$800,000/year Lighting and Landscape Assessments to conform to Proposition 218
- Completed a \$500,000 community pool and locker room/office facility project within schedule and budget utilizing the design/build process
- Completed a \$20 million assessment issue and coordinated the construction associated with the assessment for public sewers, street improvements, and a downtown beautification project

Director of Public Works | City Engineer

1991 – 1996

City of Chino Hills | CA

Held multiple positions while serving the City of Chino Hills. Was the first Director of Public Works/City Engineering when the city was incorporated in December 1991. Established and directed the Public Works Department of 40 employees (not including consultants) under six divisions. These divisions included Administration, Engineering Design and Development, Traffic and Roads, Water, Sewer, Drainage, Utility Operations, and Facilities/Vehicle Maintenance and Operations. From 1992 - 1993, the Parks and Landscape Maintenance Division (1972 Lighting and Landscape Act) was also under his direction including a Parks and Landscape Manager and 15 employees.

Select Accomplishments:

- Completed the \$10 million extension of the ultimate improvements to Chino Hills Parkway from Carbon Canyon Road (SR142) to the 60 freeway in Pomona
- Developed the first Public Works Department for the City of Chino Hills after Incorporation
- Supervised a \$13M/year Water Utility operational budget for the City
- Developed the first Pavement Management System for Chino Hills
- Developed and Streamlined the Final Map and Developer Entitlement process

Public Works Engineer II / Project Engineer III

1986 – 1991

County of San Bernardino/Special Districts

Municipal Engineer

1983 – 1986

Westmoreland, Washington, Somerset, and Alleghany Counties in South Western PA



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EDUCATION

San Bernardino Valley College,
studying Water Technology and
Construction Management

**REGISTRATIONS
CERTIFICATIONS**

Certified Backflow Tester, AWWA
#13720

Cross-connection Control Specialist,
AWWA, #02181

Safety Hazard training in Confined
Spaces, Welding Scaffolds, and Stairs,
Ladders, and Fall Protection

John Chesworth

Construction Inspector

John has more than 22 years of construction and Civil Engineering experience which includes roadway, highway, freeway, and utilities construction. He has worked as a construction lead inspector and superintendent for large construction companies specializing in various fields including but not limited to: highway widening and improvements, bridge widening and reconstruction, HMA Pavement per Caltrans Section 39 and QA/QC procedures, utilities construction and relocation, commercial construction, and development construction. He has extensive experience with Structural Concrete, Minor Concrete, Paving, Traffic Control, MBGR, Drainage, Water and Sewer Lines, Electrical, Landscape, Safety, and SWPPP. Over his career, John has been responsible for construction inspection and Quality Control, daily reports and quantities take-offs, review and monitor schedule of work, compliance with plans and specifications and certificates, shop drawings, change orders, submittals and RFI's, safety compliance, preparing and reviewing as-built plans, and preparing final punch list.

John has the ability to interpret contract plans and specifications properly due to his extensive understanding of the Caltrans Standard Plans and Specifications, Caltrans Construction Manual, OSHA Safety Manual, Traffic Control Manual, Watch Manual, and "Green Book". His wealth of code knowledge makes him a qualified inspector for any construction project.

PROJECT SPECIFIC EXPERIENCE

Public Works Inspector

2016 – Present

John has been working with the Interwest Consulting Group since January 2016. His assignments include Public Works Capital Project Construction Inspection in Pomona, Palm Springs, and Rancho Mirage. He has also completed miscellaneous inspections as needed for our City clients. He has worked on street improvement projects, park remediation, drainage projects, grading projects, utility relocations, and various individual permits taken out in cities for work in the public right-of-way.

Field Inspector

2012 – 2013

FCG

John was responsible for the inspection of traffic control, removal of unsound concrete, roadway excavation, lean concrete base paving, HMA paving, HMA dyke, JPCP, concrete paving, joint seal, structural concrete, polyester concrete overlay, MBGR installation, thermal plastic stripe, modified lighting, and documentation of ongoing daily and monthly quantities, progress meetings and Safety implementation per Osha/Caltrans Guild lines.

Projects: Interstate 5 Rehab. (Vista del Lago to Frazier Park)

Supervisor / QC

2010 – 2012

Western Structures

Experience gained in this position includes field engineering on a variety of construction projects for cities, counties, and various public and private agencies. John also gained experience in the construction of bridge footings/widening, HMA paving, columns/column casings, structure girders, soffit, barrier rails / sidewalk; approach slabs, Underground Utilities, directional drilling, soil nailing, HMA/PCC paving, Mass Grading, and documentation control. He was responsible for safety and training crew members, scheduling, daily diaries, quantities etc.

Projects: LAX, Century Blvd East & West Overpasses Seismic Retrofit



Construction Inspector
2009 – 2010

Kaufman Consultation

John performed inspection for commercial and residential water and sewer and reclaimed water. Daily activities included pressure testing sewer mains, hydro testing of water mains, and video review. Photo Documenting daily reports of ongoing activity of project, monitoring safety per OSHA/EVMWD guidelines, making in-the-field decisions as needed all per EVMWD/ "Green Book" standards and Cal OSHA regulations.

Inspector
2007 – 2008

Caltrop Corp. / City of Moreno Valley

John was an inspector for the land development department and public works dept. for the City of Moreno Valley. He provided inspections on Verizon FTTP, New install of Fiber Optic system and Sunesys, which entailed interconnection of City schools through fiber optic cable. John's duties included inspection, SWPPS, and Safety enforcement, restoration, and photo documentations of street paving, sidewalk, Utilities locations, Public Relations for residential/commercial & local utilities complaints. Observation of Approved plan installation of Directional drilling Sub-duct placement and recording as-builds as needed. Held Pre-construction meetings, Safety meetings, Public Relations meeting with prime and sub-Contractors, Dispute Resolution, and dig alert awareness. Final releases

Inspector (Contract Employee)
2007 – 2010

Eastern Municipal Water District

John provided inspection services for new construction of commercial and residential water and sewer. Installations varied from 1" service to 36" mains. John was responsible for monitoring the daily activities of multiple projects. His duties included daily diaries and photo documentation, the scheduling of ongoing activity of each project (Up to 15 projects visited per day), bacteria sampling, checking grade, pressure testing, video review, bond releases punch list and enforcement of safety standards and SWPPPs. Making in-the-field decisions as needed all per EMWD Standard Specifications, approved plans and Cal OSHA regulations.

EXHIBIT "C"**CITY - SERVICES TO BE PROVIDED
TO CONSULTANT**

1. Furnish the Consultant all in-house data which is pertinent to services to be performed by the Consultant and which is within the custody or control of the City, including, but not limited to, copies of City standard plans and other inspection related information, and such other pertinent data which may become available to the City.
2. Provide timely review, processing, and reasonably expeditious approval of all submittals by the Consultant.
3. Provide timely City staff liaison with the Consultant when requested and when reasonably needed.

EXHIBIT "D"**TERMS OF PAYMENT**

1. The Consultant's compensation shall not exceed **\$50,000.00**
2. The Consultant will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: <http://www.moval.org/biz-lic>.
3. The Consultant will electronically submit an invoice to the City once a month for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services during the preceding calendar month. At no time will the City pay for more services than have been satisfactorily completed and the City Engineer's determination of the amount due for any progress payment shall be final. The consultant will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org
Accounts Payable questions can be directed to (951) 413-3073.
Copies of invoices may be submitted to the Land Development Division at zarat@moval.org or calls directed to (951) 413-3120.
4. The Consultant agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid

because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at:

http://www.moval.org/city_hall/forms.shtml#bf

5. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
6. The City shall pay the Consultant for all invoiced, authorized professional services within forty-five (45) days of receipt of the invoice for same.

EXHIBIT E**INSURANCE REQUIREMENTS****Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain limits of liability of not less than:

1. General Liability:
 - \$1,000,000 per occurrence for bodily injury and property damage
 - \$1,000,000 per occurrence for personal and advertising injury
 - \$2,000,000 aggregate for products and completed operations
 - \$2,000,000 general aggregate
2. Automobile Liability:
 - \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:
 - \$1,000,000 each accident for bodily injury
 - \$1,000,000 disease each employee
 - \$1,000,000 disease policy limit
4. Professional Liability (Errors and Omissions):
 - \$1,000,000 per claim/occurrence
 - \$2,000,000 policy aggregate

Umbrella or Excess Insurance

In the event Consultant purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Deductibles and Self-Insured Retentions

Consultant shall be responsible for payment of any deductibles contained in any insurance policy(ies) required hereunder and Consultant shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At the option of the City Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers; or (ii) Consultant shall provide a financial guarantee, satisfactory to the City Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

Other Insurance Provisions

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers are to be covered as additional insureds.
2. The coverage shall contain no special limitations on the scope of protection afforded to City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers.
3. Consultant's insurance coverage shall be primary and no contribution shall be required of City.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision: Consultant and its insurer shall waive any right of subrogation against City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
2. Insurance must be maintained and evidence of insurance must be provided for at least 3 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 3-year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the

- Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of 3 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
 5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Consultant shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Consultant shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

Acceptability of Insurers

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or authorized by the City Manager or his/her designee.

Verification of Coverage

Consultant shall furnish City with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the City Manager or his/her designee prior to City's execution of the Agreement and before work commences.

**FIRST AMENDMENT TO AGREEMENT
FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES**

The First Amendment to Agreement is by and between the CITY OF MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and Interwest Consulting Group, a California corporation, hereinafter referred to as "Consultant." This First Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Consultant entered into an Agreement entitled "PROJECT SPECIFIC AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES CONSTRUCTION INSPECTION SERVICES," hereinafter referred to as "Agreement," dated March 20, 2018.

Whereas, the Consultant is providing construction inspection services.

Whereas, it is desirable to amend the Agreement to increase the compensation amount for inspection services by \$100,000.00 (an increase from \$50,000.00 to 150,000.00) for the term of the Agreement.

Whereas, it is desirable to enter into the First Amendment to the Agreement to increase the compensation amount for additional inspection services by \$100,000.00 (from \$50,000.00 to \$150,000.00) for the term of the Agreement.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The Agreement termination date of June 30, 2019 is not extended by this Amendment, unless the termination date is further extended by an Amendment to the Agreement.

FIRST AMENDMENT TO AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT
SERVICES
CONSTRUCTION INSPECTION SERVICES

1.2 Exhibit "D" to the Agreement is hereby further amended by increasing the compensation amount for additional inspection services by \$100,000.00.

1.3 The total "Not-to-Exceed" fee for this contract is \$150,000.00 (\$50,000.00 for the original Agreement plus \$100,000.00 for the First Amendment to Agreement).

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

FIRST AMENDMENT TO AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES

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

City of Moreno Valley

By: [Signature]
Thomas M. DeSantis, City Manager

Date: 7.10.18

Interwest Consulting Group

By: [Signature]

Title: President
(President or Vice President)

Date: 6/1/18

INTERNAL USE ONLY

APPROVED AS TO FORM:

[Signature]
City Attorney

6-22-18
Date

By: [Signature]

Title: Secretary
(Corporate Secretary)

Date: 6/4/18

RECOMMENDED FOR APPROVAL:

[Signature]
Department Head

7/9/18
Date

Attachment: First Amendment (3485 : Second Amendment to Agreement with Interwest)

**SECOND AMENDMENT TO AGREEMENT
FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES**

The Second Amendment to Agreement is by and between the CITY OF MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and Interwest Consulting Group, a California corporation, hereinafter referred to as "Consultant." This Second Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Consultant entered into an Agreement entitled "PROJECT SPECIFIC AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES CONSTRUCTION INSPECTION SERVICES," hereinafter referred to as "Agreement," dated March 20, 2018.

Whereas, the Consultant is providing temporary construction inspection services.

Whereas, the Agreement was amended on July 10, 2018 to increase the compensation amount for continued inspection services.

Whereas, it is desirable to amend the Agreement to increase the compensation amount and extend the time for professional consultant inspection services as is more particularly described in Section 1 of this Second Amendment.

Whereas, it is desirable to enter into the Second Amendment to the Agreement to increase the compensation amount for additional inspection services by **\$65,000.00** (from \$150,000.00 to \$215,000.00) for the term of the Agreement.

SECOND AMENDMENT TO AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT
SERVICES
CONSTRUCTION INSPECTION SERVICES

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The Agreement termination date is extended from June 30, 2019 to **June 30, 2020**, unless the termination date is further extended by an Amendment to the Agreement.

1.2 Exhibit "D" to the Agreement is hereby further amended by increasing the compensation amount for additional inspection services by \$65,000.00.

1.3 The total "Not-to-Exceed" fee for this contract is \$215,000.00 (\$50,000.00 for the original Agreement plus \$100,000.00 for the First Amendment to Agreement plus \$65,000.00 for the Second Amendment to Agreement).

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

Attachment: Second Amendment (3485 : Second Amendment to Agreement with Interest)

SECOND AMENDMENT TO AGREEMENT FOR ON-CALL PROFESSIONAL CONSULTANT SERVICES
CONSTRUCTION INSPECTION SERVICES

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

City of Moreno Valley

Interwest Consulting Group

By: _____
Thomas M. DeSantis, City Manager

By:  _____

Date: _____

Title: President
(President or Vice President)

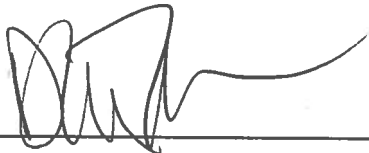
Date: 2/19/2019

INTERNAL USE ONLY

APPROVED AS TO FORM:

City Attorney

Date

By:  _____

Title: CFO
(Corporate Secretary)

Date: 2/19/2019

RECOMMENDED FOR APPROVAL:

Department Head

Date

Attachment: Second Amendment (3485 : Second Amendment to Agreement with Interwest)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 19, 2019

TITLE: ADOPTION OF RESOLUTION 2019-__ AMENDING THE APPLICATION PROCESSES FOR COMMERCIAL CANNABIS BUSINESS PERMITS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt Resolution 2019-____, amending the Application Processes for Commercial Cannabis Business Permits.

SUMMARY

This report recommends consideration and adoption of a Resolution amending the application processes for commercial cannabis business permits in the City of Moreno Valley. The recommended amendment would require applicant(s) to apply for any required land use approvals or entitlements for the permittee's location within ninety (90) days of issuance of the provisional commercial cannabis business permit.

DISCUSSION

In November of 2017, the City Council took the first step in establishing regulations that will ultimately allow commercial cannabis businesses to operate in the City. Council adopted Ordinance 926, which established the processes for obtaining and maintaining a Commercial Cannabis Business Permit (CCBP). On April 3, 2018, City Council adopted Ordinance 933 amending Chapter 5.05 Commercial Cannabis regulations to add the micro-business category in order to standardize the land use entitlements in Article 9 with the business regulations in Article 5.

On March 20, 2018, City Council adopted Resolution 2018-11, which created the Initial Application Procedures for Commercial Cannabis Business Permits. On April 3, 2018, City Council adopted Resolution 2018-13 amending the Initial Application Procedures

for Commercial Cannabis Business Permits. As these procedures were only for this Initial Application period, Council approved application procedures that will be used in future application periods on October 2, 2018.

At the December 11, 2018 Council meeting, Council directed staff to update the application procedures to incorporate a sixty (60) day timeline for the provisional permitted commercial cannabis businesses from the initial application period to enter into the City's land use approvals or entitlements for the permittee's location. On December 18, 2018, City Council adopted Resolution 2018-93 containing this timeline.

Staff is requesting to increase the sixty (60) day timeline above to ninety (90) days because of the significant time needed to prepare the documents required for the land use approvals or entitlements for a permittee's location that is vacant land. This change is contained in the application processes attached to this Resolution.

ALTERNATIVES

1. Recommend approval of proposed Recommended Actions as set forth in this staff report. *Staff recommends this alternative.*
2. Do not recommend approval of proposed Recommended Actions as set forth in this staff report. *Staff does not recommend this alternative.*

FISCAL IMPACT

There are no fiscal impacts anticipated from the approval and adoption of this Resolution.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Brian Mohan
Financial Resources Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

- 1. Reso - Application Procedure
- 2. 1. Moreno Valley Application Procedure Guideline 03192019

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/13/19 7:19 PM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 7:45 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:45 AM

RESOLUTION NO. 2019-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE APPLICATION PROCEDURE TO OPERATE A COMMERCIAL CANNABIS BUSINESS UNDER CHAPTER 5.05 OF TITLE 9 OF THE CITY MUNICIPAL CODE

WHEREAS, the City of Moreno Valley is a General Law city organized pursuant to Article XI of the California Constitution; and

WHEREAS, pursuant to the authority granted the City by Article XI, Section 7 of the California Constitution, the City has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health and safety; and

WHEREAS, consistent with that authority the City Council lawfully adopted Ordinance 926 which became effective in December of 2017 and established a regulatory process for Commercial Cannabis Business Permits in the City by adding Chapter 5.05 to the Municipal Code; and

WHEREAS, Section 5.05.090 requires the City Council adopt by resolution the procedures and timelines to govern the Commercial Cannabis Business Permit Application process; and

WHEREAS, the City Council desired to extend the 60-day timeline to apply for land use entitlements to 90 days.

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

1. The Commercial Cannabis Business Application Procedures are hereby amended as depicted in Exhibit "A" attached to this Resolution and fully incorporated by this reference.

APPROVED AND ADOPTED this 19th day of March 2019.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Reso - Application Procedure [Revision 1] (3496 : ADOPTION OF RESOLUTION 2019-__ AMENDING THE APPLICATION

2
Resolution No. 2019-xx
Date Adopted: March 19, 2019

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2018-xx was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 19th day of March 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2019-xx
Date Adopted: March 19, 2019

Attachment: Reso - Application Procedure [Revision 1] (3496 : ADOPTION OF RESOLUTION 2019-__ AMENDING THE APPLICATION



APPLICATION PROCEDURES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT

This document outlines the Commercial Cannabis Business Permit (“CCBP”) application process, required materials, and other information necessary to operate a Commercial Cannabis Business (“CCB”) in Moreno Valley. Applications will be available from PlanetBids (http://www.moval.org/rfps/bids_rfps.shtml). For additional information regarding Commercial Cannabis Business, please visit our website www.moval.org. Applicants are solely responsible for timely submission of their application online. The City will only consider applications that have been transmitted successfully through PlanetBids. Transmission or submission of applications by any other means will not be accepted. Applicants shall be solely responsible to familiarize themselves with the online application system in order to properly utilize the application management system, for ensuring the capability of their computer system to upload the required documents, and for the stability of their internet service to successfully submit their application. Failure of the Applicant to successfully submit electronic forms shall be at the Applicant’s sole risk and no relief will be given for late and/or improperly submitted proposals. Proposers experiencing any technical difficulties with the submission process may contact PlanetBids at (818) 992-1771. Questions of an operational nature may be directed to the City’s Purchasing Division at (951) 413-3190. Neither the City nor PlanetBids makes any guarantee as to the timely availability of assistance or any assurance that any given problem will be resolved by the application submission deadline. **PLEASE NOTE: In addition to the provisional CCBP, the Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.**

IT IS RECOMMENDED THAT BEFORE INITIATING THE APPLICATION PROCESS YOU:

- Review the information to learn about the application process and which documents you will need
- Review the application in its entirety to ensure that it is complete and accurate
- Review the information regarding the commercial cannabis business permit application on the City webpage: http://www.moreno-valley.ca.us/rfps/bids_rfps.shtml which includes the following information:
 - Application procedure to Operate a CCB in Moreno Valley
 - CCBP Application Form
 - Employee/Owner Background Application Form
 - Limitations on City’s Liability and Certifications, Assurances and Warranties
- Review the information regarding the CCBP process and other requirements on the City webpage: www.moval.org
 - Local regulations governing Moreno Valley CCB’s: Moreno Valley Municipal Code (“MVMC”) Chapter 5.05 and Title 9 as it pertains to Commercial Cannabis Business Activities
 - Ordinance No. 926, No. 932 and No. 933
 - Resolutions 2018-10, 2018-11 and 2018-13
 - Commercial Cannabis Business Permit Live Scan Instructions
 - Frequently Asked Questions
- Review the information regarding the commercial cannabis business through the state of California
 - Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
 - Any other state requirements

(1) **Application Process: Evaluation:** The selection process shall consist of the evaluation of the following required documents, which must be submitted electronically in PlanetBids and will be completed in the Four Phases below:

- a. City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents.
- b. City of Moreno Valley Commercial Cannabis Business Owner Background Application.
- c. City of Moreno Valley Zoning Verification Letter from the Community Development Department in City Hall.
- d. City of Moreno Valley Limitations on City's Liability and Certifications, Assurances and Warranties. A completed form is required for each Owner.
- e. Copies of receipts for the payment of all applicable fees. Application Fees must be paid in full, prior to the application submittal in PlanetBids in order for your application to be considered.

Phase 1: Preliminary determination of eligibility.

Phase 2: Initial evaluation.

Phase 3: Second evaluation (Interview).

Phase 4: Lottery if needed.

Note: a separate application and fee is required for each category of CCBP.

For more information, see Evaluation and Selection Process section below in this procedure.

(2) **CCB Permit Application:** Applicants must submit a completed and signed copy of the City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents in PlanetBids. A complete application will consist of the following information and payment:

- a. The City of Moreno Valley Commercial Cannabis Business Permit Application Form; and
- b. The City of Moreno Valley Commercial Cannabis Business Owner Background Application; and
- c. The City of Moreno Valley Commercial Cannabis Business Zoning Verification Letter; and
- d. Limitations on City's Liability and Certifications, Assurances and Warranties; and
- e. All the information about the proposed Cannabis Business to be evaluated which is described in the Evaluation and Selection Process section below in this procedure.
- f. Application Fee Payment which must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Application Fees are **non-refundable**.

(3) **Owner Background Application:** As part of Phase 1 of the Application Process, each owner must undergo and pass a criminal background check or be subject to "good cause" denial per MVMC Section 5.05.070 (d) or 5.05.310(m). Background checks are required to meet the minimum threshold qualifications pursuant to MVMC Section 5.05.070 (d) and 5.05.310 (k). Applicants/Owners who do not meet criminal history eligibility requirements will be disqualified. Payment must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Owner Background Application Fees are **non-refundable**.

(4) **Live Scan (Fingerprinting):** As part of Phase 1 of the Application Process, each owner must undergo and pass a Live Scan (Fingerprinting) background check through the California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI), which is required to be requested for each Responsible Person associated with the CCB Permit application per MVMC Section 5.05.070 (d) and 5.05.310(k). Owners who do not meet criminal history eligibility requirements will be disqualified. Payment must be made by a card (debit/credit), check (personal, certified, cashier's), money order made payable to the City of Moreno Valley. Please note the City will accept cash for this fee only and Live Scan Fees are **non-refundable**. Please review the Commercial Cannabis Business Permit Live Scan Instructions for further details.

- (5) **Zoning Verification Letter:** As part of Phase 1 of the Application Process, each applicant will be required to obtain a Zoning Verification Letter from the Community Development Department in City Hall. The Zoning Verification Letter will need to be included with the application package in PlanetBids. **PLEASE NOTE:** The issuance of a Zoning Verification Letter does not constitute permission or authorization by the City of Moreno Valley or any of its officials to operate a CCB Payment must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Zoning Verification Letter Fees are **non-refundable**.
- (6) **Limitations on City's Liability and Certifications, Assurances and Warranties:** This document must be signed and notarized by each owner on the application and is required to be included with the application package in PlanetBids.
- (7) **Application Fees:** Application fees are set forth in MVMC Section 505.300. A payment **for the Permit Application Fee, Owner Background Application check fee, Live Scan (Fingerprinting) fee for each owner and Zoning Verification Letter** must be submitted to the Cashier located on the first floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). **The Application Fees must be paid prior to the submission of the application. Receipts from the payment of fees must be submitted with the application in PlanetBids.** Payment must be made as stated above in items 2 through 5 above. Please note if any form of payment is returned by any financial institution after the application has been submitted in PlanetBids, the application will be considered not fully responsive and will be rejected without the right of appeal.

LATE AND/OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED

- **Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application in PlanetBids after the close of application period, except as otherwise specifically permitted in these procedures or at City's sole discretion may request additional or clarifying information as authorized by the City Manager or his/her designee. During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and will not move forward in the application process. However, in some cases the City may move forward in the application process to other phases should it anticipate that the Live Scan or background check may delay expediting the application process in a timely manner. In this case, Applicants wishing to move forward in the process acknowledge by signing the application that they agree to these terms and should they be disqualified because of a background or a Live Scan disqualification they may not be eligible for a refund of any fees collected resulting from the modification of this procedure.

Notification: The individual designated as the CCB contact on the application will be notified by e-mail as to whether the application is advancing to the various phases. A payment will be due before Phase 2, Phase 3 and Phase 4. Deadlines for these payments will be included in the e-mail notification to the primary contact person.

EVALUATION AND SELECTION PROCESS:

The evaluation and selection process shall consist of the following four phases:

1. **Phase 1: Determination of Eligibility of Application**
 - Applications must be complete to be considered. Applications will be considered complete only if they include all the information required for Phases 1, 2, and 3.
 - Each Owner must undergo a criminal history check and demonstrating compliance with the eligibility requirements of MVMC Section 5.05.070 (d) and 5.05.310 (k).
 - Zoning Verification Letter of the proposed location of business must be included.
 - Owner(s) must execute the Limitations on City's Liability and Certifications, Assurances and Warranties.
 - City may request additional information.

- During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and my not move forward in the application process.

2. Phase 2: Initial Review (1,500 Points)

- Applications will be evaluated based on the following criteria:
 - Proposed Location of business (200 Points)
 - Business Plan (400 Points)
 - Neighborhood Compatibility Plan (300 Points)
 - Safety and Security Plan (300 Points Each)
 - Applicants will not be allowed to resubmit information that is determined to be missing or deficient during the Phase 2 review. Only those applicants who scored a minimum score of 80% (1,200 points) in Phase 2 will move on to Phase 3 of the application process.

3. Phase 3: Second Review (Interview) (2,500 Points)

- Applications whom score a minimum score of 80% (1,200 points) in Phase 2, will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
- Prior to the scheduling of the interviews in Phase 3 each of the applicants may be required to have their proposed site inspected by the assigned City designee to ascertain current conditions of the facility.
- The second review will be scored based on the following criteria:
 - Final Location (proof of ownership or a signed and notarized statement from the Property Owner (200 Points)
 - Business Plan (300 Points)
 - Neighborhood Compatibility Plan (200 Points)
 - Safety and Security Plan (200 Points Each)
 - Air Quality Plan (200 Points)
 - Labor & Employment (200 Points)
 - Community Benefits (300 Points)
 - Environmental Impact Mitigation (200 Points)
 - Local Enterprise (200 Points)
 - Qualifications of Owners (300 Points)
- All the applicants who continued to maintain a cumulative minimum score of at least 80% will move onto Phase 4 of the selection process.

4. Phase 4: Lottery

- Applicants receiving a minimum overall score of 80% from Phase 3 will be placed in a pool of eligible applicants. Permits will be issued by lottery from the pool of eligible applications in each category if the number of eligible applicants exceeds the number of allowed permits. The maximum number and type of authorized Commercial Cannabis Businesses Permitted is set forth in Section 5.05080.

DESCRIPTION OF EVALUATION CRITERIA:

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Proof of ownership or a notarized letter of the owner's willingness to lease must be included. This section must also describe all sensitive uses described in within six hundred (600) feet of the proposed location from the property line of a K-12 school, daycare center and youth center. The CCB must be in the appropriate zoning and meet all the locational requirements as described in the Moreno Valley Municipal Code.

- **Business Plan.** With as much detail as possible, the Business Plan must describe:
 - Description of day-to-day operations which meet industry best practices for the specific type of permit in which they will be applying for in the City.
 - How the CCB will conform to local and state law. See MVMC Sections 5.05.040, 5.05.210, 5.05.270, 5.05.290, 5.05.310 through 5.05.365 and Ordinance 926, 932 and 933.
 - How medical and adult-use will be tracked and monitored to prevent diversion.
 - A schedule for beginning operation, including a narrative outlining any proposed construction, improvements, and a timeline for completion.
 - Demonstrate the economic viability of the business in an evolving market place.

The Business Plan must also include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
 - **Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
 - A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For the proposed location, your application must address how the CCB, including its exterior areas and surrounding public areas, will be managed, to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) must be included for each potential location.
- **Safety and Security Plan.** For each proposed location, your application must include:
 - A detailed **safety plan**. This plan must describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It must include an assessment of the facility's fire safety by a qualified licensed fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
 - A detailed **security plan**. This plan must include a description and detailed schematic of the overall facility security. It must have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery (storage and transportation) security. In particular, applications must address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan must also include an assessment of site security by a qualified licensed security consultant.** Security plans will not be made public. City reserves the right to require additional or different security measures during the entitlement process. Qualification of a proposed location for the CCB Permit is not per se approval of the Security Plan.
 - A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan must also be submitted. The floor plan(s) must be accurate, dimensioned and to-scale (minimum scale of 1/4").
 - **Air Quality Plan.** Must demonstrate the air circulation does not impact the employees' health and welfare nor those in the surrounding businesses.
 - **Labor & Employment.** The application must describe to what extent the CCB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
 - Providing compensation to and opportunities for continuing education and training of employees/staff (applications must provide proof of the CCB policy and regulations to employees);

- Providing a “living wage” to facility staff and employees. Wage scale must be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Community Benefits.** The application must describe benefits that the CCB would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City. Preference shall be provided to CCB’s which ensure quality projects (appearance, sophistication, etc.) and which may provide to the revitalization to commercial areas that would benefit from significant reinvestment.
- **Enhanced Product Safety.** The application must state how the CCB will ensure enhanced consumer safety as required by State and/or local law.
- **Environmental Impact Mitigation.** The application must describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
- **Local Enterprise.** The application must state the extent to which the CCB will be a locally managed enterprise whose Owners reside within Moreno Valley and/or the County of Riverside.
- **Qualifications of Owners.** The application must include information concerning any special business experience or professional qualifications or licenses of Owners that would add to the number or quality of services that the CCB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

The City’s Reservation of Right’s

The City reserves the right to reject any and/or all applications, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization and without a fee refund obligation. City also reserves its right to amend these procedures during the application process, no rights to the current process are bestowed on any applicant by the virtue of filing the application. In addition, the City reserves the right to request and obtain additional information or amendments from any candidate submitting an application. Late applications WILL NOT BE ACCEPTED OR CONSIDERED.

Award of Permits

Provisional Permits will be awarded to successful Applicants, which are conditioned on obtaining all required land use approvals. Within ninety (90) days of receipt of the provisional commercial cannabis business permit, the applicant(s) shall apply to the City’s Community Development Department to obtain any required land use approvals or entitlements for the permittee’s location. This process is called the “**Plot Plan/Conditional Use Permit**” from the Planning Division of the Community Development Department. For deadline on existing provisional CCB Permits please see last section of these rules below. Information is located on the City website at www.moreno-valley.ca.us/cdd/departament/divisions--planning.html.

The Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.

A final CCB Permit (CCB Annual Permit) will only be issued following the receipt of the Conditional Use Permit, a State License, and issuance of a Certificate of Occupancy by the City of Moreno Valley Building Division.

Prior to the issuance of the CCB Annual Permit, payment **for the CCB Annual Permit Fee** must be submitted to the Cashier located on the first floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). Payment must be made by a certified check, cashier's check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash or credit cards and CCB Annual Permit Fees are **non-refundable**.

CUP Application deadline for provisional CCB permits approved during the Initial Application Process

On December 11, 2018, Council approved a change to the number of CCB permits allowed in the City of Moreno Valley as shown below:

	Dispensaries	Testing Facilities	Cultivation Facilities	Microbusinesses	Distribution Centers	Manufacturing Facilities	Total
Prior	8	2	8	2	2	5	27
Current	23	2	8	3	2	5	43

In light of this change, the qualified applicants that were not successful in the August 20, 2018 lottery will now move on to the provisional CCB permit phase. Due to passage of time, the City will be requesting updated information to verify the currency of the Application, including but not limited to, business ownership, background, site or location, etc. If changes from the original submittal exist, the City will require new information be submitted for review which will be evaluated based on the criteria listed in the Evaluation and Selection Process above to ensure the applicant is still qualified based on the new information.

All provisional permits are conditioned on obtaining all required land use approvals. Within ninety (90) days of receipt of the provisional commercial cannabis business permit, the applicant(s) shall apply to the City's Community Development Department to obtain any required land use approvals or entitlements for the permittee's location. This process is called the **"Plot Plan/Conditional Use Permit"** from the Planning Division of the Community Development Department. Information related to the process is located on the City website at www.moreno-valley.ca.us/cdd/departament/divisions--planning.html.

CONTACT:

All questions related to the CCB Application shall be submitted through PlanetBids. If you have any questions or would like an update on the status of your application following submission, please contact the numbers below:

Application and Permit	Conditional Use Permit	Certificate of Occupancy
Business License 951-413-3080	Planning Division 951-413-3206	Building Division 951-413-3350

PLEASE NOTE: In addition to the provisional CCBP, the Plot Plan/Conditional Use Permit ("CUP") process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Patti Solano, Parks & Community Services Director

AGENDA DATE: March 19, 2019

TITLE: ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM GRANT FUNDS FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, EXPANDED LEARNING DIVISION, FOR KIDS COMPUTER CODING INSTRUCTION AND ADOPTION OF THE RESOLUTION TO CERTIFY APPROVAL OF THE GOVERNING BOARD

RECOMMENDED ACTION

Recommendations:

1. Authorize acceptance of After School Education and Safety (ASES) Kids Code Pilot Program Grant funds in the amount of \$180,000 over Fiscal Years (FY) 2018/19 through 2020/21 from the California Department of Education (CDE), Expanded Learning Division, for the purpose of providing ASES Kids Code Program computer coding services to children in the ASES program at three school sites; and
2. Adopt Resolution No. CSD 2019-____. A resolution of the Moreno Valley Community Services District Board certifying acceptance of the grant funding and approval of associated cooperation with the California Department of Education for the purpose of providing ASES Kids Code Program services and to authorize designated personnel to sign grant contract documents; and
3. Approve the Agreement with THINK Together, Inc. for the operation of day-to-day activities and functions involving the new ASES Kids Code Pilot Program Grant; and
4. Authorize the Executive Director to execute the Agreement with THINK Together, Inc., for the operation of day-to-day activities and functions involving the new

ASES Kids Code Pilot Program Grant, and issuance of the Purchase Order once the Agreement has been fully executed; and

5. Authorize the Executive Director to execute any subsequent related Extensions or Amendments to the Agreement, subject to the approval of the City Attorney.

SUMMARY

This report recommends acceptance of After School Education and Safety (ASES) Kids Code Pilot Program Grant Funds and approval of the Agreement with THINK Together, Inc., to provide ASES Kids Code Program computer coding services for children in the ASES Program at Edgemont, Serrano, and Columbia Elementary Schools. This program will expand access to coding for children by providing dedicated computer coding program services for over 120 elementary school children at these sites.

DISCUSSION

The ASES Kids Code Pilot Program Grant is a new one-time grant intended to expand access to computer coding for students participating in existing ASES expanded learning after school programs. This funding will focus solely on computer coding curriculum for eligible ASES programs.

On December 19, 2018, the CDE notified the City of its Intent to Award the ASES Kids Code Pilot Program Grant funds as follows: \$65,000 for Edgemont Elementary, \$50,000 for Serrano Elementary, and \$65,000 for Columbia Elementary, over the course of three fiscal years, FY 2018/19 through 2020/21. In accordance with grant requirements, these awards were based primarily on highest Free and Reduced-Price Meal (FRPM) percentages, along with a Program Plan and completeness of the application.

This three-year ASES Kids Code Pilot Program Grant funding, pursued in partnership with THINK Together, Inc., Moreno Valley Unified School District (MVUSD) and Val Verde Unified School District (VVUSD), will provide the City additional resources to add dedicated children's computer coding instruction programs at three after school expanded learning program sites. The program will serve a minimum of 120 children annually from Edgemont Elementary, Serrano Elementary, and Columbia Elementary.

THINK Together, Inc., was a vital partner and co-applicant for the ASES Kids Code Pilot Program Grant. The Program Plan was excellent and supported a quality program. This organization has been successfully operating the City's current ASES expanded learning program during the regular school year, since 2011. They have established strong and positive relationships with the City, both school districts, and all other stakeholders.

ALTERNATIVES

1. Approve the Recommended Actions, as listed at the beginning of this staff report.

Staff recommends this alternative as it will allow us to accept ASES Kids Code Pilot Program Grant funds from the CDE, and partner with our grant co-applicants, THINK Together, Inc., MVUSD and VVUSD, to provide ASES Kids Code Program computer coding services to children in Moreno Valley.

- 2. Elect not to approve the Recommended Actions, as listed at the beginning of this staff report.

Staff does not recommend this alternative as it will not allow us to accept ASES Kids Code Pilot Program Grant funds from the CDE, nor partner with our grant co-applicants, THINK Together, Inc., MVUSD and VVUSD, to provide ASES Kids Code Program services to school age children in Moreno Valley.

FISCAL IMPACT

The \$180,000 grant will fund program services on a fiscal year basis over the course of three years, with apportionments in the following increments: 40% Year 1 (\$72,000), 40% Year 2 (\$72,000), and 20% Year 3 (\$36,000). **The grant funds will be used to provide ASES Kids Code Program computer coding services, and are restricted to this program.** There is no impact to the General Fund. The first-year grant award (FY 2018/19) will be budgeted in the 2300 Fund Operating Budgets, as listed below.

Description	Fund	GL Acct No.	Type (Rev/Exp)	FY 18/19 Budget	Proposed Adjustments	FY 18/19 Amended Budget
Receipt of Grant	ASES Kids Code	2300-50-58-75015-486000	Rev	\$0	\$72,000	\$72,000
Administration	ASES Kids Code	2300-50-58-75015-various	Exp	\$0	\$3,600	\$3,600
Contract Services	ASES Kids Code	2300-50-58-75015-625099	Exp	\$0	\$68,400	\$68,400

Note - grant requirements permit carryover of funds between FY 2018/19 and FY 2020/21.

NOTIFICATION

Posting of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Sandra Brieño
Senior Management Analyst

Department Head Approval:
Patti Solano
Parks and Community Services Director

CITY COUNCIL GOALS

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

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

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

ATTACHMENTS

- 1. ASES AO-400 Grant No. 18-25413-21860-KC
- 2. ASES Resolution No. CSD 2019-_____
- 3. ASES KIDS CODE Agreement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/08/19 3:59 PM
City Attorney Approval	<u>✓ Approved</u>	3/13/19 2:42 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:39 PM

Grant Award Notification

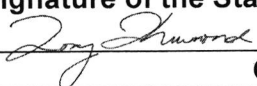
GRANTEE NAME AND ADDRESS Thomas DeSantis, City Manager City of Moreno Valley 14177 Frederick Street Riverside, CA 92552				CDE GRANT NUMBER				
				FY	PCA	Vendor Number	Suffix	
				18	25413	21860	KC	
Attention Expanded Learning Coordinator				STANDARDIZED ACCOUNT CODE STRUCTURE			COUNTY	
Program Office Expanded Learning Office				Resource Code	Revenue Object Code		33	
Telephone 951-413-3020				6011	8590		INDEX	
Name of Grant Program After School Education and Safety (ASES) Kids Code Pilot Program							0150	
GRANT DETAILS	Original/Prior Amendments	Amendment Amount	Total		Amend. No.	Award Starting Date	Award Ending Date	
	\$180,000.00		\$180,000.00			7/1/2018	6/31/2021	
CFDA Number	Federal Grant Number	Federal Grant Name				Federal Agency		

I am pleased to inform you that you have been funded for the ASES Kids Code Pilot Program.

This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.

Please return the original, signed Grant Award Notification (AO-400) to:

Paul Simpson-Jones, Associate Governmental Program Analyst
 Expanded Learning Division
 California Department of Education
 1430 N Street, Suite 3400
 Sacramento, CA 95814-5901

California Department of Education Contact Paul Simpson-Jones		Job Title Associate Governmental Program Analyst	
E-mail Address pjones@cde.ca.gov		Telephone 916-319-0211	
Signature of the State Superintendent of Public Instruction or Designee 		Date February 19, 2019	

CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS

On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.

Printed Name of Authorized Agent		Title	
E-mail Address		Telephone	
Signature ▶		Date	

Attachment: ASES AO-400 Grant No. 18-25413-21860-KC (3475 : ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM GRANT FUNDS FROM

B.4.a



DEPARTMENT OF
EDUCATION

State Superintendent of
Public Instruction

1430 N STREET
SACRAMENTO, CA
95814-5901

Attachment: ASES AO-400 Grant No. 18-25413-21860-KC (3475 : ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM

**RETURN SERVICE
REQUESTED**

Presort
First Class Mail
ComBasPrice



U.S. MAIL PERMIT NO. 1111
RIVERSIDE, CA
ZIP 95814 \$ 000.4
02 1W
0001399911FEB 20 2

Thomas DeSantis, City Manager

City of Moreno Valley
14177 Frederick Street
Riverside, CA 92552



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AJLHIMP

92553



RESOLUTION NO. CSD 2019-__

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT BOARD CERTIFYING ACCEPTANCE OF THE GRANT FUNDING AND APPROVAL OF ASSOCIATED COOPERATION WITH THE CALIFORNIA DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING ASES KIDS CODE PROGRAM SERVICES AND TO AUTHORIZE DESIGNATED PERSONNEL TO SIGN GRANT CONTRACT DOCUMENTS

WHEREAS, the Moreno Valley Community Services District Board of Directors desires to provide ASES Kids Code program services beginning FY 2018/19; and

WHEREAS, the Moreno Valley Community Services District Board of Directors further desires to obtain grant funding and to work with the California Department of Education for the purpose of providing ASES Kids Code program services;

NOW, THEREFORE, BE IT RESOLVED THAT THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY:

1. Accept the ASES Kids Code program grant funds from the California Department of Education, Expanded Learning Division; and
2. Certify the approval of the Governing Board to enter into a grant contract with the California Department of Education for the purpose of providing ASES Kids Code program services; and
3. Authorize personnel designated below by title to sign grant contract documents, on behalf of the Governing Board, for the duration of the grant:
 - City Manager/Executive Director
 - Parks & Community Services Director
 - Parks & Community Services Deputy Director
 - Chief Financial Officer/City Treasurer

APPROVED AND ADOPTED this 19th day of March, 2019.

Mayor of the City of Moreno Valley,
acting in the capacity of President of the Board
of Directors of the Moreno Valley Community
Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Legal Counsel of the Moreno
Valley Community Services District

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. CSD 2019-__ was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District of the City of Moreno Valley at a regular meeting held on the 19th day of March, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)

3
Resolution No. CSD 2019-__
Date Adopted: March 19, 2019

Attachment: ASES Resolution No. CSD 2019-_____ (3475 : ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM GRANT FUNDS FROM THE

Moreno Valley Community Services District of the City of Moreno Valley

AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES

This Agreement is made by and between the **Moreno Valley Community Services District of the City of Moreno Valley**, with its principal place of business at 14075 Frederick Street, Moreno Valley, CA 92553, hereinafter referred to as the "CSD", and **THINK Together, Inc., a California non-profit corporation**, with its principal place of business at **2101 E. Fourth Street, Ste. 200B, Santa Ana, CA 92705**, hereinafter referred to as the "Contractor," based upon CSD policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional kids coding program contracting services required by the CSD on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional kids coding program contracting services, is licensed in the State of California, if applicable;
- C. CSD desires to engage Contractor to render such services for the ASES Kids Code program as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the CSD signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor's Name: THINK Together, Inc.
 Address: 2101 E. Fourth Street, Ste. 200B
 City: Santa Ana State: CA Zip: 92705
 Business Phone: 714-543-3807 Fax No. 714-543 -3852
 Other Contact Number: _____
 Business License Number: 26278
 Federal Tax I.D. Number: 33-078175

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The CSD's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.

- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be effective from the date contract is fully executed to June 30, 2021, unless terminated earlier as provided herein. The agreement is coterminous with and subject to the CSD’s receipt of After School Education and Safety (ASES) Kids Code Grant Pilot Program (ASES Kids Code Program) grant funding from the California Department of Education (CDE). The CSD acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The CSD will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the CSD, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the CSD, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the CSD.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the CSD. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the CSD shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of CSD.
- E. Substitution of Key Personnel. Contractor has represented to CSD that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of CSD. In the event that CSD and Contractor cannot agree as to the substitution of key personnel, CSD shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the CSD, or who are determined by the CSD

to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the CSD. The key personnel for performance of this Agreement are as follows: **Randy Barth, Founder & Chief Executive Officer.**

- F. CSD's Representative. The CSD hereby designates the Executive Director of the CSD, or his or her designee, to act as its representative for the performance of this Agreement ("CSD's Representative"). Contractor shall not accept direction or orders from any person other than the CSD's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **Randy Barth, Founder & Chief Executive Officer**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the CSD, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold CSD, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the CSD to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the CSD, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.

- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City of Moreno Valley (“City”), the Moreno Valley Housing Authority, and the CSD, their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney’s fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor’s performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the CSD’s general liability insurance, employee benefits, or worker’s compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor’s obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.
- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of CSD’s choosing and at Contractor’s own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section “J” that may be brought or instituted against the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse the CSD for the cost of any settlement paid by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for CSD’s attorney’s fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best’s Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

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

“Exception to Worker’s Compensation Coverage” is signed, notarized and attached to this Agreement

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

Bodily Injury	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Property Damage	\$500,000 per occurrence/ \$500,000 aggregate

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

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

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

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

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

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the CSD unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The CSD and the Contractor agree that to the extent permitted by law, until final approval by the CSD, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.
- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. If either party makes a good faith, reasonable determination that the other party is in default of its obligations under this agreement, that party must provide the other with a written request to cure the default. If that party reasonably believes that the default has not been cured within thirty (30) days of such written request to cure, then that party shall have the right to immediately terminate this agreement upon written notification to the other.
- P. (a) The CSD may terminate the whole or any part of this Agreement at any time without cause by giving at least thirty (30) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the CSD. The CSD shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
- (b) Either party may terminate this Agreement for cause. In the event the CSD terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, CSD may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within thirty (30) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, CSD may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.

- Q. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The CSD will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- R. Restrictions on CSD Employees. The Contractor shall not employ any CSD employee or official in the work performed pursuant to this Agreement. No officer or employee of the CSD shall have any financial interest in this Agreement in violation of federal, state, or local law.
- S. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- T. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

THINK Together, Inc.
 2101 E. Fourth Street, Ste. 200B
 Santa Ana, CA 92705
 Attn: Randy Barth, Founder & CEO

CSD:

Moreno Valley Community Services District
 14075 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552
 Attn: Patti Solano, Director of Parks & Community Services

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

- U. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the CSD. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- BB. Supplementary General Conditions (for projects that are funded by Federal programs). The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.
1. CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
 2. CSD may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
 3. CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CSD and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
 4. CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)

5. CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
6. CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).
7. CONTRACTOR shall observe CSD requirements and regulations pertaining to reporting included in the General Conditions.
8. Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CSD.
9. Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CSD. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.
10. CONTRACTOR shall provide access by the CSD, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. CONTRACTOR shall retain all required records for three years after CSD makes final payments and all other pending matters relating to the Agreement are closed.
12. CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)
13. CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

SIGNATURE PAGE TO FOLLOW

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

Community Services District
of the City of Moreno Valley

Think Together Inc.

BY: _____
Thomas M. DeSantis
Executive Director

BY: _____
Randy Barth
Founder & CEO

Date

Date

BY: _____

Printed Name: _____
(Corporate Secretary)

Date

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head <i>(if contract exceeds 15,000)</i>
_____ Date

Two (2) corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

Attachment: ASES KIDS CODE Agreement (3475 : ACCEPTANCE OF ASES KIDS CODE PILOT PROGRAM GRANT FUNDS FROM THE CDE,

EXHIBIT A

SCOPE OF SERVICES

1. This Agreement between the CSD and the Contractor is for After School Education and Safety Kids Code Grant Pilot Program (ASES Kids Code) services, for three selected schools as designated in the California Department of Education (CDE) grant award.
2. The Contractor shall provide coding program services to a minimum of 40 (forty) students attending After School Education and Safety (ASES) programs at the following schools per year:
 - Edgemont Elementary, Moreno Valley Unified School District (MVUSD)
 - Serrano Elementary, Moreno Valley Unified School District (MVUSD)
 - Columbia Elementary, Val Verde Unified School District (VVUSD)
3. During the balance of the 2018-19 school year, the Contractor shall deliver a minimum of 20 (twenty) calendar days of coding instruction for sixty minutes per session. For the 2019-20 and 2020-21 school years, the Contractor shall provide a minimum of 60 (sixty) calendar days of coding instruction for sixty minutes per session.
4. All staff members required to deliver grant-funded services will be employed by the Contractor.
5. Program services shall be delivered by Contractor coding instructors who have been trained in the delivery of the “9 Dots” curriculum. The Contractor shall provide all necessary staff training and supervision for the program.
6. Coding instructors shall meet the same minimum qualifications for classroom instructional aides as set by the MVUSD or VVUSD, respectively.
7. The Contractor shall purchase all required equipment, materials and supplies required to deliver the curriculum. Equipment and supplies purchased by the Contractor with ASES Kids Code grant funds shall be owned by the CSD.
8. The Contractor shall be responsible for completing and submitting all required grant-related reports to the CSD ten (10) days prior to the due dates established by the CDE.
9. The Contractor shall maintain and provide access to all records used in the preparation of above reports for a period of five (5) years after the completion of the activities for which the funds were used.
10. The Contractor shall collaborate with the CSD on governance, operational management, and evaluation of the program, and ensure participation at any governance and operations meetings.

EXHIBIT B

CSD - SERVICES TO BE PROVIDED TO CONTRACTOR

1. The CSD shall act as the lead fiscal and administrative agent with the CDE for operation of the After School Education and Safety Kids Code Grant Pilot Program (ASES Kids Code Program).
2. The CSD shall collaborate with partner school districts, as co-applicants for this pilot program, to provide the Contactor access to school facilities, including classrooms and computer labs necessary to conduct ASES Kids Code program activities.
3. The CSD shall submit all required reports for the ASES Kids Code program to the CDE in a timely manner and in compliance with stated deadlines.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed \$171,000 over the course of the three-year contract, as follows:
 - a. 40% payable as invoiced, subsequent to receipt of Year One (2018/19) funding from the CDE.
 - b. 40% payable as invoiced, subsequent to receipt of Year Two (2019/20) funding from the CDE.
 - c. 10% payable as invoiced, subsequent to receipt of Year Three (2020/21) funding from the CDE.
 - d. 10% payable as invoiced, subsequent to receipt of Year Three (2020/21) closeout funding from the CDE, subject to completion of required reporting.

2. The Contractor's compensation shall only be paid out of funds received by the CSD from the CDE, and only up to the limits of this agreement.

3. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the CSD. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties.

4. The Contractor will electronically submit an invoice to the CSD for services (June through July) delivered through June 30 of that program year, along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the CSD pay for more services than have been satisfactorily completed and the CSD's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at: AccountsPavable@moval.org

Accounts Payable questions can be directed to (951) 413-3073. Copies of invoices shall be submitted to the Parks & Community Services Department at: sandrab@moval.org or calls directed to (951) 413-3726.

5. The minimum information required on all invoices is:
 - A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. CSD-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract

amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

6. The CSD shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
7. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the CSD.
8. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of CSD during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of five (5) years from the date of final payment under this Agreement.



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 19, 2019

TITLE: PUBLIC HEARING FOR TWO NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDINGS

RECOMMENDED ACTION

Recommend that the City Council:

1. Conduct the Public Hearing and accept public testimony for the mail ballot proceedings for the National Pollutant Discharge Elimination System (NPDES) Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and Residential Regulatory Rate to be applied to the property tax bills as identified herein;
2. Direct the City Clerk to open and count the returned NPDES ballots;
3. Verify and accept the results of the mail ballot proceedings as maintained by the City Clerk on the Official Tally Sheet and if approved, set the rate and impose the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and Residential Regulatory Rate, as applicable, on the Assessor's Parcel Numbers as mentioned;
4. Receive and file the Official Tally Sheet with the City Clerk's office.

SUMMARY

The action before the City Council is to conduct a Public Hearing for two NPDES mail ballot proceedings. The process to accept ten parcels into the City's NPDES funding program impacts only those property owners identified below, not the general citizens or taxpayers of the City.

The City requires property owners of development projects to mitigate the cost of certain impacts created by the proposed development, such as the cost of complying with state and federal NPDES requirements. The City offers the NPDES funding program to assist property owners in satisfying the requirement. After a property owner approves the City's NPDES rate through a mail ballot proceeding, the City can levy the rate on the annual property tax bills of the authorized parcels.

As a condition of approval for development of their projects, KB Home Coastal, Inc. and Arlene Hamann, et al. (the "Property Owners") are required to provide a funding source for the NPDES program and have requested the City conduct a mail ballot proceeding to satisfy the condition of approval. If each Property Owner approves the mail ballot and the City Council accepts the results, the condition of approval will be satisfied for their project. Tonight's Public Hearing is a required part of the process.

DISCUSSION

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES program. The Santa Ana Regional Water Quality Control Board administers the NPDES program through the issuance of a Permit. The NPDES program requires public agencies to obtain coverage under the Permit to discharge urban stormwater runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. The City's current NPDES Permit requires all new development projects to comply with stormwater management requirements.

The City Council adopted the NPDES Residential Regulatory Rate on June 10, 2003, and the NPDES Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate ("Commercial/Industrial Rate") on January 10, 2006. As a condition of approval from the Planning Commission, development projects are required to provide a funding source, consistent with the rates established by the City Council, to support activities for the NPDES program requirements. Revenue received from the rate supports the increased compliance activities related to the development. It also reduces the financial impact to the General Fund to maintain compliance with the unfunded requirements of the Permit.

KB Home Coastal, Inc. is approved to construct a 97-lot single-family subdivision (Tentative Tract Map 24203) on the northeast corner of Pigeon Pass Rd. and Lawless Rd. Arlene Hamann, et al. is approved to develop a self-storage facility south of John F. Kennedy Dr., west of Perris Blvd. As a condition of approval of their projects, the Property Owners are required to provide a funding source to mitigate the increase in costs to the NPDES program, which will be created by each of their development projects. The table below provides information for the parcels under development.

Property Owner/ Project	Assessor's Parcel Numbers	Location	FY 2018/19 Maximum ¹ NPDES Rate(s)
KB Home Coastal, Inc. 97-lot single-family subdivision (TTM 24203) P06-171/SBP18-0012	259-260-029, 259-260-036, 259-260-039, 259-260-041, 259-260-042, 259-260-082, 259-260-084, and 259-260-086	Northeast corner of Pigeon Pass Rd. and Lawless Rd.	Residential Regulatory Rate \$325.84/parcel
Arlene Hamann, et al. JFK Self-Storage Facility PEN17-0135/SBP18-0013	485-081-037 and 485-081-043	South of John F. Kennedy Dr., west of Perris Blvd.	Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate \$245.38/parcel

¹The NPDES applied rate levied on the property tax bill will be based on the development status of the property at the time rates are evaluated each year, prior to levying them onto the property tax roll.

A property owner has two options to satisfy the condition of approval:

1. Approve the NPDES rate and authorize the City to collect the rate on the annual Riverside County property tax bills through participation in a successful mail ballot proceeding; or
2. Fund an endowment.

The Property Owners elected to have the NPDES rate applied to the annual property tax bills of the property in their development. Before the City can levy the NPDES rate on a property tax bill, the property owner must first approve it and authorize the City to levy it on the annual property tax bill through a mail ballot proceeding. A mail ballot proceeding is a legally required process to approve new charges, or an increase to existing charges, on property tax bills (Proposition 218). The Property Owners were mailed a notice and a ballot to cast their vote (Attachments 1 and 2) for their property. Among other things, the notice provides the purpose and amount of the charge and the potential annual inflationary adjustment. The City is required to provide a property owner with 45-days to review the notice and an opportunity to address the City Council (i.e. public comment portion of the Public Hearing). The ballots are due to the City Clerk prior to the close of the Public Hearing. At the close of the Public Hearing, the ballot can be opened and counted, and results announced.

The condition of approval to provide a funding source for the NPDES program will be satisfied with each property owner's approval of the NPDES mail ballot (i.e., marked yes and signed) and City Council acceptance of the results. In the event a property owner does not return their ballot, does not approve the ballot, or returns an invalid ballot (e.g., unmarked or unsigned), this condition of approval will remain unsatisfied and may delay development of their project. In the event more than one mail ballot proceeding is being conducted tonight, each ballot will be counted separately to determine if a property owner approved inclusion of their respective property in the NPDES program.

This action meets the Strategic Plan Priorities to manage and maximize Moreno Valley's

public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Conduct the Public Hearing and upon its close, open, count, and verify the returned ballots and accept the results. *Staff recommends this alternative as it will satisfy each project's condition of approval so long as its property owner approves its respective ballot.*
2. Open the Public Hearing and continue it to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay announcement of the ballot results and may delay project development.*
3. Do not conduct the Public Hearing. *Staff does not recommend this alternative as it will delay the condition of approval from being satisfied and may delay project development. The City will incur additional costs to restart the 45-day noticing period.*
4. Do not conduct the Public Hearing at this time but reschedule it to a date certain during a regularly scheduled City Council meeting. *Staff does not recommend this alternative as it may delay project development and the City will incur additional costs to restart the 45-day noticing period.*

FISCAL IMPACT

Revenue received from the NPDES rate is restricted and can only be used within the stormwater management program. This revenue offsets stormwater management program expenses, which reduces financial impacts to the General Fund and maintains compliance with the unfunded requirements of the Permit. The NPDES rate is only applied to the property tax bills of parcels where approval of the rate has been authorized through a successful mail ballot proceeding.

The fiscal year (FY) 2018/19 NPDES maximum Commercial/Industrial Rate is \$245.38 per parcel, and any division thereof. The FY 2018/19 maximum Residential Regulatory Rate is \$325.84 per parcel, and any division thereof. The maximum NPDES rate for FY 2019/20 and each subsequent FY is subject to an annual inflationary adjustment. The increase to the maximum rate cannot exceed the annual inflationary adjustment without approval of the property owners subject to the charge. The NPDES rate applied to the property tax bills will be based on the development status of the property at the time the rates are calculated for the upcoming FY. The applied rate can be lower than, but cannot exceed the maximum rate. Each year, the City Council must authorize the annual inflationary adjustment to the maximum rate and approve the applied rate prior to its levy on the property tax roll.

NOTIFICATION

The ballot documents were mailed to the Property Owners at least 45-days in advance of the Public Hearing. The documents included a notice, map of the project area, NPDES Commercial/Industrial Rate or Residential Regulatory Rate schedule, NPDES ballot, instructions for marking and returning the ballot, and a postage paid return envelope addressed to the City Clerk.

Newspaper advertising for tonight's Public Hearing was published in The Press-Enterprise on February 28, 2019 and March 7, 2019.

PREPARATION OF STAFF REPORT

Prepared by:
Isa Rojas
Management Analyst

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel
Special Districts Division Manager

Concurred by:
Michael Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

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

ATTACHMENTS

1. KB HOME Coastal Inc. Ballot Documents

2. Arlene Hamann, et al. Ballot Documents

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/14/19 10:52 AM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 9:38 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:53 AM

Tel: 951.413.3480
 Fax: 951.413.3170
 www.moval.org



14177 FREDERICK STREET
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

January 31, 2019

KB Home Coastal Inc.
 36310 Inland Valley Drive
 Wildomar, CA 92595
 ATTN: Corinne Mostad

NOTICE TO PROPERTY OWNER - MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM RESIDENTIAL REGULATORY RATE FOR APN(S) 259-260-029, 259-260-036, 259-260-039, 259-260-041, 259-260-042, 259-260-082, 259-260-084, & 259-260-086

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of the APN(s) listed above the opportunity to express support for or opposition to the approval of the NPDES Maximum Residential Regulatory Rate and services.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide the necessary services for the continuous operation, enhancement, and maintenance of the storm water discharge system, and perform inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to exceed the rate previously approved by the property owner.

Notice of Mail Ballot Proceeding for KB Home Coastal Inc.
January 31, 2019

Proposed Charge

For FY 2018/19, the NPDES Maximum Residential Regulatory Rate is \$325.84 per parcel. The total amount of the NPDES rates levied for FY 2018/19 was \$515,482.98 for the program as a whole.

Annual Adjustment

Beginning in FY 2019/20, the NPDES Maximum Residential Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Residential Regulatory Rate, the annual levy amount will be assessed to APN(s) listed above (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Residential Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding, the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

Public Hearing

Tuesday, March 19, 2019

6:00 p.m.

(Or As Soon Thereafter As The Matter May Be Called)

Tabulation of the returned ballot will commence after the close of the public testimony portion of the Public Hearing. Any ballot received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy for Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Residential Regulatory Rate will be confirmed if the ballot is signed and marked in favor (marked Yes) of the NPDES rate.

Effect if the Charge is Not Approved

If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. The mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

Notice of Mail Ballot Proceeding for KB Home Coastal Inc.
January 31, 2019

For More Information

If you have any questions about the mail ballot proceeding process, please contact Isa Rojas, Management Analyst, with the City's Special Districts Division at 951.413.3480 or via email at IsaRo@moval.org or SpecialDistricts@moval.org during the City's business hours.

Questions regarding the NPDES financial program or the annual rate should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Completing Your Ballot

Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box.** Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **March 19, 2019**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;

Notice of Mail Ballot Proceeding for KB Home Coastal Inc.
January 31, 2019



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for Assessor's Parcel Number (APN)
 259-260-029, 259-260-036, 259-260-039, 259-260-041, 259-260-042, 259-260-082,
 259-260-084, and 259-260-086 National Pollutant Discharge Elimination System
 (NPDES)
 Residential Regulatory Rate**

YES* — as property owner of the APN(s) listed above, **I approve** the NPDES Maximum Residential Regulatory Rate and services. For fiscal year (FY) 2018/19, the NPDES Maximum Residential Regulatory Rate is \$325.84 per parcel, a combined total of \$2,606.72 for the APNs. This calculation is based on the current parcel configuration; the actual annual amount annual levied will be determined at the time the levy is calculated. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2019/20, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City shall provide the necessary services for the continuous operation, enhancement, and maintenance of the storm water discharge system, and perform inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements.

NO** — as property owner of the APNs listed above, **I do not approve** the NPDES Maximum Residential Regulatory Rate and services. I understand that not approving the NPDES Maximum Residential Regulatory Rate to fund state and federally mandated NPDES Permit requirements will not satisfy the project's Conditions of Approval. The NPDES Maximum Residential Regulatory Rate will not be levied on the annual Riverside County property tax bill.

YES*	NO**	Weighted Ballot Count*	Fiscal Year 2018/19 NPDES Maximum Residential Regulatory Rate per Parcel
<input type="checkbox"/>	<input type="checkbox"/>	8	\$325.84
Each Assessor's Parcel Number equals 1 Weighted Ballot.			

I HEREBY DECLARE UNDER PENALTY OF PERJURY THAT I AM THE RECORD OWNER OF THE PARCEL IDENTIFIED ON THIS BALLOT OR AM AUTHORIZED TO SUBMIT A BALLOT ON BEHALF OF THE RECORD OWNER.

SIGNATURE OF PROPERTY OWNER

PRINTED NAME

DATE












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Ballot(s) deemed invalid or incomplete will be discarded and a new process must be initiated in order to place the charge on the annual Riverside County property tax bill, which includes payment of the mail ballot fee. For administrative convenience, all parcels for your project have been combined on one ballot. If you would prefer to have a separate ballot for each APN please call 951.413.3480 to request separate ballots.

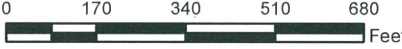
Attachment: KB HOME Coastal Inc. Ballot Documents (3436 : PUBLIC HEARING FOR TWO NATIONAL POLLUTANT DISCHARGE ELIMINATION

KB HOME COASTAL, INC. TTM 24203

APN

-  259260029
-  259260036
-  259260039
-  259260041
-  259260042
-  259260082
-  259260084
-  259260086
-  Parcels
-  City Boundary
-  Roads

Map reflects all changes indicated on Riverside County Assessor Maps as of October 26, 2018.



G:\Divisions\SpecialDist\2018\MXD\TTM24203.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recopied or resold.



Attachment: KB HOME Coastal Inc. Ballot Documents (3436 : PUBLIC HEARING FOR TWO NATIONAL

LEVEL 1			LEVEL II			Level II-A			LEVEL III			LEVEL IV		
NPDES Administration <i>(Not covered by CSA 152)</i>			Water Quality Pond/Basin Maintenance			Sand Filter Maintenance			Water Quality Pond/Basin Remediation/Reconstruction			Water Quality System Retrofit		
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various storm water reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>			<p>Costs associated with the maintenance and monitoring of the water quality pond/basin. This includes, but is not limited to maintenance on a quarterly basis of vegetative material, civil work and utility and personnel costs.</p> <p>Level II, in addition to Level I is levied on all properties within tracts that have a water quality pond/basin or on properties that benefit from a neighboring water quality pond/basin.</p>			<p>Costs associated with the maintenance and monitoring of the sand filter within a water quality pond/basin. This includes, but is not limited to maintenance of a sand bed, bleeder lines and costs for personnel.</p> <p>Level II-A, in addition to Level II and Level I is levied on all properties within residential developments that have a water quality pond/basin with a sand filter or on properties that benefit from a neighboring water quality pond/basin with a sand filter.</p>			<p>Costs associated with the remediation and reconstruction of water quality pond/basin. Remediation and reconstruction may include the following: replacement of soil, plants, irrigation, removal and hauling of wastes and possible civil work.</p>			<p>Costs associated with the retrofitting, replacement, monitoring and maintenance of the water quality pond/basin systems and appurtenances. This may include retrofitting of catch basin insert filters, vortex devices, installation of in-line filter systems, and nutrient baskets, etc.</p>		
Parcel Rate	Per/Mon. \$3.56	Per/Yr. \$42.74	Parcel Rate	Per/Mon. \$6.77	Per/Yr. \$81.22	Parcel Rate	Per/Mon. \$3.09	Per/Yr. \$37.02	Parcel Rate	Per/Mon. \$6.04	Per/Yr. \$72.44	Parcel Rate	Per/Mon. \$13.74	Per/Yr. \$164.86
<p>Each Service Level may be imposed on an as-needed basis and cumulative (if required)</p> <p>Fiscal Year (FY) 2003/2004 - Base Year Calculation, subject to inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index</p> <p>Inflation Factor Adjustments: 2004/2005 - 1.8% = (\$31.00, 58.00, 52.00 & 118.00) 2005/2006 - 4.4% = (\$32.00, 61.00, 54.00 & 123.00) 2006/2007 - 4.5% = (\$33.00, 64.00, 56.00, & 128.00) 2007/2008 - 3.1% = (\$34.00, 66.00, 58.00, & 132.00) 2008/2009 - 4.2% = (\$35.00, \$69.00, \$31.00, \$60.00, \$138.00) 2009/2010 - no change = (\$35.00, \$69.00, \$31.00, \$60.00, \$138.00) 2010/2011 - no change = (\$35.00, \$69.00, \$31.00, \$60.00, \$138.00) 2011/2012 - 3.8% = (\$36.00, \$72.00, \$32.00, \$62.00, \$143.00) 2012/2013 - 2.7% = (\$37.00, \$74.00, \$33.00, \$64.00, \$147.00) 2013/2014 - 2.0% = (\$38.00, \$75.00, \$34.00, \$65.00, \$150.00) rounded to the nearest whole dollar 2014/2015 - 1.14% = (\$39.38, \$74.82, \$34.10, \$66.73, \$151.84) Pursuant to City Council approval on June 10, 2014. 2015/2016 - 0.73% = (\$39.66, \$75.36, \$34.35, \$67.22, \$152.95) 2016/2017 - 2.03% = (\$40.47, \$76.89, \$35.05, \$68.58, \$156.05) 2017/2018 - 1.97% = (\$41.27, \$78.40, \$35.74, \$69.93, \$159.12) 2018/2019 - 3.61% = (\$42.74, \$81.22, \$37.02, \$72.44, \$164.86)</p>														

Tel: 951.413.3480
 Fax: 951.413.3170
 www.moval.org



14177 FREDERICK STREET
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

January 31, 2019

Arlene Hamann, et al
 979 Summit Way
 Laguna Beach, CA 92651
 Attn: Jeff Gossett

NOTICE TO PROPERTY OWNER - MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE FOR APN(s) 485-081-037 and 485-081-043

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor’s Parcel Number APN(s) **485-081-037 and 485-081-043** the opportunity to express support for or opposition to the approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding fulfills the Land Development Division’s Condition of Approval to provide a funding source for the NPDES financial program.

Background

The Clean Water Act of 1987 established requirements for the discharge of Urban Runoff from Municipal Separate Storm Sewer Systems under the NPDES Program. The NPDES Program is administered by the Santa Ana Regional Water Quality Control Board through the issuance of a Permit. The City’s current NPDES Permit mandates all new development projects comply with storm water management activities. The NPDES Program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to

Notice of Mail Ballot Proceeding for insert Owner of Record here Mr. Jeff Gossett
January 31, 2019

exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2018/19, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$245.38 per parcel. The total amount of the NPDES rates levied for FY 2018/19 was \$515,482.98 for the program as a whole.

Annual Adjustment

Beginning in FY 2019/20, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum select rate Regulatory Rate, the annual levy amount will be assessed to APN(s) **485-081-037 and 485-081-043** and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding, the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

Public Hearing

Tuesday, March 19, 2019

6:00 p.m.

(Or As Soon Thereafter As The Matter May Be Called)

Tabulation of the returned ballot will commence after the close of the public testimony portion of the Public Hearing. Any ballot received shall be tabulated under the direction of the City Clerk in compliance with the City's Policy for Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will be confirmed if the ballot is marked in favor (marked Yes) of the NPDES rate. Approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division's Condition of Approval to provide an ongoing funding source for the NPDES financial program.

Notice of Mail Ballot Proceeding for insert Owner of Record here Mr. Jeff Gossett
January 31, 2019

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to meet state and federally mandated NPDES Permit requirements **will not** satisfy the Land Development Division's Condition of Approval to provide a funding source for the NPDES financial program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot in support of or opposition to the proposed program and annual rate and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval by placement of the NPDES rate on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

For More Information

If you have any questions about the mail ballot proceeding process, please contact Isa Rojas, Management Analyst, with the City's Special Districts Division at 951.413.3480 or via email at IsaRo@moval.org or SpecialDistricts@moval.org during the City's business hours.

Questions regarding the NPDES financial program, the annual rate, or the Land Development Division's Conditions of Approval should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Completing Your Ballot








Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box.** Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **March 19, 2019**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Notice of Mail Ballot Proceeding for insert Owner of Record here Mr. Jeff Gossett
January 31, 2019

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:

-  A check mark substantially inside a box;
-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for Assessor's Parcel Number (APN)
485-081-037 & 485-081-043 National Pollutant Discharge Elimination System
(NPDES)**

Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate

YES* — as property owner of the APN(s) listed above, **I approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. For fiscal year (FY) 2018/19, the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate is \$245.38 per parcel, a combined total of \$490.76 for the APNs. This calculation is based on the current parcel configuration; the actual annual amount annual levied will be determined at the time the levy is calculated. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2019/20, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City shall provide annual and periodic facility inspections for site design, NPDES permit compliance, and Best Management Practices implementation and maintenance for specified facilities.

NO** — as property owner of the APNs listed above, **I do not approve** the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate and services. I understand that not approving the NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate to fund state and federally mandated NPDES Permit requirements will not satisfy the project's Conditions of Approval. The NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate will not be levied on the annual Riverside County property tax bill.

YES*	NO**	Weighted Ballot Count*	Fiscal Year 2018/19 NPDES Maximum Common Interest, Commercial, Industrial, and Quasi-Public Use Regulatory Rate per Parcel
<input type="checkbox"/>	<input type="checkbox"/>	2	\$245.38

Each Assessor's Parcel Number equals 1 Weighted Ballot.

I HEREBY DECLARE UNDER PENALTY OF PERJURY THAT I AM THE RECORD OWNER OF THE PARCEL IDENTIFIED ON THIS BALLOT OR AM AUTHORIZED TO SUBMIT A BALLOT ON BEHALF OF THE RECORD OWNER.

SIGNATURE OF PROPERTY OWNER






PRINTED NAME

DATE

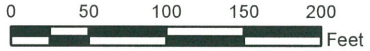
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Arlene Hamann, et al JFK Self Storage Facility PEN17-0135

- APN**
-  485081037
 -  485081043
 -  Parcels
 -  City Boundary
 -  Roads

Map reflects all changes indicated on Riverside County Assessor Maps as of January 31, 2018.



G:\Divisions\SpecialDist\2018\MXD\PEN17-0135.mxd

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Attachment: Arlene Hamann, et al. Ballot Documents (3436 : PUBLIC HEARING FOR TWO NATIONAL

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006

LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management. Level I is levied on all parcels conditioned for the NPDES Rate Schedule.			Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.		
Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics					
PARCEL RATE	Per Month	Per Year	PARCEL RATE	Per Month	Per Year
	\$3.58	\$42.90		\$16.87	\$202.48

Inflation Factor Adjustments

- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar
- FY 2014/2015 - 1.14% = (\$39.52 & \$186.49) Pursuant to City Council approval on June 10, 2014.
- FY 2015/2016 - 0.73% = (\$39.81 & \$187.85)
- FY 2016/2017 - 2.03% = (\$40.62 & \$191.66)
- FY 2017/2018 - 1.97% = (\$41.42 & \$195.44)
- FY 2018/2019 - 3.61% = (\$42.90 & \$202.48)



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as
 Chairman and Members of the Board of Directors of the
 Moreno Valley Public Financing Authority (MVPFA)

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 19, 2019

TITLE: RESOLUTIONS APPROVING THE ISSUANCE OF THE
 2019 LEASE REVENUE BONDS (TAXABLE)

RECOMMENDED ACTION

Recommendation:

Recommendations: That the City Council and Moreno Valley Public Financing Authority respectively:

1. Adopt Resolution No. 2019-____, A Resolution of the City Council of the City of Moreno Valley, California, approving the issuance by the Moreno Valley Public Financing Authority of not to exceed \$18,000,000 aggregate principal amount of Lease Revenue Bonds, Series 2019 (Taxable) to finance certain capital improvements to the City's Electric Utility System authorizing execution and delivery of a Second Amendment to Master Facilities Lease, a Second Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving the form of Official Statement; and authorizing execution of documents and the taking of all necessary actions relating to the financing with the Moreno Valley Public Financing Authority.
2. Approve the necessary budget adjustments to allow the recording of the issuance of the bonds and related debt service required for FY 18/19.

3. Adopt Resolution No. MVPFA 2019-____, a Resolution of the Moreno Valley Public Financing Authority (MVPFA) authorizing the issuance and sale of Lease Revenue Bonds to finance certain capital improvements to the City's Electric Utility System; Approving the forms of a Second Supplement to Master Trust Agreement, a Second Amendment to Master Facilities Lease, a Second Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement describing said bonds; and authorizing execution of documents and the taking of all necessary actions relating to the issuance of the Bonds.
4. Approve amended Policy 3.28 Debt Management, which includes recent changes to the bond disclosure requirements.

SUMMARY

As part of the City's ongoing effort to enhance the City's Electric Utility System, the adopted Capital Improvement Program identified the following strategic projects to be constructed:

1. Installation of approx. 5.8 miles of 12kV backbone infrastructure (including conduit and cable, 17 vaults, 2 surface operable equipment enclosures, 13 manholes, 2 gas switches, and 1 pad mounted switch), in addition to pavement restoration work designed to support increasing demand for electricity and improve reliability and the flexibility of the City's electrical distribution system
2. Retrofit and/or replacement of switches to build automation, communication, and protection to circuits and improve reliability
3. Installation of smart meters and associated data collection system, providing customers more detailed feedback regarding their energy use while improving system reliability through faster outage detection and restoration of service

The Series 2019 Bonds are being proposed to allow for the development of these projects while continuing to also develop reserve funds for MVU. By funding the improvements through bonds rather than pay-go financing, the users of the utility infrastructure over the life of the improvements will be equitably charged through the rates.

The proposed Series 2019 Bonds financing was presented as a discussion item at the January 22 Finance Sub Committee and at the February 27 Utility Commission meeting.

DISCUSSION

Taxable interest rates continue to be near historically low levels. The Federal Reserve raised rates several times in 2018, but announced at their last meeting they were pausing additional rate hikes in the short term. Based on the existing favorable interest rate environment and current and future cash reserves in the City's Electric Utility System, it is prudent to place the City in position to finance these strategic improvements in 2019.

In order to take advantage of market conditions, the Authority will issue an amount not to exceed \$18,000,000 of bonds ("Series 2019 Bonds") to finance the above described improvements to the City's Electric Utility System. The Series 2019 Bonds will be issued with the final year of repayment (2049) and will be structured to wrap around the existing debt service of the 2015 and 2016 Bonds.

Because interest rates will fluctuate up until the proposed day the Series 2019 Bonds are sold, City staff recommends a not-to-exceed amount for the Series 2019 Bonds of \$18,000,000 and a not-to-exceed true interest cost of 6.00% per annum and a not to exceed Underwriter's discount of 0.9% of aggregate principal amount of the Series 2019 Bonds to accommodate any changes in investor structuring preferences, availability of a reserve fund surety and/or bond market conditions.

The Series 2019 Bonds will be structured as a lease-leaseback financing between the City and the Authority. The Authority is a City-controlled joint powers authority consisting of the City and the Community Redevelopment Agency of the City of Moreno Valley and was originally formed in October 1997 to facilitate bond financings. The Authority has used the same financing structure for its prior lease revenue bond financings. The Series 2019 Bonds will use a "master lease" bond structure to secure repayment of the bonds. The primary benefit of the master lease structure is that it enables the City to pledge fewer assets over time to effectuate future lease financings. The City will have the flexibility to substitute, remove, or add other assets over time. To effectuate the issuance of the Series 2019 Bonds by the Authority, the bonds (including the 2015 Bonds, the 2016 Bonds and the Series 2019 Bonds) will be secured primarily by four assets in the master lease: the Kitching Substation, the Moreno Beach Substation, the Conference and Recreation Center and the Corporation Yard.

It is anticipated that the Series 2019 Bonds will be structured with municipal bond insurance and a debt service reserve fund surety policy.

Orrick, Herrington & Sutcliffe LLP will serve as Bond Counsel. Stifel Nicolaus & Company will serve as underwriter for the Series 2019 Bonds, which will be sold on a negotiated basis. Norton Rose Fulbright will serve as Underwriter's Counsel. Wells Fargo Bank, National Association, will serve as the trustee and escrow agent. Fieldman, Rolapp & Associates will serve as municipal advisor for the transaction to oversee the credit rating and bond pricing process.

The recommended action addresses the Infrastructure priority of the Momentum MoVal Strategic Plan.

ALTERNATIVES

1. Adopt Resolutions 2019-___ and MVPFA 2019-___ and authorize the issuance of the Series 2019 Lease Revenue Bonds by the Authority and the execution and delivery of related documents by the Authority and the City. As well as the budgetary adjustments required to record the issuance of the bonds and the debt service due during FY 18/19 and the amended Policy 3.28 Debt Management. This alternative is recommended since this action will result in the construction of strategic improvements to the City's Electric Utility System identified in the City's Capital Improvement Program.
2. Do not adopt the resolutions to authorize the issuance of the Series 2019 Bonds, the budget adjustments, amended Policy 3.28 Debt Management and provide staff with additional direction. *This alternative is not recommended as it may necessitate further City Council approval of an alternative draw-down of the Electric Utility System Reserves to finance necessary infrastructure improvements on a pay-go basis.*

FISCAL IMPACT

Based on current rates, the City will issue an amount not to exceed \$18,000,000 of Series 2019 Bonds. The bond authorizing resolutions have a not-to-exceed issuance amount of \$18,000,000, a not to exceed true interest cost of 6% per annum and a not to exceed Underwriter's discount of 0.9%. The not to exceed issuance amount provides additional cushion to accommodate structuring flexibility and other factors (i.e. availability of a reserve fund surety) to achieve the lowest interest rates.

The Series 2019 Bonds will be structured to wrap around the existing debt service of the 2015 and 2016 Bonds. The final maturity of Series 2019 Bonds will be 2049.

The total "all-in" cost of issuing the Series 2019 Bonds is about \$363,000 (equal to approximately 2.0% of the estimated bond size), which has already been factored into the payment (and savings) figures stated above. The majority of these fees will remain constant; however, the bond underwriting fee (not-to-exceed 0.9% of the aggregate principal amount of Series 2019 Bonds) and some other legal/rating fees will fluctuate lower or higher depending on the final size of Series 2019 Bonds. Senate Bill No. 450 good faith cost estimates are set forth in Exhibit A to the City Council Resolution.

The following table shows the anticipated amendments to the FY 18/19 budget to record the issuance of the Series 2019 Bonds and to make the required debt service payments which are due during FY 18/19. Final adjustments may be made as part of future quarterly budget updates.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 18/19 Budget	Proposed Adjustments	FY 18/19 Amended Budget
Receipt of Bond Proceeds	2019 LRB Debt Service	XXX-99-99-9XXXX-589000	Rev	\$0	\$16,455,000	\$16,455,000
Costs of Issuance	2019 LRB Debt Service	XXXX-99-99-9XXXX-670510	Exp	\$0	\$558,000	\$558,000
Transfer to Construction Fund	2019 LRB Debt Service	XXXX-99-99-9XXXX-906011	Exp	\$0	\$15,000,000	\$15,000,000
Transfer In from Debt Svc Fund	Electric Restricted Assets	6011-99-99-96011-80XXXX	Rev	\$0	\$15,000,000	\$15,000,000
Project Expenditures	Electric Restricted Assets	6011-30-80-80005-720140	Exp	\$0	\$15,000,000	\$15,000,000
Transfer from MVU to 2019 LRB Debt Svc	Electric	6010-99-99-96010-90XXXX	Exp	\$0	\$66,510	\$66,510
Transfer In from MVU	2019 LRB Debt Service	XXXX-99-99-9XXXX-826010	Rev	\$0	\$66,510	\$66,510
Interest Expense	2019 LRB Debt Service	XXXX-99-99-9XXXX-670410	Exp	\$0	\$66,510	\$66,510

NOTIFICATION

The proposed Series 2019 Bonds financing was presented as a discussion item at the January 22 Finance Sub Committee and at the February 27 Utility Commission meeting.

Public Notice.

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

Concurred By:
Jeannette Olko
Electric Utility Division Manager

CITY COUNCIL GOALS

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

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library

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

ATTACHMENTS

- 1. City Council Resolution - Moreno Valley Lease Revenue Bonds 2019 4143-2245-0969 4
- 2. JPA Resolution - Moreno Valley Lease Revenue Bonds 2019 4139-5223-8105 3
- 3. Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8
- 4. Second Amendment to Master Facilities Lease - Moreno Valley Lease Revenue Bonds 2019 4126-0508-0089 3
- 5. Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3
- 6. Second Supplement to 2015 Electric Master Trust Agreement - Moreno Valley Lease Revenue Bonds 2019 4128-3707-7529 3
- 7. Bond Purchase Agreement - Moreno Valley Lease Revenue Bonds, Series 2019...
- 8. 2019-03-19 Debt Policy FINAL REDLINE

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/05/19 9:20 AM
City Attorney Approval	<u>✓ Approved</u>	3/07/19 2:13 PM
City Manager Approval	<u>✓ Approved</u>	3/13/19 5:38 PM

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$18,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2019 (TAXABLE) TO FINANCE CERTAIN CAPITAL IMPROVEMENTS; AUTHORIZING EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO MASTER FACILITIES LEASE, A SECOND AMENDMENT TO MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE FINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY

WHEREAS, the City of Moreno Valley (the “City”) and the former Community Redevelopment Agency of the City of Moreno Valley (the “Agency”) have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “Joint Powers Agreement”), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the “Authority”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized;

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”);

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”);

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City previously leased certain real property and improvements thereon, as addition to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities

Lease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Lease” and the 2015 Master Facilities Lease as so amended to the dated date thereof the “2016 Master Facilities Lease”);

WHEREAS, the Authority subleased such real property and improvements thereon, as addition to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Sublease” and the 2015 Master Facilities Sublease as so amended to the dated date thereof the “2016 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, dated as of December 1, 2016 (the “First Supplement to Master Trust Agreement” and the 2015 Master Trust Agreement as so amended to the dated date thereof the “2016 Master Trust Agreement”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds;

WHEREAS, the City desires to approve the Authority’s issuance of its Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”) pursuant to a Second Supplement to Master Trust Agreement (the “Second Supplement to Master Trust Agreement” and the 2016 Master Trust Agreement as so amended, the “2019 Master Trust Agreement”), the proceeds of which will be applied by the City to finance certain capital facilities, referred to herein as the “2019 Project”;

WHEREAS, in order to finance the 2019 Project, the Authority and the City are entering into a Second Amendment to Master Facilities Lease in order to amend the 2016 Master Facilities Lease, as so amended, the “2019 Master Facilities Lease,” (i) to add certain additional real property and improvements thereon, including that property generally known as the City’s Corporate Yard and other property as may be determined by an Authorized Officer as provided in this Resolution (the “Additional City Property”) to Exhibit A of the 2016 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, in order to finance the 2019 Project, the Authority and the City are also entering into a Second Amendment to Master Facilities Sublease in order to amend the 2016 Master Facilities Sublease, as so amended, the “2019 Master Facilities Sublease,” (i) to add Additional City Property to Exhibit A of the 2019 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided in the 2019 Master Facilities

Sublease in any year is not in excess of the annual fair rental value of the Facilities, including the Additional City Property added to Exhibit A to the 2019 Master Facilities Sublease;

WHEREAS, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) requires that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Series 2019 Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Series 2019 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2019 Bonds, (c) the amount of proceeds of the Series 2019 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, and (d) the sum total of all debt service payments on the Series 2019 Bonds calculated to the final maturity of the Series 2019 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2019 Bonds;

WHEREAS, in compliance with SB 450, the City Council has obtained from Fieldman, Rolapp & Associates, Inc., as the City’s municipal advisor (the “Municipal Advisor”), and Stifel Nicolaus & Company, Incorporated (the “Underwriter”), the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto;

WHEREAS, Senate Bill 1029 (Chapter 307 of the 2015-2016 Session of the California Legislature) (“SB 1029”) amended Government Code Section 8855 to require a debt policy to be adopted by local agency issuers of public debt for any financings completed on or after January 21, 2017 and the City Council, wishes to specify debt management policies to guide the City, its officers and staff regarding the issuance of City debt;

WHEREAS, initially on February 7, 2017 and most recently on May 15, 2018, the City Council of the City adopted a Debt Management Policy for the City in compliance with Government Code Section 8855(i), and as an update of that policy there has been submitted to and is on file with the City Clerk a proposed form of revised Debt Management Policy for the City (the “Debt Management Policy”), that complies with Government Code Section 8855(i), and the City wishes to adopt the terms of the Debt Management Policy as its local debt policies;

WHEREAS, the Authority and the City desire to enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with the Underwriter;

WHEREAS, there have been submitted to and are on file with the City Clerk proposed forms of the Second Amendment to Master Facilities Lease, the Second Amendment to Master Facilities Sublease, the Bond Purchase Agreement, an Official Statement with respect to the Series 2019 Bonds proposed to be sold by the Authority, and the Second Supplement to Master Trust Agreement; and

WHEREAS, the issuance of the Series 2019 Bonds by the Authority and the execution and delivery of the Second Amendment to Master Facilities Lease and the Second Amendment to Master Facilities Sublease by the City will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs and a more efficient

delivery of City services to residential and commercial development, and that it furthers the public purpose to assist in financing the 2019 Project;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:

Section 1. All of the recitals set forth above are true and correct, and the City Council so finds and determines.

Section 2. The City Council hereby approves the issuance of the Series 2019 Bonds by the Authority, in an aggregate principal amount not to exceed \$18,000,000, to finance the 2019 Project; provided that the maturity date or dates (not to exceed May 1, 2049), interest rate or rates (not to exceed a true interest cost of 6.00% per annum), interest payment dates, series, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Series 2019 Bonds shall be as provided in said Second Supplement to Master Trust Agreement, as finally executed. The City Manager, Chief Financial Officer and Financial and Administrative Services Director (the "Authorized Officers") of the City are hereby directed to perform the duties, if any, imposed upon each of them by the provisions of the financing documents approved herein, including the 2019 Master Trust Agreement for the Series 2019 Bonds, the Second Amendment to Master Facilities Sublease, the Second Amendment to Master Facilities Lease and the Bond Purchase Agreement.

Section 3. The proposed form of Second Amendment to Master Facilities Lease, by and between the City and the Authority, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Second Amendment to Master Facilities Lease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said Second Amendment to Master Facilities Lease shall end no later than May 1, 2049, plus an extension period of not to exceed 10 years.

Section 4. The proposed form of Second Amendment to Master Facilities Sublease, by and between the Authority and City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Second Amendment to Master Facilities Sublease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said Second Amendment to Master Facilities Sublease shall end no later than May 1, 2049, plus an extension period of not to exceed 10 years.

Section 5. The proposed form of Bond Purchase Agreement, by and among the Underwriter, the Authority and the City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however,

the underwriting discount (not including original issue discount) shall not exceed 0.9% of the aggregate principal amount of the Series 2019 Bonds.

Section 6. The proposed form of Official Statement relating to the Series 2019 Bonds (the “Official Statement”), in its preliminary form on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a final Official Statement in substantially the form of such preliminary Official Statement, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Series 2019 Bonds. Distribution by the Underwriter of the preliminary Official Statement relating to the Series 2019 Bonds is hereby approved and the Authorized Officers, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been “deemed final” by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 7. The proposed form of Continuing Disclosure Certificate relating to the Series 2019 Bonds (the “Continuing Disclosure Certificate”) on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized on behalf of the City to execute and deliver the Continuing Disclosure Certificate containing such covenants of the City as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 8. In accordance with SB 450, good faith estimates of the following have been obtained from the Municipal Advisor and the Underwriter and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Series 2019 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2019 Bonds, (c) the amount of proceeds of the Series 2019 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, and (d) the sum total of all debt service payments on the Series 2019 Bonds calculated to the final maturity of the Series 2019 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2019 Bonds.

Section 9. With the passage of this Resolution, the City hereby certifies that the form of Debt Management Policy presented at this meeting, is hereby approved as in compliance with Government Code Section 8855(i), and that the City’s obligations under the 2019 Master Facilities Sublease including, without limitation, to make the Base Rental Payments payable as provided in the 2019 Master Facilities Sublease as contemplated by this Resolution is in compliance with the Debt Management Policy

Section 10. The Authorized Officers and City Council members of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to taking such steps as may be necessary to include Additional City Property in the

2019 Master Facilities Lease and the 2019 Master Facilities Sublease including, without limitation, executing termination agreements or quitclaims in connection therewith, as may be necessary to finance the 2019 Project and obtaining bond insurance and/or a reserve fund surety policy.

Section 11. All actions heretofore taken by the officers and agents of the Council of the City with respect to the financing are hereby ratified, confirmed and approved.

Section 12. This Resolution shall take effect from and after its adoption and approval.

APPROVED AND ADOPTED this _____, 2019.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A
GOOD FAITH ESTIMATES

The following information was obtained from the City's Municipal Advisor and the Underwriter, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the base rental payments evidenced by the Series 2019 Bonds:

1. *True Interest Cost of the Base Rental Payments Evidenced by the Series 2019 Bonds.* Assuming the maximum aggregate principal amount of the Series 2019 Bonds authorized to be issued by the Authority (\$18,000,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the base rental payments evidenced by the Series 2019 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2019 Bonds, is 5.17%.

2. *Finance Charge of the Series 2019 Bonds.* Assuming the maximum aggregate principal amount of the Series 2019 Bonds authorized to be issued by the Authority (\$18,000,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the City's finance charge of the Series 2019 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2019 Bonds), is \$362,283.12.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Series 2019 Bonds authorized to be issued by the Authority (\$18,000,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City following the Authority's sale of the Series 2019 Bonds, less the finance charge of the Series 2019 Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, is \$15,000,000.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Series 2019 Bonds authorized to be issued by the Authority (\$18,000,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay base rental payments evidenced by the Series 2019 Bonds plus the finance charge of the Series 2019 Bonds described in paragraph 2 above not paid with the proceeds of the Series 2019 Bonds, calculated to the final base rental payment evidenced by the Series 2019 Bonds, is \$36,671,428.44.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Series 2019 Bonds, the actual principal amount of Series 2019 Bonds sold, the amortization of the Series 2019 Bonds sold and market interest rates at the time of sale. The date of sale and the amount of Series 2019 Bonds sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Series 2019

Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Series 2019 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control. The City Council has approved the execution and delivery of the 2019 Master Facilities Sublease including the base rental payments evidenced by the Series 2019 Bonds with a maximum true interest cost of 6.00%.

CLERK'S CERTIFICATE

The undersigned, City Clerk of the City of Moreno Valley, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the City Council of the City of Moreno Valley at a regular meeting of said Council duly and regularly and legally held at the Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on _____, 2019, of which all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2019

Pat Jacquez-Nares
City Clerk of the City of Moreno Valley

[Seal]

Attachment: City Council Resolution - Moreno Valley Lease Revenue Bonds 2019 4143-2245-0969 4 (3453 : RESOLUTIONS APPROVING THE

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
RESOLUTION NO. ____**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO FINANCE CERTAIN CAPITAL FACILITIES; APPROVING THE FORMS OF A SECOND SUPPLEMENT TO MASTER TRUST AGREEMENT, A SECOND AMENDMENT TO MASTER FACILITIES LEASE, A SECOND AMENDMENT TO MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT DESCRIBING SAID BONDS; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS

WHEREAS, the City of Moreno Valley (the “City”) and the former Community Redevelopment Agency of the City of Moreno Valley (the “Agency”) have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “Joint Powers Agreement”), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the “Authority”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized;

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”);

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”);

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City previously leased certain real property and improvements thereon, as addition to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities

Lease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Lease” and the 2015 Master Facilities Lease as so amended to the dated date thereof the “2016 Master Facilities Lease”);

WHEREAS, the Authority subleased such real property and improvements thereon, as addition to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Sublease” and the 2015 Master Facilities Sublease as so amended to the dated date thereof the “2016 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, dated as of December 1, 2016 (the “First Supplement to Master Trust Agreement” and the 2015 Master Trust Agreement as so amended to the dated date thereof the “2016 Master Trust Agreement”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds;

WHEREAS, the Authority desires to issue its Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”) pursuant to a Second Supplement to Master Trust Agreement (the “Second Supplement to Master Trust Agreement” and the 2016 Master Trust Agreement as so amended, the “2019 Master Trust Agreement”), the proceeds of which will be applied by the City to finance certain capital facilities, referred to herein as the “2019 Project”;

WHEREAS, in order to finance the 2019 Project, the Authority and the City desire to enter into a Second Amendment to Master Facilities Lease in order to amend the 2016 Master Facilities Lease, as so amended, the “2019 Master Facilities Lease,” (i) to add certain additional real property and improvements thereon, including that property generally known as the City’s Corporate Yard and other property as may be determined by an Authorized Officer as provided in this Resolution (the “Additional City Property”), to Exhibit A of the 2016 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, in order to finance the 2019 Project, the Authority and the City also desire to enter into a Second Amendment to Master Facilities Sublease in order to amend the 2016 Master Facilities Sublease, as so amended, the “2019 Master Facilities Sublease,” (i) to add Additional City Property to Exhibit A of the 2016 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided in the 2019 Master Facilities

Sublease in any year is not in excess of the annual fair rental value of the Facilities, including the Additional City Property added to Exhibit A to the 2019 Master Facilities Sublease;

WHEREAS, Senate Bill 1029 (Chapter 307 of the 2015-2016 Session of the California Legislature) (“SB 1029”) amended Government Code Section 8855 to require a debt policy to be adopted by local agency issuers of public debt for any financings completed on or after January 21, 2017 and the Board of Directors of the Authority (the “Board”), wishes to specify debt management policies to guide the Authority, its officers and staff regarding the issuance of Authority debt;

WHEREAS, there has been submitted to and is on file with the Secretary a proposed form of Debt Management Policy for the Authority (the “Debt Management Policy”), that complies with Government Code Section 8855(i), and the Authority wishes to adopt the terms of the Debt Management Policy as its local debt policies, and the Authority’s sale and issuance of the Series 2019 Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy;

WHEREAS, the Authority and the City desire to enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Stifel Nicolaus & Company, Incorporated (the “Underwriter”);

WHEREAS, there have been submitted to and are on file with the Secretary proposed forms of the Second Amendment to Master Facilities Lease, the Second Amendment to Master Facilities Sublease, the Bond Purchase Agreement, an Official Statement with respect to the Series 2019 Bonds proposed to be sold by the Authority, and the Second Supplement to Master Trust Agreement; and

WHEREAS, the issuance of the Series 2019 Bonds by the Authority and the execution and delivery of the Second Amendment to Master Facilities Lease, the Second Amendment to Master Facilities Sublease and the Second Supplement to Master Trust Agreement will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs and a more efficient delivery of City services to residential and commercial development, and that it furthers the public purpose to assist in financing the 2019 Project;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. The issuance and sale of the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2019 (Taxable), in an aggregate principal amount not to exceed \$18,000,000, are hereby approved.

Section 3. The proposed form of Second Supplement to Trust Agreement, by and between the Authority and Trustee, on file with the Secretary of the Authority, is hereby approved. The Chairman, the Vice Chairman, the Executive Director, the Treasurer and the

Secretary (each an “Authorized Officer”), jointly and severally, are hereby authorized and directed for and in the name and on behalf of the Authority, to execute and deliver the Second Supplement to Master Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (not to exceed May 1, 2049), interest rate or rates (not to exceed a true interest cost of 6.00% per annum), interest payment dates, series, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Series 2019 Bonds shall be as provided in said Second Supplement to Master Trust Agreement, as finally executed.

Section 4. The proposed form of Second Amendment to Master Facilities Lease, by and between the City and the Authority, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Second Amendment to Master Facilities Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said Second Amendment to Master Facilities Lease shall end no later than May 1, 2049, plus an extension period of not to exceed 10 years.

Section 5. The proposed form of Second Amendment to Master Facilities Sublease, by and between the Authority and City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Second Amendment to Master Facilities Sublease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery provided, however, that the term of said Second Amendment to Master Facilities Sublease shall end no later than May 1, 2049, plus an extension period of not to exceed 10 years.

Section 6. The proposed form of Bond Purchase Agreement among the Authority, the Underwriter and the City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not exceed 0.9% of the aggregate principal amount of the Series 2019 Bonds.

Section 7. The proposed form of Official Statement relating to the Series 2019 Bonds (the “Official Statement”), in its preliminary form on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for the Authority, to execute and deliver a final Official Statement in substantially said form, with such changes therein as such Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Series 2019 Bonds. Distribution by the Underwriter of a preliminary Official Statement relating to the Series 2019 Bonds is hereby

approved and the Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been “deemed final” by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 8. The Board hereby confirms the appointment of Orrick, Herrington & Sutcliffe, LLP, as Bond Counsel and approves Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel.

Section 9. With the passage of this Resolution, the Authority hereby certifies that the form of Debt Management Policy presented at this meeting, is hereby approved as in compliance with Government Code Section 8855(i), and that the Series 2019 Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the Authority, with respect to the Series 2019 Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Series 2019 Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the Authority, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

Section 10. The officers and directors of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Series 2019 Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to taking such steps as may be necessary to include Additional City Property in the 2019 Master Facilities Lease and the 2019 Master Facilities Sublease including, without limitation, executing termination agreements or quitclaims in connection therewith, as may be necessary to finance the 2019 Project and obtaining bond insurance and/or a reserve fund surety policy.

Section 11. The officers and board members of the Authority are hereby authorized and directed, jointly and severally, to execute and deliver any Certificate of the Authority or Written Request of the Authority required to be delivered pursuant to the 2019 Master Trust Agreement.

Section 12. All action heretofore taken by the officers and agents of the Board of Directors of the Authority with respect to the financing are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

APPROVED AND ADOPTED this _____, 2019.

Chairperson

APPROVED AS TO FORM:

Authority Legal Advisor

ATTEST:

Authority Secretary

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the Moreno Valley Public Financing Authority, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the members of the Board of Directors of said Authority at a regular meeting of the Board of Directors of said Authority duly and legally held at Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on _____, 2019, of which meeting all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2019.

Secretary of the
Moreno Valley Public Financing Authority

Attachment: JPA Resolution - Moreno Valley Lease Revenue Bonds 2019 4139-5223-8105 3 (3453 : RESOLUTIONS APPROVING THE ISSUANCE

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE—FULL BOOK-ENTRY

RATINGS: Insured: “_”
Underlying: “A+”
See the caption “RATINGS.”

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2019 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2019 Bonds. See “TAX MATTERS.”

\$16,000,000*

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2019 (TAXABLE)**

Dated: Date of Delivery

Due: May 1, as shown on inside front cover page

The Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”) are payable from base rental payments (the “Base Rental Payments”) to be made by the City of Moreno Valley (the “City”) to the Moreno Valley Public Financing Authority (the “Authority”) for the right to use certain real property (collectively, the “Property”) pursuant to a Master Facilities Sublease, dated as of December 1, 2015, as amended by a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 and a Second Amendment to Master Facilities Sublease, dated as of April 1, 2019 (collectively, the “Facilities Sublease”), by and between the City, as sublessee, and the Authority, as lessor. See the captions “THE PROPERTY” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS.”

The Series 2019 Bonds are secured on a parity with the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable), issued in the aggregate principal amount of \$10,430,000 and currently outstanding in the aggregate principal amount of \$9,850,000 (the “Series 2015 Bonds”) and the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016 (Taxable), issued in the aggregate principal amount of \$24,655,000 and currently outstanding in the aggregate principal amount of \$22,975,000 (the “Series 2016 Bonds”).

The Series 2019 Bonds are being issued to provide funds: (i) to fund certain capital improvements of the City; (ii) to purchase a municipal bond insurance policy (the “Policy”) from _____ (“_____” or the “Insurer”) to guarantee the payment of principal of and interest on the Series 2019 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the “Reserve Policy”) from the Insurer for deposit in the Reserve Fund for the Series 2019 Bonds; and (iv) to pay the costs incurred in connection with the issuance of the Series 2019 Bonds. See the captions “THE FINANCING PLAN” and “SOURCES AND USES OF FUNDS.” The City has covenanted under the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments. The City’s obligation to make Base Rental Payments is subject to abatement during any period in which by reason of any material damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption “RISK FACTORS — Abatement.”

The Series 2019 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2019 Bonds is payable semiannually on each May 1 and November 1, commencing November 1, 2019. Purchasers will not receive certificates representing their interest in the Series 2019 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest and premium, if any, on the Series 2019 Bonds will be paid by Wells Fargo Bank, National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC Participants, who are obligated to remit such payments to the Beneficial Owners of the Series 2019 Bonds. See the caption “THE SERIES 2019 BONDS — Book-Entry Only System.”

The Series 2019 Bonds will be issued pursuant to a Master Trust Agreement, dated as of December 1, 2015, by and between the Authority and the Trustee (the “2015 Master Trust Agreement”), as amended by that certain First Supplement to Master Trust Agreement, dated as of December 1, 2016, by and between the Authority and the Trustee (the “First Supplement to the 2015 Master Trust Agreement”) and the Second Supplement to Master Trust Agreement, dated as of April 1, 2019 by and between the Authority and the Trustee (the “Second Supplement to the 2015 Master Trust Agreement” and, together with the 2015 Master Trust Agreement and the First Supplement to the 2015 Master Trust Agreement, the “Trust Agreement”). The Series 2019 Bonds, the Series 2016 Bonds, the Series 2015 Bonds and any additional bonds issued pursuant to the Trust Agreement (“Additional Bonds”) are collectively referred to as the “Bonds.”

The Series 2019 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2019 BONDS — Redemption.”

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues described herein, and the Authority is not obligated to pay them except from the Revenues. All of the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein.

The Series 2019 Bonds are not a debt of the City, the State of the California (the “State”) or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Series 2019 Bonds be payable out of any funds or properties other than those of the Authority as described herein. The Series 2019 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

The scheduled payment of principal of and interest on the Series 2019 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by _____.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2019 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by the City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP, for the Trustee by its counsel and for the Insurer by its counsel. It is anticipated that the Series 2019 Bonds will be available for delivery through the facilities of DTC on or about April 4, 2019.

[STIFEL LOGO]

Dated: _____, 2019

Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

\$16,000,000*
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2019 (TAXABLE)

MATURITY SCHEDULE

BASE CUSIP®†:

<i>Maturity Date</i> <i>(May 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP®†</i>
	\$	%	%		

\$ _____ % Term Bond due _____, _____ – Yield _____%, Price: _____, CUSIP®†:

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2019 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Authority or the Underwriter takes any responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Series 2019 Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Series 2019 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Series 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions “CITY FINANCIAL INFORMATION” and “RISK FACTORS.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE AUTHORITY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR

MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2019 Bonds.

[INSURER RIDER]

CITY OF MORENO VALLEY

MAYOR AND MEMBERS OF THE CITY COUNCIL

Dr. Yxstian Gutierrez, Mayor
 Victoria Baca, Mayor Pro Tem
 Dr. Carla J. Thornton, Councilmember
 David Marquez, Councilmember
 Ulises Cabrera, Councilmember

MORENO VALLEY PUBLIC FINANCING AUTHORITY

Dr. Yxstian Gutierrez, Chair
 Victoria Baca, Vice Chair
 Dr. Carla J. Thornton, Boardmember
 David Marquez, Boardmember
 Ulises Cabrera, Boardmember

STAFF

Thomas M. DeSantis, City Manager/Authority Executive Director
 Martin Koczanowicz, City Attorney
 Marshall Eyerman, Chief Financial Officer/Authority Treasurer
 Brooke McKinney, Treasury Operations Division Manager
 Jeanette Olko, Electric Utility Division Manager
 Pat Jaquez-Nares, City Clerk/Authority Secretary

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
 Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
 Newport Beach, California

Municipal Advisor

Fieldman Rolapp & Associates, Inc.
 Irvine, California

Trustee

Wells Fargo Bank, National Association
 Los Angeles, California

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\$ _____*
**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2019 (TAXABLE)**

INTRODUCTION

General

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto (the “Official Statement”), provides certain information concerning the sale and delivery of the \$ _____* aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”). The Series 2019 Bonds are being issued by the Moreno Valley Public Financing Authority (the “Authority”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”), by and between the Authority and the Wells Fargo Bank, National Association, as trustee (the “Trustee”), as amended by that certain First Supplement to Master Trust Agreement, dated as of December 1, 2016, by and between the Authority and the Trustee (the “First Supplement to the 2015 Master Trust Agreement”) and that certain Second Supplement to Master Trust Agreement, dated as of April 1, 2019 by and between the Authority and the Trustee (the “Second Supplement to the 2015 Master Trust Agreement” and, together with the 2015 Master Trust Agreement and the First Supplement to the 2015 Master Trust Agreement, the “Trust Agreement”).

The net proceeds, including improvements to the City’s electric utility, of the sale of the Series 2019 Bonds will be used: (i) to fund certain capital improvements of the City; (ii) to purchase a municipal bond insurance policy (the “Policy”) from _____ (“_____” or the “Insurer”) to guarantee the payment of principal of and interest on the Series 2019 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the “Reserve Policy”) from the Insurer for deposit in the Reserve Fund for the Series 2019 Bonds; and (iv) to pay the costs incurred in connection with the issuance of the Series 2019 Bonds. See the captions “THE FINANCING PLAN,” “BOND INSURANCE” and “SOURCES AND USES OF FUNDS.”

Security for the Series 2019 Bonds

Pursuant to a Master Facilities Lease, dated as of December 1, 2015, by and between the Authority, as lessee, and the City of Moreno Valley (the “City”), as sublessor (the “2015 Master Facilities Lease”), as amended by that certain First Amendment to Master Facilities Lease, dated as of December 1, 2016, by and between the City and the Authority (the “First Amendment to the 2015 Master Facilities Lease”) and that certain Second Amendment to Master Facilities Lease, dated as of April 1, 2019, by and between the City and the Authority (the “Second Amendment to the 2015 Master Facilities Lease” and, together with the 2015 Master Facilities Lease and the First Amendment to the 2015 Master Facilities Lease, the “Facilities Lease”), the City has leased and will lease, in connection with the issuance of the Series 2019 Bonds, certain real property and improvements owned by the City (collectively, the “Property”) to the Authority in consideration for the Authority’s assistance in issuing the Series 2019 Bonds.

Pursuant to a Master Facilities Sublease, dated as of December 1, 2015, by and between the City, as sublessee, and the Authority, as sublessor (the “2015 Master Facilities Sublease”), as amended by that certain First Amendment to Master Facilities Sublease, dated as of December 1, 2016, by and between the City and the Authority (the “First Amendment to the 2015 Master Facilities Sublease”), and that certain Second Amendment to Master Facilities Sublease, dated as of April 1, 2019, by and between the City and the Authority (the “Second Amendment to the 2015 Master Facilities Sublease” and, together with the 2015 Master Facilities Sublease and the First Amendment to the 2015 Master Facilities Sublease, the “Facilities Sublease”), the Authority has subleased and will sublease, in connection with the issuance of the Series 2019

** Preliminary, subject to change.*

Bonds, the Property back to the City in consideration for the payment of rental payments (the “Base Rental Payments”) to be made by the City for the right to use the Property.

The Series 2019 Bonds are secured on a parity with the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable), issued in the aggregate principal amount of \$10,430,000 and currently outstanding in the aggregate principal amount of \$9,850,000 (the “Series 2015 Bonds”) and the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016 (Taxable), issued in the aggregate principal amount of \$24,655,000 and currently outstanding in the aggregate principal amount of \$22,975,000 (the “Series 2016 Bonds”) issued pursuant to the Trust Agreement. Pursuant to the Trust Agreement, the Authority may issue additional bonds (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2019 Bonds (the Series 2019 Bonds, the Series 2016 Bonds, the Series 2015 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”). See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Additional Bonds.”

The Bonds are equally and ratably payable from: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described herein); and (ii) all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facilities Sublease (collectively, the “Revenues”). The Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Bonds.

The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the City’s electric utility (the “Electric Utility”) are not pledged as security for the Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption “RISK FACTORS — Abatement.” Abatement of Base Rental Payments under the Facilities Sublease, to the extent that payment is not made from alternative sources as described in this Official Statement, would result in all Bond Owners receiving less than the full amount of principal of and interest on the Bonds. To the extent that proceeds of insurance are available, Base Rental Payments (or a portion thereof) may be made during periods of abatement.

THE SERIES 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF THE BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE BONDS AS PROVIDED HEREIN.

THE SERIES 2019 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF THE CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AUTHORITY) IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2019 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE SERIES 2019 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

Book-Entry Only System

The Series 2019 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2019 Bonds is payable semiannually on each May 1 and November 1, commencing November 1, 2019. Purchasers will not receive certificates representing their interest in the Series 2019 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest on the Series 2019 Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which are obligated to remit such payments to the Beneficial Owners of the Series 2019 Bonds. See the caption “THE SERIES 2019 BONDS — Book-Entry Only System.”

Redemption

The Series 2019 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2019 BONDS — Redemption.”

Bond Insurance

Payment of the principal of and interest on the Series 2019 Bonds will be insured by the Policy to be issued by the Insurer concurrently with the issuance of the Series 2019 Bonds. See the caption “BOND INSURANCE.”

Reserve Fund

A Reserve Fund for the Bonds has been established pursuant to the Trust Agreement. The Insurer has committed to issue, concurrently with the issuance of the Series 2019 Bonds, the Reserve Policy for the benefit of the Series 2019 Bonds in the initial principal amount of \$_____, which constitutes the Reserve Fund Requirement with respect to the Series 2019 Bonds. The Reserve Policy will be deposited in the Reserve Fund. Neither the Authority nor the City is obligated: (i) to make any additional deposits into the Reserve Fund in the event that the Insurer defaults on its obligation to make payments under the Reserve Policy; or (ii) to replace the Reserve Policy in the event of a rating downgrade of the Insurer. The Reserve Policy secures the Series 2019 Bonds alone and is not available for payments on the Series 2015 Bonds, the Series 2016 Bonds or Additional Bonds. Also on deposit in the Reserve Fund is a reserve policy for the Series 2015 Bonds and a reserve policy for the Series 2016 Bonds (each issued by the Insurer); amounts drawn under these reserve policies cannot be used to make payments on the Series 2019 Bonds. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Reserve Fund.”

Legal Matters

Wells Fargo Bank, National Association, Los Angeles, California, will act as Trustee with respect to the Series 2019 Bonds. The Series 2019 Bonds will be issued subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by Martin Koczanowicz, City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California,

as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP, for the Trustee by its counsel and for the Insurer by its counsel.

Miscellaneous

The City's financial statements for the fiscal year of the City ended June 30, 2018 (each fiscal year of the City ended June 30, a "Fiscal Year") included as Appendix B hereto have been audited by Vasquez & Company, Glendale, California (the "Auditor"). The City's financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit review of the financial condition of the City.

Certain events could affect the ability of the City to make the Base Rental Payments when due. See the caption "RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2019 Bonds.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2018-19, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

The summaries or references to the Trust Agreement, the Facilities Lease, the Facilities Sublease and other documents, agreements and statutes referred to herein, and the description of the Series 2019 Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document or statute. All capitalized terms used in this Official Statement and not otherwise defined have the meanings set forth in Appendix A.

THE SERIES 2019 BONDS

General

The Series 2019 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Series 2019 Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page hereof. Interest on the Series 2019 Bonds will be paid semiannually on each May 1 and November 1, commencing November 1, 2019 (each, an "Interest Payment Date").

The Series 2019 Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the day after a Record Date for an Interest Payment Date to such Interest Payment Date, both dates inclusive, in which event they shall bear interest from such Interest Payment Date, or unless they are authenticated on a day on or before the Record Date for the first Interest Payment Date, in which event they shall bear interest from their date; provided, that if at the time of authentication of any Series 2019 Bond interest is then in default on the Outstanding Series 2019 Bonds, such Series 2019 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2019 Bonds. Payment of interest on the Series 2019 Bonds due on or before the maturity or prior redemption thereof will be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Series 2019 Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to the Trust Agreement; provided, however, that interest on any Series 2019 Bonds will be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series 2019 Bonds, at its option, according to wire instructions to an account within the United States of America given to the

Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date.

Interest on any Series 2019 Bond will cease to accrue: (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Holder of such Series 2019 Bond is not entitled to any other payment, and such Series 2019 Bond will no longer be Outstanding and entitled to the benefits of the Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Series 2019 Bond, as appropriate, from moneys held by the Trustee for such payment.

The principal of the Series 2019 Bonds will be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal will be made on any Series 2019 Bond unless and until such Series 2019 Bond is surrendered to the Trustee for cancellation.

Redemption

Optional Redemption. The Series 2019 Bonds maturing on and after May 1, 20__ are subject to optional redemption prior to their stated Principal Payment Dates, on any date on or after May 1, 20__, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Facilities Sublease, any such prepayment to be at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium.

Mandatory Sinking Fund Redemption. The Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__ are subject to redemption prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each May 1 specified below, at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The principal of such Series 2019 Bonds to be so redeemed and the dates therefor will be as follows:

<i>Mandatory Sinking Fund Payment Date (May 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

The amount of each such redemption will be reduced proportionately in the event and to the extent of any and all redemptions of Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__, pursuant to any provision of the Trust Agreement other than redemptions made pursuant to the mandatory sinking fund redemption provisions of the Trust Agreement.

Extraordinary Redemption from Condemnation Award or Insurance Proceeds. The City will prepay on any date from insurance and eminent domain proceeds, to the extent provided in the Facilities Sublease (provided, however, that in the event of partial damage to or destruction of the Property caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Property, such proceeds will be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Property, pursuant to the procedure set forth in the Facilities Sublease for proceeds of insurance), all or any part (in an integral

multiple of \$5,000 principal component) of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which are payable after such prepayment date will be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the principal of and interest on the Bonds to the date of redemption of the Bonds.

The Series 2019 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments from insurance and eminent domain proceeds made by the City pursuant to the Facilities Sublease (as described in the preceding paragraph), at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which are payable after such Redemption Date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

Selection of Bonds for Redemption. If less than all Outstanding Series 2019 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee will select the Series 2019 Bonds of such maturity date to be redeemed at random and promptly notify the Authority in writing of the numbers of the Series 2019 Bonds so selected for redemption. For purposes of such selection, Series 2019 Bonds will be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event that Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption, and in the absence of such Authority designation such redemptions will be allocated in inverse order of Mandatory Sinking Account Payment Dates.

Notice of Redemption; Cancellation. Notice of redemption will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to: (i) the respective Bondholders of the Series 2019 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) the Securities Depositories; and (iii) one or more Information Services. Notice of redemption to the Securities Depositories and the Information Services will be given by registered mail or overnight delivery or facsimile transmission or by such other method acceptable to such institutions. Each notice of redemption will state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2019 Bonds of such maturity, to be redeemed and, in the case of Series 2019 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2019 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2019 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect in such notice will not invalidate any of the proceedings taken in connection with such redemption.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

All Series 2019 Bonds redeemed pursuant to the provisions of the Trust Agreement will be cancelled by the Trustee and destroyed with a certificate of destruction furnished to the Authority upon its request and will not be reissued.

Effect of Notice of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2019 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Series 2019 Bonds so called for redemption become due and payable, and from and after the date so designated interest on such Series 2019 Bonds cease to accrue, and the Bondholders of such Series 2019 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

General. DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2019 Bond will be issued for each maturity of the Series 2019 Bonds, each in the initial aggregate principal amount of such maturity, will be deposited with DTC and will be available to actual purchasers of the Series 2019 Bonds (the "Beneficial Owners") in denominations of \$5,000 or any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the Series 2019 Bonds. See Appendix E for further information with respect to DTC and its book-entry only system.

Transfer and Exchange of Bonds. The following provisions regarding the exchange and transfer of the Series 2019 Bonds apply only during any period in which the Series 2019 Bonds are not subject to DTC's book-entry system. While the Series 2019 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC.

Any Series 2019 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of the Trust Agreement by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2019 Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2019 Bond or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver to the transferee a new Series 2019 Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee will require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may, except as otherwise provided in the Trust Agreement, deem and treat the registered owner of any Series 2019 Bond as the absolute owner of such Series 2019 Bond for the purpose of receiving payment thereof and for all other purposes, whether such Series 2019 Bond is overdue or not, and neither the Authority nor the Trustee will be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Series 2019 Bond will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Series 2019 Bond to the extent of the sum or sums so paid.

The Trustee is not required to register the transfer of or exchange any Series 2019 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2019 Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2019 Bonds for redemption.

Series 2019 Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Series 2019 Bonds of the same Series and maturity of other authorized denominations. The Trustee will require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee is not required to exchange any Series 2019 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2019

Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2019 Bonds for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS

Pledge of Revenues

The Series 2019 Bonds will be secured on a parity with the outstanding Series 2015 Bonds, outstanding Series 2016 Bonds, and any Additional Bonds which may be issued under the terms of the Trust Agreement. The Bonds are equally and ratably payable from and secured by the Revenues, which consist of: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described below); and (ii) all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facilities Sublease.

Base Rental Payments will be paid by the City from any and all legally available funds. See the captions “THE CITY,” “CITY FINANCIAL INFORMATION” and “RISK FACTORS.” The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the Electric Utility are not pledged as security for the Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Authority may issue Additional Bonds payable from the Base Rental Payments on a parity with the Series 2019 Bonds, the Series 2016 Bonds, and the Series 2015 Bonds. See the caption “— Additional Bonds.”

All Revenues, any other amounts (including proceeds of the sale of the Series 2019 Bonds) held by the Trustee in any fund or account (other than the Rebate Fund) established under the Trust Agreement and any other amounts (excluding Additional Payments) received by the Authority in respect of the Property have been irrevocably pledged to the payment of the interest and premium, if any, on and principal of the Bonds as provided in the Trust Agreement, and the Revenues and other amounts pledged thereunder may not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted thereunder. Such pledges constitutes a pledge of and charge and first lien upon the Revenues, all other amounts pledged under the Trust Agreement and all other moneys on deposit in the funds and accounts established thereunder for the payment of the interest on and principal of the Bonds in accordance with the terms thereof.

Pursuant to the Trust Agreement, the Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Bonds. The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See the caption “— Base Rental Payments” below.

THE SERIES 2019 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF

THE BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE BONDS AS PROVIDED HEREIN.

THE SERIES 2019 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS (OTHER THAN THE AUTHORITY) IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2019 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE SERIES 2019 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

Base Rental Payments

Base Rental Payments will be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Payment Period for which such Base Rental Payments are to be paid. The Base Rental Payments are due and payable on April 25 and October 25 in the amounts set forth in the Facilities Sublease and are for the use and occupancy of the Property during the one-year period ending on the 1st day of each May. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Revenue Fund established under the Trust Agreement.

Pursuant to the Trust Agreement, all money in the Revenue Fund will be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which has been created and each of which the Authority has covenanted and agreed to cause to be maintained) in the following order of priority: (1) Interest Account; and (2) Principal Account.

All money in each of such accounts will be held in trust by the Trustee and will be applied, used and withdrawn only for the purposes authorized in the Trust Agreement. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund will be returned to the City as an excess of Base Rental Payments. The Principal Payment Date for the Series 2015 Bonds is November 1, while the Principal Payment Date for the Series 2016 Bonds and the Series 2019 Bonds is May 1.

Interest Account. On or before each Interest Payment Date, the Trustee will set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Principal Account. On or before each May 1 or November 1, as applicable, the Trustee will set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such May 1 or November 1, as applicable, into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such May 1 or November 1, as applicable. No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such May 1 or November 1, as applicable, plus the aggregate amount of all sinking fund payments required to be made on such May 1 or November 1, as applicable, for all Outstanding Term Bonds. All money in the Principal

Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as it becomes due and payable, whether at maturity or redemption, except that any money in any Sinking Account created under the Trust Agreement will be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

Scheduled Base Rental Payments relating to the Series 2019 Bonds, the outstanding Series 2015 Bonds and the outstanding Series 2016 Bonds are set forth below under the caption "BASE RENTAL PAYMENT SCHEDULE."

Additional Payments

For the right to use and occupy the Property, the Facilities Sublease requires the City to pay, as Additional Payments thereunder, in addition to the Base Rental Payments, and subject to abatement as provided below, such amounts as are required for the payment of all amounts, costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of the Facilities Sublease or any assignment thereof, the Trust Agreement, the Authority's interest in the Property and the lease of the Property to the City, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Bonds, the Property, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification payable by the Authority to the Trustee under the Trust Agreement, other amounts due and owing Assured Guaranty Municipal Corp., in its capacity as the insurer of the Series 2015 Bonds (the "2015 Insurer"), Assured Guaranty Municipal Corp., in its capacity as insurer of the Series 2016 Bonds (the "2016 Insurer"), and _____, in its capacity as insurer of the Series 2019 Bonds (the "2019 Insurer"), as set forth in the Facilities Sublease, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement; but not including in such Additional Payments amounts required to pay the principal of or interest on the Series 2019 Bonds.

Such Additional Payments will be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed will be paid by the City within 60 days after receipt of the bill by the City. The City reserves the right to audit billings for Additional Payments although exercise of such right will in no way affect the duty of the City to make full and timely payment for all Additional Payments.

The Authority may in the future issue bonds to finance facilities, and may in the future enter into leases with respect to other facilities. The administrative costs of the Authority will be allocated among such other facilities and the Property as provided below. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Property will be included in the Additional Payments payable under the Facilities Sublease. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Property, will not be included in the administrative costs of the Property, and will not be paid from the Additional Payments payable under the Facilities Sublease. Any expenses of the Authority not directly attributable to any particular project of the Authority will be equitably allocated among all such projects, including the Property in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, will be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the Mayor, Mayor Pro-Tem, City Manager or Chief Financial Officer of the City or any such officer's duly authorized designee, or a duly authorized representative of the City, endorsed thereon, in making any determination that costs relating to the Authority are payable as

Additional Payments under the Facilities Sublease, and is not required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Property.

Abatement

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Sublease will continue in full force and effect and the City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and of Title 11 of the United States Code, Section 365(h) and any and all other rights to terminate the Facilities Sublease by virtue of any such damage or destruction or interference.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental Payments and Additional Payments in any of the funds and accounts established under the Trust Agreement (including as a result of the availability of insurance proceeds), such Base Rental Payments and Additional Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts. See the caption “— Insurance” and Appendix A.

Substitution, Addition and Removal of Property

The City and the Authority may add or substitute real property for all or part of, or may release a part of, the Property for purposes of the Facilities Lease and the Facilities Sublease, but only with the consent of the 2015 Insurer, the 2016 Insurer and the 2019 Insurer and after the City has filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Facilities Lease and the Facilities Sublease or amendments thereto containing the amended description of the Property, including the legal description of any real property component of the Property as modified, if necessary.

(ii) A Written Certificate of the City, certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of such facility to the City) of the Property that will constitute the Property after such addition, substitution or withdrawal will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year. At the sole discretion of the City, in the alternative, in the event of a substitution only, the Written Certificate of the City will certify that the annual fair rental value of the new Property is at least equal to that of the substituted Property.

(iii) With respect to an addition or substitution of property, a leasehold owner’s title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies resulting in title insurance with respect to the Property after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding; each such insurance instrument, when issued, will name the Trustee as the insured, and insure the leasehold estate of the Authority in such property subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy such property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

(iv) A Written Certificate of the City stating that such addition, substitution or withdrawal, as applicable, does not adversely affect the City’s use and occupancy of the Property.

(v) With respect to the substitution of property, a Written Certificate of the City stating that the useful life of the property to be substituted is at least equal to the useful life of the property being released.

(vi) An opinion of Bond Counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be: (i) is authorized or permitted under the Facilities Sublease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (iii) will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes.

The City and the Authority have agreed that the Property or portion thereof for which other real property is substituted, pursuant to the Facilities Sublease, will be released from the Facilities Lease and the Facilities Sublease, and will no longer be encumbered thereby and hereby or by the Trust Agreement at such time as the City has caused said substitution.

Any sale, substitution, release, transfer, lease, assignment, mortgage or encumbrance with respect to the Property under the Facilities Sublease or Facilities Lease will be subject to the prior written consent of the 2015 Insurer, the 2016 Insurer and the 2019 Insurer.

Additional Bonds

Conditions for the Issuance of Additional Bonds. The Authority may at any time, issue Additional Bonds pursuant to a Supplemental Trust Agreement, payable from the Revenues as provided in the Trust Agreement and secured by a pledge of and charge and lien upon the Revenues as provided therein equal to the pledge, charge and lien securing the Outstanding Series 2019 Bonds, Series 2016 Bonds and Series 2015 Bonds theretofore issued thereunder, but only subject to the following specific conditions, which have been made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority is in compliance with all agreements and covenants contained in the Trust Agreement and no Event of Default has occurred and is continuing.

(b) The Supplemental Trust Agreement requires that the proceeds of the sale of such Additional Bonds will be applied to finance or refinance Projects, or for the refunding or repayment of any Bonds then Outstanding, including the payment of costs and expenses of and incident to the authorization and sale of such Additional Bonds. The Supplemental Trust Agreement may also provide that a portion of such proceeds be applied to the payment of the interest due or to become due on said Additional Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding under the Trust Agreement does not exceed any limit imposed by law, by the Trust Agreement or by any Supplemental Trust Agreement.

(d) The Facilities Sublease has been amended, if necessary, so that the Base Rental Payments payable by the City thereunder in each Fiscal Year at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year, and if Base Rental Payments are being increased, a Certificate of the City will be delivered to the Trustee certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of any facility which is or will become part of the Property) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year.

(e) If additional facilities, if any, are to be leased and are not situated on property described in the Facilities Lease and Facilities Sublease: (1) the Facilities Lease has been amended so as to lease to the Authority such additional real property; and (2) the Facilities Sublease has been amended so as to lease to the City such additional real property.

(f) The Reserve Fund is fully funded at the Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Bonds, unless otherwise permitted by the 2015 Insurer, the 2016 Insurer and the 2019 Insurer.

Proceedings for Authorization of Additional Bonds. Whenever the Authority and the City determine to execute and deliver any Additional Bonds pursuant to the Trust Agreement, the Authority and the Trustee will enter into a Supplemental Trust Agreement providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Trust Agreement will prescribe the form or forms of such Additional Bonds and, subject to the provisions of the Trust Agreement, will provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates, interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds are issued, the City and the Authority will file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that: (1) such Counsel has examined the Supplemental Trust Agreement and the amendment to the Facilities Sublease and Facilities Lease required by the Trust Agreement; (2) the execution and delivery of the Additional Bonds have been duly authorized by the City and the Authority; and (3) said amendment to the Facilities Sublease and Facilities Lease, when duly executed by the City and the Authority, will be valid and binding obligations of the City and the Authority.

(b) A Certificate of the Authority stating that the requirements of the Trust Agreement have been met.

(c) A Certificate of the City stating that the insurance required by the Facilities Sublease is in effect.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the City and of the Authority stating that all applicable provisions of the Trust Agreement have been complied with (so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee will authenticate and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Trust Agreement to, or upon the Written Request of, the Authority.

The City has no current plans to issue Additional Bonds under the Trust Agreement. See the caption "RISK FACTORS — Substitution, Addition and Removal of Property; Additional Bonds."

Action on Default

Should the City default under the Facilities Sublease, the Trustee, as assignee of the Authority thereunder, may terminate the Facilities Sublease and recover certain damages from the City, or may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis, and the Trustee has the right to re-enter and re-let the Property. In the event that such re-letting occurs, the City would be liable for any resulting deficiency in Base Rental Payments. **BASE RENTAL PAYMENTS MAY NOT BE ACCELERATED UPON A DEFAULT UNDER THE FACILITIES SUBLEASE.** See the caption "RISK FACTORS — Limited Recourse on Default; No Acceleration of Base Rental."

For purposes of certain actions of Bond Owners under the Trust Agreement and the Facilities Sublease, such as certain consents and amendments and the direction of remedies following default, Series 2019 Bond Owners, Series 2016 Bond Owners and Series 2015 Bond Owners do not act alone and may not

control such matters to the extent that such matters are not supported by the requisite number of the Owners of all Series 2019 Bonds, Series 2016 Bonds, Series 2015 Bonds and Additional Bonds, if any.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Facilities Sublease and the Trust Agreement, see Appendix A.

Subject to the terms of the Trust Agreement, so long as the 2015 Insurer, the 2016 Insurer and the 2019 Insurer have not defaulted under the Policy, such insurers have the right to control all remedies for default under the Facilities Lease, the Facilities Sublease and the Trust Agreement.

Reserve Fund

Reserve Fund. The Trustee maintains a separate fund to be known as the “Reserve Fund.” Moneys in the Reserve Fund will be used and withdrawn by the Trustee solely for the purposes set forth in the Trust Agreement. In connection with the issuance of the Series 2015 Bonds, the 2015 Insurer issued a Reserve Policy (the “2015 Reserve Policy”) for the benefit of the Series 2015 Bonds in the initial principal amount of \$661,081.26, which constituted the Reserve Fund Requirement with respect to the Series 2015 Bonds, which is on deposit in the Reserve Fund. In connection with the issuance of the Series 2016 Bonds, the 2016 Insurer issued a Reserve Policy (the “2016 Reserve Policy”) for the benefit of the Series 2016 Bonds in the initial principal amount of \$1,702,312.50, which constituted the Reserve Fund Requirement with respect to the Series 2016 Bonds, which is on deposit in the Reserve Fund. Additionally, there will be deposited in the Reserve Fund the Reserve Policy pursuant to the Trust Agreement for the benefit of the Series 2019 Bonds in the initial principal amount of \$_____.

The City, upon notice to the rating agencies then rating the Series 2019 Bonds, reserves the right to substitute, at any time and from time to time, one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated in the two highest rating categories of the rating agency in substitution for or in place of all or any portion of the Reserve Policy or the moneys, if any, on deposit in the Reserve Fund, which satisfy the portion of the Reserve Fund Requirement (as such term is defined below) attributable to the Series 2019 Bonds, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes of the Trust Agreement. Upon deposit by the City with the Trustee of any such Reserve Facility(ies), the Trustee will, on or after the date of such deposit, transfer to the City such amounts as are on deposit in the Reserve Fund in excess of the Reserve Fund Requirement after application of the Reserve Facility(ies) thereto. The City will, subject to any investment instructions contained in the Tax Certificate, if any, use any such amounts transferred from the Reserve Fund for any lawful purpose of the City which will not adversely affect any current or past exclusion from gross income for federal income tax purposes of the interest on the Bonds, if and to the extent such interest is currently or has in the past been so excluded. Any amounts paid pursuant to any Reserve Facility will be deposited in the Reserve Fund. The moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses authorized in the Trust Agreement.

The term “Reserve Fund Requirement” means, with respect to each Series of Bonds, an amount equal to the least of: (i) maximum prospective annual Base Rental Payments with respect to the Outstanding Bonds of such Series to be made by the City under the Facilities Sublease; (ii) 10% of the proceeds of such Series of Bonds; or (iii) 125% of the average annual Base Rental Payments with respect to the Outstanding Bonds of such Series to be made by the City under the Facilities Sublease.

The Reserve Policy secures the Series 2019 Bonds alone and is not available for payments on the Series 2015 Bonds, the Series 2016 Bonds or Additional Bonds. Similarly, the 2015 Reserve Policy secures the Series 2015 Bonds alone and is not available for payments on the Series 2016 Bonds, the Series 2019 Bonds or Additional Bonds, and the 2016 Reserve Policy secures the Series 2016 Bonds alone and is not available for payments on the Series 2015 Bonds, the Series 2019 Bonds or Additional Bonds.

Application of Reserve Fund. Amounts on deposit in the Reserve Fund which were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement may be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee will, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, drawings thereunder, and repayment of expenses with respect thereto, will be made on a pro-rata basis (calculated by reference to the policy limits available thereunder), if permitted.

If, on any Interest Payment Date, the amount on deposit in any account within the Interest Account is insufficient to pay the interest due with respect to the corresponding Series of Bonds on such Interest Payment Date, the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Interest Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Interest Account on the applicable Series of Bonds.

If, on any Principal Payment Date or any Mandatory Sinking Account Payment Date, the amount on deposit in any account within the Principal Account is insufficient to pay the principal due with respect to the corresponding Series of Bonds on such Principal Payment Date or Mandatory Sinking Account Payment Date, the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Principal Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Principal Account on the applicable Series of Bonds.

In the event of any withdrawal or transfer from the Reserve Fund, the Trustee will, within 5 days thereafter, provide written notice to the City of the amount and the date of such transfer. If there are no amounts currently due under any Reserve Facility and the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, is reduced below the Reserve Fund Requirement, the first of the Base Rental Payments thereafter received from the City under the Facilities Sublease and not needed to pay the interest and principal of the Bonds on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date will be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, equals the Reserve Fund Requirement. In the event there are insufficient funds to remedy any deficiencies in all such accounts, moneys shall be deposited pro rata in each such account.

If at any time the balance in any account within the Reserve Fund is in excess of the Reserve Fund Requirement for such fund after accounting for the principal amounts of any Reserve Facilities, the Trustee will transfer such excess to any other account within the Reserve Fund with a balance less than the Reserve Fund Requirement for such fund to make up such deficiency, and thereafter to the Revenue Fund.

At the termination of the Facilities Sublease in accordance with its terms, any balance remaining in the Reserve Fund will be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in the Reserve Fund, all investments will annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Except as provided in the Trust Agreement from Base Rental Payments not needed to pay the interest and principal of the Bonds, the City has no obligation to replenish the Reserve Fund.

Insurance

The Facilities Sublease requires the City to maintain or cause to be maintained fire, lightning and special extended coverage insurance (which includes coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. As an alternative to providing such insurance or any portion thereof, the City may provide a self-insurance method or plan of protection if and to the extent that such self-insurance method or plan of protection affords reasonable protection to the Authority, the Bond Holders and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the City.

The Facilities Sublease requires the City to maintain rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Property as the result of any of the hazards covered by the insurance described in the preceding paragraph, in an amount sufficient to pay the maximum annual Base Rental Payments for any two year period, except that such insurance may be subject to a deductible clause of not to exceed \$25,000. Any proceeds of such insurance will be used by the Trustee to reimburse to the City any rental theretofore paid by the City under the Facilities Sublease attributable to such structure for a period of time during which the payment of rental under the Facilities Sublease is abated, and any proceeds of such insurance not so used will be applied as provided in the Facilities Sublease (to the extent required for the payment of Base Rental Payments and Additional Payments). See the caption “— Abatement.” The City does not maintain earthquake insurance.

The Facilities Sublease requires the City to maintain or cause to be maintained, throughout the term thereof, a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees and the Trustee, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event, and worker’s compensation insurance.

See the summary of the Facilities Sublease set forth in Appendix A for further information with respect to the insurance coverage required to be maintained by the City under the Facilities Sublease.

A description of insurance coverages maintained by the City is set forth under the caption “THE CITY — Risk Management.”

The Facilities Sublease also requires the City to provide, at its own expense, an ALTA leasehold owner’s title insurance policy or policies for the Property, in the aggregate amount of not less than the initial aggregate principal amount of the Bonds. Such insurance instrument, when issued, will name the Trustee as the insured, and will insure the leasehold estate of the Authority subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy the Property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

BOND INSURANCE

The information under this caption has been prepared by the Insurer for inclusion in this Official Statement. None of the Authority, the City or the Underwriter has reviewed this information, nor do the Authority, the City or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix G for a specimen of the Policy.

[TO COME]

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Series 2019 Bonds are shown below.

Sources

Principal Amount of Series 2019 Bonds	\$
Less Original Issue Discount/plus Original Issue Premium	_____
Total Sources	\$ =====

Uses

Project Account	\$
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ =====

⁽¹⁾ Includes certain fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, S&P and the Trustee, Underwriter's discount, premium for the Policy and the Reserve Policy, printing costs and other miscellaneous costs of issuance.

BASE RENTAL PAYMENT SCHEDULE

The annual schedule of Base Rental Payments due with respect to the Series 2019 Bonds, the Series 2016 Bonds and the Series 2015 Bonds is set forth below.

<i>Period Ending May 1</i>	<i>Series 2019 Bonds Principal</i>	<i>Series 2019 Bonds Interest</i>	<i>Series 2019 Bonds Total Debt Service</i>	<i>Series 2015 Bonds Total Debt Service</i>	<i>Series 2016 Bonds Total Debt Service</i>	<i>Total Base Rental Payments⁽¹⁾</i>
2020	\$	\$	\$	\$ 658,325.01	\$ 1,694,475.00	\$
2021				657,343.76	1,700,350.00	
2022				655,681.26	1,698,475.00	
2023				653,446.88	1,698,862.50	
2024				655,390.63	1,696,262.50	
2025				651,631.26	1,697,912.50	
2026				652,131.26	1,697,443.76	
2027				651,931.26	1,694,781.26	
2028				651,162.51	1,698,381.26	
2029				654,537.51	1,695,181.26	
2030				652,212.51	1,695,381.26	
2031				649,271.88	1,698,781.26	
2032				650,000.00	1,695,181.26	
2033				649,443.75	1,699,781.26	
2034				648,175.00	1,697,250.00	
2035				651,075.00	1,702,312.50	
2036				648,143.75	1,694,531.26	
2037				648,875.00	1,699,343.76	
2038				648,125.00	1,696,093.76	
2039				646,375.00	--	
2040				648,500.00	--	
2041				644,500.00	--	
2042				644,375.00	--	
2043				643,000.00	--	
2044				645,250.00	--	
2045				641,125.00	--	
2046				640,625.00	--	
2047				--	--	
2048				--	--	
2049				--	--	
Total	\$	\$	\$	\$ 17,540,653.23	\$ 32,250,781.36	\$

⁽¹⁾ Equal to the Series 2019 Bonds Total Debt Service column plus the Series 2015 Bonds Total Debt Service column and the Series 2016 Bonds Total Debt Service column.

Source: Underwriter.

THE FINANCING PLAN

General

A portion of the proceeds of the Series 2019 Bonds is expected to be used to finance the Project, which is expected to consist of three categories of electric infrastructure improvements that total approximately \$15 million: (1) the installation of approximately 5.8 miles of 12kV backbone infrastructure including conduit and cable, 17 vaults, 2 surface operable equipment enclosures, 13 manholes, 2 gas switches, and 1 pad mounted switch, in addition to pavement restoration work that is all designed to support increasing demand for electricity and improve reliability and the flexibility of the City’s electrical distribution system; (2) the retrofit and/or replacement of switches to build automation, communication, and protection to circuits and improve reliability; and (3) the installation of smart meters and associated data collection system, providing customers more detailed feedback regarding their energy use while improving system reliability through faster outage

detection and restoration of service. Notwithstanding the foregoing, the City may revise the list of improvements that it intends to finance with the proceeds of the Bonds from time to time and the final list of improvements financed with Bond proceeds may differ from that which is set forth in the previous sentence. Project costs that are not financed from a portion of the proceeds of the Series 2019 Bonds will be funded from other available City moneys.

The City expects to comply with all governmental approval, environmental, public bidding and other permitting requirements for each component of the Project as required by law. The City presently expects to substantially complete all components of the Project by the end of Fiscal Year 2019-20.

THE PROPERTY

The Property constitutes the subject matter of the Facilities Lease and the Facilities Sublease. The Property is described below.

The Property includes two electric power substations: (i) the Moreno Beach Substation and (ii) the Kitching Substation (collectively, the “Substations”), together with the Conference and Recreation Center and the Corporate Yard (as such terms are defined below).

The Moreno Beach Substation is a City-owned 115 kilovolt (“kV”) to 12kV Distribution Class power substation located on an approximately 8.75 acre parcel at the southwest corner of Moreno Beach Drive and Cottonwood Avenue in the City. The Moreno Beach Substation includes equipment foundations, transformers, capacitors, switchgear, electric bus, a relay control house, cable, wire, appurtenances and other related facilities (the “Moreno Beach Substation Improvements”).

A 115kV to 12kV Transmission Class switchyard (the “Moreno Beach Switchyard”), which has been dedicated to Southern California Edison (“SCE”), is also on the site. The Moreno Beach Switchyard is located adjacent to the Moreno Beach Substation. Moreno Beach Switchyard improvements include equipment foundations, switchgear, electrical bus, relay control house, cable, wire, appurtenances and other related facilities associated with physical connection to SCE’s 115kV distribution system. The Moreno Beach Switchyard improvements do not constitute part of the Substations.

The Moreno Beach Substation was energized in 2007. The City estimates the total cost of the Moreno Beach Substation Improvements (excluding the Moreno Beach Switchyard and other improvements owned or dedicated to SCE) to be approximately \$10,817,611. The City estimates the Moreno Beach Substation Improvements have a useful remaining life of approximately 28 years.

The Kitching Substation is a City-owned 115kV to 12kV Distribution Class power substation located on an approximately 1.87 acre parcel at the northwest corner of Kitching Drive and Edwin Road in the City. The Kitching Substation includes equipment foundations, transformers, capacitors, switchgear, electric bus, a relay control house, cable, wire, appurtenances and other related facilities (the “Kitching Substation Improvements”).

More specifically, the Kitching Substation Improvements include: (i) approximately 40,000 lineal feet of conduit, (ii) approximately 40,000 lineal feet of high voltage cable, (iii) two 40 Megavolt Amp transformers, (iv) five 115 kV group operated disconnect switches, (v) two twelve kV MVar capacitor banks, (vi) one switchgear assembly and (vii) other miscellaneous structures.

There is a 115kV to 12kV Transmission Class switchyard (the “Kitching Switchyard”) which has been dedicated to SCE. The Kitching Switchyard is located adjacent to the Kitching Substation. Kitching Switchyard improvements include equipment foundations, switchgear, electrical bus, relay control house, cable, wire, appurtenances and other related facilities associated with a physical connection to SCE’s 115kV distribution system. The Kitching Switchyard improvements do not constitute part of the Substations.

The City estimates the total cost of the Kitching Substation Improvements (excluding the Kitching Switchyard and other improvements owned or dedicated to SCE) to be approximately \$10,965,000. The City estimates the Kitching Substation Improvements has a useful remaining life of approximately 38 years.

The City's Conference and Recreation Center (the "Conference and Recreation Center"), which is located on Alessandro Boulevard, is an approximately 42,413 square foot municipal conference and banquet facility operated by the City. The Conference and Recreation Center includes an 8,200 square foot ballroom, the Grand Valley Ballroom. The Grand Valley Ballroom can accommodate groups of up to 400 people and includes a full kitchen, a reception patio, an outdoor banquet patio, a stage with two dressing rooms and a video and movie screen. Other facilities at the Conference and Recreation Center include two smaller meeting rooms. The Conference and Recreation Center hosts private events, community programs and public meetings. The facility also includes space for a childcare/daycare area, a gymnasium, two activity rooms and the office space for the City's Parks and Community Services Department staff. The Conference and Recreation Center was constructed in 2005 and comprises approximately 18.64 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$13,874,000 to the Conference and Recreation Center. The City estimates the Conference and Recreation Center has a useful remaining life of approximately 30 years.

The City's Parks and Community Services Department operates five facilities located at the various parks throughout the City, including Bethune Park, Woodland Park, the Conference and Recreation Center, a senior center, and two community centers, which facilities provide 79 youth programs, 88 senior programs and 31 adult programs serving an estimated 417,180 City youths and adults annually for baseball, softball, and soccer play. The Parks and Community Services Department also hosts activities for 38 school sites and assists the City's nonprofit sports organizations in hosting regional and national sports tournaments, resulting in a positive economic impact to City businesses. The value that the City's parks and recreation facilities bring to the local community has been repeatedly recognized. The Press-Enterprise newspaper previously rated the City "Number One in Riverside County for Family Recreation." The City was the recipient of the 2005 California Parks and Recreation Society Award for "Facility Design and Park Planning" for the Conference and Recreation Center, and in 1997 the City earned the Southern California Municipal Athletic Federation's "Gold Shield Award" for providing outstanding leadership. The City remains committed to sustained community participation and use of facilities throughout the City's park system.

The City's Corporate Yard (the "Corporate Yard," and with the Substations and the Conference and Recreation Center, the "Property", which have been leased to the Authority pursuant to the Facilities Lease and subleased by the Authority back to the City pursuant to the Facilities Sublease), will constitute a portion of the leased Property.

The Corporate Yard is located at 15670 Perris Boulevard and is the center of activity for the City's street and infrastructure maintenance programs. The Corporate Yard totals approximately 18 acres with the primary building, constructed in 1970 and made of concrete block and metal siding, totaling 57,876 square feet. The Corporate Yard houses staff that perform the functions of Purchasing/Stores, Street Maintenance, Fleet Maintenance and Parks Maintenance. The Corporate Yard is also used for the storage of city vehicles, various road materials and replacement parts for City equipment such as traffic signals, electric utility equipment, etc. In 2011, improvements were completed to the Corporate Yard that totaled approximately \$4.8 million. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$12,906,488 to the Corporate Yard. The City estimates the Corporate Yard has a useful remaining life of approximately 30 years.

In connection with the issuance of the Series 2019 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments. The City makes no assurances regarding the ability to relet any component of the Property or the amount of rental income to be received in the event that any component of the Property is relet.

Base Rental Payments under the Facilities Sublease, including those allocable to the Corporate Yard, secure on a parity basis the Series 2019 Bonds, the Series 2016 Bonds, Series 2015 Bonds and any Additional Bonds issued pursuant to the Trust Agreement, if any. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Base Rental Payments.”

The table below summarizes certain attributes of the Property. No portion of the Property is currently securing lease payments other than those that will be paid in connection with the Series 2019 Bonds, the Series 2016 Bonds and the Series 2015 Bonds.

**CITY OF MORENO VALLEY
DESCRIPTION OF PROPERTY**

<i>Property</i>	<i>Description</i>	<i>Land Area</i> ⁽¹⁾	<i>Building Size</i> ⁽¹⁾	<i>Location</i>	<i>Asset and Land Value</i> ⁽¹⁾
Moreno Beach Substation	115kV to 12kV Distribution Class power substation and all related City-owned improvements	8.75 acres	N/A	Moreno Beach Drive and Cottonwood Avenue	\$10,965,691
Kitching Substation	115kV to 12kV Distribution Class power substation and all related City-owned improvements	1.87 acres	N/A	Kitching Drive and Edwin Road	\$11,023,680
Conference and Recreation Center	Municipal conference and banquet facility; includes 8,200 square foot ballroom with full kitchen, reception patio, outdoor banquet patio, stage with two dressing rooms and video and movie screen; meeting rooms; office space for City’s Parks and Recreation Department	18.64 acres	42,413 square feet	Alessandro Boulevard	\$14,075,840
Corporate Yard	Corporate yard used for Purchasing/Stores, Street Maintenance, Fleet Maintenance and Parks Maintenance services	18.00 acres	57,876 square feet	Perris Boulevard	\$12,906,488
Total					\$48,971,699 ⁽²⁾

⁽¹⁾ Figures are approximate.

⁽²⁾ Such amount is greater than the principal amount of the Series 2019 Bonds, the outstanding Series 2015 Bonds and the outstanding Series 2016 Bonds.

The estimated value of the Property set forth above is based upon existing conditions. In connection with the issuance of the Series 2019 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments.

The City has the right to issue additional bonds and substitute or release all or a portion of the Property subject to certain conditions precedent. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Substitution, Addition and Removal of Property.”

THE AUTHORITY

The Authority is a public body duly organized and existing under the Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “JPA Agreement”), by and between the City and the Community Redevelopment Agency of the City of Moreno Valley (the “Agency”), and under the Constitution and laws of the State. The Authority was formed for the purpose of assisting the City in the financing and refinancing of public capital improvements by exercising the powers referred to in the JPA Agreement, including the power to issue bonds to pay the costs of public improvements. Neither the City nor the Agency is responsible for repayment of the obligations of the other. The members of the Board of Directors of the Authority are the members of the City Council of the City. The Authority has no employees and all staff work is done by City staff or by consultants to the Authority. The Authority has acted as a conduit issuer for the City for a variety of financings.

THE CITY

General

The City is located in western Riverside County (the “County”), approximately 66 miles east of Los Angeles and 100 miles north of San Diego, California. The City has a population of approximately 207,629 as of June 30, 2018 and covers approximately 51.5 square miles. The City was incorporated on December 3, 1984 and is a general law city operating under a council/manager form of government. Further information concerning the City is set forth below and in Appendix F.

The City had approximately 291 full and part-time employees as of June 30, 2018. City employees are represented by three labor associations, the Moreno Valley City Employees Association (the “MVCEA”), which represented approximately 185 employees as of June 30, 2018, and the Moreno Valley Management Association (the “MVMA”), which represented approximately 75 employees as of June 30, 2018, and the Moreno Valley Confidential Management Employee association (the “MVCMEA”) which represented approximately 8 employees as of June 30, 2018. Relations between the City and the MVCEA and MVMA are governed by memoranda of understanding that expired on June 30, 2017. The City currently is currently in negotiations with the MVCEA, MVMA and the MVCMEA with respect to new memoranda of understanding which are expected to go into effect July 1, 2019. A total of approximately 23 management and confidential employees are exempt from collective bargaining. Salaries for exempt employees are set by the City Council. The City has never experienced a strike, slowdown or work stoppage.

The City provides or contracts for many municipal services for its residents, including libraries, parks, recreation, street and storm drain maintenance and electric utility services. The City contracts with the Riverside County Sheriff’s Department for police services and with the County for fire protection services, which services are provided by the California Department of Forestry and Fire Protection. Water and sewer service is provided by Eastern Municipal Water District and Box Springs Mutual Water Company. See the caption “THE PROPERTY” for detailed information with respect to City parks and the City’s Parks and Community Services Department.

Largest Employers

The largest employer located in the City is the March Air Reserve Base, which currently employs approximately 9,600 employees, representing approximately 10.19% of the total City employment. March Air Reserve Base is the home to the Air Force Reserve Command’s 4th Air Force Headquarters and the 452nd Air Mobility Wing, the largest air mobility wing of the 4th Air Force. In addition to multiple units of the Air Force Reserve Command, the base supports the Air Mobility Command, Air Combat Command and Pacific Air Forces, and is home to units from the Army Reserve, Navy Reserve, Marine Corps Reserve, and the California Air National Guard.

Other large employers in the City include Amazon, which currently employs approximately 7,500 employees, the Riverside County Regional Medical Center, which currently employs approximately 3,400 employees, and the Moreno Valley Unified School District, which currently employs approximately 3,100 employees. Based on its close proximity to the counties of Los Angeles, Orange and San Diego, the City serves as a regional logistics and major distribution hub for many large manufacturers and retail companies, including Skechers USA, Inc., Walgreen Company, Ross Dress for Less, Inc. and Harbor Freight Tools. Several large companies await completion of or have recently completed construction of distribution sites and fulfillment centers within the City limits, including e-retailer Amazon (NASDAQ symbol: AMZN), Deckers Outdoor Corporation (NASDAQ symbol: DECK), which designs, manufactures and markets Teva, UGG Australia, and other footwear brands, and Aldi, Inc., a European discount grocery retailer chain that has over 8,000 stores worldwide (including over 1,000 stores in the United States).

The table below sets forth the largest employers within the City as of June 30, 2018, the latest date for which such information is available.

**CITY OF MORENO VALLEY
LARGEST EMPLOYERS AS OF JUNE 30, 2018**

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	March Air Reserve Base	9,600	Military Reserve Base
2.	Amazon.com Inc.	7,500	Retail Distribution
3.	Riverside County Regional Medical Center	3,400	County Hospital
4.	Moreno Valley Unified School District	3,100	Public Schools
5.	Ross Dress for Less/DD's Discounts	2,400	Retail Distribution
6.	Moreno Valley Mall	1,500	Retail Mall
7.	Kaiser Permanente Community Hospital	1,457	Hospital
8.	Harbor Freight Tools	788	Retail Distribution
9.	Val Verde Unified School District (MV only)	640	Public Schools
10.	United Natural Foods, Inc. (UNFI)	620	Retail Distribution

Source: City.

Government and Administration

The City operates under a council-manager form of government. The City Manager, appointed by the City Council, serves as the City's chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager's Office include coordination of the implementation of City Council policies and programs; providing overall direction to the departments that administer City programs and services; coordinating intergovernmental relations and legislative advocacy; and administration of the City's communications, media relations, and public information programs.

Thomas M. DeSantis is the City Manager. Tom DeSantis serves as the City Manager of the City, a position he has held since 2017. In this capacity he leads the daily operation of City government. Mr. DeSantis began working for the City in 2011, serving as Human Resources Director and Administrative Services Director before being appointed as Assistant City Manager in 2013. Mr. DeSantis' 29-year career in local government has included senior positions in City and County administration. Prior to entering local government, Mr. DeSantis served on active duty in the United States and overseas as a Captain in the United States Air Force.

Other key personnel responsible for management of the City include the Chief Financial Officer, the Treasury Operations Division Manager and the Electric Utility Division Manager. In addition, the City Attorney provides legal services to the City and the Authority.

Marshall Eyerman is the Chief Financial Officer of the City. Mr. Eyerman began his employment with the City in March 2008 as the City's Special District Program Manager. He also served as the Financial Resources Division Manager, and the Budget Officer before being appointed Chief Financial Officer in January 2016. During his professional tenure, Mr. Eyerman served as Principal Consultant at MuniFinancial for 10 years. Mr. Eyerman holds a Master's Degree in business administration MBA, Business Administration from California State University-San Marcos - College of Business Administration.

Brooke McKinney is the Treasury Operations Division Manager of the City. Mr. McKinney was appointed Treasury Operations Division Manager in April 2002. Mr. McKinney has over 34 years of experience in municipal government and has held a variety of management positions in finance and administration of city and county government. Mr. McKinney has worked in a variety of management positions in the City's Finance Department over the past 15 years, including revenue officer, assistant treasurer and treasury operations manager. Prior to his tenure at the City, Mr. McKinney worked for over 17 years as the Hospital Fiscal Officer at the Riverside County Regional Medical Center. Mr. McKinney holds a bachelor's degree in business administration from The Master's College in Santa Clarita, California.

Jeannette Olko is the Electric Utility Division Manager of the City. Ms. Olko was appointed the interim Electric Utility Division Manager of the City in July 2010, and the permanent Division Manager in November 2010. Ms. Olko has been working in the electric utility industry for twenty years managing all utility aspects, including operations, customer billing, rates, power resources and finance. Prior to her tenure at the City, Ms. Olko served the City of Colton as the Electric Utility General Manager for 6 years. Ms. Olko obtained her master's degree in business administration and bachelor's degree from the University of California at Riverside

Martin Koczanowicz has been City Attorney since September 2016. Mr. Koczanowicz has been an attorney for more than 25 years and has been in private practice specializing in municipal law since 1999. He has worked as a city attorney on a contract basis for the cities of Tulare, King City and Grover Beach and was a deputy city attorney for the City of Fresno in the 1990's. Before that, he worked in criminal and civil defense for private companies. He graduated with a juris doctorate from the University of La Verne School of Law.

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has established two self-insurance funds to finance uninsured risks of loss up to a maximum of \$300,000 for each workers' compensation claim and \$250,000 for each general liability claim. For workers' compensation, the City participates in the CSAC Excess Insurance Authority, a joint powers authority, for claims in excess of coverage provided by its internal funds up to the statutory requirements. For general liability, the City participates in the Public Entity Risk Management Authority ("PERMA"), a joint powers authority, for claims in excess of coverage provided by its internal funds up to \$50,000,000. Claims have not exceeded the City's insurance coverage in any of the last three years.

The City purchases all-risk, replacement cost value property insurance coverage through PERMA up to a maximum amount of \$100,000,000. All property and improvements at the Property are insured under the City's property insurance coverage. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Insurance." The City does not carry earthquake coverage.

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles and the standards established by the Governmental Accounting Standards Board (“GASB”). On a quarterly basis, a report is prepared for the City Council and City staff which reviews fiscal performance to date against the budget. Combined financial statements of the City and its component units are produced following the close of each Fiscal Year.

The City Council employs an independent certified public accountant who examines at least annually the financial statements of the City in accordance with generally accepted auditing standards, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant to the City Council.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Base Rental Payments will be paid from any legally available funds of the District, though such payments are expected to be paid from the net revenues of the Electric Utility. Tables 1 through 4 below set forth certain historical and current Fiscal Year budget information for the General Fund. Information on the remaining governmental funds of the City as of June 30, 2018 is set forth in Appendix B.

General Economic Condition and Outlook of the City

As of June 30, 2018, the General Fund had a year-end deficit (expenditures in excess of revenues) of approximately \$0.4 million (inclusive of interfund transfers), which was less than the year-end deficit of \$3.1 million projected in the Fiscal Year 2017-18 General Fund Budget. The budget deficit was the result of spending one-time savings from Fiscal Year 2016-17 on various street and facility improvements. This \$2.7 million reduction of the projected deficit was primarily due to savings related to expenditures associated with contracted services and supplies and services.

For Fiscal Year 2018-19, the adopted General Fund operating budget projects revenues of \$101,389,754, which is approximately \$1.7 million (1.5%) below Fiscal Year 2017-18 actual revenues. The adopted Fiscal Year 2018-19 General Fund operating budget projects expenditures of \$100,914,528, an increase of approximately \$5.3 million (5.5%) over Fiscal Year 2017-18 actual expenditures. The City projects that tax revenues, on the whole, will remain steady from Fiscal Year 2017-18 to Fiscal Year 2018-19.

See the caption “— Budget Procedure, Current Budget and Historical Budget Information” for additional information relating to the adopted budget for Fiscal Year 2018-19.

Budget Procedure, Current Budget and Historical Budget Information

The City currently operates on a two-year operating budget cycle. The current budget was approved on May 2, 2017 and governs the period beginning on July 1, 2017 for Fiscal Years 2017-18 and 2018-19. The budget includes all funding sources of the City, including the General Fund, Community Services District and the Successor Agency of the former Redevelopment Agency. At such time as the City Manager determines,

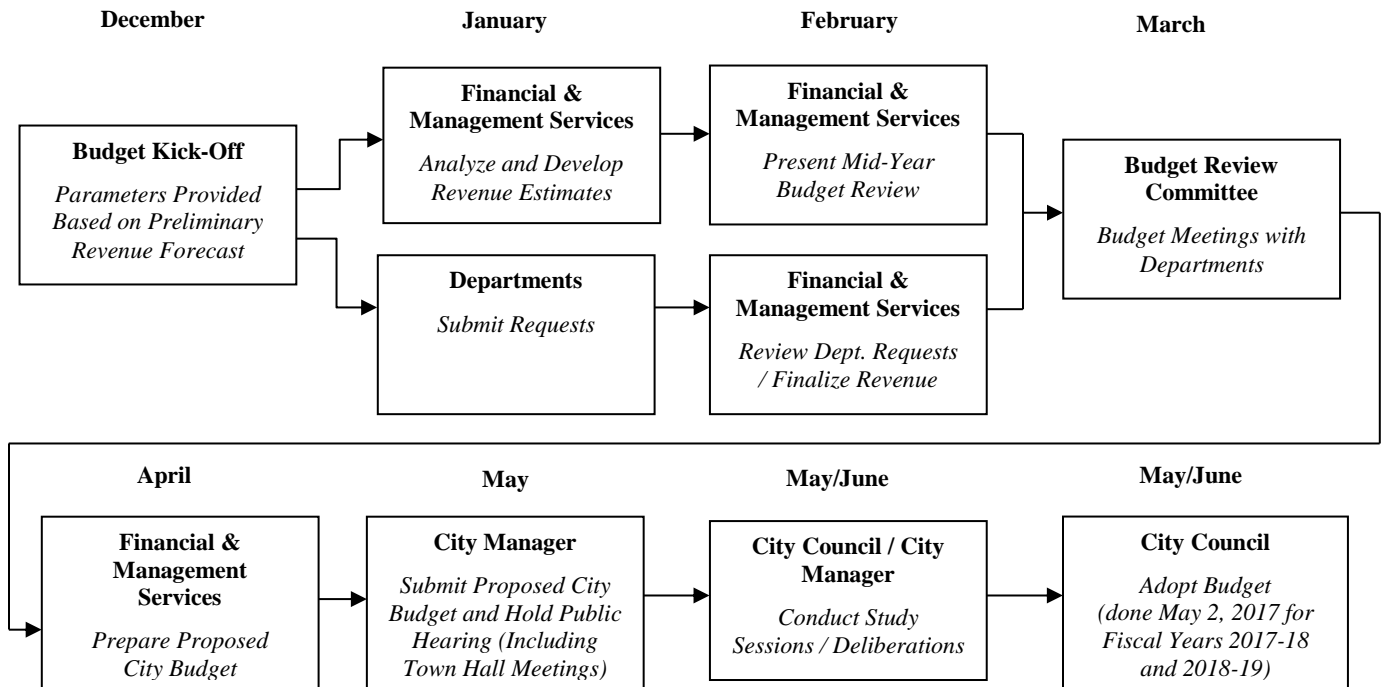
each department head must furnish to the City Manager an estimate of revenues and expenditures for the applicable department for the ensuing two Fiscal Years, detailed in such manner as may be prescribed by the City Manager. In preparing the proposed budget, the City Manager reviews the estimates, holds conferences regarding the estimates with the respective department heads, and revises the estimates as the City Manager deems advisable. In Fiscal Year 2014, the City Council provided direction to create a balanced budget beginning with the Fiscal Year 2014 and 2015 budget cycle and for all future years.

Prior to June 30 of every second Fiscal Year, the City Manager submits to the City Council a proposed budget for the two year period commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Prior to June 30 of the applicable Fiscal Year, public hearings are conducted to obtain public comments and the budget is legally enacted through the passage of a resolution. The budget is subject to amended throughout the two year period to reflect actual financial performance.

From the effective date of the budget, the amounts stated as proposed expenditures become appropriated to the several departments, offices and agencies for the objects and purposes named. The City Manager is authorized to transfer budgeted amounts between line items within a department or activity, and between departments and programs within the same fund, provided that the total appropriation does not exceed the budgeted amount. All other transfers or amendments require City Council approval. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations. All appropriations lapse at the end of the Fiscal Year to the extent that they have not been expended or lawfully encumbered. At a public meeting after the adoption of the budget the City Council may amend or supplement the budget by motion adopted by three affirmative votes of members of the City Council. Following the end of the first Fiscal Year of the two-year budget cycle, the City Manager proposes interim changes, if any, to the City Council in July of such Fiscal Year.

A summary of the actions taken during the year-long budgetary process is set forth below:

CITY OF MORENO VALLEY BUDGET PROCESS



Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

Source: City.

The City conducts its annual financial audit between August and November each year, and such audit is typically approved by the City Council by December of such year. In recognition of its financial reporting excellence, the Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for 20 consecutive years.

The City Council adopted a balanced budget for Fiscal Years 2017-18 and 2018-19 on May 2, 2017. The budget for all funds totaled approximately \$214,252,934 for Fiscal Year 2017-18 and \$214,909,166 for Fiscal Year 2018-19 and the General Fund operating budget totaled approximately \$97,547,574 for Fiscal Year 2017-18 and \$101,389,754 for Fiscal Year 2018-19. The Fiscal Year 2017-18 and 2018-19 General Fund operating budgets projected an increase in revenues of approximately \$4.2 million (4.5%) and \$8.0 million (8.6%), respectively, over the Fiscal Year 2016-17 General Fund operating budget. Such increases were derived principally from increases in property tax revenues resulting from increased assessed valuations, increases in charges for City services, more economic uses of City money and property, and increased development activity within the City.

Based on Fiscal Year 2018-19 results as of March 5, 2019 the City reports that the General Fund is on track to meet budgeted revenues and expenditures for Fiscal Year 2018-19.

Set forth in Table 1 are the General Fund budgets for Fiscal Years 2015-16 through 2018-19 and the audited General Fund results for Fiscal Years 2015-16 through 2017-18. During the course of each Fiscal Year, the budget is amended and revised as necessary by the City Council.

**TABLE 1
CITY OF MORENO VALLEY
GENERAL FUND BUDGETS AND RESULTS**

	<i>Final Fiscal Year 2015-16 Budget</i>	<i>Fiscal Year 2015-16 Results</i>	<i>Final Fiscal Year 2016-17 Budget</i>	<i>Fiscal Year 2016-17 Results</i>	<i>Final Fiscal Year 2017-18 Budget</i>	<i>Fiscal Year 2017-18 Results</i>	<i>Final Fiscal Year 2018-19 Budget</i>
Revenues							
Property Taxes	\$ 12,072,224	\$ 12,679,455	\$ 12,969,197	\$ 13,593,075	\$ 13,930,000	\$ 14,696,576	\$ 14,422,000
Property Taxes in lieu	15,732,303	16,409,009	17,430,250	17,430,250	18,300,000	18,406,258	19,000,000
Utility Taxes ⁽¹⁾	15,912,000	15,824,481	16,092,542	15,613,484	16,200,000	15,629,102	16,400,000
Sales Taxes	19,269,321	18,937,738	18,100,000	18,395,442	18,275,000	19,192,515	18,746,000
Other Taxes	9,155,250	10,192,821	9,819,668	10,537,023	12,262,037	11,764,029	12,526,500
Licenses & Permits	2,853,930	2,834,449	2,748,377	2,860,486	3,400,277	3,020,868	2,799,824
Intergovernmental	774,655	802,523	533,371	548,813	930,827	965,854	463,000
Charges for Services	10,815,689	10,628,482	11,472,367	11,235,601	12,770,824	13,673,162	12,079,871
Use of Money & Property	2,706,962	3,457,642	2,506,962	1,495,992	6,171,858	4,914,487	4,220,862
Fines & Forfeitures	623,760	530,222	629,073	588,449	662,050	612,357	662,050
Miscellaneous	143,401	165,620	53,401	241,368	97,197	250,155	69,647
Total Revenues	\$ 90,059,495	\$ 92,462,442	\$ 92,355,208	\$ 92,539,983	\$ 103,000,070	\$ 103,125,363	\$ 101,389,754
Expenditures							
Personnel Services	\$ 17,194,599	\$ 18,071,483	\$ 17,336,992	\$ 18,604,883	\$ 19,930,362	\$ 21,317,221	\$ 17,623,387
Contractual Services	61,984,520	56,398,449	64,031,691	58,266,023	67,304,151	63,611,354	73,725,763 ⁽²⁾
Materials & Supplies	4,493,150	2,124,033	5,692,921	3,772,570	5,784,998	4,476,098	3,705,509
Fixed Charges	5,603,063	5,567,863	5,799,026	6,223,905	6,176,169	5,961,968	5,739,869
Fixed Assets	419,000	177,544	297,510	33,877	366,678	243,806	120,000
Total Expenditures	\$ 89,694,332	\$ 82,339,372	\$ 93,158,140	\$ 86,901,259	\$ 99,562,358	\$ 95,610,447	\$ 100,914,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 365,163	\$ 10,123,070	\$ (802,932)	\$ 5,638,724	\$ 3,437,712	\$ 7,514,916	\$ 475,226

⁽¹⁾ See the caption “ — Utility Taxes.”

⁽²⁾ The increase in contractual services is expected primarily because of increased costs related to cannabis services, fire services and police protection services.

Sources: Adopted budgets of the City for Fiscal Years 2015-16 through 2018-19; audited financial statements of the City for Fiscal Years 2015-16 through 2017-18.

Change in Fund Balance of the City General Fund

Set forth in Table 2 are the City's audited General Fund statements of revenues, expenditures and changes in fund balance for Fiscal Years 2013-14 through 2017-18.

TABLE 2
CITY OF MORENO VALLEY
GENERAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	<i>Fiscal Year Ending June 30,</i>				
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Revenues					
Taxes					
Property Taxes	\$ 10,668,782	\$ 11,594,459	\$ 12,679,455	\$ 13,593,075	\$ 14,696,576
Property Taxes in lieu	13,871,754	15,137,754	16,409,009	17,430,250	18,406,258
Utility Taxes	15,595,141	16,138,202	15,824,481	15,613,484	15,629,102
Sales Taxes	15,887,129	16,130,340	18,937,738	18,395,442	19,192,515
Other Taxes	8,576,926	9,750,622	10,192,821	10,537,023	11,764,029
Licenses & Permits	2,164,753	2,020,231	2,834,449	2,860,486	3,020,868
Intergovernmental	311,509	414,553	802,523	548,813	965,854
Charges for Services	9,895,991	9,449,482	10,628,482	11,235,601	13,673,162
Use of Money & Property	2,836,595	2,214,460	3,457,642	1,495,992	4,914,487
Fines & Forfeitures	577,962	595,084	530,222	588,449	612,357
Miscellaneous	642,855	702,757	165,620	241,368	250,155
Total Revenues	<u>\$ 81,029,397</u>	<u>\$ 84,147,944</u>	<u>\$ 92,462,442</u>	<u>\$ 92,539,983</u>	<u>\$103,125,363</u>
Expenditures					
Current					
General government	\$ 11,249,491	\$ 12,260,209	\$ 15,505,987	\$ 16,138,505	\$ 14,885,630
Public Safety	52,565,026	54,640,007	54,402,142	55,989,631	61,170,062
Community Development	5,344,292	5,719,757	6,426,431	6,581,760	10,280,985
Public Works	3,974,839	4,138,311	5,114,325	5,505,869	5,874,494
Capital Outlay	152,247	222,234	890,479	2,685,494	3,399,276
Total Expenditures	<u>\$ 73,285,895</u>	<u>\$ 76,980,518</u>	<u>\$ 82,339,364</u>	<u>\$ 86,901,259</u>	<u>\$ 95,610,447</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>\$ 7,743,502</u>	<u>\$ 7,167,426</u>	<u>\$ 10,123,078</u>	<u>\$ 5,638,724</u>	<u>\$ 7,514,916</u>
Other Financing Sources (Uses)					
Transfers In	\$ 1,013,421	\$ 346,293	\$ 663,238	\$ 2,547,650	\$ 3,712,478
Transfers Out	(2,575,373)	(4,693,392)	(2,741,671)	(3,176,672)	(11,673,178)
Contribution to Successor Agency	-	-	(298,513)	-	-
Total Other Financing Sources					
(Uses)	<u>\$ (1,561,952)</u>	<u>\$ (4,347,099)</u>	<u>\$ (2,376,946)</u>	<u>\$ (629,022)</u>	<u>\$ (7,924,700)</u>
Net Change in Fund Balances	\$ 6,181,550	\$ 2,820,327	\$ 7,746,132	\$ 5,009,702	\$ (409,784)
Fund Balances, Beginning of Year	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 43,375,903</u>	<u>\$ 51,122,035</u>	<u>\$ 56,131,738</u>
Fund Balances, End of Year	<u>\$ 40,555,575</u>	<u>\$ 43,375,902</u>	<u>\$ 51,122,035</u>	<u>\$ 56,131,737</u>	<u>\$ 55,721,954</u>

Sources: Audited financial statements for Fiscal Years 2013-14 through 2017-18.

General Fund Balance Sheets of the City

Set forth in Table 3 are the City's audited General Fund balance sheets for Fiscal Years 2013-14 through 2017-18.

**TABLE 3
CITY OF MORENO VALLEY
GENERAL FUND BALANCE SHEETS**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Assets					
Pooled Cash and Investments	\$ 40,659,739	\$ 39,859,440	\$ 46,604,828	\$ 59,667,770	\$ 61,538,811
Receivables					
Accounts	2,427,060	2,679,279	2,246,166	2,126,501	2,147,268
Notes and Loans	-	-	-	-	-
Notes to Successor Agency	16,998,503	15,568,341	14,805,341	14,042,341	13,279,341
Interest	560,730	415,701	457,172	573,221	957,808
Prepaid Costs			6,338	221,555	197,263
Due from Other Governments	3,021,893	3,034,489	6,402,580	4,632,969	4,900,166
Due from Other Funds	2,807,492	5,037,561	5,599,820	5,097,520	1,567,361
Advances to Other Funds	3,772,000	4,196,000	4,222,000	4,390,500	4,809,000
Land Held for Resale	-	-	-	-	2,860,044
Restricted Assets					
Cash with Fiscal Agents	-	-	-	-	-
Total Assets	<u>\$ 70,247,417</u>	<u>\$ 70,790,811</u>	<u>\$ 80,344,245</u>	<u>\$ 90,752,104</u>	<u>\$ 92,257,062</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts Payable	\$ 16,485,502	\$ 13,624,182	\$ 15,953,785	\$ 21,189,864	\$ 22,614,012
Accrued Liabilities	933,348	1,026,936	1,134,613	1,474,388	1,138,299
Deferred Revenues	-	-	-	-	-
Unearned Revenues	628,786	364,105	422,058	899,810	1,149,339
Deposits Payable	-	-	-	-	-
Due to Other Governments	6,119	249,634	248,812	5,894	26,380
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>\$ 18,053,755</u>	<u>\$ 15,264,857</u>	<u>\$ 17,759,268</u>	<u>\$ 23,569,956</u>	<u>\$ 24,928,030</u>
Deferred Inflows of Resources					
Unavailable Revenues	<u>11,638,087</u>	<u>12,150,052</u>	<u>11,462,942</u>	<u>11,050,411</u>	<u>11,607,078</u>
Total Deferred Inflows of Resources	<u>11,638,087</u>	<u>12,150,052</u>	<u>11,462,942</u>	<u>11,050,411</u>	<u>11,607,078</u>
Fund Balances					
Nonspendable					
Prepaid Costs	\$ -	\$ -	\$ 6,338	\$ 221,555	\$ 197,263
Land Held for Resale	-	-	-	-	2,860,044
Notes and Loans	-	-	-	-	-
Notes to Successor Agency	5,360,415	4,192,275	3,987,639	3,783,003	3,578,367
Advances to Other Funds	3,772,000	4,196,000	4,222,000	4,390,500	4,809,000
Permanent Fund Principal	-	-	-	-	-
Committed to					
Revolving Line of Credit	2,600,000	2,111,000	2,600,000	2,600,000	2,600,000
Maintenance of Pedestrian Bridge	129,722	155,281	155,281	167,954	180,763
Operating Reserve	-	-	-	10,591,737	11,063,331
Outside Legal Services	-	-	-	-	-
Assigned to					
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Continuing Appropriations	534,245	620,683	1,361,187	1,180,748	1,523,491
GASB 31	622,748	494,501	1,787,851	8,826,447	9,219,443
Unassigned	<u>27,536,445</u>	<u>31,606,162</u>	<u>37,001,739</u>	<u>24,369,793</u>	<u>19,690,252</u>
Total Fund Balances	<u>\$ 40,555,575</u>	<u>\$ 43,375,902</u>	<u>\$ 51,122,035</u>	<u>\$ 56,131,737</u>	<u>\$ 55,721,954</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 70,247,417</u>	<u>\$ 70,790,811</u>	<u>\$ 80,344,245</u>	<u>\$ 90,752,104</u>	<u>\$ 92,257,062</u>

Sources: Audited financial statements for Fiscal Years 2013-14 through 2017-18.

Property Taxes

Property tax receipts of \$14,696,576 provided the fourth largest tax revenue source of the City in Fiscal Year 2017-18, contributing approximately 18.4% of General Fund tax revenues and approximately 14.3% of total General Fund revenues during Fiscal Year 2017-18. Property in the State which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens, arising pursuant to State law, on the secured property, regardless of the time of the creation of other liens. The valuation of property is determined as of January 1 each year, and installments of taxes levied upon secured property become delinquent on the following December 10th and April 10th of the subsequent calendar year. Taxes on unsecured property are due July 1 and become delinquent August 31.

Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The exclusive means of forcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes of the State for the amount of taxes that are delinquent. The taxing authority has four methods of collecting unsecured personal property taxes: (1) filing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recording in the county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements or possessory interests belonging or taxable to the assessee.

A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, beginning on the July 1 following a delinquency, interest begins accruing at the rate of 1.5% per month on the amount delinquent. Such property may thereafter be redeemed by the payment of the delinquent taxes and the 10% penalty, plus interest at the rate of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to the delinquent taxes or property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on the varying dates related to the tax billing date.

Legislation enacted in 1984 (Section 25 *et seq.* of the California Revenue and Taxation Code), provides for the supplemental assignment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next tax lien date following the change and thus delayed the realization of increased property taxes from the new assessment for up to 14 months. Collection of taxes based on supplemental assessments occurs throughout the year. Taxes due are prorated according to the amount of time remaining in the tax year, with the exception of tax bills dated January 1 through May 31, which are calculated on the basis of the remainder of the current Fiscal Year and the full 12 months of the next Fiscal Year.

For a number of years, the State Legislature has shifted property taxes from cities, counties and special districts to the Educational Revenue Augmentation Fund (“ERAF”). In Fiscal Years 1992-93 and 1993-94, in response to serious budgetary shortfalls, the State Legislature and administration permanently redirected over \$3 billion of property taxes from cities, counties, and special districts to schools and community college districts pursuant to ERAF shifts. The Fiscal Year 2004-05 State Budget included an additional \$1.3 billion shift of property taxes from certain local agencies, including the City, in Fiscal Years 2004-05 and 2005-06.

On November 2, 2004, State voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under

Proposition 1A, the State may not: (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes; (ii) shift property taxes from local governments to schools or community colleges; (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature; or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State; and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

On July 27, 2009, the Governor signed a revised Fiscal Year 2009-10 State budget that included an ERAF shift of approximately 8% of 1% *ad valorem* property tax revenues from certain local agencies, including the City. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the California Statewide Communities Development Authority.

Set forth in Table 4 are the secured and unsecured assessed valuations for property in the City for the Fiscal Years 2013-14 through 2017-18.

**TABLE 4
CITY OF MORENO VALLEY
ASSESSED VALUATION HISTORY⁽¹⁾**

<i>Fiscal Year</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed Value</i>	<i>Less Exemptions</i>	<i>Taxable Assessed Value</i>	<i>Direct Tax Rate</i>
2014	\$11,042,637,000	\$352,337,000	\$11,394,974,000	\$(264,161,000)	\$11,130,813,000	0.00185%
2015	12,102,252,000	366,400,000	12,468,652,000	(262,713,000)	12,205,939,000	0.00179
2016	12,991,905,000	486,350,000	13,478,255,000	(256,756,000)	13,221,499,000	0.00173
2017	13,703,128,000	609,642,000	14,312,770,000	(265,286,000)	14,047,484,000	0.00172
2018	14,517,849,000	584,791,000	15,102,640,000	(273,025,000)	14,829,615,000	0.00169

⁽¹⁾ Figures have been rounded to the nearest thousand dollars.

Sources: Audited financial statements for Fiscal Year Ended June 30, 2018; County Assessor's Office.

Set forth in Table 5 are property tax collections (including amounts that do not constitute General Fund moneys) and delinquencies in the City as of June 30 for Fiscal Years 2013-14 through 2017-18. Although the County has not formally adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State, under a longstanding County policy, the County Auditor-Controller distributes 100% of property tax revenues allocated to each city in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the City receives no adjustments for redemption payments on delinquent collections. The City does receive supplemental taxes. There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.

**TABLE 5
CITY OF MORENO VALLEY
PROPERTY TAX LEVIES AND COLLECTIONS**

<i>Fiscal Year</i>	<i>Total Tax Levy</i>	<i>Collections within the Fiscal Year of Levy⁽¹⁾</i>	<i>Percent of Levy Collected within the Fiscal Year of Levy</i>	<i>Collections in Subsequent Years</i>	<i>Percent of Levy Collected to Date</i>
2014	\$26,906,254	\$26,862,040	99.84%	\$ 44,214	100.00%
2015	26,455,986	26,154,116	98.86	301,870	100.00
2016	27,643,578	27,249,232	98.57	394,345	100.00
2017	28,476,155	28,270,448	99.28	205,707	100.00
2018	29,595,157	29,425,906	99.43	-	99.43

⁽¹⁾ The amounts shown in this column reflect all property tax collections of the City, including non-General Fund moneys. See Table 2 under the caption “—Change in Fund Balance of the City General Fund” for historic General Fund property tax revenues alone.

Source: City.

The ten largest taxpayers in the City as shown on the Fiscal Year 2017-18 tax roll, the assessed valuation and the percentage of the City’s total property tax revenues attributable to each are set forth in Table 6.

**TABLE 6
CITY OF MORENO VALLEY
TEN LARGEST TAXPAYERS**

<i>Rank</i>	<i>Property Owner</i>	<i>Fiscal Year 2017-18 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	HF Logistics SKX (Skechers)	\$ 227,046,927	1.53%
2.	Western A West California, LLC	159,642,240	1.08
3.	Ross Dress for Less, Inc.	136,465,055	0.92
4.	First Industrial LP	117,297,981	0.79
5.	FR California Indian Avenue	114,425,887	0.77
6.	Walgreen Company	110,207,831	0.74
7.	Golden State FC, LLC	106,921,683	0.72
8.	Towngate on Mem Apartments, LLC	98,558,244	0.66
9.	AI California, LLC	96,958,747	0.65
10.	March Business Center, LLC	<u>92,132,500</u>	<u>0.62</u>
TOTAL		\$ 1,259,657,095	8.49%

⁽¹⁾ Fiscal Year 2017-18 Taxable Assessed Value: approximately \$14,829,615,000.

Source: City.

Sales Taxes

Sales tax receipts of \$19,192,515 provided the largest tax revenue source for the City in Fiscal Year 2017-18, contributing approximately 24.1% of General Fund tax revenues and approximately 18.6% of total General Fund revenues during Fiscal Year 2017-18. Automobile sales at the Moreno Valley Auto Mall and retail sales at the Moreno Valley Mall at Towngate contribute significantly to such receipts.

A sales tax is imposed on retail sales or consumption of personal property and collected and distributed by the State Board of Equalization. The basic sales tax rate is established by the State Legislature, and local overrides may be approved by voters. The current sales tax rate in the City is 7.75%.

Additional information relating to sales tax receipts by the City is set forth in Appendix F.

Utility Taxes

Utility taxes of \$15,629,102 provided the third largest tax revenue source for the City in Fiscal Year 2017-18, contributing approximately 19.6% of General Fund tax revenues and approximately 15.2% of total General Fund revenues during Fiscal Year 2017-18. The utility tax is imposed upon utility users in the City, including users of electricity, gas, telephone, mobile telephone and water services, at the rate of 5.75%. Exemptions are available for low-income residents. Proceeds of the utility tax are used to fund police, fire, library, school crossing guard, animal control, code enforcement and street maintenance programs and other activities funded by the General Fund. The utility tax does not have a sunset provision.

In July 2015, the City was made aware of an effort by a taxpayer advocacy group to place a measure on the ballot to repeal the City's utility tax. The action was part of a larger Statewide effort affecting approximately 60 municipalities with similar utility taxes. In order to place such a measure on the ballot, a petition must be signed by 10% (or approximately 7,600) of the registered voters in the City, and in order for the measure to be adopted, it must be approved by a majority of citizens voting thereon. No measure to repeal the City's utility tax was ultimately placed on the ballot, but there can be no assurance as to whether such a measure may be placed on future ballots.

Other Taxes

Other taxes of \$11,764,029 collected by the City in Fiscal Year 2017-18, including but not limited to transient occupancy taxes, business licenses, franchise fees and property transfer taxes, provided approximately 14.9% of General Fund tax revenues and 11.4% of total General Fund revenues during Fiscal Year 2017-18.

Services

Fees of \$23,436,883 collected for services provided by the City in Fiscal Year 2017-18, including but not limited to fees for plan checks and other planning services, issuance of building permits, police services, public works projects and parks and recreation programs, provided approximately 22.7% of General Fund revenues during Fiscal Year 2017-18. Such amounts reflect the sum of the "Licenses & Permits," "Intergovernmental," "Charges for Services," "Use of Money and Property," "Fines & Forfeitures" and "Miscellaneous" line items shown in Tables 1 and 2 above.

State of California Motor Vehicle In-Lieu Payments

The State imposes a Vehicle License Fee (the "VLF"), which is the portion of the fees paid in lieu of personal property taxes on a vehicle. The VLF is based on vehicle value and declines as the vehicle ages. Prior to the adoption of the Fiscal Year 2005 State Budget, the VLF was 2% of the value of a vehicle. Through legislation in prior Fiscal Years, the State enacted VLF reductions under which the State was required to "backfill" local governments for their revenue losses resulting from the lowered fee. The Fiscal Year 2004-05 State Budget permanently reduced the VLF from 2% to 0.65% of the value of a vehicle and deleted the requirement for backfill payments, providing instead that the amount of the backfill requirement will be met by an increase in the property tax allocation to cities and counties. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION."

As set forth in Table 7 below, for Fiscal Year 2017-18, the City received \$18,406,258 in total VLF revenues, all of which was distributed from property tax receipts.

**TABLE 7
CITY OF MORENO VALLEY
STATE OF CALIFORNIA MOTOR VEHICLE IN-LIEU PAYMENTS**

<i>Source</i>	<i>Fiscal Year</i>				
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Motor Vehicle In-Lieu Payments	\$13,871,754	\$15,137,754	16,409,009	17,430,250	\$18,406,258

Source: City.

Other Indebtedness

General Fund-Supported Debt.

2011 Private Placement Obligation – Public Safety Building Refunding. In 2011, the City and the Authority entered into a lease arrangement (the “2011 Private Placement Obligation”) pursuant to which: (i) the City leased the City hall annex and fire station 65 to the Authority in exchange for a lump sum payment; and (ii) the Authority subleased such property back to the City in exchange for lease payments payable through November 1, 2022. Proceeds of the 2011 Private Placement Obligation were applied to refund certain prior obligations of the City entered into in 1997. The lease payments bear interest at the rate of 3.98%. As of June 30, 2018, the 2011 Private Placement Obligation was outstanding in the principal amount of \$1,527,000.

The City has covenanted in the 2011 Private Placement Obligation to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

2013 Bonds. In 2013, the Authority issued its Lease Revenue Refunding Bonds Series 2013 (the “2013 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2013 Bonds mature on November 1, 2022 and bear interest at rates varying from 1% to 5% per annum. The 2013 Bonds are payable from rental payments payable from the City to the Authority under a Master Facilities Sublease, dated as of December 1, 2013 (the “2013 Sublease”), by and between the City and the Authority. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of June 30, 2018, the portion of the 2013 Bonds payable from the General Fund was outstanding in the aggregate principal amount of \$6,581,000, with the remaining \$784,000 payable from business-type activities.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

2014 Bonds. In November 2014, the Authority issued its Lease Revenue Refunding Bonds Series 2014 (the “2014 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2014 Bonds mature on November 1, 2035 and bear interest at rates varying from 2% to 5% per annum. The 2014 Bonds are payable from rental payments by the City to the Authority under the 2013 Sublease. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of June 30, 2018, the portion of the 2014 Bonds payable from the General Fund

was outstanding in the aggregate principal amount of \$22,602,069, with the remaining \$2,662,931 payable from business-type activities.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

Series 2015 Bonds. In December 2015, the Authority issued the Series 2015 Bonds to finance certain capital improvements of the City and the Electric Utility. The Series 2015 Bonds mature on November 1, 2045 and bear interest at rates varying from 1.25% to 5% per annum. The Series 2015 Bonds are payable from rental payments by the City to the Authority under the 2015 Master Facilities Lease. As of June 30, 2018, the Series 2015 Bonds were outstanding in the aggregate principal amount of \$10,055,000.

The City has covenanted in the 2015 Master Facilities Lease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, in the same manner as for the Series 2019 Bonds.

Series 2016 Bonds. In November 2016, the Authority issued the Series 2016 Bonds to finance certain capital improvements of the City and the Electric Utility. The Series 2016 Bonds mature on May 1, 2038 and bear interest at rates varying from 1.000% to 4.590% per annum. The Series 2016 Bonds are payable from rental payments by the City to the Authority under the 2015 Master Facilities Lease, as amended. As of June 30, 2018, the Series 2016 Bonds were outstanding in the aggregate principal amount of \$22,975,000.

The City has covenanted in the 2015 Master Facilities Lease, as amended, to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, in the same manner as for the Series 2019 Bonds.

2018 Streetlight Financing. In July 2018, the City entered into a lease agreement with Banc of America Leasing & Capital (“BALCAP”) that is to be repaid from the General Fund. Pursuant to this agreement, BALCAP provided \$8,110,892 to the City for the purchase of approximately 9,411 streetlights from Southern California Edison and the retrofitting of approximately 1,734 streetlights owned by the City to LED standards. The agreement expires in June 2034 and carries an annual interest rate of 5.75%.

Other Long Term Debt. As of June 30, 2018, the City had \$18,995,000 aggregate principal amount of obligations under a 2016 Installment Sale Agreement, dated as of August 1, 2013 (the “2013 ISA”), by and between the City and the California Statewide Communities Development Authority. The 2013 ISA is payable from proceeds of a retail transactions and use tax imposed by the County.

Short-Term Debt. The City currently has no short-term debt outstanding.

Estimated Direct and Overlapping Bonded Debt. The estimated direct and overlapping bonded debt of the City as of February 1, 2019 is set forth in Table 8. The information in Table 8 has been derived from data assembled and reported to the City by California Municipal Statistics, Inc. None of the City, the Authority or the Underwriter has independently verified the information in Table 8 and the City, the Authority and the Underwriter do not guarantee its accuracy.

**TABLE 8
CITY OF MORENO VALLEY
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT AS OF FEBRUARY 1, 2019**

Fiscal Year 2016 Assessed Valuation: \$15,777,801,124

	Total Debt	City's Share of
	<u>% Applicable</u>	<u>Debt 2/1/19</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:		
The Metropolitan Water District of Southern California	0.541%	\$ 305,611
Riverside County Flood Control and Water Reclamation District, Zone No. 4	30.601	4,495,287
Eastern Municipal Water District, I.D. No. U-22	100.	2,297,000
Riverside City Community College District	14.889	37,441,528
Mount San Jacinto Community College District	0.025	43,163
Moreno Valley Unified School District	84.208	136,643,076
San Jacinto Unified School District	0.736	473,908
Val Verde Unified School District	36.595	47,062,696
Moreno Valley Unified School District Community Facilities District No. 2002-1	100.	6,255,000
Moreno Valley Unified School District Community Facilities District No. 2003-1 & 2	100.	9,930,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	100.	2,300,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	100.	4,775,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	100.	3,120,000
Moreno Valley Unified School District Community Facilities District No. 2004-4	100.	3,750,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	100.	3,800,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	100.	24,105,000
Moreno Valley Unified School District Community Facilities District No. 2005-1	100.	6,540,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3, 4 & 5	100.	23,535,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	100.	5,015,000
Val Verde Unified School District Community Facilities District No. 98-1	100.	15,190,000
Val Verde Unified School District Community Facilities District No. 2003-2	100.	2,560,000
Val Verde Unified School District Community Facilities District No. 2014-1	100.	6,900,000
Eastern Municipal Water District Community Facilities Districts	100.	13,524,000
City of Moreno Valley Community Facilities District No. 5	100.	5,350,000
City of Moreno Valley Community Facilities District No. 7, I.A. No. 1	100.	3,190,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	100.	1,580,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$370,181,269
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	5.628%	\$ 43,750,216
Riverside County Pension Obligation Bonds	5.628	14,991,022
Moreno Valley Unified School District Certificates of Participation	84.208	12,546,992
San Jacinto Unified School District Certificates of Participation	0.736	305,477
Val Verde Unified School District Certificates of Participation	36.595	22,139,975
Western Municipal Water District Certificates of Participation	0.143	13,746
City of Moreno Valley General Fund Obligations	100.	65,375,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$159,122,428
Less: Riverside County self-supporting obligations		144,078
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$158,978,350
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		\$ 50,768,986
GROSS COMBINED TOTAL DEBT		\$580,072,683⁽²⁾
NET COMBINED TOTAL DEBT		\$579,928,605

Ratios to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.35%
Total Direct Debt (\$65,375,000).....	0.41%
Gross Combined Total Debt.....	3.68%
Net Combined Total Debt.....	3.68%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,253,817,899):

Total Overlapping Tax Increment Debt.....	1.56%
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(1) Excludes issue to be sold.
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
 Source: California Municipal Statistics, Inc.

Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

Retirement Contributions

This caption contains certain information relating to the California Public Employees Retirement System (“CalPERS”). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City and the Authority have not independently verified the information provided by CalPERS and make no representations nor express any opinion as to the accuracy of the information provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS’ most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. Neither the City nor the Authority can guarantee the accuracy of such information. Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

The City contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan, on behalf of 306 total City employees who participate in the City’s Miscellaneous Plan. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the City. CalPERS plan benefit provisions and all other requirements are established by State statute and the City Council.

In June 2012, the Governmental Accounting Standards Board (“GASB”) adopted revised standards (GASB Statement No. 68, or “GASB 68”) with respect to accounting and financial reporting by state and local government employers for defined benefit pension plans. The revised standards alter the accounting treatment of defined benefit pension plans, changing the way expenses and liabilities are calculated and how state and local government employers report those expenses and liabilities in their financial statements. Major changes include: (i) the inclusion of unfunded pension liabilities on the local government’s balance sheet (previously, such unfunded liabilities were typically included as notes to the local government’s financial statements); (ii) pension expense incorporates more rapid recognition of actuarial experience and investment returns and is no longer based on the employer’s actual contribution amounts; (iii) lower actuarial discount rates that are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities that are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns to will be recognized over a closed five-year smoothing period. The reporting requirements took effect in Fiscal Year 2015. Based on the adoption of the revised accounting standards, beginning with the Fiscal Year 2014-15 actuarial valuation, the annual required contribution and the annual pension expense will be different. GASB 68 is a change in accounting reporting and disclosure requirements, but it does not change the City’s pension plan funding obligations.

The City participates in separate CalPERS plans for employees based on hire date. The City’s plans are part of CalPERS risk pools. Benefit provisions for each plan are set forth below.

	<i>Miscellaneous</i>		
	Prior to December 23, 2011	December 23, 2011 thru December 31, 2012	On or after January 1, 2013
Hire Date			
Benefit Formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50-55	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	29.892%	29.892%	29.892%

Source: City.

City employees who were hired on and after January 1, 2013 and who were not previously CalPERS members participate in the City 2.0% at 62 plan; such employees are required to make the full amount of required contributions themselves under the California Public Employees’ Pension Reform Act of 2013 (“AB 340”), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier (2.0% at 62 formula) with a maximum benefit formula of 2.5% at age 67. Benefits for such participants are calculated on the highest average annual compensation over a consecutive 36 month period. Employees are required to pay at least 50% of the total normal cost rate. AB 340 also capped pensionable income for Fiscal Year 2017-18 as noted below. Amounts are set annually, subject to Consumer Price Index increases, and retroactive benefits increases are prohibited, as are contribution holidays and purchases of additional non-qualified service credit.

**City of Moreno Valley
Pensionable Income Caps (AB 340 and Non-AB 340 Employees)**

<i>Hire Date</i>	<i>Before January 1, 2013 (Non-AB 340 Employees)</i>	<i>After January 1, 2013 (AB 340 Employees)</i>
<i>Maximum Pensionable Income</i>	\$275,000	\$146,666
<i>Maximum Pensionable Income if also Participating in Social Security</i>	N/A	\$121,388

Source: City.

CalPERS estimates savings for local agency plans as a result of AB 340 of approximately \$1.653 billion to \$2.355 billion over the next 30 years, primarily due to increased employee contributions and, as the workforce turns over, lower benefit formulas that will gradually reduce normal costs. Savings specific to the City have not been quantified.

Provisions in AB 340 will likely not have a material effect on City contributions in the short term. However, additional employee contributions, limits on pensionable compensation and higher retirement ages for new members will reduce the City’s unfunded pension liability and potentially reduce City contribution levels in the long term.

The City is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates for Fiscal Year 2017-18 were 11.235% for the 2.7% at 55 plan, 11.235% for the 2.0% at 55 plan and 11.235% for the 2.0% at 62 AB 340 plan. The required employer contribution rates for Fiscal Year 2018-19 are 11.374% for the 2.7% at 55 plan, 11.374% for the 2.0% at 55 plan and 11.374% for the 2.0% at 62 AB 340 plan. Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on the July 1

following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Under GASB 68, which was implemented beginning in Fiscal Year 2014-15, the City’s pension plans had a total net pension liability of approximately \$62,211,508 as of June 30, 2017 and a total net pension liability of approximately \$70,428,778 as of June 30, 2018. The net pension liability is the difference between total pension liability and the fair market value of pension assets. The City’s total pension assets include funds that are held by CalPERS, and its net pension asset or liability is based on such amounts.

For Fiscal Year 2017-18, the City made CalPERS plan contributions of \$6,458,658.69. The City currently expects its annual required contributions in Fiscal Year 2018-19 to be approximately \$7,210,453.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2018-19 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.50% net of pension plan investment and administrative expenses; includes projected inflation rate of 2.625%
Mortality Rate Table ⁽¹⁾	Derived using CalPERS’ membership data for all funds

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Source: City.

On December 21, 2016, the CalPERS Board of Directors voted to lower its discount rate from the current rate of 7.50% to 7.00%. Effective with its June 2017 Comprehensive Annual Financial Report, CalPERS reduced its discount rate to 7.15% and its investment rate of return to 7.15%. As a result, anticipated discount rates for the next three years (including Fiscal Year 2017-18) are:

<i>Period Ending June 30</i>	<i>Discount Rate</i>
2018	7.15%
2019	7.00
2020	7.00

For public agencies such as the City, the new discount rate took effect July 1, 2017. Lowering the discount rate means that employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 will also see their contribution rates rise under AB 340. The three-year reduction of the discount rate will result in average employer rate increases of approximately 1% to 3% of normal cost as a percentage of payroll for most miscellaneous retirement plans such as those of the City. Additionally, many employers will see a 30% to 40% increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring pension funds to a fully funded status over the long-term.

The total change in the net pension liability for the City’s CalPERS plans were as follows:

**CITY OF MORENO VALLEY
CHANGE IN NET PENSION LIABILITY**

<i>Miscellaneous Plan:</i>	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>	<i>Governmental Activities Net Pension Liability (Asset)</i>	<i>Enterprise Net Pension Liability (Asset)</i>
Balance at June 30, 2017	\$ 181,138,874	\$ 117,212,967	\$ 63,925,907	\$ 62,211,508	\$ 1,714,399
Changes in the year:					
Service Cost	4,154,188	-	4,154,188	4,023,526	130,662
Interest on the Total Pension Liability	13,608,182	-	13,608,182	13,180,164	428,018
Changes of Assumptions	11,559,898	-	11,559,898	11,196,305	363,593
Differences between Expected and Actual Experience	(566,196)	-	(566,196)	(548,387)	(17,809)
Net Plan to Plan Resource Movement	-	(7,368)	7,368	7,136	232
Contributions - Employer	-	5,743,170	(5,743,170)	(5,562,530)	(180,640)
Contributions - Employees	-	1,676,844	(1,676,844)	(1,624,102)	(52,742)
Net Investment Income	-	13,032,362	(13,032,362)	(12,622,456)	(409,906)
Benefit Payments, including Refunds of Employee Contributions	(7,770,872)	(7,770,872)	-	-	-
Administrative Expense	-	(173,057)	173,057	167,614	5,443
Net Changes	<u>20,985,200</u>	<u>12,501,079</u>	<u>8,484,121</u>	<u>8,217,270</u>	<u>266,851</u>
Balance at June 30, 2018	<u>\$ 202,124,074</u>	<u>\$ 129,714,046</u>	<u>\$ 72,410,028</u>	<u>\$ 70,428,778</u>	<u>\$ 1,981,250</u>

Source: City.

The following table presents the net pension liability of the City’s CalPERS plans, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

**CITY OF MORENO VALLEY
SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

	<i>1% Decrease to 6.15%</i>	<i>Current Discount Rate 7.15%</i>	<i>1% Increase to 8.15%</i>
Net Pension Liability	\$100,636,724	\$72,410,028	\$49,165,420

Source: City.

For additional information relating to the City’s plan, see Note 8 to the City’s audited financial statements for Fiscal Year 2017-18 attached hereto as Appendix B.

Other Post-Employment Benefits

The City provides post-employment health care benefits to qualified retired employees. Employees are eligible for such benefits if they were hired prior to September 30, 2011 and retire directly from the City at or after age 50 with at least five years of CalPERS membership. Employees hired after September 30, 2011 are not eligible for such benefits; the City no longer offers such benefits to employees hired after September 30, 2011. The City administers a single-employer defined-benefit post-employment healthcare plan (the “OPEB Plan”). Benefits vary by hire date and employment status (Management or Non-Management), and continue to the surviving spouses. In June 2009, the City established an irrevocable trust fund to begin funding the City’s unfunded liability through the California Employers’ Retiree Benefit Trust, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. A menu of benefit provisions, as well as other requirements, are established by state statutes within the Public Employees’ Retirement Law. The City selects

optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance.

At December 31, 2016 (the census date), the following employees were covered by the benefit terms:

<i>Category</i>	<i>Count</i>
Active employees	287
Inactive employees or beneficiaries currently receiving benefit payments	272
Inactive employees entitled to but not yet receiving benefit payment	0

Source: City.

Contributions. The City establishes contributions based on the Actuarially Determined Contribution (the “ADC”). For the year ended June 30, 2018, the City’s ADC contribution rate was 3.10% of covered-employee-payroll. Employees do not contribute to the plan, but instead pay the difference between the benefit that they receive and the monthly premium for that benefit.

GASB Statement No. 75 (“GASB 75”) requires governmental agencies to account for and report outstanding obligations and commitments related to post-employment benefits in essentially the same manner as for pensions. For the City, the reporting obligation began in Fiscal Year 2016-17.

The City retained Precision Actuarial Inc., San Francisco, California (the “Actuarial Consultant”) to calculate the City’s post-employment benefits funding status. In a report dated June 30, 2018 (the “Report”), the Actuarial Consultant concluded that, as of June 30, 2018, the City’s unfunded actuarial accrued liability for post-employment benefits was \$4,618,184. The Actuarial Consultant also concluded that the City’s ADC is \$659,902.

The City is not required to fund the amortization of the unfunded actuarial liability. Prior to June 2009, the City’s policy was to pay for OPEB plan costs as they are incurred. In June 2009, the City Council approved the establishment of an irrevocable OPEB trust (the “OPEB Trust”) and approved and authorized an agreement with CalPERS to administer the OPEB Trust on its behalf. Based on the 2017 actuarial valuation, the actuarial unfunded liability of the City’s OPEB plan was estimated to be approximately \$4,687,539 using the new methodology compliant with GASB 75.

The City’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016, and the table below shows the City’s changes in net OPEB liability for the fiscal year ended June 30, 2017.

	<i>Increases (Decreases)</i>		
	<i>Total OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability</i>
Balance at June 30, 2017	\$ 16,912,341	\$ 10,025,559	\$ 6,886,782
Changes for the year:			
Service Cost	409,532	-	409,532
Interest on the Total OPEB Liability	1,149,342	-	1,149,342
Contribution - Employer	-	642,216	(642,216)
Implicit subsidy - Employer	-	285,661	(285,661)
Net Investment Income	-	423,688	(423,688)
Benefit Payments	(700,673)	(700,673)	-
Implicit Rate Subsidy Fulfilled	(285,661)	(285,661)	-
Administrative Expenses	-	(5,244)	5,244
Net Changes	<u>572,540</u>	<u>359,987</u>	<u>212,553</u>
Balance at June 30, 2018	<u>\$ 17,484,881</u>	<u>\$ 10,385,546</u>	<u>\$ 7,099,335</u>

Source: City.

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the City's financial statements set forth in Appendix B, presents multi-year trend information about whether the actuarial value of OPEB plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits are based on the substantive plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are described in detail in Note 9 to Appendix B.

Sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) follows:

	<i>1% Decrease 6.00%</i>	<i>Discount Rate 7.00%</i>	<i>1% Increase 8.00%</i>
Net OPEB liability	\$8,868,356	\$7,099,335	\$5,496,332

Source: City.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than current healthcare cost trend rates follows:

	<i>1% Decrease 6.00% decreasing to 2.94%</i>	<i>Healthcare Cost Trend Rate 7.00% decreasing to 3.94%</i>	<i>1% Increase 8.00% decreasing to 4.94%</i>
Net OPEB liability	\$6,904,122	\$7,099,335	\$7,194,669

Source: City.

For more information related to the OPEB Plan, see Note 9 to the City’s audited financial statements for Fiscal Year 2017-18 set forth in Appendix B. CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS headquarters located at 400 Q Street, Sacramento, California 95811, though neither the Authority or the City make any representations with respect to such report.

City Investment Policy

The City invests its funds in accordance with the City’s investment policy (the “Investment Policy”), which was most recently reviewed and revised by the City Council on May 15, 2018. In accordance with Section 53600 *et seq.* of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. The City’s Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy sets forth a stated objective, among others, of insuring the safety of invested funds by limiting credit and market risks. Eligible investments are generally limited to the Local Agency Investment Fund which is operated by the California State Treasurer, the County investment pool for local agencies, local agency bonds, U.S. Treasury Bills, Notes and Bonds, obligations issued by United States Government agencies, FDIC-insured or negotiable certificates of deposit, repurchase agreements, banker’s acceptances and commercial paper rated A1/P1, as applicable, or better, and money market funds rated in the highest category by Moody’s or S&P or administered by a domestic bank with long-term debt rated in one of the top two categories of Moody’s and S&P. Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Return on Investment.

The City Treasurer is required to provide a quarterly report to the City Manager and the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest, and other such information as may be required by the City Council.

A summary of the City’s investments as of June 30, 2018 is set forth in the below table. Approximately \$134 million (74%) of the total investment portfolio as of June 30, 2018 was attributed to the General Fund.

**CITY OF MORENO VALLEY
INVESTMENTS AS OF JUNE 30, 2018⁽¹⁾**

<i>Investment Type</i>	<i>Investment Maturity</i>				<i>Total</i>
	<i>6 Months or Less</i>	<i>6 Months to 1 Year</i>	<i>1 to 3 Years</i>	<i>3 to 5 Years</i>	
Local Agency Investment Fund	\$ 61,640,659	\$ 0	\$ 0	\$ 0	\$ 61,640,659
Commercial Paper	0	75,214	3,399,266	1,524,935	4,999,415
Medium Term Notes	5,411,972	9,274,733	20,425,867	9,063,974	44,176,546
US Treasury Notes	2,925,851	3,633,291	12,946,603	8,399,451	27,905,195
Federal Farm Credit Bank	0	0	8,875,716	0	8,875,716
Federal Home Loan Bank	1,995,920	0	9,026,509	1,052,612	12,075,041
Federal Home Loan Mortgage Corp.	0	3,467,880	6,525,248	4,341,597	14,334,725
Federal National Mortgage Assn.	2,997,650	0	10,655,896	9,311,247	22,964,793
Money Market	5,711,487	0	0	0	5,711,487
Supranationals	1,909,408	0	1,974,109	2,453,769	6,337,286
Totals	\$ 82,592,946	\$ 16,451,118	\$ 73,829,213	\$ 36,147,586	\$ 209,020,863

⁽¹⁾ Totals may not add due to rounding.
Source: City.

See Note 3 in Appendix B for further information with respect to City investments.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2019 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2019 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General Considerations – Security for the Series 2019 Bonds

The Series 2019 Bonds are special obligations of the Authority, payable solely from Base Rental Payments on a parity with the Series 2016 Bonds, the Series 2015 Bonds and the other assets pledged under the Trust Agreement. Neither the faith and credit nor the taxing power of the Authority, the City, the State, or any political subdivision thereof, is pledged to the payment of the Series 2019 Bonds. The Authority has no taxing power.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City, the County or the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State is obligated to levy or pledge any form of taxation or for which the City, the County or the State has levied or pledged any form of taxation.

Although the Facilities Sublease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Facilities Sublease to pay the Base Rental Payments and Additional Payments from any source of legally available funds, and the City has covenanted in the Facilities Sublease to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement. The City is currently liable and may become liable

on other obligations payable from general revenues. See the caption “CITY FINANCIAL INFORMATION — Other Indebtedness — General Fund-Supported Debt.”

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues, including without limitation pension obligations and essential services. To the extent that additional obligations are incurred by the City, the funds available to make Base Rental Payments may be decreased. In the event that the City’s revenue sources are less than its total obligations, the City could choose to fund other activities before making Base Rental Payments and other payments due under the Facilities Sublease. The same result could occur if, because of State Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. However, the City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution. See the caption “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIII B of the State Constitution.”

Abatement

In the event of substantial interference with the City’s right to use and occupy any portion of the Property by reason of damage to or destruction or condemnation of the Property, or any defects in title to the Property, Base Rental Payments will be subject to abatement. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Abatement.” In the event that such portion of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the City’s rental interruption insurance will be available in lieu of Base Rental Payments, plus the period in which funds are available from the funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Property or redemption of the Bonds, there could be insufficient funds to make payments to Owners in full.

It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, the value of the Property could be substantially higher or lower than its value at the time of the issuance of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Property results in abatement of the Base Rental Payments related to such Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Bonds during the period that the Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Facilities Sublease and the Trust Agreement, no remedy is available to the Series 2019 Bond Owners for nonpayment under such circumstances.

Natural Disasters

The occurrence of any natural disaster in the City, including, without limitation, fire, windstorm, drought, earthquake or flood, could have an adverse material impact on the economy within the City, its General Fund and the revenues available for the payment of the Base Rental Payments. The City does not maintain earthquake insurance for the Property.

Earthquakes are considered a threat to the City due to the highly active seismic region and the proximity of fault zones, which could influence the entire southern coastal portion of the State. However, no major earthquake has caused substantial damage to the City.

An earthquake along one of the faults in the vicinity of the City, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake could easily exceed the resources of the City and would require a high level of self-help, coordination and cooperation.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Additionally, wildfires increase the risk of mudslides in areas like those in the City that are surrounded by hillsides. In general, property damage due to wildfire or mudslides could result in a significant decrease property tax and other revenues received by the City.

The occurrence of natural disasters in the City could result in substantial damage to the City which, in turn, could substantially reduce General Fund revenues and affect the ability of the City to make the Base Rental Payments. Reduced ability to make the Base Rental Payments could affect the payment of the principal of and interest on the Series 2019 Bonds. The City maintains liability insurance and property casualty insurance (for losses other than from seismic events) for the Property. See the caption “THE CITY — Risk Management.” However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property, and therefore property tax revenue available to make Base Rental Payments, would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the City. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the City be affected by a hazardous substance, could be to reduce the marketability and value of such property by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The City has not independently verified, but is not aware of, the presence of any hazardous substances on the Property. Hazardous substance liabilities may arise in the future with respect to any of the property in the City resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise from the method of handling such substance. These possibilities could significantly affect the value of a parcel and could result in substantial delays in completing planned development on parcels that are currently undeveloped.

Other Financial Matters

Due to weakness in the economy of the State and the United States, it is possible that the general revenues of the City will decline. Such financial matters may have a detrimental impact on the City’s General

Fund, and, accordingly, may reduce the City's ability to make Base Rental Payments. See the caption "CITY FINANCIAL INFORMATION."

In addition, City expenses could also rise as a result of unforeseen events, including but not limited to increases in pension obligations or a determination that the Successor Agency's payment obligations under various agreements with the City are not enforceable obligations. Such a determination could require the City to make payments that were expected to come from Successor Agency funds from General Fund moneys or cause moneys received from the Successor Agency to be lower than budgeted. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION — Redevelopment Dissolution."

Substitution, Addition and Removal of Property; Additional Bonds

The Authority and the City may amend the Facilities Sublease: (a) to substitute alternate real property for any portion of the Property; (b) to add additional real property to the Property; or (c) to release a portion of the Property from the Facilities Sublease, upon compliance with all of the conditions set forth in the Facilities Sublease. After a substitution or release, the portion of the Property for which the substitution or release has been effected will be released from the leasehold encumbrance of the Facilities Sublease. Moreover, the Authority may issue Additional Bonds secured by Base Rental Payments which are increased from current levels. See the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Substitution, Addition and Removal of Property" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Additional Bonds."

Although the Facilities Sublease requires, among other things, that the Property, as constituted after such substitution or release, have an annual fair rental value at least equal to the maximum Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year, it does not require that such Property have an annual fair rental value equal to the annual fair rental value of the Property at the time of substitution or release. Thus, a portion of the Property could be replaced with less valuable real property, or could be released altogether. Such a replacement or release could have an adverse impact on the security for the Series 2019 Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such substitution or release. See Appendix A.

The Trust Agreement requires, among other things, that upon the issuance of Additional Bonds, the Facilities Lease and the Facilities Sublease will be amended, to the extent necessary, so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds; provided, however, that no such amendment will be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Payments, in any Fiscal Year is in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Additional Bonds" for a full description of the requirements that must be met in order for the Authority to issue Additional Bonds.

Limited Recourse on Default; No Acceleration of Base Rental

Failure by the City to make Base Rental Payments or other payments required to be made under the Facilities Sublease, or failure to observe and perform any other terms, covenants or conditions contained in the Facilities Sublease or in the Trust Agreement for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute events of default under the Facilities Sublease and permit the Trustee or the Authority to pursue any and all remedies available. In the event of a default, notwithstanding anything in the Facilities Sublease or in the Trust Agreement to the contrary, there is no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable, nor do the

Authority or the Trustee have any right to re-enter or re-let the Property except as described in the Facilities Sublease.

The enforcement of any remedies provided in the Facilities Sublease and the Trust Agreement could prove both expensive and time consuming. If the City defaults on its obligation to make Base Rental Payments with respect to the Property, the Trustee, as assignee of the Authority, may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis and enforce any other terms or provisions of the Facilities Sublease to be kept or performed by the City.

Alternatively, the Authority or the Trustee may terminate the Facilities Sublease, retake possession of the Property and proceed against the City to recover damages pursuant to the Facilities Sublease. Due to the specialized and limited nature of the Property, existing Permitted Encumbrances (as such term is defined in Appendix A) on the Property, and the restrictions on its use, it is unlikely that the Trustee would be able to re-let the Property so as to provide rental income sufficient to make all payments of principal of, interest and premium, if any, on the Bonds when due. Similar limitations and constraints would apply to any property substituted for the Property pursuant to the Facilities Sublease. Moreover, the Trustee is not empowered to sell the Property for the benefit of the Owners of the Bonds. Any suit for money damages would be subject to limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” and “THE PROPERTY” and Appendix A.

Possible Insufficiency of Insurance Proceeds

The Facilities Sublease obligates the City to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Property in the event of damage, destruction or title defects, subject to certain exceptions. The Authority and the City make no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Facilities Sublease and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to redeem or pay principal of and interest on the Series 2019 Bonds when due. In addition, certain risks, such as earthquakes and floods, are not required to be covered under the Facilities Sublease, and therefore, are not carried by the City. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS — Insurance” and “THE CITY — Risk Management.”

Limitations on Remedies

The rights of the Owners of the Series 2019 Bonds are subject to the limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Furthermore, the remedies available to the Owners of the Series 2019 Bonds upon the occurrence of an event of default under the Trust Agreement or the Facilities Sublease are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

Additionally, enforceability of the rights and remedies of the Owners of the Series 2019 Bonds, and the obligations incurred by the City or the Authority, may become subject to the provisions of Title 11 of the United States Code (the “Bankruptcy Code”) and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or later in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail

risks of delay, limitation or modification of their rights. Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the City or the Authority, involuntary petitions are not permitted. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Series 2019 Bonds, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Sublease, and from taking any steps to collect amounts due from the City under the Facilities Sublease. Similarly, if the Authority were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Series 2019 Bonds, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Sublease, and from taking any steps to collect amounts assigned by the Authority to the Trustee under the Facilities Sublease.

In particular, if the City or the Authority were to become a debtor under the Bankruptcy Code, the City or the Authority, as applicable, would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City or the Authority, and which could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment that is superior to that of Owners of the Series 2019 Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the City's or the Authority's various obligations, as the case may be, over the objections of the Trustee or all of the Owners of the Series 2019 Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors. The Adjustment Plans approved by the Bankruptcy Courts in connection with the bankruptcies of the cities of Vallejo, San Bernardino and Stockton resulted in significant reductions in the amounts payable by the cities under lease revenue obligations that were substantially identical or similar to the Series 2019 Bonds. The City and the Authority can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if either entity were to file for bankruptcy.

In addition, the City could either reject the Facilities Sublease or the Facilities Lease or assume the Facilities Sublease or the Facilities Lease despite any provision of the Facilities Sublease or the Facilities Lease that makes the bankruptcy or insolvency of the City an event of default thereunder. If the City rejects the Facilities Sublease, the Trustee, on behalf of the Owners of the Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the Bonds. Moreover, such rejection would terminate the Facilities Sublease and the City's obligations to make payments thereunder. The City may also be permitted to assign the Facilities Sublease or the Facilities Lease to a third party, regardless of the terms of the transaction documents. If the City rejects the Facilities Lease, the Trustee, on behalf of the Owners of the Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the Bonds. Moreover, such rejection may terminate both the Facilities Sublease and the Facilities Lease and the obligations of the City to make payments thereunder.

The opinion to be delivered by Bond Counsel concurrently with the execution and delivery of the Series 2019 Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2019 Bonds will be similarly qualified. See Appendix C. In the event that the City fails to comply with its covenants under the Facilities Sublease or fails to pay Base Rental Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Series 2019 Bonds.

No Liability of Authority to the Owners

Except as expressly provided in the Trust Agreement, the Authority has no obligation or liability to the Owners of the Series 2019 Bonds with respect to: (a) the payment when due of the Base Rental Payments by the City; (b) the performance by the City of other agreements and covenants required to be performed by it contained in the Facilities Sublease or the Trust Agreement; or (c) the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2019 Bonds or, if a secondary market exists, that the Series 2019 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Utility Transfers

The City's general fund receives a substantial amount of revenues from transfers-in from its utility enterprises. If the revenues of the utilities declined in the future, this could result in a decline in the amount of transfers-in to the general fund from the utilities, thereby reducing the overall revenues of the general fund available to pay lease payments.

Impact of State Budget

At various times, including recently, the State has experienced significant financial and budgetary stress. State budgets are affected by national and local economic conditions and other factors over which the City has no control. The State's financial condition and budget policies affect communities and local public agencies throughout the State. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget.

For example, declining revenues and fiscal difficulties that arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies.

Although starting with fiscal year 2013-14, recent State budgets have been balanced, largely attributable to improvements in the economy, the additional revenues generated due to the passage of Proposition 30 at the November 6, 2012, statewide election, as well as other spending cuts, there can be no certainty that budget-cutting strategies such as those used in prior years will not be used in the future, should the State budget again be stressed and if projections included in such budget do not materialize, or that Proposition 30 will be renewed.

Covenant to Budget and Appropriate

Under the Facilities Sublease, the City has covenanted to take such actions as are necessary to include the Base Rental Payments and the estimated Additional Rental Payments in its annual budgets and to make the necessary annual appropriations for all Base Rental Payments. Such covenant is deemed to be a duty imposed

by law, and it is the duty of the public officials of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable such entity to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenant. Upon execution and delivery of the Series 2019 Bonds, Bond Counsel will render its opinion (substantially in the form of Appendix C) to the effect that, subject to certain limitations and qualifications, the Facilities Sublease constitutes a valid and binding obligation of the City.

Eminent Domain

If all of the Property (or portions thereof such that the remainder is not usable for the public purposes by the City) is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if the Property or any part thereof is taken temporarily, under the power of eminent domain, and the remainder is usable for public purposes by the City at the time of such taking, (1) the Facilities Sublease will continue in full force and effect as to such remainder, and will not be terminated by virtue of such taking, and (2) there will be a partial abatement of Base Rental Payments as a result of the application of insurance proceeds of any eminent domain award to the prepayment of the Base Rental Payments, in an amount to be agreed upon by the City and the Authority such that the resulting Base Rental Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Change in Law

No assurance can be given that the State or the City electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State, in a manner that could result in a reduction of the City's revenues and, therefore, a reduction of the funds legally available to the City to make Base Rental Payments.

Risks Associated with Bond Insurance

In the event that the Authority defaults in the payment of principal of or interest on the Series 2019 Bonds when due, the owners of the Series 2019 Bonds will have a claim under the Policy for such payments. See the caption "BOND INSURANCE." In the event that the Insurer becomes obligated to make payments with respect to the Series 2019 Bonds, no assurance can be given that such event will not adversely affect the market for the Series 2019 Bonds. In the event that the Insurer is unable to make payment of principal of and interest on the Series 2019 Bonds when due under the Policy, the Series 2019 Bonds will be payable solely from Revenues and amounts held in certain funds and accounts established under the Trust Agreement, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS."

The long-term rating on the Series 2019 Bonds is dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of the Insurer are lowered, such event could adversely affect the market for the Series 2019 Bonds. See the caption "RATINGS."

None of the Authority, the City nor the Underwriter have made an independent investigation of the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is being made by the Authority, the City or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Series 2019 Bonds, potential investors should carefully consider the ability of the City to make Base Rental Payments and the Authority to pay principal and interest on the Series 2019 Bonds, assuming that the Policy is not available for that purpose, and the claims-paying ability of the Insurer through final maturity of the Series 2019 Bonds.

So long as the Policy remains in effect and the Insurer is not in default of its obligations thereunder, the Insurer has certain notice, consent and other rights under the Trust Agreement and will have the right to control all remedies for default under the Trust Agreement. The Insurer is not required to obtain the consent of the owners of the Series 2019 Bonds with respect to the exercise of remedies. See Appendix A.

STATE OF CALIFORNIA BUDGET INFORMATION

State Budget

Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance (the “DOF”), <http://www.dof.ca.gov>, under the heading “California Budget.” An impartial analysis of the budget is posted by the Legislative Analyst’s Office (the “LAO”) at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and the City can take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Budget for State Fiscal Year 2018-19

On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the “2018-19 Budget”). The following information is drawn from the LAO’s review of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over \$4.4 billion, including a \$2.6 billion optional deposit in addition to the Constitutionally-required deposit, and adds two additional reserves to State law: the Safety Net Reserve Fund, intended to save money specifically for future expenditures of the CalWORKs and Medi-Cal programs; and the Budget Deficit Savings Account (“BDSA”), which for 2018-19 will temporarily hold the \$2.6 billion optional BSA deposit until May 2019. In May 2019, the optional BSA deposit amount will be adjusted as necessary to reflect updated estimates of revenues, at which point it will be transferred to the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA’s current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of \$129.8 billion and total expenditures of \$127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of \$16.7 billion, including \$7.3 billion in the traditional general fund reserve and \$9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues of \$133.3 billion and authorizes expenditures of \$138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$15.9 billion, including \$2.0 billion in the traditional general fund reserve, \$13.8 billion in the BSA and \$200 million in the Safety Net Reserve Fund.

Governor’s Proposed Budget for Fiscal Year 2019-20

On January 10, 2019, the Governor released his proposed State budget for fiscal year 2019-20 (the “Proposed 2019-20 Budget”). The following information is drawn from the DOF’s summary of the Proposed 2019-20 Budget.

For fiscal year 2018-19, the Proposed 2019-20 Budget projects total general fund revenues and transfers of \$136.9 billion and total expenditures of \$144.1 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$18.3 billion, including \$3.9 billion in the traditional general fund reserve, \$13.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. For fiscal

year 2019-20, the Proposed 2019-20 Budget projects total general fund revenues of \$142.6 billion and authorizes expenditures of \$144.2 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.5 billion, including \$2.3 billion in the traditional general fund reserve, \$15.3 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The Governor notes that additional deposits to the BSA are premised on a recent opinion by the California Office of Legislative Counsel which concluded that supplemental payments made in prior fiscal years do not count towards calculating the BSA's constitutional maximum of 10%.

Potential Impact of State Financial Condition on the City

The State has experienced significant financial stress in recent years, with budget shortfalls in the several billions of dollars. There can be no assurance that, as a result of such State financial stress, the State will not significantly reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. Although the State is not a significant source of City revenues, no prediction can be made by the City as to what measures the State will adopt to respond to the current or potential future financial difficulties. There can be no assurance that State actions to respond to State financial difficulties will not adversely affect the financial condition of the City.

Redevelopment Dissolution

General. On December 29, 2011, the State Supreme Court upheld Assembly Bill 1x26 ("AB 1x26"), which dissolved redevelopment agencies in the State. The effect of AB 1x26 upon the City is the termination of the redevelopment functions of the Community Redevelopment Agency of the City of Moreno Valley (the "Former Agency") and the transfer of such functions to a successor agency (the City, referred to in the capacity of a successor agency, and being referred to in this context as the "Successor Agency") tasked with winding down the Former Agency's redevelopment activities. Under AB 1x26, the Successor Agency cannot enter into new redevelopment projects or obligations and its assets can be used only to pay enforceable obligations, which enforceable obligations are generally limited to obligations in existence in mid-2011, when AB 1x26 was signed by the Governor. In addition, the Successor Agency will receive tax increment revenues in amounts that are sufficient to pay 100% (but no greater amount) of such enforceable obligations until such obligations (including accrued interest, as applicable) are paid in full, at which time the Successor Agency will be dissolved. Certain tax revenues formerly allocable to the Former Agency will continue to be available to the Successor Agency to pay certain obligations, and a portion of such revenues may be redirected to other taxing agencies, such as the County, the local school districts and the City. The Successor Agency's activities are subject to review by an oversight board established under AB 1x26. Under AB 1x26, liabilities of the Successor Agency are not liabilities of the City.

On June 27, 2012, the Governor signed Assembly Bill 1484 ("AB 1484"), which made certain amendments to AB 1x26. Under AB 1484, the County Auditor-Controller, the DOF and the State Controller may require the return of funds improperly spent or transferred to a public entity in conflict with the provisions of the Community Redevelopment Law, as amended by AB 1x26 and AB 1484, and if such funds are not returned within 60 days, they may be recovered through an offset of sales and use tax or property tax allocations to the local agency, which, in the case of the Successor Agency, is the City.

On September 22, 2015, the following amendments to the dissolution legislation discussed under the caption "— General" were enacted as Senate Bill 107 ("SB 107"): (1) redevelopment successor agencies that enter into a written agreement with the DOF to remit unencumbered cash to the county auditor-controller will receive a finding of completion, which provides successor agencies with additional fiscal tools and reduced State oversight; (2) successor agencies that have a "Last and Final" ROPS (as discussed below) may expend a portion of proceeds of bonds issued in 2011, which proceeds are currently frozen; (3) pension or State Water Project override revenues that are not pledged to or not needed for redevelopment bond debt service will be returned to the entity that levies the override; (4) agreements relating to State highway

improvements and money loaned to successor agencies to pay costs associated with redevelopment dissolution litigation will be considered enforceable obligations; and (5) reentered agreements entered into after the passage of AB 1484 are unenforceable unless entered into for the purpose of providing administrative support.

SB 107 also: (a) requires the preparation of a Recognized Obligation Payment Schedule with respect to enforceable obligations (a “ROPS”), which are required to be submitted to the oversight board and the DOF in accordance with AB 1x26, once a year beginning with the ROPS period that commences on July 1, 2016 (rather than twice a year under current law); (b) establishes an optional “Last and Final” ROPS process beginning in September 2015; under this process, a successor agency that elected to submit a “Last and Final” ROPS would no longer submit a periodic ROPS and the enforceable obligations set forth in the “Last and Final” ROPS would be binding on all parties; and (c) clarifies that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

Impact on the City. Significant provisions of AB 1x26, AB 1484, SB 107 and implementing actions of affected parties, including the Successor Agency, the oversight board, the County and the DOF, may be subject to legal challenge, statutory or administrative changes and other clarifications which could affect the impact of the dissolution of redevelopment on the City and its General Fund. The DOF has periodically proposed additional legislation which would modify statutes affecting redevelopment dissolution; it is not known whether additional legislation will be enacted. The full extent of the impact of the implementation of AB 1x26, AB 1484 and SB 107 or potential future legislation on the City’s General Fund is unknown at this time. While certain administrative costs previously charged to the Former Agency by the General Fund will no longer be supported by the Successor Agency, certain property tax revenues formerly allocated to the Former Agency will now be received by the City’s General Fund.

The City does not believe that it has received material amounts from the Former Agency or the Successor Agency which may be asserted to be in violation of AB 1x26 or AB 1484.

Successor Agency Obligations to the General Fund. Although AB 1x26 generally invalidates agreements between host cities and their former redevelopment agencies, provision is made for the enforcement of agreements entered into with respect to obligations which meet certain specified criteria. The City believes that the Successor Agency’s payment obligations under a note relating to the Moreno Valley Mall at Towngate (the “Towngate Regional Mall Note”) and miscellaneous other advances (the “Other Advances”) to the Former Agency, each as described below, constitute enforceable obligations of the Successor Agency. The City expects that the Successor Agency will continue to be able to apply tax increment revenues to the payment of such obligations. The City has listed the Towngate Regional Mall Note and the Other Advances in its ROPS, and such obligations have been approved as enforceable obligations by the Successor Agency’s oversight board and the DOF. However, there can be no assurance that such entities, the State Controller, other State or County bodies implementing the dissolution of redevelopment or a court will not disagree with the City’s interpretation and seek to prohibit the Successor Agency from making the payments on the Towngate Regional Mall Note and the Other Advances in the future or that additional legislation could be enacted which will not be consistent with the City’s interpretation.

As of June 30, 2018, the Towngate Regional Mall Note was outstanding in the principal of \$10,300,000. The Towngate Regional Mall Note originated from a participation agreement (as amended) whereby the Former Agency acquired certain parcels within the Moreno Valley Mall at Towngate for subsequent transfer to anchor tenants. The Towngate Regional Mall Note bears interest at the rate of 7.25% per annum and is payable from the property tax increment and up to 50% of the sales tax revenues generated from the acquired parcels. In Fiscal Year 2004, the City purchased the rights to the Towngate Regional Mall Note from the holder thereof and, thereafter, has received the associated interest and principal payments related thereto. Through negotiations with the DOF, the City has reached an agreement which amends the terms of the Towngate Regional Mall Note such that \$1,400,000 will now be paid annually to the City from revenues in the Redevelopment Property Tax Trust Fund maintained by the County Auditor-Controller with respect to the former redevelopment project areas within the City through December 2035. On September 23, 2014 and

September 24, 2014, respectively, the Successor Agency and the Successor Agency's oversight board approved resolutions that incorporate terms of the agreement reached between the City and the DOF. Such resolutions provided for the restructuring of the Towngate Regional Mall Note payment schedule for submission to the DOF. The restructured payment schedule was approved as part of the 2014/15B ROPS on November 15, 2014.

As of June 30, 2018, the Other Advances were outstanding in the principal amount of \$3,578,367. The Other Advances were used by the Former Agency for various redevelopment purposes and are payable from available Successor Agency moneys. The Other Advances bear interest at the rate of 12% but do not have a specific maturity date.

There can be no assurances that AB 1x26, AB 1484 and/or subsequent implementing statutes will not interfere with the receipt by the City from the Successor Agency of the amounts contemplated to be received by the City pursuant to the Towngate Regional Mall Note, the Other Advances or otherwise.

To the extent that the Successor Agency's assets are liquidated for distribution of proceeds to the affected taxing entities, the City currently expects that the City's General Fund will receive approximately 11% of such assets.

Future State Budgets

No prediction can be made by the City as to whether the State will continue to encounter budgetary problems in future years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

There are a number of provisions in the State Constitution that limit the ability of the City to raise and expend tax revenues.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the State Constitution. The amendment, which added Article XIII A to the State Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value', or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value, except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to December 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after December 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition (55% in the case of certain school facilities). Property taxes subject to Proposition 13 are a significant source of the City's General Fund revenues. See the caption "CITY FINANCIAL INFORMATION."

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other limited circumstances.

Article XIII B of the State Constitution

At the Statewide special election on November 6, 1979, the voters approved an initiative entitled “Limitation on Government Appropriations,” which added Article XIII B to the State Constitution. Under Article XIII B, State and local government entities have an annual “appropriations limit” which limits the ability to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues and investment proceeds thereof, certain State subventions and regulatory license fees, user charges and user fees to the extent that the proceeds thereof exceed the costs of providing such services, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of October 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if those entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution.

Proposition 62

A statutory initiative (“Proposition 62”) was adopted by the voters of the State at the November 4, 1986 general election which: (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed; (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The requirements imposed by Proposition 62 were upheld by the State Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal.4th 220 (1995).

Proposition 62 applies to the imposition of any taxes or the implementation of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are largely subsumed by the requirements of Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5, 1996. See the caption “— Proposition 218” below.

Proposition 218

On November 5, 1996, State voters approved Proposition 218, an initiative measure entitled the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments are deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge may be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (a) the *ad valorem* property tax imposed pursuant to Articles XIII and XIII A of the State Constitution; (b) any special tax receiving a two-thirds vote pursuant to the State Constitution; and (c) assessments, fees and charges for property related services as provided in Proposition 218. Proposition 218 then goes on to add voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such new provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 “shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights” protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that currently are deposited into the City’s General Fund.

Although a portion of the City’s General Fund revenues are derived from general taxes purported to be governed by Proposition 218 as discussed under the caption “CITY FINANCIAL INFORMATION — Other Taxes,” all of such taxes were imposed in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges which support the City’s General Fund.

Unitary Property

Some amount of property tax revenue of the City is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (the “SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other

property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City) according to statutory formula generally based on the distribution of taxes in the prior year.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22, which eliminates the State's ability to borrow or shift local revenues and certain State revenues that fund transportation programs. It restricts the State's authority over a broad range of tax revenues, including property taxes allocated to cities (including the City), counties and special districts, the VLF, State excise taxes on gasoline and diesel fuel, the State sales tax on diesel fuel, and the former State sales tax on gasoline. It also makes a number of significant other changes, including restricting the State's ability to use motor vehicle fuel tax revenues to pay debt service on voter-approved transportation bonds.

Proposition 1A

As part of former Governor Schwarzenegger's agreement with local jurisdictions, Senate Constitutional Amendment No. 4 was enacted by the State Legislature and subsequently approved by the voters as Proposition 1A ("Proposition 1A") at the November 2, 2004 general election. Proposition 1A amended the State Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales, and vehicle license fee revenues as of November 3, 2004. Beginning with Fiscal Year 2009, the State may borrow up to 8% of local property tax revenues, but only if the Governor proclaims that such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. The amount borrowed is required to be paid back within three years. The State also will not be able to borrow from local property tax revenues for more than two Fiscal Years within a period of ten Fiscal Years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the Statewide local sales tax.

The Fiscal Year 2010 State budget included a Proposition 1A diversion of \$1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending. Such diverted revenues were required to be repaid, with interest, by no later than June 30, 2013. The amount of the Proposition 1A diversion from the City was \$1,307,713. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the California Statewide Communities Development Authority. See the caption "CITY FINANCIAL INFORMATION — Property Taxes."

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of

property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not believe that Proposition 26 will adversely affect its General Fund revenues.

Future Initiatives

Articles XIII A and XIII B and Propositions 62, 218, 22, 1A and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting the City's current revenues or its ability to raise and expend revenues.

TAX MATTERS

Interest on the Series 2019 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), is of the opinion that interest on the Series 2019 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2019 Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2019 Bonds that acquire their Series 2019 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2019 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2019 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2019 Bonds pursuant to this offering for the issue price that is applicable to such Series 2019 Bonds (i.e., the price at which a substantial amount of the Series 2019 Bonds are sold to the public) and who will hold their Series 2019 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2019 Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2019 Bond (other than a partnership) that is not a U.S. Holder. If a partnership

holds Series 2019 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2019 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2019 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that, under newly enacted law that is effective for tax years beginning after December 31, 2017 (or, in the case of original issue discount, for tax years beginning after December 31, 2018), certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2019 Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2019 Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Series 2019 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2019 Bonds is less than the amount to be paid at maturity of such Series 2019 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019 Bonds) by more than a *de minimis* amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2019 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2019 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2019 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2019 Bond.

Sale or Other Taxable Disposition of the Series 2019 Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or other disposition of a Series 2019 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2019 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2019 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2019 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2019 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2019 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2019 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2019 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the Authority defeases any Series 2019 Bond, the Series 2019 Bond may be deemed to be retired and “reissued” for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder’s adjusted tax basis in the Series 2019 Bond.

Information Reporting and Backup Withholding. Payments on the Series 2019 Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2019 Bonds may be subject to backup withholding at the current rate of 24% with respect to “reportable payments,” which include interest paid on the Series 2019 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2019 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder’s failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act,” payments of principal of, and interest on, any Series 2019 Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2019 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2019 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Series 2019 Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or a deemed retirement due to defeasance of the Series 2019 Bond) or other disposition of a Series 2019 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2019 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that, at the time of such individual’s death, payments of interest with respect to such Series 2019 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “FATCA,” under current U.S. Treasury Regulations, payments of principal and interest on any Series 2019 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax

requirements if the beneficial owner of the Series 2019 Bond or a financial institution holding the Series 2019 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”) — U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2019 Bonds and sales proceeds of Series 2019 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018 and (ii) certain “pass-thru” payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2019 Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2019 Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

MUNICIPAL ADVISOR

The City has retained Fieldman Rolapp & Associates, Inc., Irvine, California (the “Municipal Advisor”) as municipal advisor in connection with the sale of the Series 2019 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

CERTAIN LEGAL MATTERS

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C. Bond Counsel and Disclosure Counsel will receive compensation from the City contingent upon the sale and delivery of the Series 2019 Bonds. Certain legal matters will be passed upon for the City and the Authority by Martin Koczanowicz, City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport

Beach, California, as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP, for the Trustee by its counsel and for the Insurer by its counsel.

ABSENCE OF LITIGATION

To the best knowledge of the City and the Authority, there is no action, suit or proceeding pending or, to the best knowledge of the City, threatened either restraining or enjoining the execution or delivery of the Series 2019 Bonds, the Facilities Lease, the Facilities Sublease or the Trust Agreement, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority or the City taken with respect to any of the foregoing. There are a number of lawsuits and claims from time to time pending against the City. In the opinion of the City Attorney, and taking into account likely insurance coverage and litigation reserves, there are no lawsuits or claims pending or threatened against the City that will materially affect the City's finances so as to impair its ability to pay Base Rental Payments when due.

UNDERWRITING

The Series 2019 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter will purchase the Series 2019 Bonds from the Authority at an aggregate purchase price of \$_____, representing the principal amount of the Series 2019 Bonds, [plus/less] \$_____ of original issue [premium/discount] and less \$_____ of Underwriter's discount.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Series 2019 Bonds to certain dealers (including dealers depositing Series 2019 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLP Business ("S&P") is expected to assign the Series 2019 Bonds the rating of "___" based upon the delivery of the Policy by the Insurer at the time of issuance of the Series 2019 Bonds. S&P has assigned the Series 2019 Bonds the rating of "A+" notwithstanding the delivery of the Policy. There is no assurance that any credit rating given to the Series 2019 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2019 Bonds. The ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own.

None of the Authority, the City or the Underwriter makes any representation as to the Insurer's creditworthiness and no representation that the Insurer's credit rating will be maintained in the future. S&P has previously taken action to downgrade the ratings of certain municipal bond insurers and has published various releases outlining the processes that S&P intends to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to S&P for additional information on S&P's evaluations of the financial guaranty industry and individual financial guarantors, including the Insurer. See the caption "BOND INSURANCE" for further information relating to the Insurer.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate of the City, dated as of the date of issuance of the Series 2019 Bonds (the "Disclosure Certificate"), the City has covenanted for the benefit of the holders and

Beneficial Owners of the Series 2019 Bonds to provide certain financial information and operating data relating to the District by each March 31 following the end of the City Fiscal Year (currently its Fiscal Year ends on June 30) (the “Annual Report”), commencing with the report for the Fiscal Year ended June 30, 2019, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, maintained on the Internet at <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix D. These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission (“Rule 15c2-12”).

The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Certificate solely to satisfy the provisions of Rule 15c2-12. The inclusion of such information does not mean that the Series 2019 Bonds are secured by any resources or property of the City or any entity other than Base Rental Payments or other amounts due under the Facilities Sublease. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” and “RISK FACTORS — General Considerations – Security for the Series 2019 Bonds.”

The City and its related entities have previously entered into continuing disclosure undertakings under Rule 15c2-12 in connection with the issuance of municipal obligations. In the past five years, the City was untimely in filing an event notice regarding a rating change on its Local Measure A Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2013A.

In order to promote compliance by the City and its related entities, including the Authority and the Former Agency, with their respective continuing disclosure undertakings, the City has retained Willdan Financial Services (“Willdan”) to serve as dissemination agent and assist such entities in complying with their continuing disclosure obligations. Willdan will also perform these duties for the land-secured financings involving the City’s community facilities districts. Additionally the City has taken the steps to amend its existing debt policy, which has been approved by the City Council, to ensure future compliance with Rule 15c2-12.

FINANCIAL STATEMENTS OF THE CITY

Included as Appendix B are the audited financial statements of the City as of and for the Fiscal Year ended June 30, 2018, together with the report of the Auditor thereon dated December 5, 2018. Such audited financial statements have been included herein in reliance upon the report of the Auditor. The Auditor has not undertaken to update the audited financial statements of the City or its report, or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated December 5, 2018.

MISCELLANEOUS

Summaries of certain documents and reports do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Trust Agreement, the Facilities Lease, the Facilities Sublease and other documents are available, upon request, and upon payment to the City of a charge for copying, mailing and handling, from the Chief Financial Officer of the City at 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the City and the purchasers or Owners of any of the Series 2019 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

**MORENO VALLEY PUBLIC FINANCING
AUTHORITY**

By: _____
Executive Director

CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS
[TO COME FROM BOND COUNSEL]

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE YEAR ENDED JUNE 30, 2018

APPENDIX C
PROPOSED FORM OF BOND COUNSEL OPINION

Upon issuance of the Series 2019 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final approving opinion with respect to the Series 2019 Bonds in substantially the following form:

[TO COME]

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the Series 2019 Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Moreno Valley (the “City”) in connection with the issuance by the Moreno Valley Public Financing Authority (the “Authority”) of its \$_____ Lease Revenue Bonds, Series 2019 (Taxable) (the “Bonds”). The Bonds are being issued pursuant to a Master Trust Agreement, dated as of December 1, 2015, by and between the Authority and the Wells Fargo Bank, National Association, as trustee (the “Trustee”), as amended by that certain First Supplement to Master Trust Agreement, dated as of December 1, 2016, by and between the Authority and the Trustee, and by that Second Supplement to Master Trust Agreement, dated as of April 1, 2019, by and between the Authority and the Trustee (as amended, the “Trust Agreement”). The City covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Bond Insurer, the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement dated _____, 20__ relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The City shall provide not later than each March 31 following the end of its Fiscal Year (commencing with the Fiscal Year ending June 30, 2019) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the City is unable to provide to EMMA an Annual Report by the date required in subsection (a), the City shall send in a timely manner to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain the following information:

- (i) revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year;
- (ii) assessed valuations of property in the City;
- (iii) property tax levies and collections for the most recently completed Fiscal Year;
- (iv) top ten property taxpayers in the City;
- (v) State of California motor vehicle in-lieu payments received; and
- (vi) outstanding debt of the City for the most recently completed Fiscal Year, including revenue and lease indebtedness.

The items described above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the City shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond holders;
3. optional, unscheduled or contingent Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business,

the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders.

(c) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) and (b)(6) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Trust Agreement. In each case of the Listed Event, the Dissemination Agent shall not be obligated to file a notice as required in this subsection (d) prior to the occurrence of such Listed Event.

(e) For purposes of the events identified in paragraphs (a)(10) and (b)(8) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.*

6. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

7. Termination of Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

* The City shall interpret the events identified in paragraphs (a)(10) and (b)(8) in accordance with Release No. 34-83885 adopted by the Securities and Exchange Commission on August 20, 2018, or any future guidance or releases provided by the Securities and Exchange Commission.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Bond Insurer or any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Bond Insurer, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2019

CITY OF MORENO VALLEY

By: _____
Its: City Manager

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the City and the Underwriter believe to be reliable, but none of the Authority, the City or the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2019 Bonds, payment of principal, premium, if any, accreted value and interest on the Series 2019 Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2019 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Series 2019 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Series 2019 Bond Owner shall give notice to elect to have its Series 2019 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2019 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2019 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2019 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2019 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2019 Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE SERIES 2019 BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2019 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

GENERAL INFORMATION REGARDING THE CITY OF MORENO VALLEY AND THE REGION

The following information is presented as general background data. The Series 2019 Bonds are payable solely from the Base Rental Payments under the Facilities Sublease as described in the Official Statement. The taxing power of the City, the State or any political subdivision thereof is not pledged to the payment of the Base Rental Payments or the Series 2019 Bonds.

Location

The City of Moreno Valley (the “City”) is centrally located in Southern California, 66 miles east of Los Angeles and 100 miles north of San Diego. The City encompasses approximately 51 square miles of land area in western Riverside County. Geographically, the City is bordered by three low-lying mountain ranges, March Air Reserve Force Base and Lake Perris State Park. The City is situated at the junction of two major highways, California State Highway 60 (the Moreno Valley Freeway) and Interstate 215.

Population

The City is the second largest city in Riverside County with an estimated population of 207,629 as of January 1, 2018. The table below sets forth the total population of the City, the County of Riverside (the “County”) and the State of California (the “State”).

POPULATION
City of Moreno Valley, County of Riverside and State of California

Table with 6 columns: Location, 2014, 2015, 2016, 2017, 2018. Rows include Moreno Valley, Riverside County, and California.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2018, with 2010 Census Benchmark. Sacramento, California, May 2018.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2013 through 2017 for the City, the County, the State and the nation as a whole.

**CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2013				
City of Moreno Valley	87,700	78,500	9,200	10.5%
Riverside County	996,400	897,700	98,700	9.9
State of California	18,625,000	16,958,400	1,666,600	8.9
United States ⁽⁴⁾	155,389,000	143,929,000	11,460,000	7.4
2014				
City of Moreno Valley	89,100	81,300	7,800	7.2%
Riverside County	1,013,500	930,400	83,100	8.2
State of California	18,758,400	17,351,300	1,407,100	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Moreno Valley	91,000	84,500	6,500	7.1%
Riverside County	1,035,700	966,300	69,400	6.7
State of California	18,896,500	17,724,800	1,171,700	6.2
United States ⁽⁴⁾	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Moreno Valley	92,400	86,400	6,000	6.5%
Riverside County	1,052,600	988,200	64,500	6.1
State of California	19,093,700	18,048,800	1,044,800	5.5
United States ⁽⁴⁾	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Moreno Valley	91,400	86,200	5,200	5.7%
Riverside County	1,072,500	1,016,200	56,300	5.2
California	19,312,000	18,393,100	918,900	4.8
United States ⁽⁴⁾	160,320,000	153,337,000	6,982,000	4.4

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not strictly comparable with data for prior years.

Source: California Employment Development Department, March 2017 Benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

The following tables show the largest employers located in the City and the County as of Fiscal Year 2018.

CITY OF MORENO VALLEY - MAJOR EMPLOYERS – 2018

<i>Employer</i>	<i>Number of Employees</i>
March Air Reserve Base	9,600
Amazon.com, Inc.	7,500
Riverside University Health Systems Medical Center	3,400
Moreno Valley Unified School District	3,100
Ross Dress for Less / D D's Discounts	2,400
Moreno Valley Mall (excludes major tenants)	1,500
Kaiser Permanente Community Hospital	1,457
Harbor Freight Tools	788
Val Verde Unified School District (MV Only)	640
United Natural Foods, Inc. (UNFI)	620

Source: City of Moreno Valley Fiscal Year Ending June 30, 2018 CAFR.

LARGEST EMPLOYERS County of Riverside 2018

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	22,038	County Government
2.	March Air Reserve Base	9,000	Military Reserve Base
3.	University of California, Riverside	8,829	University
4.	Kaiser Permanente Riverside Medical Center	5,500	Medical Center
5.	Corona Norco Unified School District	5,478	School District
6.	Pechanga Resort & Casino	4,750	Hotel & Casino
7.	Riverside Unified School District	4,200	School District
8.	Hemet Unified School District	4,058	School District
9.	Riverside University Health Systems Medical Center	3,965	Medical Center
10.	Morongo Casino, Resort & Spa	3,800	Hotel & Casino

Source: County of Riverside 'Comprehensive Annual Financial Report' for the year ending June 30, 2018.

Industry

Residents of the City find employment throughout the Riverside-San Bernardino-Ontario Labor Market Area. This labor market area, as defined for reporting purposes by the California Employment Development Department, has boundaries coterminous with those of Riverside and San Bernardino Counties. The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2013 through 2017. Information for 2018 is not yet available.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2013	2014	2015	2016	2017
Civilian Labor Force	1,893,100	1,921,000	1,956,900	1,984,900	2,022,100
Civilian Employment	1,706,800	1,765,300	1,828,200	1,866,600	1,918,600
Civilian Unemployment	186,300	155,700	128,600	118,300	103,600
Civilian Unemployment Rate	9.8%	8.1%	6.6%	6.0%	5.1%
Total Farm	14,500	14,400	14,800	14,600	14,400
Total Nonfarm	1,233,300	1,289,300	1,353,100	1,401,900	1,451,600
Total Private	1,008,100	1,060,500	1,119,800	1,159,600	1,201,600
Goods Producing	158,600	170,200	183,000	191,500	196,600
Mining and Logging	1,200	1,300	1,300	900	900
Construction	70,000	77,600	85,700	92,000	97,000
Manufacturing	87,300	91,300	96,100	98,600	98,700
Service Providing	1,074,700	1,119,100	1,170,100	1,210,500	1,255,000
Trade, Transportation and Utilities	299,700	314,900	333,200	348,100	366,000
Wholesale Trade	56,400	58,900	61,600	62,800	63,700
Retail Trade	164,800	169,400	174,300	178,000	182,100
Transportation, Warehousing and Utilities	78,400	86,600	97,400	107,300	120,200
Information	11,500	11,300	11,400	11,500	11,300
Financial Activities	41,800	42,900	43,900	44,600	44,500
Professional and Business Services	131,900	138,700	147,400	145,000	147,200
Educational and Health Services	187,600	194,800	205,100	214,300	224,800
Leisure and Hospitality	135,900	144,800	151,700	160,200	165,700
Other Services	41,100	43,000	44,000	44,600	45,600
Government	225,200	228,800	233,300	242,300	250,000
Total, All Industries	<u>1,247,800</u>	<u>1,303,700</u>	<u>1,367,900</u>	<u>1,416,600</u>	<u>1,466,000</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix G.

Source: State of California, Employment Development Department, March 2017 Benchmark.

Assessed Valuation

The table below sets forth the City's assessed valuation of property for Fiscal Years 2013 through 2018.

ASSESSED VALUATION OF TAXABLE PROPERTY
City of Moreno Valley
Fiscal Years 2013 to 2018
(Dollars in Thousands)

<i>Fiscal Year Ended June 30</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed and Estimated Full Value</i>
2013	\$10,646,415	\$342,094	\$10,988,509
2014	11,042,637	352,337	11,394,974
2015	12,102,252	366,400	12,468,652
2016	12,991,881	486,350	13,478,231
2017	13,703,128	609,642	14,312,770
2018	14,517,849	584,791	15,102,640

Source: City of Moreno Valley Comprehensive Annual Financial Report for the year ending June 30, 2018.

Tax Levy and Tax Collection

Below is a summary of the property tax levies and total collections for Fiscal Years 2013 through 2018.

PROPERTY TAX LEVIES AND COLLECTIONS
City of Moreno Valley
Fiscal Years Ending June 30, 2013 to June 30, 2018

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied</i>	<i>Collected within the Fiscal Year of Levy</i>		<i>Collections in Subsequent Years</i>	<i>Total Collections to Date</i>	
		<i>Amount</i>	<i>Percent of Levy⁽¹⁾</i>		<i>Amount</i>	<i>Percent of Levy</i>
2013	\$25,630,602	\$25,580,901	99.81% ⁽²⁾	\$49,701	\$25,630,602	100.00%
2014	26,906,254	26,862,040	99.84	44,214	26,906,254	100.00
2015	26,455,986	26,154,116	98.86	301,870	26,455,986	100.00
2016	27,643,578	27,249,232	98.57	394,345	27,643,578	100.00
2017	28,476,155	28,270,448	99.28	205,707	28,476,155	100.00
2018	29,595,157	29,425,906	99.43	-	29,425,906	99.43

⁽¹⁾ The City began participating in the "Teeter Plan" in FY 1993-94. The Teeter Plan adopted by the County of Riverside guarantees each participating city payment equal to 100% of the total tax value. Any delinquencies and the associated penalties and interest are collected and maintained by the County

⁽²⁾ Beginning in Fiscal Year 2013, redevelopment tax increment was no longer included in the calculation for the levy and the collections.

Source: City of Moreno Valley Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

Largest Taxpayers

The principal property taxpayers in the City for 2018 are as follows:

<i>Taxpayer</i>	<i>2018 Assessed Valuation</i>	<i>% of Total Assessed Valuation</i>
HF Logistics SKX T1 (Skechers)	\$ 227,046,9227	1.53%
Western A West California, LLC	159,642,240	1.08
Ross Dress for Less, Inc.	136,465,055	0.92
First Industrial LP	117,297,981	0.79
FR California Indian Avenue	114,425,887	0.77
Walgreen Company	110,207,831	0.74
Golden State FC, LLC	106,921,683	0.72
Towngate on Mem Apartments, LLC	98,558,244	0.66
AI California, LLC	96,958,747	0.65
March Business Center, LLC	92,132,500	0.62
TOTAL:	\$ 1,259,657,095	8.49%

Source: City of Moreno Valley Fiscal Year Ending June 30, 2018 CAFR.

Building Activity

In addition to annual building permit valuations, the numbers of permits for new dwelling units issued each year from 2013 through 2017 are shown in the following tables for both the County and the City. Information for 2018 is not yet available.

BUILDING PERMIT VALUATIONS County of Riverside 2013-2017 (Valuation in Thousands of Dollars)

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$ 1,375,593	\$ 1,621,751	\$ 1,536,742	\$ 1,759,535	\$ 1,903,417
Non-residential	<u>873,977</u>	<u>814,990</u>	<u>911,465</u>	<u>1,346,019</u>	<u>1,433,691</u>
Total*	\$ 2,249,570	\$ 2,436,741	\$ 2,448,207	\$ 3,105,554	\$ 3,337,108
Residential Units:					
Single family	4,716	5,007	5,007	5,662	6,265
Multiple family	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>
Total	6,143	6,938	6,196	6,701	7,335

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

**BUILDING PERMIT VALUATIONS
City of Moreno Valley
2013-2017**

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$ 49,679	\$ 15,229	\$ 46,986	\$ 53,041	\$ 151,647
Non-residential	<u>109,568</u>	<u>160,366</u>	<u>101,190</u>	<u>40,354</u>	<u>278,495</u>
Total*	\$ 159,247	\$ 175,595	\$ 148,176	\$ 93,395	\$ 430,142
Residential Units:					
Single family	133	46	133	100	451
Multiple family	<u>60</u>	<u>0</u>	<u>0</u>	<u>112</u>	<u>16</u>
Total	193	46	133	212	467

Note: Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

Commercial Activity

Trade outlet and retail sales activity are summarized below based on reports of the State Board of Equalization.

**TOTAL TAXABLE TRANSACTIONS AND NUMBER OF SALES PERMITS
City of Moreno Valley
2013 through 2017⁽¹⁾
(Dollars in Thousands)**

<i>Calendar Year</i>	<i>Total Retail Stores</i>	<i>Total Retail Stores Permits</i>	<i>Total Taxable Transactions</i>	<i>Total Issued Permits</i>
2013	\$1,240,243	1,616	\$1,349,129	2,116
2014	1,307,780	1,688	1,475,946	2,181
2015	1,366,324	1,920	1,524,713	2,629
2016	1,393,342	2,063	1,571,730	2,823
2017 ⁽¹⁾	1,095,535	2,095	1,226,098	2,877

⁽¹⁾ Through third quarter of 2017.
Source: California State Board of Equalization.

RETAIL SALES
City of Moreno Valley
2013 through 2017⁽¹⁾
(Dollars in Thousands)

<i>Type of Business</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017⁽¹⁾</i>
Auto Dealers	\$ 230,751	\$ 252,500	\$ 284,896	\$ 294,145	\$ 228,019
Home Furnishing	12,361	11,764	223,396	37,576	28,387
Building Materials	91,247	99,220	108,405	113,849	92,663
Food Stores	84,981	90,389	134,663	127,258	100,788
Service Stations	197,899	199,145	155,837	151,539	126,222
Apparel Stores	98,978	104,758	115,698	124,207	89,334
General Merchandise Stores	258,862	267,507	235,730	232,206	189,432
Eating/Drinking Places	186,885	203,353	225,406	244,550	193,145
Other Retail Stores	<u>78,280</u>	<u>79,144</u>	<u>82,294</u>	<u>68,012</u>	<u>47,544</u>
Retail Stores Totals	\$ 1,240,243	\$ 1,307,780	\$ 1,366,324	\$ 1,393,342	\$ 1,095,535
All Other Outlets	<u>108,886</u>	<u>161,167</u>	<u>158,388</u>	<u>178,388</u>	<u>130,563</u>
Total All Outlets	<u>\$ 1,349,129</u>	<u>\$ 1,475,946</u>	<u>\$ 1,527,713</u>	<u>\$ 1,571,730</u>	<u>\$ 1,226,098</u>

⁽¹⁾ Through third quarter of 2017.

Source: California State Board of Equalization.

The table below present taxable sales for the years 2011 through 2017 for the County.

TAXABLE SALES
County of Riverside
2011-2017⁽¹⁾
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2011	46,886	\$25,641,497
2012	46,316	28,096,009
2013	46,805	30,065,467
2014	48,453	32,035,687
2015	56,846	32,910,909
2016	57,742	34,231,143
2017 ⁽¹⁾	57,803	29,135,918

⁽¹⁾ Through third quarter of 2017.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

Personal Income

The following tables show the personal income and per capita personal income for the City, County, State of California and United States from 2012 through 2018.

PERSONAL INCOME
City of Moreno Valley, County of Riverside, State of California, and United States
2012-2018⁽¹⁾

<i>Year</i>	<i>City of Moreno Valley</i>	<i>County of Riverside</i>	<i>California</i>	<i>United States</i>
2012	\$3,491,186	\$74,075,529	\$1,853,467,200	\$13,998,383,000
2013	3,615,062	76,493,787	1,855,672,400	14,175,503,000
2014	3,612,548	80,637,967	2,021,640,000	14,983,140,000
2015	3,704,415	86,092,487	2,173,299,700	15,711,634,000
2016	3,671,016	90,273,976	2,259,413,900	16,115,630,000
2017	3,775,669	95,140,992	2,364,129,400	16,820,250,000
2018	3,902,595	-- ⁽¹⁾	-- ⁽¹⁾	-- ⁽¹⁾

Note: Dollars in Thousands.

⁽¹⁾ 2018 figures not yet available for County of Riverside, State of California and United States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Moreno Valley Fiscal Year Ending June 30, 2018 CAFR.

PER CAPITA PERSONAL INCOME⁽¹⁾
City of Moreno Valley, County of Riverside, State of California, and United States
2012-2018⁽²⁾

<i>Year</i>	<i>City of Moreno Valley</i>	<i>County of Riverside</i>	<i>California</i>	<i>United States</i>
2012	\$17,425	\$32,707	\$48,751	\$44,582
2013	18,246	33,383	49,173	44,826
2014	18,130	34,732	52,237	47,025
2015	18,186	36,603	55,679	48,940
2016	17,874	37,827	57,497	49,831
2017	18,262	39,261	59,796	51,640
2018	18,796	-- ⁽²⁾	-- ⁽²⁾	-- ⁽²⁾

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

⁽²⁾ 2018 figures not yet available for County of Riverside, State of California and United States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Moreno Valley Fiscal Year Ending June 30, 2018 CAFR.

Agriculture

Agriculture is a significant source of income in the County. In 2017, principal agricultural products were milk, nursery stock, table grapes, hay, lemons, bell peppers, eggs, grapefruit, dates and avocados.

Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border. The County, and all of Southern California, has from time to time, including in recent years, experienced a severe drought. The County cannot predict the impact that a prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2013 through 2017.

**COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION**

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Citrus Fruits	\$ 142,404,000	\$ 170,891,000	\$ 187,673,000	\$ 200,101,000	\$ 177,055,000
Trees and Vines	232,536,000	223,593,000	234,928,000	227,444,000	228,315,000
Vegetables, Melons, Misc.	340,407,000	337,404,000	327,199,000	365,157,000	331,986,000
Field and Seed Crops	154,582,000	156,575,000	122,794,000	97,184,000	96,063,000
Nursery	191,215,000	172,910,000	158,648,000	150,426,000	153,749,000
Apiculture	4,715,000	4,819,000	4,897,000	5,082,000	5,415,000
Aquaculture	2,262,000	5,078,000	5,397,000	4,624,000	4,764,000
Livestock and Poultry	<u>259,683,000</u>	<u>290,746,000</u>	<u>260,015,000</u>	<u>225,758,000</u>	<u>221,175,000</u>
Grand Total	<u>\$ 1,327,804,000</u>	<u>\$ 1,362,016,000</u>	<u>\$ 1,301,551,000</u>	<u>\$ 1,275,776,000</u>	<u>\$ 1,218,522,000</u>

Source: Riverside County Agricultural Commissioner.

Utilities

The City receives water service from the Eastern Municipal Water District and Box Springs Mutual Water Company. The City is also serviced by Frontier (formerly Verizon) and Southern California Gas Company. Electrical service for most of the City’s developed areas is provided by Southern California Edison. The City has established Moreno Valley Electric Utility (“MVU”) that is providing service for the remainder of the south and east ends of the City.

Transportation

The City is centrally located within the Inland Empire. Highways passing through the City include California State Highway 60 and Interstate 215. California State Highway 60 connects in Riverside to California State Highway 91, which connects to Orange County and Long Beach. California State Highway 60 and Interstate 215 provide access to Interstate 10 within 15 miles of the City. Rail service in the City includes the Burlington Northern Santa Fe branch line. The main line service in Riverside has stop locations at the Union Pacific, Southern Pacific and Burlington Northern Santa Fe stations. Metrolink commuter rail service is available in Perris and in Riverside to Los Angeles and Orange County.

Ontario International Airport (owned and operated by Ontario International Airport Authority), approximately 31 miles northwest of the City, is served by AeroMexico, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, United Airlines/United Express, US Airways and Volaris. Various airlines provide freight services at Ontario International Airport. Riverside Municipal Airport has general aviation facilities with 5,400 feet and 1,600 feet runways.

Education

The City is served by two public school districts: Moreno Valley Unified School District with an approximate enrollment of 33,134 students and Val Verde Unified School District with an approximate enrollment of 20,244 students. Moreno Valley Unified School District has 23 elementary schools, six middle schools, four comprehensive high schools, one charter school, one adult school, one continuation school, a community day school, one pre-school and one academic center. Val Verde Unified School District serves the communities of Perris, Mead Valley and Moreno Valley. Val Verde Unified District has one pre-school, 13 elementary schools, four middle schools, three high schools and one continuation high school.

The City is also home to Moreno Valley Community College.

Recreation and Culture

Lake Perris State Park offers boating, swimming, water-skiing, fishing and camping within its 8,300 acres. Box Springs Mountain Park provides trails for hiking and horseback riding. The City centralized location allows residents to visit nearby mountain resorts, Palm Springs and the beach cities with relative ease. The City's park system consists of 29 parks with 328 acres. The City offers a variety of recreational activities for adults and youth. The City is served by the City's library system.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

Attachment: Moreno Valley 2019 LRB Preliminary Official Statement, 4849-4082-5733_8 [Revision 1] (3453 : RESOLUTIONS APPROVING THE

TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, 32nd Floor
Los Angeles, California 90017
Attention: William W. Bothwell

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**SECOND AMENDMENT TO
MASTER FACILITIES LEASE**

by and between

CITY OF MORENO VALLEY

and

MORENO VALLEY PUBLIC FINANCING AUTHORITY

Dated as of April 1, 2019

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Attachment: Second Amendment to Master Facilities Lease - Moreno Valley Lease Revenue Bonds 2019 4126-0508-0089 3 (3453 :

**SECOND AMENDMENT TO
MASTER FACILITIES LEASE**

THIS SECOND AMENDMENT TO MASTER FACILITIES LEASE (this “Second Amendment to Master Facilities Lease”) executed and entered into as of April 1, 2019, is by and between the CITY OF MORENO VALLEY (the “City”), a city organized and validly existing under the Constitution and general laws of the State of California, as lessor, and the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley), as lessee.

RECITALS

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”), which was recorded in the official records of the County of Riverside (the “Official Records”) on December 9, 2015, as instrument number 2015-0533682;

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”), which was recorded in the Official Records on December 9, 2015, as instrument number 2015-0533683;

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City previously leased certain real property and improvements thereon, as addition to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities Lease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Lease” and the 2015 Master Facilities Lease as so amended to the dated date thereof the “2016 Master Facilities Lease”), which was recorded in the Official Records on December 14, 2016, as instrument number 2016-0556567;

WHEREAS, the Authority subleased such real property and improvements thereon, as addition to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Sublease” and the 2015 Master Facilities Sublease as so amended to the dated date thereof the “2016 Master Facilities Sublease”), which was recorded in the Official Records on December 14, 2016, as instrument number 2016-0556568;

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement,

dated as of December 1, 2016 (the “First Supplement to Master Trust Agreement” and the 2015 Master Trust Agreement as so amended to the dated date thereof the “2016 Master Trust Agreement”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds;

WHEREAS, the Authority intends to issue its Lease Revenue Bonds, Series 2019 (the “Series 2019 Bonds”) pursuant to a Second Supplement to Master Trust Agreement, to supplement and amend the 2016 Master Trust Agreement, as so supplemented and amended the “2019 Master Trust Agreement,” or simply the “Trust Agreement”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2019 Bonds will be applied by the City to finance certain capital facilities, referred to herein as the “2019 Project”;

WHEREAS, in order to finance such 2019 Project, the Authority and the City are entering into this Second Amendment to Master Facilities Lease in order to amend the 2016 Master Facilities Lease, as so amended, the “2019 Master Facilities Lease,” or simply the “Lease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, in order to finance such 2019 Project, the Authority and the City are also entering into a Second Amendment to Master Facilities Sublease in order to amend the 2016 Master Facilities Sublease, as so amended, the “2019 Master Facilities Sublease,” or simply the “Sublease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Second Amendment to Master Facilities Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment to Master Facilities Lease;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

PART 1

PARTICULAR AMENDMENTS

Part 1.1. Amendments to Section 3. Section 3 of the 2016 Master Facilities Lease is amended to is hereby amended by adding thereto the following additional paragraph as follows:

The Authority shall pay to the City as and for rental hereunder, including but not limited to the payment of rent for the Facilities, the sum of \$1.00, which, together with the execution and delivery of the Sublease, shall constitute full consideration for this Second Amendment to Master Facilities Lease over its term, and which amount the City finds and determines is full and fair rental for the Facilities.

Part 1.2. Amendment to Exhibit A. Exhibit A to the 2016 Master Facilities Lease is hereby amended to read in full as set forth in Exhibit A hereto.

PART 2

MISCELLANEOUS

Part 2.1. Effect of Second Amendment to Master Facilities Lease. This Second Amendment to Master Facilities Lease and all of the terms and provisions herein contained shall form part of the 2016 Master Facilities Lease as fully and with the same effect as if all such terms and provisions had been set forth in the 2016 Master Facilities Lease. The 2016 Master Facilities Lease is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this Second Amendment to Master Facilities Sublease and the terms of the 2016 Master Facilities Lease (as in effect on the day prior to the effective date of this Second Amendment to Master Facilities Lease), the terms of this Second Amendment to Master Facilities Lease shall prevail.

Part 2.2. Execution in Counterparts. This Second Amendment to Master Facilities Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Part 2.3. Effective Date. This Second Amendment to Master Facilities Lease shall become effective upon the Series 2019 Closing Date (as defined in the 2019 Master Trust Agreement).

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Master Facilities Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MORENO VALLEY, Lessor

By _____
Thomas M. DeSantis, City Manager

**MORENO VALLEY PUBLIC
FINANCING AUTHORITY, Lessee**

By _____
Thomas M. DeSantis, Executive Director

Attachment: Second Amendment to Master Facilities Lease - Moreno Valley Lease Revenue Bonds 2019 4126-0508-0089 3 (3453 :

EXHIBIT A

DESCRIPTION OF THE FACILITIES

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

PARCEL 1 OF PARCEL MAP 17864, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 129, PAGES 79 THROUGH 82, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THE ABOVE DESCRIBED PARCEL, THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ON THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE EASTERLY LINE OF PARCEL 10 OF SAID PARCEL MAP NO. 17864; THENCE ON SAID EASTERLY LINE OF SAID PARCEL NO. 10 NORTH 10° 06' 25" WEST, 60.02 FEET; THENCE NORTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE EASTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE WESTERLY SIDELINE OF FREDERICK STREET; THENCE SOUTHERLY ON SAID EASTERLY LINE SOUTH 00° 06' 28" EAST, 60.02 FEET TO THE POINT OF BEGINNING.

APN: 297-140-046-3 and 297-140-047-4

PARCEL 3 AND LOTS B AND E, AS SHOWN BY PARCEL MAP 13202 ON FILE IN BOOK 79, PAGE 7 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 312-250-016-8

LOT 1 IN BLOCK 91, MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO, COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS OF COTTONWOOD AVENUE AND PETTIT STREET WITHIN SAID BLOCK LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WEST LINE OF SAID LOT 1 AND NORTHERLY OF THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 1.

EXCEPT THE EAST 25.00 FEET OF LOT 1, IN BLOCK 91, AS DESCRIBED IN THE DEED TO THE COUNTY OF RIVERSIDE, RECORDED SEPTEMBER 22, 1971, AS INSTRUMENT NO. 107667, OFFICIAL RECORDS.

APN: 477-190-032

[TO BE ADDED: the City's Corporate Yard]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On _____, 2019, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Attachment: Second Amendment to Master Facilities Lease - Moreno Valley Lease Revenue Bonds 2019 4126-0508-0089 3 (3453 :

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On _____, 2019, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Attachment: Second Amendment to Master Facilities Lease - Moreno Valley Lease Revenue Bonds 2019 4126-0508-0089 3 (3453 :

TO BE RECORDED AND WHEN RECORDED

RETURN TO:

Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, 32nd Floor
Los Angeles, California 90017
Attention: William W. Bothwell

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.



**SECOND AMENDMENT TO
MASTER FACILITIES SUBLEASE**

by and between

MORENO VALLEY PUBLIC FINANCING AUTHORITY

and

CITY OF MORENO VALLEY

Dated as of April 1, 2019

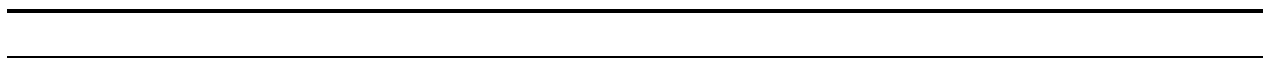


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Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

**SECOND AMENDMENT TO
MASTER FACILITIES SUBLEASE**

THIS SECOND AMENDMENT TO MASTER FACILITIES SUBLEASE (this “Second Amendment to Master Facilities Sublease”) executed and entered into as of April 1, 2019, is by and between the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley), as lessor, and the CITY OF MORENO VALLEY (the “City”), a city organized and validly existing under the Constitution and general laws of the State of California, as lessee.

RECITALS

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”), which was recorded in the official records of the County of Riverside (the “Official Records”) on December 9, 2015, as instrument number 2015-0533682;

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”), which was recorded in the Official Records on December 9, 2015, as instrument number 2015-0533683;

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City previously leased certain real property and improvements thereon, as addition to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities Lease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Lease” and the 2015 Master Facilities Lease as so amended to the dated date thereof the “2016 Master Facilities Lease”), which was recorded in the Official Records on December 14, 2016, as instrument number 2016-0556567;

WHEREAS, the Authority subleased such real property and improvements thereon, as addition to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Sublease” and the 2015 Master Facilities Sublease as so amended to the dated date thereof the “2016 Master Facilities Sublease”), which was recorded in the Official Records on December 14, 2016, as instrument number 2016-0556568;

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, dated as of December 1, 2016 (the “First Supplement to Master Trust Agreement” and the 2015 Master Trust Agreement as so amended to the dated date thereof the “2016 Master Trust Agreement”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds;

WHEREAS, the Authority intends to issue its Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”) pursuant to a Second Supplement to Master Trust Agreement to supplement and amend the 2016 Master Trust Agreement, as so supplemented and amended the “2019 Master Trust Agreement,” or simply the “Trust Agreement,” and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2019 Bonds will be applied by the City to finance certain capital facilities, referred to herein as the “2019 Project”;

WHEREAS, in order to finance such 2019 Project, the Authority and the City are entering into a Second Amendment to Master Facilities Lease in order to amend the 2016 Master Facilities Lease, as so amended, the “2019 Master Facilities Lease,” or simply the “Lease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Sublease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, in order to finance such 2019 Project, the Authority and the City are entering into this Second Amendment to Master Facilities Sublease in order to amend the 2016 Master Facilities Sublease, as so amended, the “2019 Master Facilities Sublease,” or simply the “Sublease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Sublease, (ii) to increase the amount of Base Rental Payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided herein, in any year is not in excess of the annual fair rental value of the Facilities; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Second Amendment to Master Facilities Sublease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment to Master Facilities Sublease;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

PART 1

PARTICULAR AMENDMENTS

Part 1.1. Amendments to Section 1.01. Section 1.01 of the 2016 Master Facilities Sublease is hereby amended by adding thereto the following definitions:

Series 2019 Base Rental Payments

The term “Series 2019 Base Rental Payments” means the portion of the Base Rental Payments set forth under the caption “Series 2019 Base Rental Payment Schedule” on Exhibit B hereto.

Part 1.2. Amendments to Section 3.01. The third paragraph of Section 3.01 of the 2016 Master Facilities Sublease is amended to read as follows:

Base Rental Payments shall include (i) any Insurer Reimbursement Amounts due and owing to AGM as set forth in Section 11.02(d) of the 2015 Master Trust Agreement, Section 14.02(d) of the First Supplement to Master Trust Agreement and Section 16.02(d) of the Second Supplement to Master Trust Agreement; and (ii) repayment of Policy Costs due and owing to AGM pursuant to Section 11.04(a) of the 2015 Master Trust Agreement, Section 14.04(a) of the First Supplement to Master Trust Agreement and Section 16.04(a) of the Second Supplement to Master Trust Agreement.

Part 1.3. Amendments to Section 4.01. Section 4.01 of the 2016 Master Facilities Sublease is amended by adding thereto the following additional paragraph as follows:

The parties hereto agree that the proceeds of the Series 2019 Bonds will be used to finance and refinance certain capital facilities of the City through the issuance of the Series 2019 Bonds, including the capital facilities described in Exhibit B attached to the 2019 Master Trust Agreement. Proceeds of any Additional Bonds will be applied in accordance with a supplement to this Sublease.

Part 1.4. Amendments to Section 8.12. Section 8.12 of the 2016 Master Facilities Sublease is amended to read as follows:

Section 8.12. Provisions Concerning AGM and the Bond Insurance Policies.

(A) The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds insured by AGM remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Facilities. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Facilities, the appraised value of the Facilities shall not be less than the greater of

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

(i) if such Bonds are then subject to redemption, the principal and interest components of the Bonds outstanding through the date of their redemption, or (ii) if such Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Trust Agreement.

(B) The Lessee (under this Sublease) and the Lessor (under the Facilities Lease) shall not have the right to terminate those agreements for default by the respective counterparties.

(C) The City agrees to pay, or reimburse AGM, as Additional Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Sublease), any and all charges, fees, costs and expenses that AGM may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Trust Agreement, the Facilities Lease or this Sublease (each a “Related Document”) or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to any Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of AGM to honor its obligations under the Bond Insurance Policies. AGM reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any Related Document.

(D) The City may only contest taxes, assessments, utility and other such charges with respect to the Facilities upon notice to AGM and must pay such taxes, assessments, utility and other charges if requested to do so by AGM.

(E) So long as the Series 2016 Bonds remain outstanding, the City agrees that it will not relocate any of the Facilities constituting the Kitching Substation or the Moreno Beach Substation without the prior written consent of AGM.

(E) [So long as the Series 2019 Bonds remain outstanding, the City agrees that it will not relocate any of the Facilities constituting the Kitching Substation or the Moreno Beach Substation without the prior written consent of AGM.]

Part 1.5. Amendments to Section 10.02. The notice address for AGM in Section 10.02 of the 2016 Master Facilities Sublease is amended to read as follows:

If to AGM: Assured Guaranty Municipal Corp.
 1633 Broadway
 New York, New York 10019
 Attention: Managing Director – Surveillance

Re: Policy No. 217291-N (for the 2015 Bond Insurance Policy),
 217952-N (for the 2016 Bond Insurance Policy) [and _____-N (for
 the 2019 Bond Insurance Policy)]
 Telephone: (212) 974-0100
 Telecopier: (212) 339-3556

In each case in which notice or other communication refers to an
 Event of Default, then a copy of such notice or other communication
 shall also be sent to the attention of the General Counsel and shall
 be marked to indicate "URGENT MATERIAL ENCLOSED."

Part 1.6. Amendment to Exhibit A. Exhibit A to the 2016 Master Facilities Sublease is hereby amended to read in full as set forth in Exhibit A hereto.

Part 1.7. Amendment to Exhibit B. Exhibit B to the 2016 Master Facilities Sublease is hereby amended to read in full as set forth in Exhibit B hereto.

PART 2

MISCELLANEOUS

Part 2.1. Effect of Second Amendment to Master Facilities Sublease. This Second Amendment to Master Facilities Sublease and all of the terms and provisions herein contained shall form part of the 2016 Master Facilities Sublease as fully and with the same effect as if all such terms and provisions had been set forth in the 2016 Master Facilities Sublease. The 2016 Master Facilities Sublease is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this Second Amendment to Master Facilities Sublease and the terms of the 2016 Master Facilities Sublease (as in effect on the day prior to the effective date of this Second Amendment to Master Facilities Sublease), the terms of this Second Amendment to Master Facilities Sublease shall prevail.

Part 2.2. Execution in Counterparts. This Second Amendment to Master Facilities Sublease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Part 2.3. Effective Date. This Second Amendment to Master Facilities Sublease shall become effective upon the Series 2019 Closing Date (as defined in the 2019 Master Trust Agreement).

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Master Facilities Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**MORENO VALLEY PUBLIC
FINANCING AUTHORITY, Lessor**

By: _____
Thomas M. DeSantis, Executive Director

CITY OF MORENO VALLEY, Lessee

By: _____
Thomas M. DeSantis, City Manager

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

EXHIBIT A

DESCRIPTION OF THE FACILITIES

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

PARCEL 1 OF PARCEL MAP 17864, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 129, PAGES 79 THROUGH 82, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THE ABOVE DESCRIBED PARCEL, THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ON THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE EASTERLY LINE OF PARCEL 10 OF SAID PARCEL MAP NO. 17864; THENCE ON SAID EASTERLY LINE OF SAID PARCEL NO. 10 NORTH 10° 06' 25" WEST, 60.02 FEET; THENCE NORTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE EASTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE WESTERLY SIDELINE OF FREDERICK STREET; THENCE SOUTHERLY ON SAID EASTERLY LINE SOUTH 00° 06' 28" EAST, 60.02 FEET TO THE POINT OF BEGINNING.

APN: 297-140-046-3 and 297-140-047-4

PARCEL 3 AND LOTS B AND E, AS SHOWN BY PARCEL MAP 13202 ON FILE IN BOOK 79, PAGE 7 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 312-250-016-8

LOT 1 IN BLOCK 91, MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO, COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS OF COTTONWOOD AVENUE AND PETTIT STREET WITHIN SAID BLOCK LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WEST LINE OF SAID LOT 1 AND NORTHERLY OF THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 1.

EXCEPT THE EAST 25.00 FEET OF LOT 1, IN BLOCK 91, AS DESCRIBED IN THE DEED TO THE COUNTY OF RIVERSIDE, RECORDED SEPTEMBER 22, 1971, AS INSTRUMENT NO. 107667, OFFICIAL RECORDS.

APN: 477-190-032

[TO BE ADDED: the City's Corporate Yard]

EXHIBIT B
BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
November 1, 2019			
May 1, 2020			
November 1, 2020			
May 1, 2021			
November 1, 2021			
May 1, 2022			
November 1, 2022			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			
May 1, 2031			
November 1, 2031			
May 1, 2032			
November 1, 2032			
May 1, 2033			
November 1, 2033			
May 1, 2034			
November 1, 2034			
May 1, 2035			
November 1, 2035			
May 1, 2036			
November 1, 2036			
May 1, 2037			
November 1, 2037			

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

Date	Principal	Interest	Total
May 1, 2038			
November 1, 2038			
May 1, 2039			
November 1, 2039			
May 1, 2040			
November 1, 2040			
May 1, 2041			
November 1, 2041			
May 1, 2042			
November 1, 2042			
May 1, 2043			
November 1, 2043			
May 1, 2044			
November 1, 2044			
May 1, 2045			
November 1, 2045			
May 1, 2046			
November 1, 2046			
May 1, 2047			
November 1, 2047			
May 1, 2048			
November 1, 2048			
May 1, 2049			

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

ORIGINAL 2015 BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
May 1, 2017	--	\$229,596.88	\$229,596.88
November 1, 2017	\$200,000.00	229,596.88	429,596.88
May 1, 2018	--	227,846.88	227,846.88
November 1, 2018	205,000.00	227,846.88	432,846.88
May 1, 2019	--	225,540.63	225,540.63
November 1, 2019	210,000.00	225,540.63	435,540.63
May 1, 2020	--	222,784.38	222,784.38
November 1, 2020	215,000.00	222,784.38	437,784.38
May 1, 2021	--	219,559.38	219,559.38
November 1, 2021	220,000.00	219,559.38	439,559.38
May 1, 2022	--	216,121.88	216,121.88
November 1, 2022	225,000.00	216,121.88	441,121.88
May 1, 2023	--	212,325.00	212,325.00
November 1, 2023	235,000.00	212,325.00	447,325.00
May 1, 2024	--	208,065.63	208,065.63
November 1, 2024	240,000.00	208,065.63	448,065.63
May 1, 2025	--	203,565.63	203,565.63
November 1, 2025	250,000.00	203,565.63	453,565.63
May 1, 2026	--	198,565.63	198,565.63
November 1, 2026	260,000.00	198,565.63	458,565.63
May 1, 2027	--	193,365.63	193,365.63
November 1, 2027	270,000.00	193,365.63	463,365.63
May 1, 2028	--	187,796.88	187,796.88
November 1, 2028	285,000.00	187,796.88	472,796.88
May 1, 2029	--	181,740.63	181,740.63
November 1, 2029	295,000.00	181,740.63	476,740.63
May 1, 2030	--	175,471.88	175,471.88
November 1, 2030	305,000.00	175,471.88	480,471.88
May 1, 2031	--	168,800.00	168,800.00
November 1, 2031	320,000.00	168,800.00	488,800.00
May 1, 2032	--	161,200.00	161,200.00
November 1, 2032	335,000.00	161,200.00	496,200.00
May 1, 2033	--	153,243.75	153,243.75
November 1, 2033	350,000.00	153,243.75	503,243.75
May 1, 2034	--	144,931.25	144,931.25
November 1, 2034	370,000.00	144,931.25	514,931.25
May 1, 2035	--	136,143.75	136,143.75
November 1, 2035	385,000.00	136,143.75	521,143.75
May 1, 2036	--	127,000.00	127,000.00
November 1, 2036	405,000.00	127,000.00	532,000.00

Date	Principal	Interest	Total
May 1, 2037	--	\$116,875.00	\$116,875.00
November 1, 2037	\$425,000.00	116,875.00	541,875.00
May 1, 2038	--	106,250.00	106,250.00
November 1, 2038	445,000.00	106,250.00	551,250.00
May 1, 2039	--	95,125.00	95,125.00
November 1, 2039	470,000.00	95,125.00	565,125.00
May 1, 2040	--	83,375.00	83,375.00
November 1, 2040	490,000.00	83,375.00	573,375.00
May 1, 2041	--	71,125.00	71,125.00
November 1, 2041	515,000.00	71,125.00	586,125.00
May 1, 2042	--	58,250.00	58,250.00
November 1, 2042	540,000.00	58,250.00	598,250.00
May 1, 2043	--	44,750.00	44,750.00
November 1, 2043	570,000.00	44,750.00	614,750.00
May 1, 2044	--	30,500.00	30,500.00
November 1, 2044	595,000.00	30,500.00	625,500.00
May 1, 2045	--	15,625.00	15,625.00
November 1, 2045	625,000.00	15,625.00	640,625.00

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ORIGINAL SERIES 2016 BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
May 1, 2017	\$ 855,000.00	\$333,275.56	\$1,188,275.56
November 1, 2017	--	436,825.00	436,825.00
May 1, 2018	825,000.00	436,825.00	1,261,825.00
November 1, 2018	--	430,637.50	430,637.50
May 1, 2019	840,000.00	430,637.50	1,270,637.50
November 1, 2019	--	422,237.50	422,237.50
May 1, 2020	850,000.00	422,237.50	1,272,237.50
November 1, 2020	--	412,675.00	412,675.00
May 1, 2021	875,000.00	412,675.00	1,287,675.00
November 1, 2021	--	401,737.50	401,737.50
May 1, 2022	895,000.00	401,737.50	1,296,737.50
November 1, 2022	--	389,431.25	389,431.25
May 1, 2023	920,000.00	389,431.25	1,309,431.25
November 1, 2023	--	375,631.25	375,631.25
May 1, 2024	945,000.00	375,631.25	1,320,631.25
November 1, 2024	--	361,456.25	361,456.25
May 1, 2025	975,000.00	361,456.25	1,336,456.25
November 1, 2025	--	346,221.88	346,221.88
May 1, 2026	1,005,000.00	346,221.88	1,351,221.88
November 1, 2026	--	329,890.63	329,890.63
May 1, 2027	1,035,000.00	329,890.63	1,364,890.63
November 1, 2027	--	309,190.63	309,190.63
May 1, 2028	1,080,000.00	309,190.63	1,389,190.63
November 1, 2028	--	287,590.63	287,590.63
May 1, 2029	1,120,000.00	287,590.63	1,407,590.63
November 1, 2029	--	265,190.63	265,190.63
May 1, 2030	1,165,000.00	265,190.63	1,430,190.63
November 1, 2030	--	241,890.63	241,890.63
May 1, 2031	1,215,000.00	241,890.63	1,456,890.63
November 1, 2031	--	217,590.63	217,590.63
May 1, 2032	1,260,000.00	217,590.63	1,477,590.63
November 1, 2032	--	192,390.63	192,390.63
May 1, 2033	1,315,000.00	192,390.63	1,507,390.63
November 1, 2033	--	163,625.00	163,625.00
May 1, 2034	1,370,000.00	163,625.00	1,533,625.00
November 1, 2034	--	133,656.25	133,656.25
May 1, 2035	1,435,000.00	133,656.25	1,568,656.25
November 1, 2035	--	102,265.63	102,265.63
May 1, 2036	1,490,000.00	102,265.63	1,592,265.63
November 1, 2036	--	69,671.88	69,671.88

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2037	\$1,560,000.00	\$69,671.88	\$1,629,671.88
November 1, 2037	--	35,546.88	35,546.88
May 1, 2038	1,625,000.00	35,546.88	1,660,546.88

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

SERIES 2019 BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
November 1, 2019	--		
May 1, 2020			
November 1, 2020	--		
May 1, 2021			
November 1, 2021	--		
May 1, 2022			
November 1, 2022	--		
May 1, 2023			
November 1, 2023	--		
May 1, 2024			
November 1, 2024	--		
May 1, 2025			
November 1, 2025	--		
May 1, 2026			
November 1, 2026	--		
May 1, 2027			
November 1, 2027	--		
May 1, 2028			
November 1, 2028	--		
May 1, 2029			
November 1, 2029	--		
May 1, 2030			
November 1, 2030	--		
May 1, 2031			
November 1, 2031	--		
May 1, 2032			
November 1, 2032	--		
May 1, 2033			
November 1, 2033	--		
May 1, 2034			
November 1, 2034	--		
May 1, 2035			
November 1, 2035	--		
May 1, 2036			
November 1, 2036	--		
May 1, 2037			
November 1, 2037	--		
May 1, 2038			
November 1, 2038	--		
May 1, 2039			

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2039	--		
May 1, 2040			
November 1, 2041	--		
May 1, 2041			
November 1, 2042	--		
May 1, 2042			
November 1, 2043	--		
May 1, 2044			
November 1, 2044	--		
May 1, 2045			
November 1, 2045	--		
May 1, 2046			
November 1, 2046	--		
May 1, 2047			
November 1, 2047	--		
May 1, 2048			
November 1, 2048	--		
May 1, 2049			
November 1, 2049	--		
May 1, 2049			

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On _____, 2019, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Attachment: Second Amendment to Master Facilities Sublease - Moreno Valley Lease Revenue Bonds 2019 4129-9502-0569 3 (3453 :



**SECOND SUPPLEMENT TO MASTER
TRUST AGREEMENT**

Between the

MORENO VALLEY PUBLIC FINANCING AUTHORITY

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Dated as of April 1, 2019

Relating to

\$ _____

**City of Moreno Valley Public Financing Authority
Lease Revenue Bonds, Series 2019 (Taxable)**



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Attachment: Second Supplement to 2015 Electric Master Trust Agreement - Moreno Valley Lease Revenue Bonds 2019 4128-3707-7529 3 (3453 :

SECOND SUPPLEMENT TO MASTER TRUST AGREEMENT

THIS SECOND SUPPLEMENT TO MASTER TRUST AGREEMENT (this “Second Supplement to Master Trust Agreement”), is made and entered into as of April 1, 2019, by and between the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley) (the “Authority”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America (the “Trustee”).

W I T N E S S E T H:

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”);

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015, (the “2015 Master Trust Agreement” or the “Original Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the 2015 Master Trust Agreement provides that, subject to the conditions set forth therein, in addition to the Series 2015 Bonds, the Authority may by execution of a Supplemental Trust Agreement without the consent of the Owners, provide for the execution and delivery of Additional Bonds secured by additional Base Rental Payments;

WHEREAS, the City previously leased certain real property and improvements thereon, as addition to the Facilities, to the Authority pursuant to a First Amendment to Master Facilities Lease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Lease” and the 2015 Master Facilities Lease as so amended to the dated date thereof the “2016 Master Facilities Lease”);

WHEREAS, the Authority subleased such real property and improvements thereon, as addition to the Facilities, back to the City pursuant to a First Amendment to Master Facilities Sublease, dated as of December 1, 2016 (the “First Amendment to Master Facilities Sublease” and the 2015 Master Facilities Sublease as so amended to the dated date thereof the “2016 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, dated as of December 1, 2016 (the “First Supplement to Master Trust Agreement” and the 2015 Master Trust Agreement as so amended to the dated date thereof the “2016 Master Trust Agreement”);

WHEREAS, the proceeds of the Series 2016 Bonds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds;

WHEREAS, the Authority intends to issue its Lease Revenue Bonds, Series 2019 (Taxable) (the “Series 2019 Bonds”) pursuant to this Second Supplement to Master Trust Agreement (the “Second Supplement to Master Trust Agreement” and the 2016 Master Trust Agreement as so amended, the “2019 Master Trust Agreement,” or simply the “Trust Agreement”) and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

WHEREAS, the proceeds of the Series 2019 Bonds will be applied by the City to finance and refinance certain capital facilities of the City through the issuance of its bonds, including the capital facilities described in Exhibit B attached hereto (the “2019 Project”);

WHEREAS, in order to finance such 2019 Project, the Authority and the City are entering into a Second Amendment to Master Facilities Lease, dated as of April 1, 2019, in order to amend the 2016 Master Facilities Lease, as so amended, the “2019 Master Facilities Lease,” or simply the “Lease” or the “Facilities Lease” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, in addition, in order to finance such 2019 Project, the Authority and the City are entering into this Second Amendment to Master Facilities Sublease, in order to amend the 2016 Master Facilities Sublease, as so amended, the “2019 Master Facilities Sublease,” or simply the “Sublease” or the “Facilities Sublease” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2016 Master Facilities Sublease, (ii) to increase the amount of Base Rental Payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2019 Bonds in accordance with the provisions of the 2019 Master Trust Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Second Supplement to Master Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Supplement to Master Trust Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties do hereby agree as follows:

PART 1

PARTICULAR AMENDMENTS

Part 1.1 Amendments to the Trust Agreement.

(a) Section 1.01 of the 2016 Master Trust Agreement is hereby amended by modifying the following terms:

Bond Insurer

The term “Bond Insurer” means any issuer or issuers of a policy or policies of municipal bond insurance obtained by the Authority to insure the payment of principal or accreted value of and interest on a Series of Bonds executed and delivered under the Trust Agreement, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be by action of a majority of all Bond Insurers (based upon the aggregate principal amount of Outstanding Bonds insured by each such Bond Insurer) if there is more than a single Bond Insurer. The Bond Insurer with respect to the Series 2015 Bonds and the Series 2016 Bonds is AGM.

The Bond Insurer with respect to the Series 2019 Bonds is [Insurer].

Bonds, Series 2015 Bonds, Series 2016 Bonds, Series 2019 Bonds, Additional Bonds, Serial Bonds, Term Bonds

The term “Bonds” means the Series 2015 Bonds, the Series 2016 Bonds, the Series 2019 Bonds, and all Additional Bonds. The term “Series 2015 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01. The term “Series 2016 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article XIII hereof. The term “Series 2019 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article XV hereof. The term “Additional Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III. The term “Serial Bonds” means Bonds for which no sinking fund payments are provided. The term “Term Bonds” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Continuing Disclosure Certificate

The term “Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2015 Bonds, that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2016 Bonds and/or that certain

Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2019 Bonds, as appropriate, as each is originally executed and as each may be amended from time to time in accordance with the terms thereof.

MSRB

The term “MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

Projects

The term “Projects” means the 2015 Project, the 2016 Refunding Project, the 2019 Project and all Additional Projects.

(b) Section 1.01 of the 2016 Master Trust Agreement is hereby amended by adding thereto the following definitions:

Series 2019 Closing Date

The term “Series 2019 Closing Date” means _____, 2019.

2019 Bond Insurance Policy

The term “2019 Bond Insurance Policy” means the insurance policy issued by [Insurer] guaranteeing the scheduled payment of principal of and interest on the Series 2019 Bonds when due.

2019 Project

The term “2019 Project” means capital facilities described in Exhibit B attached hereto.

2019 Reserve Policy

The term “2019 Reserve Policy” means the debt service reserve fund policy issued by [Insurer] guaranteeing the scheduled payment of principal of and interest on the Series 2019 Bonds when due.

(c) Amendments to Section 6.03(g) of the Trust Agreement. Section 6.03(g) of the 2016 Master Trust Agreement is hereby amended to read as follows:

The foregoing provisions of this Section 6.03 shall not be applicable to the Series 2015 Bonds, the Series 2016 Bonds, the Series 2019 Bonds nor to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be

taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

(d) Amendments to Section 12.12 of the Trust Agreement. The notice address for [Insurer] in Section 12.12 of the 2016 Master Trust Agreement is amended to read as follows:

If to [Insurer]: Assured Guaranty Municipal Corp.
 1633 Broadway
 New York, New York 10019
 Attention: Managing Director – Surveillance
 Re: Policy No. 217291-N (for the 2015 Bond Insurance Policy), 217952-N
 (for the 2016 Bond Insurance Policy) [and _____-N (for the 2019
 Bond Insurance Policy)]
 Telephone: (212) 974-0100
 Telecopier: (212) 339-3556

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

PART 2

ADDITION OF ARTICLE XV AND ARTICLE XVI

Part 2.1 **Addition of Article XV and Article XVI.** The 2016 Master Trust Agreement is hereby amended and supplemented by adding thereto additional Articles as follows:

ARTICLE XV

SERIES 2019 BONDS

Section 15.01 **Authorization of Series 2019 Bonds.** A third Series of Bonds is hereby created and designated “Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2019 (Taxable).” The aggregate principal amount of Series 2019 Bonds which may be issued and Outstanding under this Trust Agreement shall not exceed \$_____.

The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2019 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2019 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2019 Bonds in the form and manner provided herein and that the Series 2019 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The validity of the issuance of the Series 2019 Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of a capital improvement

or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of a capital improvement or upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Series 2019 Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Series 2019 Bonds shall be incontestable from and after their issuance. The Series 2019 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2019 Bonds (or any temporary Series 2019 Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

Section 15.02 Terms of Series 2019 Bonds. The Series 2019 Bonds shall be issued in the aggregate principal amount of \$_____. The Series 2019 Bonds shall be dated as of the date of initial delivery, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of Series 2019 Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Article IV hereof:

Series 2019 Bonds

Maturity Date (May 1)	Principal Amount	Interest Rate
2020	\$	%
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2049		

The Series 2019 Bonds shall bear interest at the rates set forth above, payable commencing [November 1, 2019], and semiannually thereafter on May 1 and November 1 in each year. The Series 2019 Bonds shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof, unless they are authenticated on a day during the period from the day after a Record Date for an Interest Payment Date to such Interest Payment Date, both dates inclusive, in which event they shall bear interest from such Interest Payment Date, or unless they are authenticated on a day on or before the Record Date for the first Interest Payment Date, in which event they shall bear interest from their date; provided, that if at the time of authentication of any Series 2019 Bond interest is then in default on the Outstanding Series 2019 Bonds, such Series 2019 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2019 Bonds. The

amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Payment of interest on the Series 2019 Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided, however, that interest on any Series of Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date. Any such written request shall remain in effect until rescinded in writing by the Holder.

Section 15.03 Form of Series 2019 Bonds. The Series 2019 Bonds and the assignment to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

Section 15.04 Execution of Series 2019 Bonds. The Executive Director of the Authority is hereby authorized and directed to execute each of the Series 2019 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2019 Bonds on behalf of the Authority. The signatures of such Executive Director and Secretary may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series 2019 Bonds shall cease to be such officer before the delivery of the Series 2019 Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series 2019 Bonds.

Only those Series 2019 Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series 2019 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 15.05 Special Covenants as to Book-Entry Only System for Series 2019 Bonds. (a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Series 2019 Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2019 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2019 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Series 2019 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2019 Bonds, representing the aggregate principal amount of the Series 2019 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2019 Bonds shall be registered in the registration records maintained

by the Trustee pursuant to Section 2.09 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2019 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2019 Bonds, selecting the Series 2019 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2019 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2019 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2019 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2019 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2019 Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2019 Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Series 2019 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2019 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Series 2019 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2019 Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section.

(c) In the event that the Authority determines that the Series 2019 Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Series 2019 Bonds will be transferable in accordance with subsection (e) of this Section. DTC may determine to discontinue providing its services with respect to the Series 2019 Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2019 Bonds will be transferable in accordance with subsection (e) of this Section. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2019 Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2019 Bonds then

Outstanding. In such event, the Series 2019 Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Series 2019 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2019 Bond and all notices with respect to each such Series 2019 Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

In the event that any transfer or exchange of Series 2019 Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2019 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.07 and 2.08. In the event Series 2019 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2019 Bonds, another securities depository as holder of all the Series 2019 Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.07 and 2.08 shall also apply to, among other things, the registration, exchange and transfer of the Series 2019 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2019 Bonds.

The transferor of any Series 2019 Bond not registered in the name of any nominee of DTC or other qualified institutional investor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 15.06 Deposit of Proceeds of Series 2019 Bonds; Other Moneys. The proceeds received from the sale of the Series 2019 Bonds in the amount of \$_____ (consisting of the par amount of the Series 2019 Bonds of \$_____.00, less original issue discount of \$_____, less an underwriter's discount of \$_____, less the premium paid to [Insurer] of \$_____ for the 2019 Bond Insurance Policy and \$_____ for the 2019 Reserve Policy), shall be transferred for deposit by the Trustee to the following respective funds or accounts:

- (a) The Trustee shall deposit in the Costs of Issuance Fund established pursuant to Section 3.01 hereof the amount of \$_____;
- (b) The Trustee deposit the sum of \$_____ in the Acquisition and Construction Fund established pursuant to Section 3.02 hereof.

The Trustee shall deposit the 2019 Reserve Policy in the Reserve Fund established pursuant to Section 3.03 hereof.

The deposits required of the Trustee set forth above into funds or accounts shall be deemed made by the transfer of funds by the Trustee in accordance with the instructions of the City. To facilitate any transfers to or for the benefit of the City required in this Section 15.06, the Trustee

may, in its discretion open a temporary fund or account on its records which shall be closed upon completion of such transfers.

Section 15.07 Redemption of Series 2019 Bonds. The Series 2019 Bonds shall be subject to redemption prior to their Principal Payment Date as set forth in this Section.

(a) *Extraordinary Redemption.* The Series 2019 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the City pursuant to Section 7.02(A) of the Sublease, at a Redemption Price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date.

(b) *Optional Redemption.* The Series 2019 Bonds maturing on and after May 1, 20__ are subject to optional redemption prior to their stated Principal Payment Dates, on any date on or after ____ 1, 20__, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (B) of Section 7.02 of the Sublease, any such prepayment to be at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium.

(c) *Mandatory Sinking Account Prepayment.* The Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__ are subject to prepayment prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each May 1 specified below, at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The principal of such Series 2019 Bonds to be so redeemed and the dates therefor shall be as follows:

Prepayment Date (May 1)	Principal Component To Be Redeemed
20__*	

*Stated Principal Payment Date

The amount of each such redemption shall be reduced proportionately in the event and to the extent of any and all redemptions of Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__, pursuant to any provision hereof other than redemptions made pursuant to the preceding paragraph.

The Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__ are subject to prepayment prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each May 1 specified below, at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date,

without premium. The principal of such Series 2019 Bonds to be so redeemed and the dates therefor shall be as follows:

Prepayment Date (May 1)	Principal Component To Be Redeemed
------------------------------------	---

20__*

*Stated Principal Payment Date

The amount of each such redemption shall be reduced proportionately in the event and to the extent of any and all redemptions of Series 2019 Bonds with a stated Principal Payment Date of May 1, 20__, pursuant to any provision hereof other than redemptions made pursuant to the preceding paragraph.

(d) *Selection of Bonds for Redemption.* Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date. If less than all Outstanding Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed randomly and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

(e) *Notice of Redemption; Cancellation; Effect of Redemption.* Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the Authority, not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Trustee shall also provide such additional notice of redemption of Bonds at the time and as may be required by the MSRB. Each notice of redemption shall state the date of such notice, the Bonds to be prepaid, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be prepaid, the distinctive certificate numbers of the Bonds of such maturity to be prepaid and, in the case of Bonds to be prepaid in part only, the respective portions of the principal amount thereof to be prepaid. Each such notice shall also state that such redemption may be rescinded by the Authority and that, unless such redemption is so rescinded,

and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be prepaid in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section to any one or more of the information services or securities depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The Authority shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed and shall not be reissued.

ARTICLE XVI

PROVISIONS RELATED TO 2019 BOND INSURANCE POLICY; BOND INSURER AND 2019 RESERVE POLICY

Section 16.01 General Provisions Relating to Bond Insurance. The terms 2015 Reserve Policy and Series 2015 Bonds in Section 3.03(b) of the Trust Agreement shall be read to refer to each of the 2015 Reserve Policy, the 2016 Reserve Policy and the 2019 Reserve Policy and the Series 2015 Bonds, the Series 2016 Bonds and the Series 2019 Bonds, respectively; the term Series 2015 Bonds in Section 10.01(c) of the Trust Agreement shall be read to refer to each of the Series 2015 Bonds, the Series 2016 Bonds and the Series 2019 Bonds; and similar changes shall be made where appropriate and as necessary to reflect the delivery of the 2019 Bond Insurance Policy and the 2019 Reserve Policy by [Insurer] in connection with the Series 2019 Bonds. So long as any Series 2019 Bonds remain outstanding and [Insurer] shall not have defaulted under the 2019 Bond Insurance Policy (or any amounts are owed to [Insurer]), the provisions of this Article XIV shall govern, notwithstanding anything to the contrary set forth in the Trust Agreement, or individually in the appropriate sections:

(a) [Insurer] shall be deemed to be the sole holder of the Series 2019 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2019 Bonds are entitled to take pursuant to the Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Trust Agreement and each Series 2019 Bond, the Trustee

and each Bondholder appoint [Insurer] as their agent and attorney-in-fact and agree that [Insurer] may at any time during the continuation of any proceeding by or against the Authority or City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to [Insurer], to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(b) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of [Insurer]. No grace period shall be permitted for payment defaults.

(c) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of [Insurer]. The exercise of any provision of the Trust Agreement which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of [Insurer] if any Bond so purchased is not cancelled upon purchase.

(d) Any amendment, supplement, modification to, or waiver of, the Trust Agreement or any other transaction document, including any underlying security agreement (each a “Related Document”), that requires the consent of Bondholders or adversely affects the rights and interests of [Insurer] shall be subject to the prior written consent of [Insurer].

(e) Unless [Insurer] otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition and Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(f) The rights granted to [Insurer] under the Trust Agreement or any other Related Document to request, consent to or direct any action are rights granted to [Insurer] in consideration of its issuance of the 2019 Bond Insurance Policy. Any exercise by [Insurer] of such rights is merely an exercise of [Insurer]’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of [Insurer], affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of [Insurer].

(g) Amounts paid by [Insurer] under the 2019 Bond Insurance Policy shall not be deemed paid for purposes of the Trust Agreement and the Series 2019 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority

in accordance with the Trust Agreement. The Trust Agreement shall not be discharged unless all amounts due or to become due to [Insurer] have been paid in full or duly provided for.

(h) [Each of the Authority and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof, it being understood that with respect to UCC filings, the Trustee shall be responsible only for the timely filing of continuation statements) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.]

(i) [Insurer] shall, to the extent it makes any payment of principal of or interest on the Series 2019 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2019 Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to [Insurer] under the Related Documents shall survive discharge or termination of such Related Documents.

(j) The Authority shall pay or reimburse (or cause the City to pay or reimburse) [Insurer] any and all charges, fees, costs and expenses that [Insurer] may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Trust Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Trust Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Trust Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of [Insurer] to honor its obligations under the 2019 Bond Insurance Policy. [Insurer] reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Trust Agreement or any other Related Document.

(k) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Fund Requirement.

(l) [Insurer] shall be entitled to pay principal or interest on the Series 2019 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the 2019 Bond Insurance Policy), whether or not [Insurer] has received a Notice of Nonpayment (as such terms are defined in the 2019 Bond Insurance Policy) or a claim upon the 2019 Bond Insurance Policy.

(m) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Trust Agreement would adversely affect the security for the Bonds or the rights of the Bondholders, the Authority shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2019 Bond Insurance Policy.

(n) No contract shall be entered into or any action taken by which the rights of [Insurer] or security for or sources of payment of the Series 2019 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of [Insurer].

Section 16.02 Claims Upon the 2019 Bond Insurance Policy and Payments by and to [Insurer].

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or Principal Payment Date (each, a “Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Trust Agreement, moneys sufficient to pay the principal of and interest on the Series 2019 Bonds due on such Payment Date, the Trustee shall give notice to [Insurer] and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2019 Bonds due on such Payment Date, the Trustee shall make a claim under the 2019 Bond Insurance Policy and give notice to [Insurer] and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2019 Bonds and the amount required to pay principal of the Series 2019 Bonds, confirmed in writing to [Insurer] and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2019 Bond Insurance Policy.

(b) The Trustee shall designate any portion of payment of principal on Series 2019 Bonds paid by [Insurer], whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2019 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to [Insurer], registered in the name of _____, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Series 2019 Bond or the subrogation rights of [Insurer].

(c) The Trustee shall keep a complete and accurate record of all funds deposited by [Insurer] into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2019 Bond. [Insurer] shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the 2019 Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2019 Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2019 Bonds under the sections hereof regarding payment of Series 2019 Bonds. It shall not be necessary for such

payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority agrees, and shall cause the City to agree, to pay to [Insurer] (i) a sum equal to the total of all amounts paid by [Insurer] under the 2019 Bond Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by [Insurer] until payment thereof in full, payable to [Insurer] at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2019 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority and the City hereby covenant and agree that Insurer Reimbursement Amounts are secured by a lien on and pledge of the Base Rental Payments and other amounts, and payable from such Base Rental Payments and other amounts, on a parity with debt service due on the Bonds.

(e) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Interest Payment Date shall promptly be remitted to [Insurer].

Section 16.03 Provision of Information and Notice to Bond Insurer. So long as any Bonds remain outstanding and the Bond Insurer shall not have defaulted under the Bond Insurance Policy, the Bond Insurer shall be provided with the following information by the City, Authority or Trustee, as the case may be:

Annual audited financial statements within 180 days (or such longer period agreed to by the Bond Insurer) after the end of the City’s fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under the Trust Agreement), and the City’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time.

(a) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds.

(b) Notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof.

(c) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(d) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto.

(e) Notice of the commencement of any proceeding by or against the Authority or the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”).

(f) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds.

(g) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents.

(h) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents.

The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

The Authority will permit the Bond Insurer to discuss the affairs, finances and accounts of the Authority or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Authority on any business day upon reasonable prior notice.

The Trustee shall notify the Bond Insurer of any failure of the Authority or the City to provide notices, certificates and other information under the transaction documents.

Section 16.04 Provisions Relating to 2019 Reserve Policy. So long as any Series 2019 Bonds remain outstanding and [Insurer] shall not have defaulted under the 2019 Reserve Policy (or any amounts are owed to [Insurer]), the following provisions govern, notwithstanding anything to the contrary set forth in the Trust Agreement or individually in the appropriate sections:

(a) The Authority shall repay any draws under the 2019 Reserve Policy and pay all related reasonable expenses incurred by [Insurer] and shall pay interest thereon from the date of payment by [Insurer] at the Late Payment Rate. “Late Payment Rate” means the lesser of (x) the greater of (I) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2019 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as [Insurer] shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus

such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by [Insurer], with the same force and effect as if the Authority had specifically designated such extra sums to be so applied and [Insurer] had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to [Insurer] shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to [Insurer] on account of principal due, the coverage under the 2019 Reserve Policy will be increased by a like amount, subject to the terms of the 2019 Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2019 Bonds (subject only to the priority of payment provisions set forth under the Trust Agreement).

All cash and investments in the Reserve Fund not allocable to a particular Series or Bonds shall be transferred to the Revenue Fund for payment of debt service on Series 2019 Bonds before any drawing may be made on the 2019 Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the 2019 Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Authority shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, [Insurer] shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Trust Agreement other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

(c) The Trust Agreement shall not be discharged until all Policy Costs owing to [Insurer] shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Series 2019 Bonds.

(d) The Authority and the City shall include any Policy Costs then due and owing [Insurer] in the calculation of any applicable additional bonds test as set forth in the Trust Agreement.

PART 3

MISCELLANEOUS

Part 3.1 Effect of Second Supplement to Master Trust Agreement. This Second Supplement to Master Trust Agreement and all of the terms and provisions herein contained shall form part of the 2016 Master Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the 2016 Master Trust Agreement. The 2016 Master Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this Second Supplement to Master Trust Agreement and the terms of the 2016 Master Trust Agreement (as in effect on the day prior to the effective date of this Second Supplement to Master Trust Agreement), the terms of this Second Supplement to Master Trust Agreement shall prevail.

Part 3.2 Annual Debt Report to California Debt and Investment Advisory Commission. Not later than January 31 of each year, commencing January 31, 2020 and continuing until the January 31 following the final maturity of the Bonds, the Authority shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to California Government Code Section 8855(k). The Authority shall in no event be liable to any Holder or beneficial owner of the Bonds or any other person or entity in connection with any error in any such information.**Execution in Counterparts.** This Second Supplement to Master Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Part 3.4 Effective Date. This Second Supplement to Master Trust Agreement shall become effective upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplement to Master Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

**MORENO VALLEY PUBLIC FINANCING
AUTHORITY**

By: _____
Thomas M. DeSantis, Executive Director

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

Acknowledged:

CITY OF MORENO VALLEY

By: _____
Thomas M. DeSantis, City Manager

Attachment: Second Supplement to 2015 Electric Master Trust Agreement - Moreno Valley Lease Revenue Bonds 2019 4128-3707-7529 3 (3453 :

EXHIBIT A
FORM OF SERIES 2019 BOND

R-_____ \$_____

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BOND, SERIES 2019 (TAXABLE)**

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE CITY OF MORENO VALLEY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF MORENO VALLEY.

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
____%	May 1, 20__	_____, 2019	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The MORENO VALLEY PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication and registration of this Bond (unless such date of registration is on a day during the period from the day after a Record Date for an Interest Payment Date to such Interest Payment Date, both dates inclusive, in which event this Bond shall bear interest from such Interest Payment Date, or unless this Bond are authenticated on a day on or before the Record Date for the first Interest Payment Date, in which event this Bond shall bear interest from the original issue date specified above; provided, that if at the time of authentication of this Bond interest is then in default on the Outstanding Bonds, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on [November 1, 2019], and semiannually thereafter on each May 1 and November 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in

aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the principal office of Wells Fargo Bank, National Association, in Minneapolis, Minnesota.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Moreno Valley Public Financing Authority Lease Revenue Bonds” (the “Bonds”) and is one of a duly authorized series of such Bonds known as “Series 2019 (Taxable)” (the “Series 2019 Bonds”) issued in an aggregate principal amount of \$_____ all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a master trust agreement, dated as of December 1, 2015, as amended by a first supplement thereto, dated as of December 1, 2016 and a second supplement thereto, dated as of April 1, 2019 (and as further amended from time to time, the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor as trustee under the Trust Agreement, the “Trustee”) (copies of the Trust Agreement are on file at the principal office of the Trustee in San Francisco, California).

The Bonds are issued to provide funds to finance and refinance certain capital facilities of the City. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the “Revenues”) derived from Base Rental Payments and other payments made by the City of Moreno Valley (the “City”), and all interest or other investment income thereon, pursuant to the Master Facilities Sublease, dated as of December 1, 2015, as amended by a first amendment thereto, dated as of December 1, 2016 and a second amendment thereto, dated as of April 1, 2019 (as further amended from time to time, the “Facilities Sublease”), by and between the Authority and the City, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the City are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal of the Bonds is a debt, liability or general obligation of the Authority, the City or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the

Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption by the Authority on the dates, and at the redemption prices, set forth in the Trust Agreement.

Notice of redemption of this Bond shall be given by first-class mail not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner of any Bond selected for redemption, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this Bond shall cease to accrue and the registered owner of this Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default (as defined in the Trust Agreement) shall occur, the Trust Agreement provides that the Trustee may take certain actions and exercise certain remedies as provided in the Trust Agreement.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

Any transferor of this Bond, if then not registered in the name of any nominee of DTC or other qualified institutional investor, shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Moreno Valley Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Executive Director of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the original issue date specified above.

**MORENO VALLEY PUBLIC FINANCING
AUTHORITY**

By: _____
Executive Director

Countersigned:

Secretary

STATEMENT OF INSURANCE

_____ (“[Insurer]”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to Wells Fargo Bank, National Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [Insurer] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [Insurer] as more fully set forth in the Policy.

**[FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2019 BONDS]**

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on _____, 2019.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By:

Authorized Signatory

Attachment: Second Supplement to 2015 Electric Master Trust Agreement - Moreno Valley Lease Revenue Bonds 2019 4128-3707-7529 3 (3453 :

**[FORM OF ASSIGNMENT TO
APPEAR ON SERIES 2019 BONDS]**

For value received the undersigned hereby sells, assigns and transfers unto (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: _____

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed:

NOTE: Signature must be guaranteed by an eligible guarantor institution.

Attachment: Second Supplement to 2015 Electric Master Trust Agreement - Moreno Valley Lease Revenue Bonds 2019 4128-3707-7529 3 (3453 :

EXHIBIT B**DESCRIPTION OF 2019 PROJECT**

The 2019 Project consists of the installation of 12kV backbone infrastructure as an extension of the City's electrical distribution system that is critical to support new development and improve reliability and flexibility of the City's electrical distribution system. These improvements include conduit, structures, equipment, cable, and pavement restoration work.

\$ _____
**CITY OF MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2019 (TAXABLE)**

BOND PURCHASE AGREEMENT

_____, 2019

Moreno Valley Public Financing Authority
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the Moreno Valley Public Financing Authority (the “Authority”) and the City of Moreno Valley, California (the “City”), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the City of Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2019 (Taxable) (the “Bonds”) in the aggregate principal amount of \$_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on May 1 and November 1 in each year, commencing November 1, 2019 (each an “Interest Payment Date”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (which represents the principal amount of the Bonds in the amount of \$_____, plus a net premium in the amount of \$_____, less an Underwriter’s discount of \$_____, [less the premium paid to [Insurer] of \$_____ for the 2019 Bond Insurance Policy an \$_____ for the 2019 Reserve Policy].)

[At the request of the Authority, on the day of Closing, the Underwriter will wire a portion of the purchase price in the aggregate amount of \$_____ to _____ (the “Insurer”).]

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). Terms defined in the Official Statement are used herein as so defined.

The City and Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction among the City, the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); and (iv) the City and the Authority have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate.

Section 2. The Bonds. The Bonds shall be issued under and pursuant the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereof, and under and pursuant to the provisions of a Master Trust Agreement, dated as of December 1, 2015, between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor as trustee under the Trust Agreement, the “Trustee”), as amended by that certain First Supplement to the Master Trust Agreement, dated as of December 1, 2016, and that certain Second Supplement to the Master Trust Agreement, dated as of April 1, 2019 (and as further amended from time to time, the “Trust Agreement”). The Bonds shall be limited obligations of the Authority and shall be payable, as to interest thereon and principal thereof, solely from the Revenues derived from Base Rental Payments and other payments made by the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015, by and between the Authority and the City, as amended by a First Amendment to the Master Facilities Sublease, dated as of December 1, 2016, and a Second Amendment to the Master Facilities Sublease, dated as of April 1, 2019 (as further amended from time to time, the “Sublease”).

The Bonds are being issued to fund certain capital improvements of the City as described in the Official Statement.

Section 3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. The Official Statement. By their acceptance of this Purchase Agreement, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _____, 2019 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City and the Authority deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

Section 5. Closing. At ____ a.m., California time, on _____, 2019, or at such other time or date as the Authority, the City and the Underwriter mutually agree upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York New York (“DTC”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City shall deliver the documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California (“Bond Counsel”) or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is and will be at the date of Closing a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), including Section 6500 *et seq.* of the Government Code of the State of California (the “JPA Act”) with all necessary power and authority to enter into and perform its duties under the Lease, the Sublease, the Trust Agreement, and this Purchase Agreement (collectively, the “Authority Documents”).

(b) The Authority has complied with all filing requirements of the JPA Act.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Official

Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained, in the Authority Documents. When executed and delivered, each Authority Document will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(d) Prior to the date hereof, the Authority has provided to the Underwriter for its review the Preliminary Official Statement that an authorized officer of the Authority has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to the Bond Insurer or DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to the Bond Insurer or DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(e) The execution and delivery by the Authority of the Authority Documents and the approval and execution by the Authority of the Official Statement and compliance with the provisions on the Authority's part contained in the Authority Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the Authority to carry out its obligations under the Authority Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(g) The Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may

have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been served or, to the best knowledge of the officers of the Authority, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the Authority to enter into the Authority Documents or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iii) of this sentence.

(i) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

Section 7. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is and will be at the date of Closing duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Continuing Disclosure Certificate relating to the Bonds (the “Continuing Disclosure Certificate”), the Lease, the Sublease, the Trust Agreement and this Purchase Agreement (collectively, the “City Documents” and, together with the Authority Documents, the “Legal Documents”) and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the City Documents. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally.

(c) The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a

material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to the Bond Insurer or DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to the Bond Insurer or DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading.

(d) The execution and delivery by the City of the City Documents and the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the City Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the City Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(e) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(g) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2018 as set forth in the Official Statement fairly represent the receipts, expenditures and cash balances of the General Fund. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the General Fund or in its operations since June 30, 2018 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government

agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or contesting the power of the City to enter into the City Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Base Rental Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(i) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to the Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(j) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

(k) As of the date hereof, the City does not have any material obligations secured by payments from the General Fund of the City, except as disclosed in the Official Statement.

(l) The exceptions set forth in the title insurance policy for the Leased Property insuring, subject only to Permitted Encumbrances, the fee interest of the City in the Leased Property, the Authority's leasehold estate in the Leased Property under the Lease, and the City's leasehold estate in the Leased Property under the Sublease, do not materially impair the use of the Leased Property, the existing facilities and the sites thereof for the purposes for which they are or may reasonably be expected to be held.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel, Disclosure Counsel and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Authority Documents, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to make the Base Rental Payments;

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the final Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an

amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement; or

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Underwriter's

reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers; or

(x) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(xi) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(xii) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xiii) the commencement of any action, suit or proceeding described in Section 6(h) or Section 7(h).

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) all resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the Authority Documents and the Official Statement;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority and the City, in substantially the form attached as Appendix C to the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE SERIES 2019 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS,” and “TAX MATTERS,” and in APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS,” and APPENDIX C – “PROPOSED FORM OF BOND COUNSEL OPINION,” and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Lease, the Sublease, the Trust Agreement, and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing.

(B) the Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City and is the valid, legal and binding agreement of the Authority and the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(vi) the Official Statement, executed on behalf of the Authority and the City;

(vii) evidence that the rating on the Bonds is as described in the Official Statement;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the date of Closing; (ii) to the best of such officer’s knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and

information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument;

(ix) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Lease Agreement) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Official Statement;

(x) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and Bond Counsel, of the Office of the City Attorney of the City of Moreno Valley, as Counsel to the Authority, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the best of such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority;

(D) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents;

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(F) based on the information made available to such counsel in its role as counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement under the caption entitled "THE AUTHORITY" and "ABSENCE OF LITIGATION" nothing has come to its attention which would lead it to believe that the

statements contained in the above-referenced caption as of the date of the Official Statement and as of the date of Closing contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City of Moreno Valley, to the effect that:

(A) the City is duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents;

(D) the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as

may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(F) based on the information made available to City Attorney, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to its attention which would lead it to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed and information relating to the Authority and DTC and its book entry system) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) an opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, Disclosure Counsel to the Authority and the City dated the date of Closing and addressed to the Authority, the City, the Underwriter in the form set forth in Exhibit B;

(xiii) an opinion of counsel to the Trustee, addressed to the Underwriter and the Authority, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of Authority;

(D) the Trustee's actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or

trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xiv) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the other parties thereto, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Trust Agreement and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xv) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xvi) a copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xvii) the tax and nonarbitrage certificate by the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel, the Underwriter and Norton Rose Fulbright US LLP (“Underwriter’s Counsel”);

(xviii) a title policy in form and substance acceptable to Bond Counsel, the Underwriter and Underwriter’s Counsel;

(xix) an opinion of Underwriter’s Counsel in form and substance acceptable to the Underwriter;

(xx) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the City;

(xxi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the Authority;

(xxii) a certified copy of the Joint Exercise of Powers Agreement establishing the Authority, dated October 28, 1997, and all amendments thereto, and related certificates issued by the Secretary of State of the State;

(xxiii) [a copy of the municipal bond insurance policy and debt service reserve surety of the Insurer, together with such certificates and opinions as required by Bond Counsel and the Underwriter, and insured rating letter];

(xxiv) a copy of the Debt Management Policy, adopted by the City Council of the City on February 7, 2017, that complies with Government Code Section 8855(i);

(xxv) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter’s Counsel may reasonably request.

Section 9. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 10. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the Authority shall pay, or cause the City to pay, out of the proceeds of the Bonds or any other legally available funds of the City or the Authority, all expenses incidental to the performance of the Authority's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter; the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities; the fees and disbursements of the Authority, the Trustee and its counsel, Bond Counsel, Authority Counsel, the City Attorney, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City or the Authority in connection with the issuance and sale of the Bonds; rating agency fees; advertising expenses; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds. The Authority shall pay, or cause the City to pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's or the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set for herein, the Authority shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the cost of preparing this Purchase Contract and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa St., Suite 1800, Los Angeles, CA 90071, Attention: Tom Jacob, Director. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing 14177 Frederick Street, P.O. Box 88005, Moreno Valley, CA 92552-0805, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Moreno Valley, 14177 Frederick Street, P.O. Box 88005, Moreno Valley, CA 92552-0805, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 13. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Authorized Officer

Accepted:

MORENO VALLEY PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

Time of Execution: ____:____

Accepted:

CITY OF MORENO VALLEY

By: _____
City Manager

Time of Execution: ____:____

Attachment: Bond Purchase Agreement - Moreno Valley Lease Revenue Bonds, Series 2019... (3453 : RESOLUTIONS APPROVING THE

EXHIBIT A
MATURITY SCHEDULE

Attachment: Bond Purchase Agreement - Moreno Valley Lease Revenue Bonds, Series 2019... (3453 : RESOLUTIONS APPROVING THE

EXHIBIT B
FORM OF DISCLOSURE COUNSEL OPINION

Attachment: Bond Purchase Agreement - Moreno Valley Lease Revenue Bonds, Series 2019... (3453 : RESOLUTIONS APPROVING THE

DEBT MANAGEMENT POLICY

Purpose: The following debt policies were developed in an effort to standardize and rationalize the issuance and management of debt by the City of Moreno Valley and its component units. The policies apply to all direct debt issued by the City of Moreno Valley, including leases, debt guaranteed by the City, and revenue bonds issued by the City. The policies also apply, along with certain other previously adopted policies, to so-called no-commitment debt and to conduit debt of the City.

I. Scope

A. This policy will apply to the following funds and entities:

1. The City of Moreno Valley
 - a. General Fund
 - b. Moreno Valley Utilities
2. Moreno Valley Community Facility Districts (CFD)
3. Moreno Valley Community Services District (CSD)
4. Moreno Valley Public Financing Authority (MVPFA)

I.II. Introduction

- A.** The City's budget practices generally have been that operating revenues fully cover operating expenses, including debt service; established reserves meet minimum policy levels; "one-time" revenues are used to fund nonrecurring expenditures; and the prioritization of capital projects eligible for debt financing is accomplished through a "needs assessment" undertaken in the formulation and development of the City's Capital Improvement Budget.
- B.** The policies are divided into discrete sections relating to: the purposes and uses of debt by the City; the City's creditworthiness objectives; the standards and structure to be used in City debt issues; debt administration and process; criteria for selection of the debt consulting team; and, appendices which summarize the City's current debt portfolio and which provide the reader with a glossary of common terms used in the municipal debt sector.
- C.** Debt will only be undertaken when the City believes that the project revenues or specific resources will be available and sufficient to service the debt over its life. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed. The policies establish criteria for internal, inter-fund borrowing.
- D.** Before issuing lease revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City shall only use lease revenue debt or financing leases if the tests set forth in the policies are met.
- E.** The City seeks to maintain the highest possible credit ratings for all categories of short- and long-term direct debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.
- F.** The City will seek to structure debt with level principal and interest costs over the life of the debt.

DEBT MANAGEMENT POLICY

- G.** As a matter of policy, no City department, agency, or sub-unit shall incur long-term debt in excess of \$100,000 without the approval of the City Council. All requests to incur debt in excess of \$100,000 will be presented by memorandum to the Chief Financial Officer/City Treasurer.
- H.** The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's General Plan and with the City's overall service and policy objectives, as determined by the City Council. It shall be the City's policy to approve for conduit financing only those projects that demonstrate a "significant public benefit." The City will require a deposit of its anticipated fees and expenses for any entity seeking financing through the City as a conduit.
- I.** The policies establish a Debt Management Team, comprised "ex officio" of the City Manager, the Chief Financial Officer/City Treasurer, and the City Attorney, or their respective designee(s). The Debt Management Team is authorized to provide advice to the City Council, the City Manager, the Chief Financial Officer/City Treasurer, and the various Departments of the City in all matters pertaining to the creation of debt. All direct or indirect debt of the City will be presented to the City Council's Finance committee for deliberation and recommendation prior to submittal to the full City Council. For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a regular business item, and at a regular or special City Council meeting, consistent with state law.
- J.** The City may engage an underwriter for a negotiated sale of debt through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team.
- K.** All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all statutory requirements necessary for issuance, and determining the federal income tax status of such debt. Bond counsel will be selected by the City Attorney based on the prior recommendation of the City's Debt Management Team.
- L.** While engagement of a financial advisor on each City debt issue is not required, it is strongly encouraged by the policies. The City may engage an external financial advisor through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team.
- M.** Any unsolicited financing proposal to a City department, agency, or employee involving pledge or other extension of the City's credit through sale of securities, execution of loans or leases, marketing guarantees, or otherwise involving directly or indirectly the lending or pledging of the City's credit, shall be referred to the Financial & Management Services Department for review by the City's Debt Management Team prior to submittal to the City Council for approval.
- N.** "No commitment" debt is defined differently from conduit debt by the Governmental Accounting Standards Board ("GASB"). The City's no commitment debt is described in the exhibits to these Policies and in the notes to the City's financial statements. It consists generally of so-called "land secured debt" such as Mello-Roos or assessment district debt that

Approved by: City Council/
January 28, 2014
Revised: 2/7/17, 3/19/19

DEBT MANAGEMENT POLICY

indirectly benefits the City but for which the City has no financial commitment. Thus, this is “off balance sheet” debt which is afforded the same treatment as “conduit debt,” but which bears different risks in the event of non-compliance with the borrowing agreements.

- O. Conduit debt is debt issued by a government for the express purpose of providing capital financing for a third party that is not part of the issuing government’s financial reporting entity. These obligations may bear the name of the City but are not legal obligations of the City.
- P. Regular, updated debt policies can be an important tool to insure the use of the City's resources to meet its commitments to provide needed services to the citizens of Moreno Valley and to maintain sound financial management practices. These Policies are therefore guidelines for general use, and allow for exceptions in extraordinary conditions. The Policies will have served their intended purpose if they stimulate an open debate about the City’s existing and/or proposed debt position, and they lead to informed decision making by the City Council.

H.III. Purposes and Uses of Debt

A. Capital Financing – In General

1. The City normally will rely first on internally generated funds and/or grants and contributions from other governments to finance its capital needs. Debt will be issued for a capital project only in the case of emergency or when it is an appropriate means to achieve an equitable allocation of costs between current and future beneficiaries as determined by the City Council. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. Debt will only be undertaken when the City believes that the project revenues or specific resources will be available and sufficient to service the debt over its life. Debt financing will not be considered appropriate for any recurring purpose such as operating or maintenance costs.
2. Capital improvements should be financed primarily through user fees, service charges, assessments, special taxes or developer exactions so long as the benefits the City will derive from such improvements can be attributed to the users of the improvements. Moreover, the City will specifically consider the costs associated with any borrowing in order to determine that the above funding sources are adequate to service the proposed debt. Accordingly, the Policies assume that development fees will be set at a level that is sufficient at all times to insure that new development pays its fair share of the cost of constructing new facilities in the community.
3. The City will evaluate the use of debt in-lieu of “pay-as-you-go” financing on the basis of the following criteria:
 - a. Factors favoring “Pay-as-You-Go” financing
 - i. Current fund balances or project revenues are sufficient to fund the project
 - ii. Existing or proposed debt levels would have a deleterious effect on the City’s credit position or rating

DEBT MANAGEMENT POLICY

- iii. Credit market conditions are unstable or present extraordinary difficulty in marketing the proposed debt
- b. Factors favoring use of debt
 - i. Revenues are deemed to be stable and reliable enough to support the proposed debt at investment grade rating levels
 - ii. The nature of the financed project will support investment grade ratings
 - iii. Credit market conditions present favorable interest rates and demand for financings such as the City's
 - iv. The project being financed is mandated by the state or federal government and resources are insufficient or unavailable
 - v. The project being financed is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable
 - vi. The estimated useful life of the asset to be financed is greater than 5 years
- B. Asset Life:** The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.
- C. General Obligation Debt**
1. General obligation bonds provide the lowest borrowing costs for major public assets. The use of a general obligation pledge usually eliminates the need for a bond reserve and due to its high credit quality and the ability to levy a tax to repay it, produces borrowing terms and costs unavailable through other methods. Moreover, since the source of repayment of a general obligation bond is from proceeds of specific taxes, the City's operating funds and its operating position are not impacted by the issuance of general obligation bonds. Though the use of the term "general obligation bond" implies that the City's "full faith and credit" would be pledged to the repayment of the bond, the bond is actually repaid from an *ad valorem* tax on real property. Accordingly, the general obligation bond is more properly described as an "unlimited tax" bond.
 2. Because of the absence of a limitation on the rate and amount of the tax that might be levied to pay a general obligation bond, state law and prudent finance practice require the submission of such a proposed debt to the electorate. Article XIII of the California Constitution requires that general obligation bonds be submitted to the voters for approval and that the issuance of such bonds be approved by a two-thirds vote.
 3. *Ad valorem* property taxes affect various classes of taxpayers differently. Since the enactment of Proposition 13 in 1978, the increases in assessed value of real property have been limited for established property owners. This has the effect of disproportionately burdening newer property owners, who may have less wealth or

DEBT MANAGEMENT POLICY

taxpaying capacity than older, more established property owners. Moreover, business property owners, whose property turns over less frequently than residential property often benefit as a result of this phenomenon.

4. Cities in California may issue general obligation bonds only for the purpose of acquiring, improving or constructing real property. Accordingly, it shall be the City's policy to issue general obligation bonds only for such purposes and then only when the acquisition, improvement, or construction of the proposed real property will provide benefits to the community, in significant amounts, to both users and non-users of the facility.
- D. Use of Lease Debt, Certificates of Participation or Financing Leases:** Before issuing lease revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City may use lease revenue debt or financing leases for those projects which are not sufficiently popular to obtain a two-thirds vote for the issuance of general obligation bonds or which must be financed at a time, or in a manner which do not permit the use of general obligation bonds. The City shall only use lease revenue debt or financing leases: if the project to be financed will generate positive net revenues after debt service; or if the project will significantly reduce City operating costs; or if an equal or greater amount of non-City matching funds will be lost if City's lease revenue or financing lease funds are not applied in a timely manner; or if the project to be financed is less than \$1,000,000; or if the project to be financed provides essential City services or would so advance core City policy objectives that its value overrides the value of obtaining voter approval.

III-IV. "No Commitment" and Conduit Debt

A. City as Issuer of "No-Commitment Debt" or Conduit Debt

1. The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Council and with the City's General Plan. All conduit financings shall insulate the City completely from any credit risk or exposure and must first be approved by the Chief Financial Officer/City Treasurer and the City Manager before being submitted to City Council for authorization and implementation.
2. Each applicant for a conduit financing by the City will be required to provide an indemnity to the City, or its constituent agencies, for all costs, expenses, attorney fees, settlement or judgment costs arising out of the financing or any of the documentation relating to the financing.

B. Significant Public Benefit Test for Conduit Debt

1. It shall be the City's policy to approve for conduit financing only those projects that demonstrate a "significant public benefit." In general, "significant public benefit" means that the proposed project will enhance the economic, social or cultural quality of life for the residents of the City; or, that the proposed project will stimulate

DEBT MANAGEMENT POLICY

employment within the City; and, that such enhancement or employment gain can be measured in a manner which permits the City to evaluate the risks and rewards of acting as the conduit issuer. Significant public benefit will be based on the City's evaluation of the availability of public access to the widest possible number of residents of the City, depending on the context.

2. Acceleration or addition of public infrastructure in excess of that required by law or the City's land use polices could also produce significant public benefit. Such benefits arise either from the installation or completion of public infrastructure assets prior to the time they might otherwise be installed or from the additional assets which might be realized as a result of being able to finance the project more efficiently.
3. Finally, the finding of significant public benefit can arise from the installation or acquisition of a community asset which produces additional employment opportunities or which produces environmental benefits either as a direct or secondary result of its completion. In circumstances where the financed improvements generate regional benefits, the finding of significant public benefit will be easier than in those where the financed facilities serve only a small number of residents. The process for approval of a conduit financing will generally require a two-step process. First, the Chief Financial Officer/City Treasurer and the City Manager will seek City Council direction and will establish the ground rules for evaluating the request. Requests for conduit financing which do not originate within the Financial & Management Services Department shall be forwarded to the Chief Financial Officer/City Treasurer or City Manager for transmittal to the City's Debt Management Team, which is described in Paragraph VI-A-2. Upon an evaluation by the Chief Financial Officer/City Treasurer and the City Manager, the matter will be referred back to the City Council for approval of the financing documents.
4. The City will require a financial pro forma and business plan for any project to be financed with the proceeds of a conduit issue. The City will impose a fee for acting as a conduit issuer of securities as shown in Appendix B hereto. The City will require an initial deposit of \$20,000 for any entity seeking financing through the City as a conduit, which will be held by the City, and which the City may require additional deposits to, from time to time. The City's fees and costs will be charged against the initial or subsequent deposits, and any excess remaining at the time of issuance of the debt, or the abandonment of the project, whichever is applicable, will be refunded to the applicant.

C. Credit Quality of Conduit Debt

1. The City will consider conduit financing only for those applicants which are credit-enhanced or guaranteed so as to attain a rating of at least "A" from any one of the three major credit rating agencies. The City may consider a waiver of this requirement in special circumstances and upon the written recommendation of the City's Chief Financial Officer/City Treasurer. In cases where the City elects to waive this requirement, it specifically reserves the right to require the sponsor of such a conduit financing to use a private placement of the securities and to impose a "sophisticated investor" requirement acceptable to the City. In this context the

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concept of a “sophisticated investor” will be the standard imposed by federal securities law for private placements of corporate securities. In addition, the City will seek to limit the resale of the securities in one of the following ways: (1) the investor must agree to hold the securities to their respective maturity dates; or, (2) the investor must agree to secure a rating on the bonds of at least “A” before reselling them; or, (3) the investor must agree to resell the securities only (a) to another sophisticated investor who will also agree to sign a sophisticated investor letter, and (b) obtain the City’s approval for such a resale. Selection of an individual criterion depends on the facts and circumstances of the particular sale, but restrictions 1 and 3 above are most suitable where the credit characteristics of the individual issue are expected to remain static. Issues that are expected to improve over time in credit characteristics are more appropriate for the application of rule number 2.

IV.V. Creditworthiness Objectives

A. Credit Ratings

1. The City of Moreno Valley seeks to maintain the highest possible credit ratings for all categories of short- and long-term direct debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives. The City recognizes that there is a direct correlation between the credit rating it achieves and the cost of borrowing. Therefore, as a general rule, the City will seek to acquire and maintain an investment grade rating on all of its direct debt.
2. The City recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Nevertheless, the City is committed to ensuring that actions within its control are prudent and consistent with these Policies.

B. Financial Disclosure, Initial and Continuing

1. The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements as set forth in Securities and Exchange Commission Rule 15c2-12, and its amendments, on a timely and comprehensive basis. (See Section VIII– Continuing Disclosure for additional discussion.)
2. Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Municipal Standards Rulemaking Board (MSRB), the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Financial & Management Services Department is designated as the responsible party for ongoing disclosure to established national information repositories and for maintaining compliance with

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disclosure standards promulgated by state and national regulatory bodies and for compliance with continuing disclosure requirements required by contractual arrangements necessary to comply with Rule 15c2-12.

- C. **Capital Planning:** To enhance creditworthiness and prudent financial management, the City of Moreno Valley is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to systematic capital planning will be demonstrated through adoption of an annual review of the City's capital improvement budget and its ten-year capital improvement plan budget.
- D. **Debt Limits:** The City will keep outstanding debt within the limits prescribed by State statute and at levels consistent with its creditworthiness objectives. In the case of debt serviced from the City's General Fund, the City will observe a guideline of 7% of the amounts budgeted for expenditures and transfers out as the "ideal" level for General Fund resources committed to the repayment of debt.

V.VI. Debt Standards and Structure

- A. **Term of Debt:** Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. The implication of this policy will generally require that debt be issued only for a time period that is consistent with the life span of the project for which the debt was issued.
- B. **Debt Structure**
 - 1. Debt will be structured to achieve the lowest possible net cost to the City given market conditions, the urgency of the capital project, and the nature and type of security provided. Moreover, to the extent possible, the City will design the repayment of its overall debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay at least 20 percent of the principal amount of its general fund supported debt within five years and at least 40 percent within ten years as these measures are used by the major national credit rating agencies to determine the creditworthiness of the City. In applying the 20% and 40% tests, the debt repayment amounts are non-cumulative, that is, the goal is to have all of the City's general fund debt structured so as to achieve a reduction in principal of 20% at the five year mark and 40% at the ten year mark. Individual issues will be structured so that the new debt is retired using a level debt service (sometimes called "mortgage amortization") retirement schedule.
 - 2. Individual issues may be structured using either serial bonds or term bonds. In the case of issues structured with term bonds, the City will use a sinking fund to retire the term bonds. A sinking fund is the mechanism whereby money is accumulated on a regular basis in a separate account for the purpose of redeeming the term bonds when due. The sinking fund monies are typically applied to redeem bonds on an annual basis in amounts that would result in approximately level debt service requirements.

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3. The City will not issue debt that commences principal payment beyond the fiscal year in which the financed asset is completed or is substantially available to the City. Capitalized interest may be used in the debt structure, but only to the extent necessary to accommodate the deferral of principal to the point of substantial availability to the City.

C. Amortization

1. The City will seek to structure debt with level principal and interest costs-over the life of the debt. So-called "back-loading" of debt service will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive, when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

2. In the case of an issue structured with term bonds and a sinking fund, the City's policy will be to retire the term bonds in substantially level fashion over each year of the life of the sinking fund unless the factors described above apply.

- D. Variable Rate Debt:** The City may choose to issue securities that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions. The City may elect to control its interest rate exposure on variable rate debt through the use of financial products designed to offset such risks, but only upon the expressed approval of the Chief Financial Officer/City Treasurer.

- E. Subordinate Debt:** The City shall issue subordinate lien debt only if it is financially beneficial to the City and is consistent with the City's creditworthiness objectives as set forth in Paragraph IV-A, "Credit Ratings." Generally, subordinated debt is that debt which has a lien position on an asset or revenue stream that is junior in position to another debt issues. Examples could include leases that are junior in payment obligation to senior leases.

- F. Non-Traditional Financial Products:** The City will consider the use of non-traditional financial products on a case by case basis and consistent with state law and financial prudence. Examples of such non-traditional products include: interest rate swaps, interest rate caps and collars, "synthetic" refunding transactions and float contracts. Use of non-traditional financial products will only be undertaken upon written recommendation of the Chief Financial Officer/City Treasurer and concurrence by the City Council.

- G. Tax-Exempt vs. Taxable Bonds:** The City generally seeks to issue debt at the lowest total cost. Generally this objective is achieved through the issuance of tax-exempt debt which can be offered at lower interest rates since investors get the additional benefit of the tax break. The Internal Revenue has established guidelines which must be met for municipal bond issuances to qualify for the tax-exempt status. (For a more detailed discussion of this issue please see IRS Publication 4079 – Tax-Exempt Government Bonds). One of the relationships that can interfere with the City's ability to issue under the tax-exempt status is the area of Management

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and Service Contracts. When entering into these types of contracts it is recommended that the City involve bond counsel to ensure that the language does not impact the ability of the City to issue tax-exempt debt related to the impacted facilities or improvements.

H. Refunding

1. Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants essential to the City's financial or operating position.
 2. In general, advance refundings for economic savings will be undertaken when net present value savings of at least five percent (5%) of the refunded debt can be achieved. Current refundings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt. Refundings with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective. The measurement of the 3% or 5% savings may, but is not required, to consider benefits to the City from sources other than the proposed bond transaction, if deemed appropriate by the City's Debt Management Team.
- I. Short-Term Borrowings:** Use of short-term borrowing, such as bond anticipation notes (BANs), tax and revenue anticipation notes (TRANs), tax-exempt commercial paper and other similar short-term borrowing vehicles will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal financing, or available cash is insufficient to meet working capital requirements. The City will not employ the use of such borrowings solely for the purpose of earning arbitrage profits.
- J. Credit Enhancements:** Credit enhancement (letters of credit, bond insurance, etc.) will be used to the extent that net debt service on the bonds is reduced by more than the costs of the enhancement, measured in present value terms. In order to calculate the economic effectiveness of a credit enhancement, the City will compare the present worth of the debt service required on the proposed transaction on both an enhanced and unenhanced basis to determine the economic benefits of the enhancement offered. Credit enhancement which does not produce economic benefits, in present value terms, will be considered only if acceptance of the enhancement directly furthers other City goals and objectives.

VI.VII. Debt Administration and Process**A. All Debt to be Reviewed by City's Debt Management Team**

1. No City Department, agency, or sub-unit shall incur long term debt of more than \$100,000 without the approval of the City Council. Indebtedness is generally any obligation of the City to pay money in the future with a stated maturity of longer than nine months. All requests to incur long term debt of more than \$100,000 and with a stated maturity of longer than nine months will be presented by memo from the

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requesting Department, through the Chief Financial Officer/City Treasurer, to the City's Debt Management Team. The memo shall specify the purpose of the borrowing, any options for financing the project without borrowing, and specific sources of payment of debt service. This policy is not intended to be an impediment to the purchase of goods or services, or the contracting for such goods or services by the City in the normal course of business.

2. The Debt Management Team will be comprised "ex officio" of the City Manager, the Chief Financial Officer/City Treasurer and the City Attorney, or their respective designee(s). The City Manager may appoint additional members to the Debt Management Team on an ad hoc basis as individual circumstances warrant. The Debt Management Team is authorized to provide advice to the City Council, the City Manager, the Chief Financial Officer/City Treasurer, and the various Departments of the City in all matters pertaining to the creation of debt. The Chief Financial Officer/City Treasurer has responsibility for the oversight and periodic review of these Policies, and will recommend amendments from time to time to the City Council. All direct and indirect debt of the City and its component units will be presented to the City Council's Finance Committee for deliberation and recommendation prior to submittal to the full City Council.

B. Investment of Bond Proceeds

1. All general fund supported and revenue bond proceeds shall be invested as part of the City's consolidated pool, using appropriate trust fund accounting procedures, unless otherwise specified by law or the controlling bond documents and approved in advance by the Chief Financial Officer/City Treasurer. Investments will be consistent with those authorized by existing state law and by the City's investment policy
2. It will also be the City's policy to select investment advisors, if appropriate to the facts and circumstances of an individual borrowing or borrowing program, on a basis similar to that which it uses to engage investment advisors for its investment portfolio. The City will execute the investment directives for bond proceeds through the applicable trustee for such proceeds.

C. Costs and Fees

1. All costs and fees related to issuance of bonds will be paid out of bond proceeds. In the case of conduit financings, the City may require prepayment for certain costs and fees from the project applicant(s). Under certain extraordinary circumstances, the City may authorize the expenditure of City funds for the engagement of outside counsel or consultants for the purpose of assisting the City with the feasibility analysis of the contemplated debt. It is intended that any expenditure for such purposes would be in anticipation of, or reliance upon, reimbursement by a project applicant for such expenses.

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2. Should the proposed debt issue be abandoned prior to its completion, the City will retain any deposits or prepayments in amounts necessary to insure that its costs, both direct and indirect, are fully recovered.

D. Method of Sale

1. In general, City debt will be issued through a competitive bidding process. Bids will be awarded on a true interest cost basis (TIC), providing other bidding requirements are satisfied. In such instances where the City in a competitive bidding deems the bids received unsatisfactory, it may, at the election of the Chief Financial Officer/City Treasurer, enter into negotiation for sale of the securities.
2. Negotiated sales of debt will be considered in circumstances when the complexity of the issue requires specialized expertise, when a change of underwriter may result in losses (for example, changing the remarketing agent in mid-program for variable rate debt), when the negotiated sale would result in substantial savings in time or money, or when market conditions or City credit are unusually volatile or uncertain. Only the Chief Financial Officer/City Treasurer shall make such a determination.

- E. Council Action to be Regular Business Item, Not Consent Calendar:** For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a regular business item, and at a regular or special City Council meeting, consistent with state law. Generally, it shall be the City's policy to submit the proposed debt issuance to the City Council in a study session wherever possible prior to submittal to the full City Council as an action item.

VII.VIII. Underwriters, Consultants and Counsel**A. Underwriters**

1. For all competitive and negotiated sales, underwriters will be required to demonstrate sufficient capitalization and experience related to the debt. The City may engage an underwriter for a negotiated sale of debt through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team. The utilization of the underwriter for a particular bond sale will be at the discretion of the Financial & Management Services Department and pursuant to a written underwriting agreement.
2. The selection process for underwriters will require that the selected underwriter have comprehensive municipal debt experience, experience with diverse financial structuring requirements and strong distribution capabilities for municipal securities. Upon completion of the underwriter's engagement, the City has the option of making a new arrangement with any existing underwriter.

- B. Payment of Underwriter's Counsel Fees:** City payments for underwriter's counsel in negotiated sales will be authorized by the Financial & Management Services Department on a case by case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

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- C. Bond Counsel:** The City will retain external bond counsel for all debt issues and such retainer will be evidenced by a contract with the selected firm(s). All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all statutory requirements necessary for issuance, and determining the federal income tax status of such debt. Bond counsel will be selected by the City Attorney based on the prior recommendation of the City's Debt Management Team. The selection process will require comprehensive municipal debt experience and clearly demonstrated skill and capabilities in the municipal bond sector and with the type of financing proposed. Upon expiration of a specific contract, the City has the option of signing a new contract with its existing bond counsel.
- D. Disclosure Counsel:** In certain instances, the City may choose to engage the services of a disclosure counsel for the purposes of assisting in the various aspects of the preparation of an official statement, private placement memorandum or other form of offering, disclosure or continuing disclosure document to be disseminated in connection with the sale of the City's debt or conduit debt. In performing these services, the disclosure counsel is clearly representing the City, as the issuer of the debt, and not the underwriter as well, as is the case where underwriter's counsel prepares such documents. Because disclosure counsel is engaged by the City, the cost of disclosure counsel's services is typically paid from the proceeds of the debt issue, and may be structured as either hourly charges or fixed fees, depending on the circumstances.
- E. Financial Advisor**
1. The utilization of the financial advisor for particular bond sales will be at the discretion of the Financial & Management Services Department on a case by case basis and pursuant to a written financial advisory service contract. While engagement of a financial advisor on each City debt issue is not required, it is strongly encouraged. In particular, the services of a financial advisor will be used on all competitive sales of City debt as well as those negotiated issues that present unique structuring, marketing or credit circumstances.
 2. The City may engage an external financial advisor through a competitive process administered by the City's Financial & Management Services Department based on the prior recommendation of the City's Debt Management Team. The selection process for financial advisors will require that the selected financial advisor have comprehensive municipal debt experience, experience with diverse financial structuring requirements and strong pricing capabilities for determining the fairness of the prices received by the City for its debt issues. Upon completion of the financial advisor's engagement, the City has the option of making a new arrangement with any existing financial advisor.
 3. For each engagement the financial advisor will provide services to the Chief Financial Officer/City Treasurer and such other departments of the City as may be designated by the Chief Financial Officer/City Treasurer pursuant to an agreed upon scope of services to be negotiated with the Chief Financial Officer/City Treasurer.

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- F.** Fiscal Agents, Paying Agents and Trustees: The Financial & Management Services Department will utilize a fiscal agent, paying agent or trustee on all City indebtedness, as may be required by the type of debt instrument being used. Fees for such services on outstanding bonds will be paid from the resources of the department or program supporting the debt service on the instrument, unless specified otherwise by the Chief Financial Officer/City Treasurer. The City's Financial & Management Services Department will administer the review and journalizing of transactions from monthly statements furnished by the fiscal agent, paying agent or trustee, as the case may be.
- G.** Compensation for Services: Compensation for bond counsel, underwriter's counsel, financial advisors, and other financial service providers will be consistent with industry standards.
- H.** Selection Process: The Chief Financial Officer/City Treasurer shall make all final determinations of selection for underwriters, and financial advisors based on the recommendation of the City's Debt Management Team. The determination will be made following an independent review of competitive bids or responses to requests for proposals (RFPs) or requests for statements of qualifications (RFQs). The City's Debt Management Team will review the proposals or statements of qualifications. The City's financial advisors at the direction of the Chief Financial Officer/City Treasurer may also review underwriter proposals.
- I.** Other Service Providers: The Chief Financial Officer/City Treasurer shall have the authority to periodically select other service providers (e.g., escrow agents, verification agents, trustees, arbitrage consultants, assessment engineers, special tax consultants, investment advisors etc.) as necessary to meet legal requirements and minimize net City debt costs. The Chief Financial Officer/City Treasurer may select firm(s) to provide such financial services related to debt without a RFP or RFQ, consistent with City requirements. A firm so selected must receive Chief Financial Officer/City Treasurer approval before undertaking any transaction or providing any service.

VIII.X. Continuing Disclosure

A. Background

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to provide financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA). The City of Moreno Valley, California (the "City"), the Moreno Valley Public Financing Authority, [\(MVPFA\)](#), the Successor Agency to the Moreno Valley Redevelopment Agency and certain community facility districts and assessment districts (collectively, the "Moreno Valley Issuers") have issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The Moreno Valley Issuers have covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

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The Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the issuer, and any other “Obligated Person” (as defined in the Rule) for whom financial or operating data is presented in the official statement, has undertaken in writing to provide the following information to the MSRB using EMMA and to the appropriate state information depository (“SID”), if any:

Note: There is no SID currently in the State of California. If the State of California should establish a SID, the Moreno Valley Issuers may also be required to file all required information with the SID depending on the contractual requirements of their previous Continuing Disclosure Undertakings.

1. By a specified date, annual financial and operating information for each Obligated Person for whom financial information or operating data is presented in the official statement (an “Annual Information Filing”).
2. By a specified date, if available, audited annual financial statements for each Obligated Person (“Audited Financial Statements”) and, if not available by the date required, unaudited financial statements [followed by](#) with Audited Financial Statements [once they are available](#).
3. In a timely manner within 10 business days of occurrence, notice of the occurrence of one or more of the listed events described in the Rule (a “Rule 15c2-12 Event Notice”). [See paragraph VIII G for the listing of events.](#)
4. Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.
5. In a timely manner, notice of a failure of any Obligated Person required to make the Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking (“Notice of Failure”).

~~Note: There is no SID currently in the State of California. If the State of California should establish a SID, the Moreno Valley Issuers may also be required to file all required information with the SID depending on the contractual requirements of their previous Continuing Disclosure Undertakings~~

~~A. Responsible Party; Maintenance of List and Files~~

~~The Responsible Party for the Moreno Valley Issuers shall be the Chief Financial Officer/City Treasurer for the City and any alternate or assistant as the Chief Financial Officer/City Treasurer shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of any Moreno Valley Issuer outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP~~

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~~numbers for each such issue, the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA and the current contact information for the dissemination agent (if any) with respect to such Continuing Disclosure Undertaking, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.~~

~~B.A. Annual Information Filing Requirements~~

~~The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof. The submission dates for the Continuing Disclosure Undertakings vary and in some cases require the filing of annual reports as early as the last day of December in each year following (or, in some cases, within 180 days following) the close of the Moreno Valley Issuers' fiscal year which is currently June 30.~~

~~C.A. Audited Financial Statements~~

~~Audited Annual Financial Statements of the Moreno Valley Issuers are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking.~~

~~D.A. Notices of Failures to File~~

~~The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.~~

~~E.A. Preparation~~

~~Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.~~

~~1. Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.~~

~~2.1. On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party shall make the Annual Information Filing~~

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~~together with the Audited Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.~~

~~3.1. The Responsible Party shall set calendar reminders in the City Finance Department's recordkeeping systems.~~

F.A. Listed Events

"The Rule also" requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event. The list is as follows: ~~(The listed events most likely to occur relate to bond redemptions or defeasances of outstanding issues and rating changes.)~~

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Adverse tax opinions, IRS notices or material events affecting the tax status of the security
6. Modifications of rights of security holders **(if material)**
7. Bond calls **(if material)**
8. Defeasances
9. Release, substitution or sale of property securing repayment of the securities **(if material)**
10. Rating changes
11. Tender offers
12. Bankruptcy, insolvency, receivership or similar event of the obligated person
13. Merger, consolidation, or acquisition of the obligated person **(if material)**
14. Appointment of a successor or additional trustee, or the change of name of a trustee **(if material)**
15. Incurrence of financial obligation (if material)
16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the obligated party, any of which reflect financial difficulties.
- 15-17. Other voluntary disclosure as listed in the Rule

G.B. Familiarity with EMMA Submission Process

1. The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. The MSRB market Information Department can also be contacted at (703) 797-6668. A tutorial is available at the website and a practice submission is available as well.

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2. The Responsible Party also shall enroll the Moreno Valley Issuers in EMMA's reminder system to ensure timely performance of their responsibilities and obligations.

H.C. California Debt and Investment Advisory Commission (CDIAC)

1. With the passage of Senate Bill 1029 (Hertzberg) which became effective January 1, 2017, the Responsible Party will prepare and submit an annual report by January 31 of each year for the previously completed fiscal year. ~~The report will be submitted by the method approved by CDIAC.~~
2. ~~This annual report prepared annually for CDIAC~~ CDIAC has developed the Annual Debt Transparency Report (ADTR) and an online reporting portal to assist issuers in meeting this requirement.
- 2.3. The ADTR will include the following data elements (these requirements can be found in section 8855(k) of the California Government Code):
 - a. Debt authorized during the reporting period, which shall include the following:
 - i. Debt authorized at the beginning of the period
 - ii. Debt authorized and issued during the reporting period
 - iii. Debt authorized but not issued at the end of the reporting period
 - iv. Debt authority that has lapsed during the reporting period
 - b. Debt outstanding during the reporting period which will include:
 - i. Principal balance at the beginning of the reporting period
 - ii. Principal paid during the reporting period
 - iii. Principal outstanding at the end of the reporting period
 - c. The use of proceeds of issued debt during the reporting period which shall include:
 - i. Debt proceeds available at the beginning of the reporting period.
 - ii. Proceeds spent during the reporting period and the purpose for which it was spent.
 - iii. Debt proceeds remaining at the end of the period.

I.D. Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the EMMA submission process and an understanding of the timing requirements necessary for full compliance.

J.E. Coordination Effort

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The Responsible Party shall coordinate the preparation and submission of the required information with the Financial Advisor, Special Tax Consultant and corporate trustees and paying agents to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

K.F. Records Retention

The Responsible Party shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of any Moreno Valley Issuer outstanding during each fiscal year.

L.G. Investor Communication

While the City shall post its annual financial report as well as other financial reports on the City's website, this information is intended for the citizens of the City of Moreno Valley. Information with the intention of reaching the investing public, including bondholders, rating analysts, investment advisors, or any other member of the investment community will be filed on the EMMA system. Information similar to that posted on EMMA will be included on the City's website under the Investor Relations tab.

H. Responsible Party: Maintenance of List and Files

The Responsible Party for the Moreno Valley Issuers shall be the Chief Financial Officer/City Treasurer for the City and any alternate or assistant as the Chief Financial Officer/City Treasurer shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of any Moreno Valley Issuer outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue, the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA and the current contact information for the dissemination agent (if any) with respect to such Continuing Disclosure Undertaking, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

I. Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof. The submission dates for the Continuing Disclosure Undertakings vary and in some cases require the filing of annual reports as early as the last day of December in each year following (or, in some cases, within 180 days following) the close of the Moreno Valley Issuers' fiscal year which is currently June 30.

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J. Audited Financial Statements

Audited Annual Financial Statements of the Moreno Valley Issuers are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking.

K. Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

L. Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

1. Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.
2. On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party shall make the Annual Information Filing together with the Audited Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.
3. The Responsible Party shall set calendar reminders in the City Finance Department's recordkeeping systems.

II. Other Policies

- A. Arbitrage Compliance:** The Financial & Management Services Department shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal Tax Code.
- B. Unsolicited Financing Proposals:** Any unsolicited financing proposal to a City department, agency, or employee involving pledge or other extension of the City's credit through sale of securities, execution of loans or leases, marketing guarantees, or otherwise involving directly

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or indirectly the lending or pledging of the City's credit, shall be referred to the Financial & Management Services Department for review by the City's Debt Management Team prior to submittal to the City Council for approval.

C. Internal Borrowings

1. Provided that sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will generally favor internal borrowings over external borrowings for short-term liquidity purposes. The Financial & Management Services Department may undertake inter-fund borrowings and such borrowings will be evidenced by a written memorandum or agreement specifying the tenor and terms of the borrowing, including repayment terms, interest rates and calculations and procedures for amendment and must have the approval of the City Council, except for fiscal year end accounting entries that create temporary loans for financial statement presentation purposes. Any internal borrowing must be first coordinated with the responsible managing department. For example, the internal borrowings affecting the City's successor agency or Community Development Block Grant funds should be coordinated with the Community and Economic Development Department. All such inter-fund borrowings will be reflected in the City's accounting records as "due to" and "due from" items respecting the funds and accounts borrowed from and loaned to, respectively.
2. Inter-fund borrowing will typically bear interest at the rate being borne by the Local Agency Investment Fund ("LAIF") administered by the California State Treasurer's Office, unless specifically recommended otherwise by the Chief Financial Officer/City Treasurer.

D. Post Issuance Tax Compliance

1. The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds or obligations (whether in the form of bonds, certificates of participation, installment sale contracts, leases or other financing structures) and other tax-advantaged bonds or obligations, if any (e.g. "build America bonds" or direct pay subsidy bonds) (collectively, the "Bonds") issued for the benefit of the City of Moreno Valley (the "City") so as to ensure that the City complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt or special tax status of the Bonds.
2. General
 - a. Ultimate responsibility for all matters relating to City financings and re-financings rests with the City's Chief Financial Officer/City Treasurer (the "Responsible Officer") or such other person or persons as the Responsible Officer shall designate.
3. Tax Compliance Requirements
 - a. External Advisors / Documentation

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- i. The Responsible Officer and other appropriate City personnel shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in a City resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate and yield restriction requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.
- ii. The Responsible Officer and other appropriate City personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements, in fact, are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use or management of Bond-financed assets.
- iii. Whenever necessary or appropriate, the City shall engage expert advisors (such as a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate which may be payable in respect of the investment of Bond proceeds.

b. Role of the City

- i. Unless otherwise provided by City resolutions, unexpended Bond proceeds shall be held by the City, and the investment of Bond proceeds shall be managed by the Responsible Officer. The Responsible Officer shall maintain records and shall prepare regular, periodic statements to the City regarding the investments and transactions involving Bond proceeds.
- ii. If a City resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

c. Arbitrage Rebate and Yield

- i. Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:
 - a.) the City shall engage the services of a Rebate Service Provider, and the City or the Bond trustee shall deliver

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periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;

- b.) upon request, the Responsible Officer and other appropriate City personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- c.) the Responsible Officer and other appropriate City personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- d.) during the construction period of each capital project financed in whole or in part by Bonds, the Responsible Officer and other appropriate City personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.
- e.) The City shall retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements".

d. Use of Bond Proceeds

- i. The Responsible Officer and other appropriate City personnel shall:
 - a.) monitor the use of Bond proceeds and the use of Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
 - b.) maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
 - c.) consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates;

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- d.) maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates; and
- e.) meet at least annually with personnel responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets and to ensure that those uses are consistent with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.
- f.) All relevant records and contracts shall be maintained as described below.

1. Record Keeping Requirements

- a. Unless otherwise specified in applicable City resolutions or Tax Certificates, the City shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:
 - b. a copy of the Bond closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of Bonds;
 - c. a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;
 - d. a copy of all contracts and arrangements involving private business use of Bond-financed assets; and
 - e. copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.
- e. Identification and Correction of Violations: In the event that the use of bond proceeds or bond-financed assets, or the payments derived from such assets, are different than those expected at the time bonds are issued, the City should

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contact Bond Counsel in a timely manner to ensure that there is no adverse effect on the tax status of the bonds. Under existing Treasury Regulations, various “self-help” remedies are available to the City in the event of certain violations of the limits of use of bond proceeds, the investment of bond proceeds, and the use of the bond-financed assets. For example, a change in the use of the bond-financed assets after the issuance of the bonds that results in excessive private business use may be corrected through a 'remedial action' that is described in the Treasury Regulation Section 1.141-12. Such remedial actions include a defeasance of the portion of the bonds affected by the excessive private business use or using the disposition proceeds from the sale of the bond-financed assets for another qualified purpose. In the event that the self-help remedial actions in Treasury Regulation Section 1.141-12 are not available to the City, violations occurring through City action (or inaction) that potentially adversely affect the status of the bonds may be corrected through the Voluntary Closing Agreement Program as further described in IRS Notice 2008-31 and in Sections 7.2.3 of the Internal Revenue Manual.

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APPENDIX A: GLOSSARY

AD VALOREM TAX

A tax calculated "according to the value" of property. Such a tax is based on the assessed valuation of real property and, in certain cases, on a valuation of tangible personal property. In most jurisdictions, the tax is a lien on the property enforceable by seizure and sale of the property. General restrictions, such as overall restrictions on rates, or the percent of charge allowed, sometimes apply. As a result, *ad valorem* taxes often function as the balancing element in local budgets.

ADVANCE REFUNDING

A procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue more than 90 days prior to the date on which outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding). Typically an advance refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue. At time, however, an advance refunding is performed to remove restrictive language or debt service reserve requirements required by the original issue. (See also "CURRENT REFUNDING")

AMORTIZATION

The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

ARBITRAGE

The gain that may be obtained by borrowing funds at a lower (often tax- exempt) rate and investing the proceeds at higher (often taxable) rates. The ability to earn arbitrage by issuing tax-exempt securities has been severely curtailed by the Tax Reform Act of 1986, as amended.

ASSESSED VALUATION

The appraised worth of property as set by a taxing authority through assessments for purposes of *ad valorem* taxation. The method of establishing assessed valuation varies from state to state, with the method generally specified by state law. For example, in certain jurisdictions the assessed evaluation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a percentage of the full market value.

ASSESSMENT BONDS

Bonds issued to develop facilities and basic infrastructure for the benefit of specific properties within the assessment district which directly benefit from the facilities. The key consideration here is the "direct and special benefit" to be received by the property subject to the assessment. Voter approval is not required. Instead, a majority vote of the property owners with a majority of assessments is needed to authorize the issue. The issuer's recourse for nonpayment is foreclosure. This type of bond is normally not rated. The bonds may be issued under the provisions of the various assessment bond acts of the State, whichever is most appropriate. (See also "Special Tax Bond" for a description of bonds issued pursuant to the Mello-Roos Act.)

BALLOON MATURITY

A maturity within a serial issue of securities which contains a disproportionately large percentage of the principal amount of the original issue. A balloon maturity is generally distinguished from a term bond by the fact that a term bond generally has the benefit of a sinking fund to smooth out the amount of principal paid from any single year's operations. A balloon maturity increases the likelihood that the jurisdiction will need to refinance the securities for an extended period of time upon their initial maturity.

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BASIS POINT

One one-hundredth of one percent (0.0001).

BEARER BOND

A security that does not identify its owner on its face or by registration. The security is presumed to be owned by the person possessing it. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) curtailed the issuance of tax-exempt bearer bonds.

BOND

A security that represents an obligation to pay a specified amount of money on a specific date in the future, typically with periodic interest payments.

BOND ANTICIPATION NOTES

Notes issued to provide temporary financing, to be repaid from the proceeds of a subsequent long-term financing.

BOND COUNSEL

An attorney (or firm of attorneys) retained by the issuer to give a legal opinion concerning the validity of the securities. The bond counsel's opinion usually addresses the subject of tax exemption. Bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation.

BOND INSURANCE

Bond insurance is a type of credit enhancement whereby a monoline insurance company indemnifies an investor against default by the issuer. In the event of a failure by the issuer to pay principal and interest in full and on time, investors may call upon the insurance company to do so. Once assigned, the municipal bond insurance policy generally is irrevocable. The insurance company receives an up-front fee, or premium, when the policy is issued.

BOOK-ENTRY-ONLY

Bonds that are issued in fully registered form but without certificates of ownership. The ownership interest of each actual purchaser is recorded on computer.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC)

The right to redeem a bond prior to its stated maturity, either on a given date or continuously. The call option is also referred to as the optional redemption provision. Often a "call premium" is added to the call option as compensation to the holders of the earliest bonds called. Generally, the earliest callable bonds called carry a 102% premium, the next earliest, a 101 % premium, and the balance of the bonds are called at par value.

CALL OPTION

The right to redeem a bond prior to its stated maturity, either on a given date or continuously. The call option is also referred to as the optional redemption provision. Often a "call premium" is added to the call option as compensation to the holders of the earliest bonds called. Generally, the earliest callable bonds called carry a 102% premium, the next earliest, a 101 % premium, and the balance of the bonds are called at par value.

CAPITAL APPRECIATION BOND

A bond without current interest coupons that is sold at a substantial discount from par. Investors are provided with a return based upon the accretion of value in the bond through maturity. (see zero coupon bond)

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CAPITAL LEASE

The acquisition of a capital asset over time rather than merely paying a rental fee for temporary use. A lease-purchase agreement, in which provision is made for transfer of ownership of the property for a nominal price at the scheduled termination of the lease, is referred to as a capital lease.

CERTIFICATES OF PARTICIPATION

A lease agreement with another party (a lessor, such as a joint powers authority) to lease an asset over a defined period of time at a prearranged annual payment. Voter approval is generally not required. Lease payments are made primarily from general fund revenues. Current law requires the lessee to make lease payments only if the City has beneficial use of the facility to be leased. The legislative body has to appropriate annual debt service payments. For the security of the bondholders, a reserve fund is normally established and held by a trustee until all bonds are paid. Interest during project construction must be capitalized. An "asset transfer" structure, whereby an existing facility is used as security to finance construction or acquisition of another project, may be used for flexibility. Sometimes this structure is styled as a "lease revenue bond," which is functionally the same as Certificates of Participation.

COMMERCIAL PAPER (TAX-EXEMPT)

By convention, short-term, unsecured promissory notes issued in either registered or bearer form with a stated maturity of 270 days or less.

COMPETITIVE SALE

Sales of securities in which the securities are awarded to the bidder who offers to purchase the issue at the best price or lowest cost.

CONDUIT FINANCING

The issuance of securities by a governmental entity to finance a project that will primarily benefit a third party, typically a private corporation. The security for this type of financing is usually the credit of the private entity, rather than the governmental unit. Usually such securities do not constitute general obligations of the issuer since the private entity is liable for generating the pledged revenues for repayment. Industrial development bonds are a common type of conduit financing.

CONTINUING DISCLOSURE

The requirement by the Securities and Exchange Commission for most issuers of municipal debt to provide current financial information to the informational repositories for access by the general marketplace. Generally, SEC Rule 15c2-12 requires issuers of municipal securities and certain other "obligated persons" to make contractual promises to provide continuing information to the marketplace during the life of securities issues. Under the rule, an underwriter is not permitted to purchase or sell municipal securities in connection with a primary offering of \$1.0 million or more unless it has entered into such a contractual arrangement with the issuer of the securities for the benefit of the holders of the securities.

In conduit issues, the obligation to maintain continuing disclosure efforts should be imposed on the project sponsors.

COUPON RATE

The interest rate on specific maturities of a bond issue. While the term "coupon" derives from the days when virtually all municipal bonds were in bearer form with coupons attached, the term is still frequently used to refer to the interest rate on different maturities of bonds in registered form.

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CURRENT REFUNDING

A procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue within 90 days of the date on which outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding). Typically a current refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue. At times, however, a current refunding is performed to remove restrictive language or debt service reserve requirements required by the original issue. (See also "ADVANCE REFUNDING")

CUSIP NUMBER

The term CUSIP is an acronym for the Committee on Uniform Securities Identification Procedures. An identification number is assigned to each maturity of an issue, and is usually printed on the face of each individual certificate of the issue. The CUSIP numbers are intended to help facilitate the identification and clearance of municipal securities. As the municipal market has evolved, and new derivative products are devised, the importance of the CUSIP system for identification purposes has increased.

DEBT BURDEN

The ratio of outstanding tax-supported debt to the market value of property within a jurisdiction. The overall debt burden includes a jurisdiction's proportionate share of overlapping debt as well as the municipality's direct net debt.

DEBT LIMITATION

The maximum amount of debt that is legally permitted by a jurisdiction's charter, constitution, or statutory requirements.

DEBT SERVICE

The amount necessary to pay principal and interest requirements on outstanding bonds for a given year or series of years.

DEBT SERVICE RESERVE FUND

The fund into which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. The debt service reserve fund may be entirely funded with bond proceeds, or it may only be partly funded at the time of the issuance and allowed to reach its full funding requirement over time, due to the accumulation of pledged revenues. If the debt service reserve fund is used in whole or part to pay debt service, the issuer usually is required to replenish the funds from the first available funds or revenues. A typical reserve requirement might be the maximum aggregate annual debt service for any year remaining until the bonds reach maturity. The size of the reserve fund, and the manner in which it is invested, may be subject to arbitrage regulations.

DEFAULT

The failure to pay principal or interest in full or on time. An actual default should be distinguished from technical default. The latter refers to a failure by an issuer to abide by certain covenants but does not necessarily result in a failure to pay principal or interest when due.

DEFEASANCE

Providing for payment of principal of premium, if any, and interest on debt through the first call date or scheduled principal maturity in accordance with the terms and requirements of the instrument pursuant to which the debt was issued. A legal defeasance usually involves establishing an irrevocable escrow funded with only cash and US. government obligations.

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DEPOSITORY TRUST COMPANY (DTC)

A limited purpose trust company organized under the New York Banking Law. DTC facilitates the settlement of transactions in municipal securities.

DERIVATIVES

Financial products whose value is derived from the value of an underlying asset, reference rate, or index. Typically these agreements are contracts between a lender/investor and a borrower and include interest rate swaps, caps, floors, collars, and forward purchase agreements.

DISCOUNT

The difference between a bond's par value and the price for which it is sold when the latter is less than par.

DOUBLE-BARRELED BOND

A bond secured by a defined source of revenue (other than general property taxes) and the full faith and credit of an issuer.

ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM (EMMA)

Managed by the MSRB the EMMA website was established to increase the transparency of the municipal securities market by providing free public access to municipal securities disclosures and data. EMMA provides investors, state and local governments and other market participants with key information and tools to put that information into context. EMMA is the location where all municipal issuers are to post or publish continuing disclosure information.

ENTERPRISE ACTIVITY

A revenue-generating project or business. The project often provides funds necessary to pay debt service on securities issued to finance the facility. The debts of such projects are self-liquidating when the projects earn sufficient monies to cover all debt service and other requirements imposed under the bond contract. Common examples include water and sewer treatment facilities and utility facilities.

FINANCIAL ADVISOR

A consultant who advises an issuer on matters pertinent to a debt issue, such as structure, sizing, timing, marketing, pricing, terms, and bond ratings.

FITCH INVESTORS SERVICE

A financial services company, founded in 1913, which provides investors with an independent assessment of the credit worthiness of debt obligations.

FINAL OFFICIAL STATEMENT (FOS)

A document published by the issuer that generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid, and the financial, economic and social characteristics of the issuing government. Investors may use this information to evaluate the credit quality of the securities. (See also Official Statement)

FLOW OF FUNDS

The order in which pledged revenues must be disbursed, as set forth in the trust indenture or bond resolution. In most instances, the pledged revenues are deposited into a general collection account or revenue fund as they are received and subsequently transferred into the other accounts established by the bond resolution or trust indenture. The other accounts provide for payment of the costs of debt service, debt service reserve deposits, operation and maintenance costs, renewal and replacement, and other requirements.

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GENERAL OBLIGATION BONDS

Bonds backed by the full faith and credit of the City. The taxing power is an unlimited *ad valorem* tax, usually on real estate and personal property. A special rate is incorporated in the property tax bill annually to pay for debt service. A two-thirds voter approval is required for authorization. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

GENERAL OBLIGATION DEBT

Debt that is secured by a pledge of the *ad valorem* taxing power of the issuer. Also known as a full faith and credit obligation.

INDENTURE

A contract between the issuer and a trustee stipulating the characteristics of the financial instrument, the issuer's obligation to pay debt service, and the remedies available to the trustee in the event of a default.

INVESTMENT GRADE

The broad designation given bonds which have a high probability of being paid, and minor, if any, speculative features. Bonds rated "BBB" or higher by Standard & Poor's Corporation, "Baa" or higher by Moody's Investor's Service, and "BBB" or higher by Fitch IBCA Rating Service are deemed by those agencies to be "investment grade."

ISSUANCE COSTS

The costs incurred by the bond issuer during the planning and sale of securities. These costs include but are not limited to financial advisory and bond counsel fees, printing and advertising costs, rating agency fees, and other expenses incurred in the marketing of an issue.

ISSUER COUNSEL

An attorney engaged by the issuer to represent its best interest in a debt transaction. Often this role is performed by bond counsel, however, at times separate counsel is engaged that does not have responsibility to issue the bond opinion as well as represent the issuer's best interests.

JUNIOR LIEN BONDS

Bonds that have a subordinate claim against pledged revenues.

LEASE

An obligation wherein a lessee agrees to make payments to a lessor in exchange for the use of certain property. The term may refer to a capital lease or to an operating lease.

LEASE REVENUE BONDS

Bonds that are secured by an obligation of one party to make annual lease payments to another.

LESSEE

The party to a lease agreement that obtains use of a facility or piece of equipment on exchange for rental payments.

LESSOR

The owner of the property being leased.

LETTER OF CREDIT

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Bank credit facility whereby a bank will honor the payment of an issuer's debt, in the event that an issuer is unable to do so, thereby providing an additional source of security for bondholders for a predetermined period of time. A letter of credit often is referred to as an L/C or an LOC. Letter of Credit can be issued on a "stand-by" or "direct pay" basis.

LINE OF CREDIT

Bank credit facility wherein the bank agrees to lend up to a maximum amount of funds at some date in the future in return for a commitment fee.

MANAGER

The member (or members) of an underwriting syndicate -charged with the primary responsibility for conducting the affairs of the syndicate. The managers take the largest underwriting commitment.

UNDERWRITER

The underwriter serving as head of the syndicate. The lead Manager generally handles negotiations in a negotiated underwriting of a new issue of municipal securities or directs the process by which a bid is determined for a competitive underwriting. The lead Manager also is charged with allocating securities among the members of the syndicate in accordance with the terms of the syndicate agreement or agreement among underwriters.

UNDERWRITING GROUP

Any member of the management group.

MASTER LEASE AGREEMENTS

A lease agreement with a provider to lease equipment or facilities whose useful life is too short, or whose cost is too small to finance with conventional long-term debt. Various pieces and types of real and personal property from different vendors over a period of time can be acquired under one master lease agreement. Interest can be fixed or tied to an index. Financing costs are normally minimal, but the interest cost may be higher than with other instruments.

MARKS-ROOS BONDS

Bonds issued by a joint powers authority to buy other bond issues. By pooling bond issues, marketability can be improved and administration costs are reduced. Often used in the case of a negotiated sale of successor agency debt in order to avoid the competitive sale requirements for such debt.

MOODY'S INVESTORS SERVICE, INC.

A financial service company, a subsidiary of Dun & Bradstreet Corp. has provided ratings for municipal securities and other financial information to investors since 1918.

MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB)

A self-regulating organization established on September 5, 1975 ~~upon the appointment of a 15-member Board by the Securities~~ whose mission is to protect investors, state and Exchange Agreement. The MSRB, comprised of ~~representatives from investment banking firms, dealer bank representatives, local governments and other municipal entities, and the public~~ representatives, is entrusted with the responsibility of writing rules of conduct for the interest by promoting a fair and efficient municipal securities market. ~~New board members are selected by The MSRB fulfills this mission by regulating the municipal securities firms, banks and municipal advisors that engage in municipal securities and advisory activities. To further protect market participants, the MSRB pursuant to the method set forth in Board rules~~ provides market transparency through its the EMMA website.

NEGOTIATED SALE

Approved by: City Council/
January 28, 2014
Revised: 2/7/17, 3/19/19

DEBT MANAGEMENT POLICY

A sale of securities in which the terms of sale are determined through negotiation between the issuer and the purchaser, typically an underwriter, without competitive bidding

NET INTEREST COST (NIC)

The average interest cost of a bond issue calculated on the basis of simple interest. This calculation involves a fraction in which the numerator is the gross amount of interest to be paid over the bonds' life (adjusted for the amount of discount or premium granted at the time of sale), and the denominator is the average life of the bond issue multiplied by the issue's par value.

NOTE

A written promise to pay a certain amount of money on a specific date, with interest. By convention, the maturity of a note is one year or less, making it short-term debt. However, financial instruments with a longer stated maturity sometimes are called Notes. For example, a bond anticipation note can have maturities of two years or longer.

OFFICIAL STATEMENT (OS)

A document published by the issuer that generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid, and the financial, economic and social characteristics of the issuing government. Investors may use this information to evaluate the credit quality of the securities. (See also Final Official Statement)

OPERATING LEASE

A lease that enables the lessee to acquire the use of an asset only, not its ownership as in a capital lease. The lease term typically runs for only a portion of the asset's useful life.

ORIGINAL ISSUE DISCOUNT BONDS

Bonds which are sold at a substantial discount from their par value at the time of the original sale.

OVERLAPPING DEBT

The legal jurisdictions of local governments often overlap one another. In some cases, one unit of government is located entirely within the boundaries of another. Overlapping debt represents the proportionate share of debt that must be borne by one unit of government because another government with overlapping or underlying taxing authority issued its own bonds.

PAR VALUE

The face value or principal amount of a security.

PAYING AGENT

An agent of the issuer with responsibility for timely payment of principal and interest to bond holders.

PRELIMINARY OFFICIAL STATEMENT (POS)

The POS is a preliminary version of the official statement that is used by an issuer or underwriters to describe the proposed issue of municipal securities prior to the determination of the interest rate(s) and offering price(s). The preliminary official statement, also called a "red herring," often is examined upon by potential purchasers prior to making an investment decision.

PREMIUM

The excess of the price at which a bond is sold over its face value.

PRESENT VALUE

Approved by: City Council/
January 28, 2014
Revised: 2/7/17, 3/19/19

DEBT MANAGEMENT POLICY

The value of a future amount or stream of revenues or expenditures in current dollars.

PRIVATE ACTIVITY BONDS

A bond where the use of bond proceeds is used for private purposes. If deemed a private activity bond, the interest is not tax exempt unless the use of the proceeds meets certain requirements of the Internal Revenue Code.

PUT OPTION

The right to demand repayment of principal prior to a bond's maturity. In the case of short-term variable rate debt, this right often is referred to as a variable-rate demand option.

REFUNDING

A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds.

REGISTERED BOND

A security on which the ownership is recorded by the issuer or its agent.

RESERVE FUND

A fund established by the indenture of a bond issue into which money is deposited for payment of debt service in case of a shortfall in current revenues.

REVENUE BONDS

Bonds secured by revenues generated by the facility that is financed or by dedicated user fees. Voter approval may or may not be required. Planning is more complex because costs and revenues affect each other. Credit enhancement (e.g., insurance, or letter of credit) may be needed because of the limited source of debt service payment.

SECONDARY MARKET

The market in which bonds are sold after their initial sale in the new issue market.

SENIOR LIEN BONDS

Bonds having a prior, or first claim on pledged revenues.

SERIAL BONDS

A bond issue in which the principal is repaid in periodic installments over the issue's life.

SOPHISTICATED INVESTOR

A purchaser of bonds, who is considered knowledgeable about the pricing and risk factors associated with the repayment of bonds. This type of investor usually purchases bonds in large dollar amounts, typically \$100,000 or more.

SPECIAL ASSESSMENTS

A charge imposed against property or parcel of land that receives a special benefit by virtue of some public improvement that is not, or cannot be enjoyed by the public at large. Special assessment debt issues are those that finance such improvements and are repaid by the assessments charged to the benefiting property owners.

STANDARD & POOR'S CORPORATION (S&P)

A financial service company, a subsidiary of McGraw-Hill -Company. S&P provides ratings for municipal securities and other financial information to investors.

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DEBT MANAGEMENT POLICY

TAX ALLOCATION BONDS

Bonds secured by property tax increment (property taxes generated on assessed value in excess of the frozen property tax base) in a redevelopment project area. These bonds are issued to promote economic development. Voter approval is not required.

TAX INCREMENT

Property tax revenues derived from the incremental assessed value increases from the redevelopment project area's frozen tax base.

TERM BONDS

A bond issue in which the entire principal matures on one date. Term bonds also refer to a particularly large maturity of a bond issue that is created by aggregating a series of maturities. In the latter instance, provision is made for mandatory structuring fund installments in advance of the term bond's maturity to reduce the burden of a particular large debt service payment in any one fiscal year.

TRUE INTEREST COST (TIC)

An expression of the average interest cost in present value terms. The true interest cost is a more accurate measurement of the bond issue's effective interest cost and should be used to ascertain the best bid in a competitive sale.

UNDERWRITER'S COUNSEL

An attorney engaged by the underwriter(s) to represent its interests in a debt transaction. Generally underwriter's counsel prepares the bond purchase agreement between the issuer and the underwriter and, when more than one underwriter is involved, the agreement among underwriters.

VARIABLE RATE BOND

A bond on which the interest rate is reset periodically, usually no less often than semi-annually. The interest rate is reset either by means of an auction or through an index.

VENDOR LEASES

A vendor of equipment acts as the lessor and investor, and holds the lease for its full term or may assign the lease. The motivating factor to the vendor is usually to encourage future sales of its product.

YIELD CURVE

A graph that plots the market yields on securities with different maturities, at a given point in time. The vertical axis represents the yields, while the horizontal axis depicts the time to maturity. The term structure of interest rates, as reflected by the yield curve, will vary according to market conditions, resulting in a wide variety of yield curve configurations.

YIELD-TO-MATURITY

The rate of return that an investor will receive if the bond remains outstanding and the investor holds the bond to maturity. The investor must take into account the price paid for the bonds, the dates of purchase and maturity, and the coupon rate on the bonds. The "yield to maturity" assumes that interest payments will be re-invested at the same coupon rate borne by the bond.

ZERO COUPON

A bond which does not pay interest periodically. Investors receive interest on the scheduled principal maturity date of the obligation.

DEBT MANAGEMENT POLICY

APPENDIX B: FORM OF FINANCING ASSISTANCE APPLICATION FOR CONDUIT DEBT

I. PROPOSED OWNER OF THE PROJECT

A. Official Company Name: _____

DBAs (if applicable): _____

Official Mailing Address: _____

Telephone: _____ Fax: _____

Company Headquarters and address of primary operating location in

California: _____

B. Form of Ownership: Corporation _____

Partnership: _____ Sole Proprietorship _____

Other (describe) _____

Is the proposed owner a subsidiary or affiliated directly or indirectly with any other organization? ____

If so, indicate relationship and name of related organization:

If corporation, indicate state of incorporation: _____ and date qualified to do
business in California (if incorporated elsewhere): _____

C. Officers Names & Home Address Other Business Affiliations

President _____ _____

_____ _____ _____

Vice President _____ _____

(Finance) _____ _____

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DEBT MANAGEMENT POLICY

Secretary _____

Directors _____

D. List name and home address of equity owners of 10% or more. If publicly held, indicate stock exchange traded on. If partnership, list General and Limited Partners and interest owned by each. If trust, list beneficiaries.

<u>Name</u>	<u>Home Address</u>	<u>% of Equity Interest Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

E. Name, business address, and phone number of officer to whom all notices and communications concerning the project should be sent:

F. Principal Bank(s) of Account with name and phone number of contact person:

Name: _____ Contact: _____

Address: _____

Telephone: _____

Name: _____ Contact: _____

Address: _____

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DEBT MANAGEMENT POLICY

Telephone: _____

G. Counsel to Applicant:

Name: _____

Address: _____

Telephone: _____ Fax: _____

H. Bond Counsel on proposed project:

Name: _____

Address: _____

Telephone: _____ Fax: _____

I. Investment Banker for proposed project:

Name: _____

Address: _____

Telephone: _____ Fax: _____

J. Company History

List past tax-exempt financing transactions:

Have any of these projects ever been in default? _____ Yes _____ No

If yes, please provide particulars:

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DEBT MANAGEMENT POLICY

K. Is the firm or any of its principals currently or in the past 10 years been engaged in any litigation involving financing of the type and nature of that being proposed to the City. ____Yes ____No.

If yes, please provide the names of the principals and details of the litigation. Use additional pages if necessary.

II. PROPOSED PROJECT

- A. Give brief narrative explanation why project is being undertaken.
- B. Narrative Description, including renderings if available of proposed project.
- C. Proposed facilities to be constructed with bond proceeds (describe).
- D. Does applicant now own the site of the proposed facility?_____ If not, has applicant entered into an option or commitment or other agreement to purchase it?
- E. Estimated useful life of buildings, equipment, or off-site improvements.
- F. Does the proposed project involve, in whole or in part, any of the following: residential real property; sports facilities; commercial property; health care facilities; manufacturing facilities; entertainment facilities; or industrial land development activities? Yes____ No____ If yes, please explain.

G. Estimated date on which facilities will:

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DEBT MANAGEMENT POLICY

Start construction: _____

Complete construction: _____

III. COST OF THE PROJECT

State the costs reasonably necessary to the acquisition or construction of the proposed project together with any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or apportionment facilities;

A.	Land and Facilities	\$ _____
B.	Architectural and Engineering	\$ _____
C.	Construction Costs:	\$ _____
D.	Interest during construction:	\$ _____
E.	Financing, legal, miscellaneous (from _____ to _____) (please specify)	\$ _____
F.	Contingency (if appropriate)	\$ _____
	TOTAL	\$ _____

IV. SIGNIFICANT PUBLIC BENEFITS

Please furnish a description of the significant public benefits that will arise from the issuance of bonds in the maximum amount proposed in the application.

- A. Employment creation/displacement – will the completion of the project contribute to job creation? Explain.
- B. Energy, mineral or natural or cultivated resource conservation – will the completion of the project lead to increased utilization of resources:
 - 1. Estimate of increased utilization of resources.
 - 2. Estimate of increases in cost to the public due to increased utilization.
- C. Does construction of the project, or completion of the project, have any adverse environmental impacts, including additional waste disposal?
 - 1. Estimate of the environmental impacts.
 - 2. Include copies of any required Environmental Impact Reports.

Approved by: City Council/
January 28, 2014
Revised: 2/7/17, 3/19/19



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 19, 2019

TITLE: ADOPTION OF RESOLUTION TO ESTABLISH A PROJECT LIST FOR THE FISCAL YEAR 2019/20 SENATE BILL 1 FUNDING AND CONCURRENCE OF A PAVEMENT MANAGEMENT PROGRAM FIVE-YEAR LOOK-AHEAD PLAN

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt Resolution No. 2019-XX – To establish a Citywide Pavement Rehabilitation and Preservation project list for submission to the California Transportation Commission for Fiscal Year 2019/20 Senate Bill (SB) 1 funding.
2. Authorize the City Engineer to make any minor adjustments to the limits of work and minor modifications to the project list, as necessary.
3. Concur with the proposed Pavement Management Program five-year look-ahead plan.

SUMMARY

Roadway maintenance remains a top priority for the City Council. This report is for adoption of a Resolution approving a list of street segments for pavement rehabilitation for submission to the California Transportation Commission (CTC) to receive funding from the Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 for Fiscal Year 2019/20. This report also recommends concurrence of a Pavement Management Program five-year look-ahead plan which identifies roadway segments for preventative and corrective maintenance priorities.

DISCUSSION

On April 28, 2017 the Governor signed SB 1 to address basic road maintenance, rehabilitation, and critical safety needs on state highways as well as local streets and roads. Funds are generated via fuel excise taxes and vehicle registration fees and a portion are allocated by formula to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects.

Prior to receiving the annual allocation of the formula-based SB1 funds, local agencies must submit a project list to the CTC prior to May 1, 2019. The project list must include a description and the location of each proposed project, a proposed schedule for project completion, and the estimated useful life of the improvements. The project list does not limit the flexibility of an eligible city to fund projects in accordance with local needs and priorities so long as the projects are consistent with SB 1 funding priorities.

In addition to submitting a proposed list of projects to the CTC for approval, to remain eligible for SB1 funds, local agencies are required to:

- Submit annual documentation regarding completed projects
- File an annual report of expenditures for street or road purposes with the State Controller's Office
- Sustain a Maintenance of Effort (MOE)
- By July 1, 2023, follow guidelines developed by the California Workforce Development Board that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs

The City is scheduled to receive \$3.29 million in SB 1 funding in Fiscal Year 2019/20 for the nearly \$600 million pavement infrastructure. Currently, there is roughly \$100 million of deferred maintenance needs for the 505 centerline-miles of streets within the City's 51 square mile boundary. With a significant amount of deferred maintenance needs for City streets, selecting only a few segments is a difficult process. To prioritize streets for the proposed FY 2019/20 project list as well as for the Pavement Management Program (PMP) five-year look-ahead, staff used a combination of factors such as:

- Pavement Condition Index (PCI), for preventative and corrective maintenance
- Average Daily Traffic (ADT) counts
- Roadway segments with extensive Maintenance staff activities
- Known forthcoming utility company work
- Known approved development projects
- Other City Capital Improvement Program (CIP) projects

Heavy consideration was given to street segment PCI ratings and segments with extensive Maintenance staff activities (i.e. pothole repairs). Additionally, in order to gain an economy of scale from bidding contractors, streets were grouped by proximity as best as possible. Staff conducted field surveys to obtain real-time pavement distress conditions. Staff also received input from the Mayor and individual Council Members. The SB 1 project list for Fiscal Year 2019/20 is also part of the PMP five-year look-ahead plan. The five-year look-ahead plan is intended to provide a focus for the limited funding. It is not intended to be a ridged list of street segments that cannot be adjusted.

If necessary, staff will bring forward any changes to the PMP for Council's review concurrently with future annual SB1 required Council action items.

The receipt of SB1 funding annual is a good step towards addressing the nearly \$100 million of deferred maintenance on City streets. With the ultimate PMP goal of transitioning from costly corrective maintenance activities to less-costly preventative maintenance activities, staff has developed the proposed five-year look-ahead plan. This plan, along with the proposed street segments in FY 2019/20, includes both preventative and corrective work. Including preventative work (e.g. crack seal and slurry seal) and not just corrective work will help preserve and extend the useful life of the City's largest asset at a lower cost. Also, with the inclusion of preventative maintenance work, maintenance-staff resources can be redistributed to higher cost-benefit ratio activities (e.g. asphalt patch work and crack sealing).

For the FY 2019/20 segments, staff is also recommending that the City Council authorize the City Engineer to make minor modifications to the limits of work on individual street segments to accommodate any changes in private property development of other conflicting Capital Improvement Plan projects that may arise prior to bidding the project for construction. Additionally, since some of the CTC forms and procedures are not yet finalized, staff recommends authorizing the City Engineer to make minor modifications to comply with any changes in the CTC procedures or forms to avoid delays.

Consistent with the approved *Momentum MoVal* Strategic Plan, staff is taking proactive steps to create an ongoing annual pavement preservation program with similar level of efforts in roadway maintenance.

ALTERNATIVES

1. Approve the recommended actions as presented in this staff report. *This alternative will allow timely project list submittal for SB 1 for Fiscal Year 2019/20 funding and commence the arterial street rehabilitation project.*
2. Do not approve the recommended actions as presented in this staff report and provide alternate direction to staff. *This alternative may jeopardize receiving of SB 1 funding for Fiscal Year 2019/20 and delay use of State funding to meet the Council's priority to enhance the condition of City's roadways.*

FISCAL IMPACT

Staff recommends the authorization to appropriate \$3,292,736 million from the State Gas Tax SB 1 funding (2000-70-77-80001-720199 / Project No. 801 XXXX-2000A-99). **There is no impact to the General Fund.** The proposed budget adjustment shall be reflected in the FY19/20 proposed budget which will come before City Council prior to June 30, 2019 for adoption.

NOTIFICATION

All utilities, adjacent property owners, business owners, law enforcement, fire department, and other emergency services responders in the areas affected by the pavement rehabilitation will be notified in a timely manner prior to the start of construction work.

PREPARATION OF STAFF REPORT

Prepared By:
Quang Nguyen, P.E.
Senior Engineer

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/ City Engineer

Concurred By:
Henry Ngo, P.E.
Capital Projects Division Manager

CITY COUNCIL GOALS

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

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

CITY COUNCIL STRATEGIC PRIORITIES

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

ATTACHMENTS

- 1. SB1 FY19.20 Resolution

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/13/19 8:52 AM
City Attorney Approval	<u>✓ Approved</u>	3/14/19 7:36 AM
City Manager Approval	<u>✓ Approved</u>	3/14/19 10:31 AM

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2019/20 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution a project list proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City, will receive an estimated \$3.29 million in RMRA funding in Fiscal Year 2019/20 from SB 1; and

WHEREAS, this is the third year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City has provided the opportunity for public input into the process of setting City's roadway maintenance priorities and the preparation of the project list.

WHEREAS, the City used a Pavement Management Program to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City maintain and rehabilitate approximately twenty-two (22) street segments; and

WHEREAS, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an “at-risk” condition and this

revenue will help us increase the overall quality of our road system and over the next decade and assists with bringing our streets and roads into a “good” condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

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

1. The foregoing recitals are true and correct.
2. The following list of proposed projects will be funded with fiscal year 2019/20 Road Maintenance and Rehabilitation Account revenues:

CITY OF MORENO VALLEY FISCAL YEAR 2019/20 PROJECT LIST									
No.	Street Name	From	To	Pavement Condition Index (PCI)	Average Daily Traffic	Proposed Treatment	Estimated Cost	Anticipated Completion Date	Anticipated Useful Life
1	Alessandro Boulevard	Nason St	Oliver St	51	10,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$100,000	10/30/2020	5-10 Years
2	Bay Avenue	Moreno Beach Dr	Peyton Dr	53	5,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$80,000	10/30/2020	5-10 Years
3	Bay Avenue	Lasselle St	Regis Dr	50	5,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$80,000	10/30/2020	5-10 Years
4	Cactus Avenue	Moreno Beach Dr	1970 ft to the east	52	3,800	Crack Sealing/ Local Repairs/ Slurry Sealing	\$80,000	10/30/2020	5-10 Years
5	Cactus Avenue	1980 ft west of Redlands Bl	Redlands Bl	52	3,800	Crack Sealing/ Local Repairs/ Slurry Sealing	\$80,000	10/30/2020	5-10 Years
6	Chippewa Trail	Davis St	Quapaw Tr	29	1,000	Surface Removal/ Replacement	\$106,000	10/3/2020	10+ Years
7	Clark Street	Tennyson Rd	Box Springs Rd	51	1,100	Crack Sealing/ Local Repairs/ Slurry Sealing	\$125,000	10/30/2020	5-10 Years
8	Cottonwood Avenue	Heacock St	Indian St	44	10,100	Surface Removal/ Replacement	\$375,000	10/30/2020	10+ Years
9	Cottonwood Avenue	Graham St	Heacock St	54	10,100	Crack Sealing/ Local Repairs/ Slurry Sealing	\$105,000	10/30/2020	5-10 Years
10	Cottonwood Avenue	Oliver St	Moreno Beach Dr	50	3,300	Crack Sealing/ Local Repairs/ Slurry Sealing	\$125,000	10/30/2020	5-10 Years
11	Dracaea Avenue	Kitching St	Morrison St	53	5,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$125,000	10/30/2020	5-10 Years
12	Frederick Street	Brodiaaea Av	Cactus Av	30	35,900	Surface Removal/ Replacement	\$122,000	10/30/2020	10+ Years

13	Gentian Avenue	Canyonstone Dr	Indian St	30	3,500	Surface Removal/ Replacement	\$95,000	10/30/2020	10+ Years
14	Graham Street	Ironwood Av	David Ln	50	9,200	Crack Sealing/ Local Repairs/ Slurry Sealing	\$105,000	10/30/2020	5-10 Years
15	Heacock Street	Cottonwood Av	Alessandro Bl	32	23,200	Surface Removal/ Replacement	\$460,000	10/30/2020	10+ Years
16	Heacock Street	Sandbow St	Ironwood Av	33	21,800	Surface Removal/ Replacement	\$470,000	10/30/2020	10+ Years
17	Hidden Springs Drive	Pigeon Pass Rd	County Gate Rd	50	5,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$220,000	10/30/2020	5-10 Years
18	Indian Street	Cottonwood Av	Alessandro Bl	52	7,400	Crack Sealing/ Local Repairs/ Slurry Sealing	\$117,000	10/30/2020	5-10 Years
19	Pawnee Trail	Quapaw Tr	East End	56	1,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$60,000	10/30/2020	5-10 Years
20	Quapaw Trail	Chippewa Tr	Chippewa Tr	56	1,000	Crack Sealing/ Local Repairs/ Slurry Sealing	\$60,000	10/30/2020	5-10 Years
21	Redlands Boulevard	Bay Av	Alessandro Bl	35	9,800	Surface Removal/ Replacement	\$95,000	10/30/2020	10+ Years
22	Redlands Boulevard	Eucalyptus Av	Dracaea Av	35	9,800	Surface Removal/ Replacement	\$105,000	10/30/2020	10+ Years
TOTAL							\$3,290,000		

Attachment: SB1 FY19.20 Resolution (3399 : ADOPTION OF RESOLUTION TO ESTABLISH A PROJECT LIST FOR THE FISCAL YEAR 2019/20

3. The following previously proposed and adopted projects may utilize fiscal year 2019/20 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City/County is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

FY 18/19 SB1 Project List						
No.	Street Name	From	To	Project Description	Useful Life	Scheduled Completion
1	John F. Kennedy Drive	Heacock Street	Indian Street	Surface Remove/ Replace	10 years	Completed
2	Iris Avenue	Perris Boulevard	Kitching Street	Surface Remove/ Replace	10 years	Completed
3	Iris Avenue	Kitching Street	Lasselle Street	Surface Remove/ Replace	10 years	September 15, 2019
4	Sunnymead Boulevard	Frederick Street	Heacock Street	Slurry Seal	10 years	September 15, 2019
5	Pigeon Pass Road	Sunnymead Boulevard	Swan Street	Replace and Slurry Seal	10 years	September 15, 2019
6	Moreno Beach Drive	Via Del Lago	John F. Kennedy Drive	Surface Remove/ Replace	10 years	September 15, 2019
7	Hemlock Avenue	Pigeon Pass Road	Heacock Street	Surface Remove/ Replace	10 years	September 15, 2019
8	Alessandro Boulevard	Lasselle Street	West of Darwin Drive	Surface Remove/ Replace	10 years	September 15, 2019
ALTERNATIVE STREETS						
A	Moreno Beach Drive	Auto Mall Drive	Cottonwood Avenue	Surface Remove/ Replace	10 years	September 15, 2019
B	Pigeon Pass Road	Swan Street	Western Ridge Drive	Replace and Slurry Seal	10 years	September 15, 2019
C	Moreno Beach Drive	Ironwood Avenue	Locust Avenue	Surface Remove/ Replace	10 years	September 15, 2019
D	Elder Avenue	Morrison Street	Foxhound Circle	Surface Remove/ Replace	10 years	September 15, 2019
E	Iris Avenue	Indian Street	Perris Boulevard	Slurry Seal	10 years	September 15, 2019

APPROVED AND ADOPTED this 19th day of March, 2019.

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley

ATTEST:

Pat Jacquez-Nares, City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney

RESOLUTION JURAT

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

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2019-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 19th day of March, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)