City Council Meeting
05-26-26
Item 1.B.9.

Council Agenda Report

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

Prepared by: Tatiana Holden, Interim Public Works Director/City Engineer

Approved by: Joseph D. Irvin, City Manager

Date prepared: April 13, 2026 Meeting date: May 26, 2026

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

RECOMMENDED ACTION: Authorize the Mayor to execute a Professional Services Agreement with 30 Three Sixty Public Finance, Inc. to assist the City of Malibu with the formation of an assessment district for a Pacific Coast Highway (PCH) Wastewater Line in the amount of $107,395.

FISCAL IMPACT: Funding for these services was included in the Adopted Budget for FY 2025-26 in Account No. 100-3008-5100.00 (Public Works - Professional Services). The FY 2025-26 expenses up to $10,000 will be deducted from this account.

The Proposed Budget for Fiscal Year 2026-27 includes $100,000 of General Fund monies for the PCH Wastewater Line Project in Account No. 310-9128-5100.00. All expenses related to this agreement will be tracked with this project and reimbursed from an Assessment District upon its formation.

STRATEGIC PLAN IMPLEMENTATION: This item supports the City's 2025-2028 Strategic Plan Goal 1: Support Community Rebuilding and Long-Term Recovery and Goal 3: Advance Infrastructure Resilience.

DISCUSSION: Following the January 2025 Palisades Fire, the City began evaluating long-term wastewater solutions for beachfront properties along PCH that were damaged or destroyed in the fire. On May 12, 2025, the City Council authorized an amendment to the professional services agreement with Woodard & Curran to prepare a preliminary design report for a wastewater collection system extending from approximately Carbon Beach to City limits with conveyance to the Hyperion Water Reclamation Plant.

The preliminary design evaluated the feasibility and configuration of a centralized wastewater collection system to replace existing onsite wastewater treatment systems (septic systems), which are vulnerable to coastal hazards and costly to reconstruct.

At the February 23, 2026, City Council meeting, staff provided an update on the preliminary design report outlining a system spanning approximately 5.5 miles along PCH and includes multiple wastewater flow contributing areas, gravity sewer segments, force mains, and approximately ten lift stations. The proposed system would convey wastewater to the Hyperion Water Reclamation Plant.

Staff also presented information regarding potential funding mechanisms, including the formation of an assessment district to support project implementation. The formation of an assessment district would be a critical component of the overall financing strategy, allowing the City to equitably distribute project costs among benefiting property owners and serving as a prerequisite for advancing the project to construction. Staff indicated that in connection with potential Clean Water State Revolving Fund (SRF) financing and other funding opportunities, the assessment district would provide a viable pathway to fund the project which is, however, contingent on the property owners' approval.

City Council directed staff to proceed with forming two separate assessment districts; one for the design phase and a second assessment district for the construction phase. On March 5, 2026, a Request for Qualifications (RFQ) was released seeking qualified firms for assessment engineering services. The scope of services in the RFQ included the financing approach of Bifurcated Formation of Assessment Districts as was directed by the City Council:

1) Formation of an Assessment District for design and engineering.
2) Formation of second Assessment District for construction.

One proposal was submitted on April 3, 2026, from 30 Three Sixty Public Finance, Inc. in the amount of $107,395. The proposal was reviewed for responsiveness to the requirements of the RFQ and found to be compliant and responsive.

As part of the scope of services, the vendor will:

- Prepare a district boundary map or assessment diagram
- Develop an equitable special tax/assessment apportionment methodology
- Estimate assessment liens and assessment installments
- Prepare the Preliminary and Final Engineer's Reports pursuant to the requirements of Section 10204 of the Streets and Highways Code and Proposition 218
- Formation of PCH Wastewater Assessment District
- Assist with issuance of bonds, as necessary

Due to the agreement negotiations, the prospective consultant requested modifications to the standard indemnification provision due to inability to obtain the specified insurance

coverage. The firm's insurance policy does not cover the upfront costs of legal defense. As a result of these constraints, the indemnification section was requested to be revised and the duty to defend provision was requested to be removed. The agreement modifications were reviewed by the City Attorney's office, and the risk was analyzed. The modified language was confirmed to be legal, and it does not negate or allow 30 Three Sixty Public Finance, Inc. to avoid liability for its negligence, however, it places a potential risk on the City to cover the up-front legal defense fees.

While this is a variation from the norm, staff continues to recommend authorizing the Mayor to execute a professional services agreement with 30 Three Sixty Public Finance for the formation of two assessment districts for the PCH Wastewater Line in the amount of $107,395. Staff do so because 30 Three Sixty Public Finance, Inc. has successfully provided professional services to the City since 2020, including for the Civil Center Wastewater Phase 1 Assessment District, there was only one qualifying applicant for this procurement, and because the City has made the same concession with this vendor on past agreements. .

Next Steps

Following the execution of this agreement, 30 Three Sixty Public Finance, Inc. (360) will work with staff and other members of the project team to define the proposed assessment district boundaries, identify parcels that would receive a special benefit from the proposed wastewater project design. 360 will also collect all eligible project design, project management and assessment district formation costs, and develop a legally supportable assessment methodology. This work will include how much costs should be allocated among the benefited parcels in proportion to the special benefit received, consistent with California Streets and Highway Code Section 10204 and Proposition 218.

360 will prepare the required assessment engineer's report, including the project description, district boundary map, assessment diagram, assessment roll, cost estimate, and assessment methodology. The report will clearly identify that the proposed assessment would be limited to design-phase costs and related eligible expenses, and would not authorize or fund construction of the wastewater improvements.

The next step includes the City Council's action to initiate the assessment proceeding. This includes receiving a presentation of the preliminary assessment engineer's report, adoption of the necessary resolutions, establishment of a public hearing date, and authorization to mail assessment district notices and ballots to the property owners within the proposed assessment district

The Proposition 218 notices and ballots include ballot instructions and explanatory materials that clearly describe the purpose of the assessment district, the design work to

be funded, the methodology for the assessments, and the public hearing and balloting process. Staff will conduct community outreach meetings to respond to technical questions from the property owners and the public.

Prior to the public hearing, the property owners can submit their ballots to the City indicating support or opposition to the proposed assessment district. The City will collect these ballots and hold them until the completion of the scheduled public hearing.

At the public hearing, Council will provide property owners and the community with an opportunity to comment on the proposed assessment district, the assessment engineer's report, the proposed assessment methodology and the amount of the proposed assessments. The public hearing also provides the property owners the ability to change their assessment ballots prior to the close of the hearing.

The ballots are weighted according to the amount of the proposed assessment assigned to each parcel, rather than counted on a one-parcel, one-vote basis. If the tabulation shows that the ballots submitted in opposition to the assessment exceed the ballots submitted in support, weighted by assessment amount, a majority protest exists and the City may not impose the assessment. If no majority protest exists, the City Council may consider proceeding with the formation of the assessment district. This action would be limited to the design phase of the project only. The construction phase would require a separate assessment district formation.

On April 23, 2026, the City received one proposal in response to Request for Qualifications/Proposals for the professional engineering services from Woodard & Curran for $8,510,743. Staff also released a Request for Qualifications/Proposals for PCH Wastewater Project Management. The total costs from both solicitations and the cost of services for formation of the assessment district along with other administrative costs will form the foundation for establishing the estimated costs for each parcel.

The project schedule is a key project driver for the City, with a strong need to expedite final design and implementation to address ongoing impacts to residents along the PCH corridor. Timely development through all project implementation steps is critical to delivering a long-term wastewater solution for the residents of the beachfront area affected by the Palisades Fire.

The overall approach to the implementation of the project focuses on advancing the final design and shortening duration of construction:

- Implementing an efficient, decision-driven design process to maintain schedule certainty.

- Shortening construction through optimized crossing solutions, prefabricated lift stations, and strategic bid packaging,
- Coordinating early and continuously with external agencies and infrastructure owners to prevent delays.
- Incorporating targeted, timely public communication to preserve community trust and reduce project risk.

The anticipated implementation schedule is provided below.

Task Item	Projected Implementation Schedule
Engineer's Report to Fund Design + Stakeholder Outreach (8 months)	07/01/2026 – 03/01/2027
Formation of Assessment District 1 (2 months)	03/01/2027 – 05/01/2027
Bond Issuance to Fund Design (3 months)	05/01/2027 – 08/01/2027
Project Final Design 65% completion (12 months)	08/01/2027 – 08/01/2028
Final Desing + Bids Received (9 months)	08/01/2028 – 05/01/2029
Engineer's Report to Fund Construction + Stakeholder Outreach (9 months)	08/01/2028 – 05/01/2029
Formation of Assessment District 2 (2 months)	05/01/2029 – 07/01/2029
Bond Issuance (3 months)	07/01/2029 – 10/01/2029
Project Construction (33 months)	10/01/2029 – 07/01/2032

ATTACHMENTS:

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

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AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of May 11, 2026 by and between the City of Malibu (hereinafter referred to as the "City"), and 30 Three Sixty Public Finance, Inc., a California Corporation (hereinafter referred to as "Consultant"). City and Consultant are herein collectively referred to as "Parties" and separately as a "Party".

The City and the Consultant agree as follows:

R E C I T A L S

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

B. The City desires to contract out for consulting services for certain projects relating to Assessment Engineering Service for the formation of an assessment district for the Pacific Coast Highway Wastewater Line Project.

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

D. The City desires to contract with the Consultant to perform the services as described in this Agreement, including those set forth in Exhibit A.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Consultant agree as follows:

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

2.0 TERM OF AGREEMENT. This Agreement will become effective on May 11, 2026, and will remain in effect for a period of 3 years from said date unless otherwise expressly extended and agreed to by both parties (the "Parties") or terminated by either party as provided herein.

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

4.0 COMPENSATION FOR SERVICES. The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with Exhibit A, "Scope of Work" and Exhibit B, "Compensation Schedule". The cost of services shall

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not exceed $107,395 for the term of the agreement. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager, or his or her designee.

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

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

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

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

6.0 GENERAL TERMS AND CONDITIONS.

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

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

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination

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and specifying the effective date of such termination. The Consultant shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

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

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

6.4 Insurance. The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement. Consultant further agrees to comply with all provisions in the attached Exhibit C which is incorporated herein.

6.5 Indemnification.

To the fullest extent permitted by law, the Parties agree to save, indemnify (including costs of any defense), and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administration proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, reasonable attorney fees, expert fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the Party's negligence, recklessness, or willful misconduct. Following a determination of the percentage of fault and or liability by agreement between the Parties or a court of competent jurisdiction, the Party responsible for liability to the other will indemnify the other Party to this Agreement for the percentage of liability determined. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

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

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

6.7.1. The Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers

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or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

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

6.9 Legal Construction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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and the Consultant.

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

CITY:	Joseph D. Irvin City Manager City of Malibu 23825 Stuart Ranch Road Malibu, CA 90265-4861 TEL (310) 456-2489 x 226 FAX (310) 456-2760	**CONSULTANT:**	Mitch Mosesman President 30 Three Sixty Public Finance 5860 Owens Ave., Ste. 210 Carlsbad, CA 92008 TEL (858) 386-4600

6.20 Warranty of Authorized Signatories and Acceptance of Facsimile or Electronic Signatures. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered physically or by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.

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

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

City Initials _____

Consultant Initials DS MM

7.2 Disclosure not Required. By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a "consultant" for the purpose of the California Political Reform Act because Consultant's duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18700.3(a)

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and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials _____

Consultant Initials _____

This Agreement is executed on _____, at Malibu, California, and effective as of May 11, 2026.

30 Three Sixty Public Finance, Inc., a California Corporation:

DocuSigned by:
Mitch Mosesman
A901597E932D40F...

By: Mitch Mosesman
President

CITY OF MALIBU:

_____
BRUCE SILVERSTEIN, Mayor

ATTEST:

_____
KELSEY PETTIJOHN, City Clerk
(seal)

APPROVED AS TO FORM:

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

_____
TREVOR RUSIN, Interim City Attorney

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EXHIBIT A
SCOPE OF WORK

The consulting firm or firms selected shall provide the required professional services for the formation of the PCH Wastewater Connection Line Assessment District. The work, in general, shall include but not be limited to the following:

Special Tax/Engineering Consulting Services

The "Consultant" shall assist the City of Malibu in the formation and issuance of bonds for an assessment district ("District") to finance the construction of the wastewater treatment facility. The following tasks are included.

1. Boundary Map

The Consultant will coordinate with the City, District representatives, and the design engineer to determine the benefited properties. We anticipate that the City and/or design engineer will provide base map data (GIS or other digital mapping format) to facilitate preparation of the boundary map and assessment diagram. As requested, the project team will coordinate the recording of the assessment district boundary map, assessment diagram, and notice of assessment.

Deliverable: Assessment Diagram

2. Special Tax/Assessment Apportionment Methodology

The Consultant will work closely with City staff and the design engineer to determine the appropriate determinants of benefit, including conducting a field survey, as necessary, to confirm existing uses, compiling future redevelopment/development assumptions, and updating wastewater flow factors for each land use and property within the District.

Deliverable: Assessment Methodology

3. Special Tax/Assessment Lien and Financing Analysis

The Consultant will work cooperatively with the City and the design engineer to obtain the project costs. The Consultant will prepare an assessment model to estimate bonded indebtedness, including capitalized interest, bond reserves, and bond issuance costs, and the resulting assessments when the estimated bond principal is spread to the benefited properties in accordance with the assessment methodology. The assessment model will also include projected annual assessment installments and annual administrative expenses.

Deliverable: Assessment Model, Estimated Assessments and Annual Installments, and Summary of Cost Estimates

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4. Report Preparation

The Consultant will act as "Engineer of Work" in conformance with the Municipal Improvement Act of 1913 and prepare the Preliminary and Final Engineer's Reports pursuant to the requirements of Section 10204 of the Streets and Highways Code and Proposition 218 (California Constitution Articles XIII C and XIII D). The Consultant assumes that a petition pursuant to Section 2804 of the Streets and Highways Code will be submitted, and the Majority Protest Act of 1931 will not apply. As required by Streets and Highways Code Section 10204 and Proposition 218, the contents of the Engineer's Report will include (i) plans and specifications (to be provided by the design engineer) describing the general nature, location, and extent of the improvements proposed to be installed or acquired, (ii) a general description of the improvements (to be developed in coordination with the design engineer), (iii) an estimated cost of the improvements, including the cost of land, rights-of-way, easements, and incidental expenses, (iv) The proposed assessment of the total amount of the cost and expenses of the proposed improvements upon all parcels in the district in proportion to the benefits to be received by each parcel, (v) the maximum annual assessment to be levied on each parcel to pay for the administration and collection of assessments or other assessment district administrative expenses, including the administration or registration of any associated bonds and reserve or other related funds, and the index for determining the annual adjustment to such maximum amount, (vi) an explanation of the assessment apportionment methodology, (vii) the assessment diagram showing the exterior boundaries of the District, the boundaries of any zones within the District, and the lines and dimensions of each land parcel within the District, and (viii) the assessment roll.

Consultant shall produce the Final Engineer's Report in connection with the confirmation of the assessments by the City Council. This report shall include confirmed costs in place of the estimated costs listed in the Preliminary Engineer's Report and make any revisions requested by the City Council. The Report will be prepared by a Registered Civil Engineer.

Deliverable: Preliminary and Final Engineer's Report, including description of the assessment methodology, and Assessment Roll

5. District Formation

- **Public Notices and Ballot Protest Procedure:** The Consultant will print and mail notices and assessment ballots to the property owners of record. Notices and ballots will be mailed to the owners of record as determined from the Los Angeles County Assessor's Roll. The Consultant will rely upon bond counsel to prepare the notice and ballot text in conformance with Proposition 218.

  Deliverable: Mailed Notices and Assessment Ballots

- **Ballot Tabulation:** Consultant will provide a spreadsheet, including the proportional financial obligation of affected property, to the City Clerk to tabulate the ballots

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submitted by property owners to determine whether majority protest exists within the District.

Deliverable: Ballot Tabulation Workbook

- **Cash Payment Notice:** After confirmation of the assessments by the City Council, Consultant will mail the notice of cash collection and prepare a paid and unpaid list and calculate the new amount to bond after the end of the thirty-day cash collection period.

  Deliverable: Mailed Cash Collection Notices

- **Document Recording:** Consultant will record the assessment diagram and Notice of Assessment with the County of Los Angeles Recorder's Office.

  Deliverable: Recorded Assessment Diagram and Notice of Assessment

6. Issuance of Bonds

As requested, the Consultant will assist in the review of documents prepared in connection with the issuance of the bonds. Such bond documents may include bond resolutions and/or ordinances, trust indentures and/or fiscal agent agreements, limited offering memorandums and/or official statements, and continuing disclosure agreements. The Consultant will also update its assessment financial model and, as requested, provide information to assist with the preparation of the official statement for the bonds.

Deliverable: Information and Tables for Official Statement

7. Meetings/Conference Calls

The Consultant will attend a total of sixteen (16) virtual meetings and up to four (4) in-person meetings, which may include a kick-off meeting, community outreach meetings, and City Council meetings. The Consultant shall also provide verbal assistance to the Client as necessary.

Deliverable: Attendance at Meetings

AD Administration Scope of Work

The Consultant's scope of work for AD administration consulting services is summarized below.

1. Annual Installment Calculations

Consultant will determine each year's aggregate annual interest and principal payments on the bonds and AD administrative expenses and calculate the annual installment amounts for each parcel.

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Deliverable: Assessment Installment Calculations

2. <u>Assessment Billing and Collection</u>

- Billing of Assessment Installments

  The Consultant will coordinate with the Los Angeles County Auditor-Controller (the "County") regarding the billing of the annual assessment installments. The Consultant will upload the annual assessment installments to the County's Direct Assessment Web Access system ("DA Web") and confirm that they are properly enrolled and billed.

  Deliverable: Enrollment of Assessment Installments

- Collection of Assessment Installments

  The Consultant will coordinate with the County to obtain collection data and prepare periodic reports that coincide with the County's provision of collection data, detailing the amounts collected for the reporting period in question. The Consultant will coordinate with the City to establish follow-up procedures for delinquent assessment installments which shall be consistent with the collection covenants in the applicable trust indenture or fiscal agent agreement. These procedures may include the preparation and mailing of periodic delinquent assessment installment notices. Should the need arise, the Consultant will assist legal counsel with further collection activities, including the foreclosure of the assessments that remain delinquent after the follow-up process.

  Deliverable: Collection Workbook and Mailed Delinquency Notices

- Prepayment

  Upon request, the Consultant will calculate the amount needed to pay off the assessment balance in part or in full. The assessment prepayment amount, including payoff instructions, will be mailed to the requesting party. If prepayment in full is received, the Consultant will coordinate with the City in the preparation and recordation of a release of lien with respect to the Parcel ID for which prepayment has been made as well as the partial redemption of bonds.

  Deliverable: Prepayment Calculations, Lien Releases, and Partial Bond Redemption Instructions

3. <u>Trust Account Review</u>

The Consultant will prepare and maintain a database of trust/fiscal agent account activity to facilitate a comparison of actual financial activity to trust indenture or fiscal agent agreement. Monthly reports and findings of non-compliance and/or inconsistencies with the trust indenture or fiscal agent agreement will be communicated to the City and fiscal

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

Deliverable: Trust Account Database and Period Reports

4. **Property Owner Inquiries**

This task involves responding to telephone calls from prospective or current property owners or other interested parties who have questions regarding the AD and their assessment. This task also includes brief written responses to property owners as necessary.

Deliverable: Responses to Property Owner Inquiries

5. **Parcel Database**

The Consultant will maintain a parcel database which will include Assessor's Parcel Number, assessment number, original assessment lien, outstanding assessment balance, annual assessment installment and administrative expense amounts, and record owner information to the extent readily available from the County.

Deliverable: Parcel Database

6. **Reports**

- Annual AD Report

  The Consultant shall prepare an annual report for the AD summarizing (i) the annual debt service and administrative expenses budgeted for the coming fiscal year and (ii) collection results for the previous year.

  Deliverable: Annual Report.

- Continuing Disclosure

  The Consultant will compile, assemble, and circulate to the City for review the report containing the annual financial information specified in the continuing disclosure agreement entered into by the City in connection with the issuance of the bonds. Upon approval, the Consultant will file the report with the Municipal Securities Rulemaking Boards' Electronic Municipal Market Access website. In addition, as Consultant is made aware, it will also file notice of the occurrence of "Significant Events" as described in the continuing disclosure agreement.

  Deliverable: Annual Report.

- Revenue and Taxation Code Section 163 Report

  As applicable, the Consultant will prepare and provide the annual report required pursuant to Revenue and Taxation Code Section 163 to the County Assessor. Pursuant to the Revenue and Taxation Code Section 163, the report contents include the original

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assessment lien, outstanding assessment lien, and prepayment date and the name of the prepaying party.

Deliverable: Annual Report.

- Annual "Debt Transparency Report" Pursuant to Government Code 8855 (SB 1029)
  As applicable, the Consultant will prepare the annual report specified under Government Code Section 8855 using the protocol and forms established by the California State Controller's office.

  Deliverable: Information for Annual Report

7. <u>Assessment Apportionments and Amended Diagrams</u>

In the event parcels are consolidated or subdivided, the project team will apportion the assessment applicable to the subdivided parcel to the parcels in the new subdivision and prepare an amended assessment diagram. Deliverable: Amended Assessment Diagram, Notice of Amended Assessment, and Report of Amended Assessments

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EXHIBIT B
COMPENSATION SCHEDULE

CITY OF MALIBU
REQUEST FOR QUALIFICATIONS/PROPOSAL
ASSESSMENT ENGINEERING AND DISTRICT ADMINISTRATION SERVICES

COST PROPOSAL - ASSESSMENT DISTRICT FORMATION AND BOND ISSUANCE

TASK / WORK PRODCUT	FIRM/PERSONNEL	HOURLY RATE	HOURS	ESTIMATED BUDGET
AD Formation and Bonds				
Task 1 Boundaries + Assessment Diagram	30 Three Sixty			
	Mitch Mosesman	$225	4.00	$900
	David Cortes	$155	0.00	$0
	Nira Premananthan	$130	0.00	$0
	DUDEK			
	Russ Berhholz	$320	2.00	$640
	Shannon Brown	$285	30.00	$8,550
Task 2 Assessment Methodology	DUDEK			
	Russ Berhholz	$320	2.00	$640
	Shannon Brown	$285	8.00	$2,280
Task 3 Assessment Lien and Financial Analysis	30 Three Sixty			
	Mitch Mosesman	$225	20.00	$4,500
	David Cortes	$155	30.00	$4,650
	Nira Premananthan	$130	0.00	$0
Task 4 Engineer's Reports	30 Three Sixty			
	Mitch Mosesman	$225	20.00	$4,500
	David Cortes	$155	30.00	$4,650
	DUDEK			
	Russ Berhholz	$320	2.00	$640
	Shannon Brown	$285	32.00	$9,120
Task 5 AD Formation Documents	30 Three Sixty			
	Mitch Mosesman	$225	8.00	$1,800
	David Cortes	$155	10.00	$1,550
	Nira Premananthan	$130	0.00	$0
Task 6 Bond Issuance	30 Three Sixty			
	Mitch Mosesman	$225	20.00	$4,500
	David Cortes	$155	30.00	$4,650
	Nira Premananthan	$130	0.00	$0
Task 7 Meetings	30 Three Sixty			
	Mitch Mosesman	$225	60.00	$13,500
	David Cortes	$155	16.00	$2,480
	Nira Premananthan	$130	4.00	$520
	DUDEK			
	Russ Berhholz	$320	11.00	$3,520
	Shannon Brown	$285	33.00	$9,405
Expenses				$9,000
Total - AD Formation and Bonds				**$91,995**

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CITY OF MALIBU
REQUEST FOR QUALIFICATIONS/PROPOSAL
ASSESSMENT ENGINEERING AND DISTRICT ADMINISTRATION SERVICES

COST PROPOSAL (ANNUAL) - ASSESSMENT DISTRICT ADMINISTRATION

TASK / WORK PRODCUT	FIRM/PERSONNEL	HOURLY RATE	HOURS	ESTIMATED BUDGET
AD Administration				
Task 1 Annual Installment Calculations	30 Three Sixty			
	Mitch Mosesman	$225	2.00	$450
	David Cortes	$155	4.00	$620
	Nira Premananthan	$130	6.00	$780
Task 2 Assessment Billing and Collection	30 Three Sixty			
	Mitch Mosesman	$225	4.00	$900
	David Cortes	$155	6.00	$930
	Nira Premananthan	$130	14.00	$1,820
Task 3 Trust Account Review	30 Three Sixty			
	Mitch Mosesman	$225	1.00	$225
	David Cortes	$155	3.00	$465
	Nira Premananthan	$130	10.00	$1,300
Task 4 Property Owner Calls	30 Three Sixty			
	Mitch Mosesman	$225	2.00	$450
	David Cortes	$155	2.00	$310
	Nira Premananthan	$130	2.00	$260
Task 5 Parcel Database	30 Three Sixty			
	Mitch Mosesman	$225	2.00	$450
	David Cortes	$155	2.00	$310
	Nira Premananthan	$130	2.00	$260
Task 6 Reports	30 Three Sixty			
	Mitch Mosesman	$225	2.00	$450
	David Cortes	$155	12.00	$1,860
	Nira Premananthan	$130	12.00	$1,560
Expenses				$2,000
Total AD Administration (Excluding Task 7)				**$15,400**
Task 7 Assessment Apportionments	30 Three Sixty			
Amended Diagrams	Mitch Mosesman	$225	Time and Materials	
	David Cortes	$155	Time and Materials	
	Nira Premananthan	$130	Time and Materials	
	DUDEK			
	Russ Berhholz	$320	Time and Materials	
	Shannon Brown	$285	Time and Materials	

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EXHIBIT C
INSURANCE LANGUAGE

Without limiting Consultant's indemnification of City, and prior to commencement of work and/or services under this Agreement, Consultant shall obtain, provide, and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General Liability Insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles (if any), in an amount not less than $1,000,000 combined single limit for each accident.

Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance (statutory limits) and Employer's Liability insurance (with limits of at least $1,000,000).

Consultant shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

Umbrella or Excess Liability Insurance. Consultant shall obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
- "Pay on behalf of" wording as opposed to "reimbursement";
- Concurrency of effective dates with primary policies.

Should Consultant obtain and maintain an excess liability policy, such policy shall be excess over

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commercial general liability, automobile liability, and employer's liability policies. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

OTHER PROVISIONS OR REQUIREMENTS

Proof of Insurance. Consultant shall provide certificates of insurance and required endorsements to City as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City for the contract period and any additional length of time required thereafter. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of Coverage. Consultant shall procure and maintain for the contract period, and any additional length of time required thereafter, insurance against claims for injuries to persons or damages to property, or financial loss which may arise from or in connection with the performance of the Work hereunder by Consultant, their agents, representatives, employees, or subconsultants.

Primary/Noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self- insurance shall be called upon to protect it as a named insured.

City's Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City and shall require similar written express waivers and insurance clauses from each of its subconsultants.

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Enforcement of Contract Provisions (Non Estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. If any of the Consultant's insurers are unwilling to provide such notice, then Consultant shall have the responsibility of notifying the City immediately in the event of Consultant's failure to renew any of the required insurance coverages, or insurer's cancellation or non-renewal.

Additional Insured Status. General liability, automobile liability, and umbrella/excess liability insurance policies shall provide or be endorsed to provide that City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies.

Prohibition Of Undisclosed Coverage Limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests' provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party who is brought onto or involved in the project/service by Consultant (hereinafter collectively "Subcontractor"), provide the same minimum insurance coverage and endorsements required of Consultant under this Agreement. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. However, in the event Consultant's Subcontractor cannot comply with this requirement, which proof must be submitted to the City, Consultant may still be able to utilize the Subcontractor provided Consultant shall be required to ensure that its Subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with Subcontractor's scope of work and services, with limits less than

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required of the Consultant, but in all other terms consistent with the Consultant's requirements under this Agreement. This provision does not relieve the Consultant of its contractual obligations under the Agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Consultant with the ability to utilize a Subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Consultant under this Agreement given the limited scope of work or services provided by the subcontractor. Consultant agrees that upon request, all agreements with Subcontractors, and others engaged in the project and/or services, will be submitted to City for review.

City's Right to Revise Specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days' advance written notice of such change. If such a change results in substantial additional costs to the Consultant, the City and Consultant may renegotiate the Consultant's compensation.

Self-Insured Retentions. Any self-insured retentions must be declared to and approved by the City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible, or require proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention through confirmation from the underwriter.

Timely Notice Of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional Insurance. The consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.