

DATE SUBMITTED July 31, 2019
 SUBMITTED BY L. Gutierrez
 DATE ACTION REQUIRED August 7, 2019

COUNCIL ACTION (x)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS JL

IMPERIAL CITY COUNCIL AGENDA ITEM

<p>SUBJECT: DISCUSSION/ACTION:</p> <p style="text-align: center;">APPROVAL OF THE SECOND EXTENSION AGREEMENT WITH KOPPEL & GRUBER PUBLIC FINANCE FOR PROFESSIONAL SERVICES RELATED TO COMMUNITY FACILITIES DISTRICT (CFD), LIGHTING & LANDSCAPE SPECIAL TAX CONSULTANT AND PROGRAM ADMINISTRATION. SERVICES FOR FISCAL YEARS ENDED JUNE 30, 2020 AND 2021.</p>	
<p>DEPARTMENT INVOLVED: FINANCE DEPARTMENT</p>	
<p>BACKGROUND/SUMMARY:</p> <p>The firm Koppel & Gruber Public Finance was retained June 2016 as the Community Facilities District (CFD), Lighting, and Landscape Special Tax Consultant and Program Administrator.</p> <p>Koppel & Gruber Public Finance assists City Staff with the CFD, lighting and landscape review process with much success.</p>	
<p>FISCAL IMPACT:</p> <p>Consultant will be paid through CFD, Lighting, and Landscape funds.</p>	<p>F.O. INITIALS <u>JL</u></p>
<p>STAFF RECOMMENDATION:</p> <p>Staff recommends approval of the Second Amendment to the Agreement between the City and Koppel & Gruber Public Finance for the two year period.</p>	
<p>MANAGER'S RECOMMENDATION:</p> <p>It is the City Manager's recommendation that Council approve the Second Amendment to the Agreement for the two year period.</p>	<p>MANAGER'S INITIALS <u>CMO</u></p>
<p>MOTION:</p> <p>SECONDED: _____</p> <p>AYES: _____</p> <p>NAYES: _____</p> <p>ABSENT: _____</p> <p style="margin-left: 100px;">APPROVED <input type="checkbox"/> () REJECTED <input type="checkbox"/> ()</p> <p style="margin-left: 100px;">DISAPPROVED <input type="checkbox"/> () DEFERRED <input type="checkbox"/> ()</p> <p style="margin-left: 100px;">REFERRED TO: _____</p>	

**SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT BETWEEN
THE CITY OF IMPERIAL AND KOPPEL & GRUBER PUBLIC FINANCE**

THIS AGREEMENT is made and entered into this 7th day of August, 2019, by and between the City of Imperial, California, a municipal corporation of the State of California, (“Agency”) and Koppel & Gruber (“Consultant”).

WITNESSETH:

WHEREAS, the parties hereto entered an agreement dated June 15, 2016, (“Agreement”);
and

WHEREAS, the parties wish to extend the term of the Agreement as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. The above referenced recitals are true and correct and are incorporated herein by this reference.
2. Section I of the Agreement is rescinded and restated as follows:

This Agreement shall take effect as of July 1, 2019 and shall remain and continue in effect until the tasks described herein are completed, but in no event later than June 30, 2021, unless sooner terminated pursuant to the provisions of this Agreement.

3. Section V of the Agreement is rescinded and restated as follows:

A. The Agency may at any time, for any reason, with or without cause suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the Agency suspends or terminates a portion of this Agreement, such suspension or termination shall not make, void or invalidate the remainder of this Agreement.

B. In the event this Agreement is terminated pursuant to this Section, the Agency shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Agency. Upon

termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Agency pursuant to Section IV.

4. Exhibits A and B to the Agreement are rescinded and replaced by Exhibits A and B attached hereto and incorporated herein by this reference.
5. Except as specifically set forth herein, the terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed on the date first above written.

EMPLOYER:

City of Imperial, California

By _____
Mayor

CONSULTANT:

Koppel & Gruber Public Finance

By _____

ATTEST:

By _____
Debra Jackson, City Clerk

EXHIBIT A

A. Administration Services – Community Facilities Districts (“CFDs”)

K&G Public Finance proposes to provide the following scope of services relating to the administration of the City’s CFDs:

1. Attend meetings with respect to the ongoing administration of the CFDs. Develop effective channels of communication to facilitate the smooth administration of the CFDs.
2. Prepare a parcel database to be used in maintaining and calculating the annual tax requirements which includes County Secured Roll information such as land use, building square footage, assessed values and ownership data.
3. Track tract and parcel map information, parcel changes, prepaid parcels and collect building permit information necessary for the accurate administration of the CFDs.
4. Simultaneously done with Step 2 and 3, properties will be classified by land use classification as defined in the Rates and Methods of Apportionment (“RMAs”) which includes Exempt Property, Taxable Property, Developed Property and Undeveloped Property as well as special tax classes as further defined in the RMAs.
5. Monitor all funds and Bond Accounts in compliance with the Bond Indentures, or similar instrument. Recommend Bond Calls needed from excess funds, prepayments or for early redemption and calculate the bond call spreads. Verify the bond calls with the City’s Paying Agent/Trustee.
6. Work with the City to recover all costs associated with the ongoing administration of the CFDs, including, but not limited to, staff time, county costs, trustee fees, consultant fees, and legal fees. This is to facilitate the self-sufficiency of the CFD and is allowed for by appropriate statutes and the RMAs.
7. Determine the annual budget for the CFD, typically called the Special Tax Requirement for Facilities. This includes but is not limited to, debt service needs, administrative costs identified in Step 6, funds to be used for pay as you go construction and replenishment of reserves. In addition determine the annual budget for Special Tax Requirement for Services for each of the CFDs.
8. Spread the Special Tax Requirements to the Taxable parcels within the CFDs in accordance with the RMAs.
9. Place the appropriate charges on the County Tax Roll in the required format and provide the City with a verification of the total amount placed on the tax roll. Research any exceptions (K&G Public Finance had 0 (zero) rejections for all County submittals in Fiscal Year 2018/2019) and resubmit if possible and/or mail direct billings for parcels not able to be placed on the County Tax Roll.
10. Answer property owner questions regarding the CFDs or special taxes placed on the tax roll. This helps to minimize City staff time spent on the CFDs. We also provide a toll-free phone number that is placed on the tax bill next to the special tax.

11. Track delinquent payments and provide the City with semi-annual reports. Prepare and mail delinquency letters to delinquent property owners if requested. Develop a customized program with the City to address current needs and requirements to meet the foreclosure covenants in the CFDs Official Statements. This program typically will include a correspondence component to the delinquent property owners. Fees will be negotiated upon program development with the City.
12. Prepare an Annual Report for the CFDs including the annual budget, a list of valid assessor parcels, the calculated rates for each parcel based upon the RMAs, describe development changes, delinquency summary, fund balance, debt service statements and other pertinent information about the CFDs. This provides the CFD a summary of the calculation of the annual special tax for easy access and reference.
13. Prepare Resolutions needed to approve the Annual Levy (if necessary) and provide reports that may be helpful for presentation to the City Council.
14. Attend City Council Meetings to approve the annual rates and the annual accountability report.
15. Calculate and prepare written prepayment quotes (partial or in full) for individual parcels as requested. A reasonable fee for this service may be charged directly to the party requesting the prepayment and will not be charged to the City.
16. Compile and submit CDIAC (California Debt and Investment Advisory Commission) reports for the bond issues as required.
17. Compile and submit the annual report required by Local Agency Special Tax and Bond Accountability Act under Government Code 50075.3 or 53411.
18. Prepare "Notice of Special Tax" as provided for in Government Code 53340.2(b) and 53341.5. A fee of \$10.00 may be charged to the requestor.
19. If requested by a person who resides in or owns property within the CFD, prepare an "Annual Report" as provided for in Government Code 53343.1. A fee for the cost of preparing the report may be charged by the City to the requesting party.

B. Administration Services – Landscape and Lighting Maintenance District ("Maintenance Districts")

K&G Public Finance proposes to provide the following scope of services relating to the administration of the Maintenance Districts:

1. Attend conference calls/meetings with respect to the ongoing administration of the District. Develop effective channels of communication to facilitate the smooth administration of the Maintenance Districts.
2. Prepare a parcel database to be used in maintaining and calculating the annual assessment requirements which includes County Secured Roll information. This data is maintained on an annual basis.
3. Track parcel and tract map information, parcel changes, exempt parcels and collect any information necessary for the accurate administration of the Maintenance Districts.

4. Meet with City Staff to determine the annual budget for the Maintenance Districts, typically called the annual budget to levy. This includes but is not limited to, cost of maintenance or services, administrative costs, and replenishment of reserves as allowable.
5. Review the spread of assessments to the assessable parcels within the Maintenance Districts in accordance with the Assessment Methodologies.
6. Prepare an Engineer's Report for the District that includes the annual budget, a list of valid assessor parcels, the calculated rates for each parcel based upon the assessment methodology, including a discussion of special benefit, the assessment methodology, a description of the improvements and services included in the annual budget, the assessment rates by zone (if applicable) or land use and other pertinent information about the Maintenance Districts.
7. Place the appropriate charges on the County Tax Roll in the required format and provide the City with a verification of the total amount placed on the tax roll. Research any exceptions and resubmit if possible and/or mail direct billings for parcels not able to be placed on the County Tax Roll.
8. As needed - Compile data necessary to prepare an assessment diagram for parcels to be annexed to the District.
9. As needed - Determine the assessor parcel numbers and assessment amounts for parcels that are annexed into the District.

C. Continuing Disclosure

In addition to the above scope of services, we will provide continuing disclosure for each of the City's CFD bond issues if requested.

1. Compile continuing disclosure reports under SEC Rule 15c2-12 and in accordance with the Disclosure Certificate.
2. Disseminate continuing disclosure reports to the Central Post Office and/or NRMSIRS.
3. Publish continuing disclosure reports on our website and/or the City's website (if requested).
4. Assist with investor inquiries.
5. Monitor all "significant events" as defined in the Disclosure certificate and prepare and publish significant event notices as necessary.

D. Arbitrage Calculations

Below is the scope of services we will provide in conjunction with the calculation of arbitrage rebate for the City's CFD bond issues.

1. Review bond documents including but not limited to the bond offering's Official Statement, IRS Form 8038-G, Tax Certificate (arbitrage certificate and/or non-arbitrage certificate) and Cash/Investment Statements.
2. Evaluate and determine bond funds subject to Arbitrage Rebate.
3. Input data and calculate arbitrage rebate liability pursuant to Section 148 (f) of the Internal Revenue Code of 1986.
4. Prepare a report showing the following:
 - a. Arbitrage calculations and liability results, collectively and by fund,
 - b. Assumptions utilized in the calculations,
 - c. Backup supporting schedules leading to the results,
 - d. Arbitrage yield and yield restriction requirements, and
 - e. Investment/yield comparison graph.
5. Discuss the results with the City and/or their financing team.
6. As applicable, prepare IRS Form 8038-T for payment to the IRS.

E. Client Responsibility

In order to provide Annual Administration and calculate the Arbitrage Rebate liability (if requested) we will need the following documents from the City and/or their financing team. In order to reduce the staff time that must be spent gathering data, K&G Public Finance will assist in the collection of these documents.

1. Bond Transcripts (if available).
2. IRS Form 8038-G.
3. Tax Certificate (also known as Non-Arbitrage Certificate).
4. Cash and Investment Statements since the bond issuance or last Arbitrage Rebate calculation.
5. Any other reports prepared for the bond issues.

EXHIBIT B

A. Annual Administration Related Fees

K&G Public Finance will provide the above listed Scopes of Services for the fixed fees described below:

TASK	FY 2019/2020 FEES	FY 2020/2021 FEES
<i>Annual Administration Services</i>		
CFD No. 2004-1 Victoria Ranch	\$6,365	\$6,365
CFD No. 2004-2 Mayfield	\$5,970	\$5,970
CFD No. 2004-3 Bratton	\$6,365	\$6,365
CFD No. 2005-1 Springfield	\$4,775	\$4,775
CFD No. 2006-1 Monterrey Park	\$5,835	\$5,835
CFD No. 2006-1 Savanna Ranch	\$5,835	\$5,835
Landscape District No. 1 Paseo Del Sol and Wildflower	\$3,715	\$3,715
Lighting Maintenance District No. 1 Paseo Del Sol and Wildflower	\$3,715	\$3,715
Landscape Maintenance District No. 2 Sky Ranch	\$4,775	\$4,775
<i>Continuing Disclosure</i>		
Annual Report	\$1,275 (per bond issue)	\$1,310 (per bond issue)
Significant Event Notice	\$375 (per event)	\$385 (per event)

TASK	FEES
<i>Arbitrage Calculations</i>	
	Per Bond Issue
One-time set-up	\$500
Annual Calculations	\$1,300
Per Additional Year	\$450
Installment Calculations (every 5 th year assuming no annual calculations)	\$3,100
<i>The following additional services and fees apply on an as needed basis</i>	
Variable Rate Yield Computation: Yield computation that involves Qualified Guarantee Fees, Letter of Credit Fees, Swap Payments, etc.	\$250-500
Variable Rate Bond Liability Analysis: Perform various yield calculations over different periods and in different combinations to determine lowest liability.	\$275
Non-Traditional Bond Yield Analysis: Issues such as Build America Bonds where subsidy payments affect bond yield computations.	\$275
Commingled Funds Analysis: Analysis to allocate commingled funds and liabilities.	\$275

TASK	FEES
General Ledger Data Entry: Funds not held with trustee/bank and have extensive data entry.	\$275
Earnings Calculations: Computation to determine earnings on proceeds held in a commingled account.	\$275
Transferred Proceeds Analysis/Allocation: Refunding bonds analysis to allocation refunded bond proceeds between old and new bond issues.	\$275
Universal Cap Analysis: Analyze fund balances and deallocate proceeds each bond year.	\$275
Excess Funds: More than 5 funds requiring rebate analysis.	\$275
Non-Bona Fide Debt Service Funds	\$150
IRS Audit Assistance/Support: <i>per hour rate</i>	\$250

K&G Public Finance will invoice on a quarterly basis for Annual Administration and on a monthly or project completion basis for all other services. The quoted fees will be subject to an annual Consumer Price Index increase for the San Diego Area All Urban Consumer Price Index (All Items) beginning July 2021.

B. Expenses

In addition to fees for services, K&G Public Finance shall be reimbursed for direct expenses for: travel, photocopying, data sources, courier services, and overnight delivery at our cost (no mark-up).

C. Additional Work

If authorized by the City, K&G Public Finance will provide additional services not included in the above scopes of services at the hourly rates set forth in the table below unless otherwise agreed upon between the City and K&G Public Finance.

D. Hourly Rates

Below are our hourly rates that K&G Public Finance will provide for the City.

TITLE	RATE
Principal	\$195
Senior Associate	\$135
Associate	\$ 95
Production/Administration	\$ 65

**FIRST AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT BETWEEN THE
CITY OF IMPERIAL AND KOPPEL & GRUBER PUBLIC FINANCE**

THIS AGREEMENT is made and entered into this ____ day of September, 2017, by and between the City of Imperial, California, a municipal corporation of the State of California, ("Agency") and Koppel & Gruber ("Consultant").

WITNESSETH:

WHEREAS, the parties hereto entered an agreement dated June 15, 2016, ("Agreement");
and

WHEREAS, the parties wish to extend the term of the Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. The above referenced recitals are true and correct and are incorporated herein by this reference.
2. Section I of the Agreement is rescinded and restated as follows:

This Agreement shall take effect as of July 1, 2017 and shall remain and continue in effect until the tasks described herein are completed, but in no event later than June 30, 2019, unless sooner terminated pursuant to the provisions of this Agreement.
3. Section V of the Agreement is rescinded and restated as follows:
 - A. The Agency may at any time, for any reason, with or without cause suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the Agency suspends or terminates a portion of this Agreement, such suspension or termination shall not make, void or invalidate the remainder of this Agreement.
 - B. In the event this Agreement is terminated pursuant to this Section, the Agency shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Agency. Upon

termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Agency pursuant to Section IV.

4. Exhibits A and B to the Agreement are rescinded and replaced by Exhibits A and B attached hereto and incorporated herein by this reference.
5. Except as specifically set forth herein, the terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed on the date first above written.

EMPLOYER:

City of Imperial, California

By _____
Mayor

CONSULTANT

Koppel & Gruber Public Finance

By _____

ATTEST:

By _____
Debra Jackson, City Clerk

EXHIBIT A

A. Administration Services – Community Facilities Districts (“CFDs”)

K&G Public Finance proposes to provide the following scope of services relating to the administration of the City’s CFDs:

1. Attend meetings with respect to the ongoing administration of the CFDs. Develop effective channels of communication to facilitate the smooth administration of the CFDs.
2. Prepare a parcel database to be used in maintaining and calculating the annual tax requirements which includes County Secured Roll information such as land use, building square footage, assessed values and ownership data.
3. Track tract and parcel map information, parcel changes, prepaid parcels and collect building permit information necessary for the accurate administration of the CFDs.
4. Simultaneously done with Step 2 and 3, properties will be classified by land use classification as defined in the Rates and Methods of Apportionment (“RMAs”) which includes Exempt Property, Taxable Property, Developed Property and Undeveloped Property as well as special tax classes as further defined in the RMAs.
5. Monitor all funds and Bond Accounts in compliance with the Bond Indentures, or similar instrument. Recommend Bond Calls needed from excess funds, prepayments or for early redemption and calculate the bond call spreads. Verify the bond calls with the City’s Paying Agent/Trustee.
6. Work with the City to recover all costs associated with the ongoing administration of the CFDs, including, but not limited to, staff time, county costs, trustee fees, consultant fees, and legal fees. This is to facilitate the self-sufficiency of the CFD and is allowed for by appropriate statutes and the RMAs.
7. Determine the annual budget for the CFD, typically called the Special Tax Requirement for Facilities. This includes but is not limited to, debt service needs, administrative costs identified in Step 6, funds to be used for pay as you go construction and replenishment of reserves. In addition determine the annual budget for Special Tax Requirement for Services for each of the CFDs.
8. Spread the Special Tax Requirements to the Taxable parcels within the CFDs in accordance with the RMAs.
9. Place the appropriate charges on the County Tax Roll in the required format and provide the City with a verification of the total amount placed on the tax roll. Research any exceptions (K&G Public Finance had 0 (zero) rejections for all County submittals in Fiscal Year 2016/2017) and resubmit if possible and/or mail direct billings for parcels not able to be placed on the County Tax Roll.
10. Answer property owner questions regarding the CFDs or special taxes placed on the tax roll. This helps to minimize City staff time spent on the CFDs. We also provide a toll-free phone number that is placed on the tax bill next to the special tax.

11. Track delinquent payments and provide the City with semi-annual reports. Prepare and mail delinquency letters to delinquent property owners if requested. Develop a customized program with the City to address current needs and requirements to meet the foreclosure covenants in the CFDs Official Statements. This program typically will include a correspondence component to the delinquent property owners. Fees will be negotiated upon program development with the City.
12. Prepare an Annual Report for the CFDs including the annual budget, a list of valid assessor parcels, the calculated rates for each parcel based upon the RMAs, describe development changes, delinquency summary, fund balance, debt service statements and other pertinent information about the CFDs. This provides the CFD a summary of the calculation of the annual special tax for easy access and reference.
13. Prepare Resolutions needed to approve the Annual Levy (if necessary) and provide reports that may be helpful for presentation to the City Council.
14. Attend City Council Meetings to approve the annual rates and the annual accountability report.
15. Calculate and prepare written prepayment quotes (partial or in full) for individual parcels as requested. A reasonable fee for this service may be charged directly to the party requesting the prepayment and will not be charged to the City.
16. Compile and submit CDIAC (California Debt and Investment Advisory Commission) reports for the bond issues as required.
17. Compile and submit the annual report required by Local Agency Special Tax and Bond Accountability Act under Government Code 50075.3 or 53411.
18. Prepare "Notice of Special Tax" as provided for in Government Code 53340.2(b) and 53341.5. A fee of \$10.00 may be charged to the requestor.
19. If requested by a person who resides in or owns property within the CFD, prepare an "Annual Report" as provided for in Government Code 53343.1. A fee for the cost of preparing the report may be charged by the City to the requesting party.

B. Administration Services – Landscape and Lighting Maintenance District ("Maintenance Districts")

K&G Public Finance proposes to provide the following scope of services relating to the administration of the Maintenance Districts:

1. Attend conference calls/meetings with respect to the ongoing administration of the District. Develop effective channels of communication to facilitate the smooth administration of the Maintenance Districts.
2. Prepare a parcel database to be used in maintaining and calculating the annual assessment requirements which includes County Secured Roll information. This data is maintained on an annual basis.
3. Track parcel and tract map information, parcel changes, exempt parcels and collect any information necessary for the accurate administration of the Maintenance Districts.

4. Meet with City Staff to determine the annual budget for the Maintenance Districts, typically called the annual budget to levy. This includes but is not limited to, cost of maintenance or services, administrative costs, and replenishment of reserves as allowable.
5. Review the spread of assessments to the assessable parcels within the Maintenance Districts in accordance with the Assessment Methodologies.
6. Prepare an Engineer's Report for the District that includes the annual budget, a list of valid assessor parcels, the calculated rates for each parcel based upon the assessment methodology, including a discussion of special benefit, the assessment methodology, a description of the improvements and services included in the annual budget, the assessment rates by zone (if applicable) or land use and other pertinent information about the Maintenance Districts.
7. Place the appropriate charges on the County Tax Roll in the required format and provide the City with a verification of the total amount placed on the tax roll. Research any exceptions and resubmit if possible and/or mail direct billings for parcels not able to be placed on the County Tax Roll.
8. As needed - Compile data necessary to prepare an assessment diagram for parcels to be annexed to the District.
9. As needed - Determine the assessor parcel numbers and assessment amounts for parcels that are annexed into the District.

The following services are Optional Services.

C. Continuing Disclosure (Optional Service)

In addition to the above scope of services, we will provide continuing disclosure for each of the City bond issues if requested.

1. Compile continuing disclosure reports under SEC Rule 15c2-12 and in accordance with the Disclosure Certificate.
2. Disseminate continuing disclosure reports to the Central Post Office and/or NRMSIRS.
3. Publish continuing disclosure reports on our website and/or the City's website (if requested).
4. Assist with investor inquiries.
5. Monitor all "significant events" as defined in the Disclosure certificate and prepare and publish significant event notices as necessary.

D. Arbitrage Calculations (Optional Service)

Below is the scope of services we will provide in conjunction with the calculation of arbitrage rebate for the City bond issues.

1. Review bond documents including but not limited to the bond offering's Official Statement, IRS Form 8038-G, Tax Certificate (arbitrage certificate and/or non-arbitrage certificate) and Cash/Investment Statements.
2. Evaluate and determine bond funds subject to Arbitrage Rebate.
3. Input data and calculate arbitrage rebate liability pursuant to Section 148 (f) of the Internal Revenue Code of 1986.
4. Prepare a report showing the following:
 - a. Arbitrage calculations and liability results, collectively and by fund,
 - b. Assumptions utilized in the calculations,
 - c. Backup supporting schedules leading to the results,
 - d. Arbitrage yield and yield restriction requirements, and
 - e. Investment/yield comparison graph.
5. Discuss the results with the City and/or their financing team.
6. As applicable, prepare IRS Form 8038-T for payment to the IRS.

E. Client Responsibility

In order to provide Annual Administration and calculate the Arbitrage Rebate liability (if requested) we will need the following documents from the City and/or their financing team. In order to reduce the staff time that must be spent gathering data, K&G Public Finance will assist in the collection of these documents.

1. Bond Transcripts (if available).
2. IRS Form 8038-G.
3. Tax Certificate (also known as Non-Arbitrage Certificate).
4. Cash and Investment Statements since the bond issuance or last Arbitrage Rebate calculation.
5. Any other reports prepared for the bond issues.

EXHIBIT B

A. Annual Administration Related Fees

K&G Public Finance will provide the above listed Scopes of Services for the fixed fees described below:

TASK	FEES
<i>Annual Administration Services</i>	
CFD No. 2004-1 Victoria Ranch	\$6,000
CFD No. 2004-2 Mayfield	\$5,625
CFD No. 2004-3 Bratton	\$6,000
CFD No. 2005-1 Springfield	\$4,500
CFD No. 2006-1 Monterrey Park	\$5,500
CFD No. 2006-1 Savanna Ranch	\$5,500
Landscape District No. 1 Paseo Del Sol and Wildflower	\$3,500
Lighting Maintenance District No. 1 Paseo Del Sol and Wildflower	\$3,500
Landscape Maintenance District No. 2 Sky Ranch	\$4,500

Optional Services (Upon Request)

TASK	FEES
<i>Continuing Disclosure</i>	
Annual Report	\$1,200 (per bond issue)
Significant Event Notice	\$375 (per event)
<i>Arbitrage Calculations</i>	
	Per Bond Issue
One-time set-up	\$500
Annual Calculations	\$1,300
Per Additional Year	\$450
Installment Calculations (every 5 th year assuming no annual calculations)	\$3,100
<i>The following additional services and fees apply on an as needed basis</i>	
Variable Rate Yield Computation: Yield computation that involves Qualified Guarantee Fees, Letter of Credit Fees, Swap Payments, etc.	\$250-500
Variable Rate Bond Liability Analysis: Perform various yield calculations over different periods and in different combinations to determine lowest liability.	\$275
Non-Traditional Bond Yield Analysis: Issues such as Build America Bonds where subsidy payments affect bond yield computations.	\$275

TASK	FEE
Commingled Funds Analysis: Analysis to allocate commingled funds and liabilities.	\$275
General Ledger Data Entry: Funds not held with trustee/bank and have extensive data entry.	\$275
Earnings Calculations: Computation to determine earnings on proceeds held in a commingled account.	\$275
Transferred Proceeds Analysis/Allocation: Refunding bonds analysis to allocation refunded bond proceeds between old and new bond issues.	\$275
Universal Cap Analysis: Analyze fund balances and deallocate proceeds each bond year.	\$275
Excess Funds: More than 5 funds requiring rebate analysis.	\$275
Non-Bona Fide Debt Service Funds	\$150
IRS Audit Assistance/Support: <i>per hour rate</i>	\$250

K&G Public Finance will invoice on a quarterly basis for Annual Administration and on a monthly or project completion basis for all other services. The quoted fees will be subject to an annual Consumer Price Index increase for the San Diego Area All Urban Consumer Price Index (All Items) beginning July 2018.

B. Expenses

In addition to fees for services, K&G Public Finance shall be reimbursed for direct expenses for: travel, photocopying, data sources, courier services, and overnight delivery at our cost (no mark-up).

C. Additional Work

If authorized by the City, K&G Public Finance will provide additional services not included in the above scopes of services at the hourly rates set forth in the table below unless otherwise agreed upon between the City and K&G Public Finance.

D. Hourly Rates

Below are our hourly rates that K&G Public Finance will provide for the City.

TITLE	RATE
Principal	\$195
Senior Associate	\$135
Associate	\$ 95
Production/Administration	\$ 65

**CITY OF IMPERIAL
PROFESSIONAL SERVICE AGREEMENT FOR CONSULTING SERVICES**

This PROFESSIONAL SERVICE AGREEMENT (PSA) FOR CONSULTING SERVICES ("AGREEMENT"), is made and effective as of June 15, 2016 between the CITY OF IMPERIAL ("AGENCY"), a municipal corporation and KOPPEL & GRUBER PUBLIC FINANCE ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

I. TERM

This AGREEMENT shall commence on June 15, 2016 and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2017 unless sooner terminated pursuant to the provisions of this AGREEMENT.

II. SERVICES

CONSULTANT shall perform the tasks described and set forth in Exhibit A and B, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A and B. To the extent that Exhibit A is a proposal from CONSULTANT, such proposal is incorporated only for the description of the scope of services and no other terms and conditions from any such proposal shall apply to this AGREEMENT unless specifically agreed to in writing.

III. PERFORMANCE

CONSULTANT shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting its obligations under this AGREEMENT.

IV. PAYMENT

- A. The AGENCY agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A and B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks.

- B. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Agency Manager. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by Agency Manager and CONSULTANT at the time AGENCY's written authorization is given to CONSULTANT for the performance of said services. The Agency Manager may approve additional work not to exceed ten percent (10%) of the amount of the AGREEMENT, but in no event shall such sum exceed ten-thousand dollars (\$10,000.00). Any additional work in excess of this amount shall be approved by the Governing Board.
- C. CONSULTANT will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the AGENCY disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this AGREEMENT shall be made within forty-five (45) days of receipt of an invoice therefore.

V. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- A. The AGENCY may at any time, for any reason, with or without cause, suspend or terminate this AGREEMENT, or any portion hereof, by serving upon the CONSULTANT at least fourteen (14) days prior written notice. Upon receipt of said notice, the CONSULTANT shall immediately cease all work under this AGREEMENT, unless the notice provides otherwise. If the AGENCY suspends or terminates a portion of this AGREEMENT such suspension or termination shall not make void or invalidate the remainder of this AGREEMENT.
- B. In the event this AGREEMENT is terminated pursuant to this Section, the AGENCY shall pay to CONSULTANT the actual value of the work performed up to the time of termination, provided that the work performed is of value to the AGENCY. Upon termination of the AGREEMENT pursuant to this Section, the CONSULTANT will submit an invoice to the AGENCY pursuant to Section 4.

VI. DEFAULT OF CONSULTANT

- A. The CONSULTANT's failure to comply with the provisions of this AGREEMENT shall constitute a default. In the event that CONSULTANT is in default for cause under the terms of this AGREEMENT, AGENCY shall have no obligation or duty to continue compensating CONSULTANT

for any work performed after the date of default and can terminate this AGREEMENT immediately by written notice to the CONSULTANT. If such failure by the CONSULTANT to make progress in the performance of work hereunder arises out causes beyond the CONSULTANT's control, and without fault or negligence of the CONSULTANT, it shall not be considered a default.

- B. If the Agency Manager or his/her designee determines that the CONSULTANT is in default in the performance of any of the terms or conditions of this AGREEMENT, he/she shall cause to be served upon the CONSULTANT a written notice of the default. The CONSULTANT shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the CONSULTANT fails to cure its default within such period of time or fails to present the AGENCY with a written plan for the cure of the default, the AGENCY shall have the right, notwithstanding any other provision of this AGREEMENT, to terminate this AGREEMENT without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this AGREEMENT.

VII. OWNERSHIP OF DOCUMENTS

- A. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by AGENCY that relate to the performance of services under this AGREEMENT. CONSULTANT shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of AGENCY or its designees at reasonable times to such books and records; shall give AGENCY the right to examine and audit said books and records; shall permit AGENCY to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this AGREEMENT. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.
- B. Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this AGREEMENT shall become the sole property of the AGENCY and may be used, reused, or otherwise disposed of by the AGENCY without the permission of the CONSULTANT. With respect to computer files, CONSULTANT shall make available to the AGENCY, at the CONSULTANT's office and upon reasonable written request by the

AGENCY, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to AGENCY all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the services under this AGREEMENT.

VIII. INDEMNIFICATION

A. Indemnity for professional liability

When the law establishes a professional standard of care for CONSULTANT'S Services, to the fullest extent permitted by law, CONSULTANT shall indemnify, protect, defend and hold harmless AGENCY and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by any negligent or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or sub-consultants (or any agency or individual that CONSULTANT shall bear the legal liability thereof) in the performance of professional services under this AGREEMENT.

B. Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless AGENCY, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this AGREEMENT by CONSULTANT or by any individual or AGENCY for which CONSULTANT is legally liable, including but not limited to officers, agents, employees or subcontractors of CONSULTANT.

C. Duty to defend

In the event the AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by AGENCY, CONSULTANT shall have an immediate duty to defend the AGENCY at CONSULTANT'S cost

or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters. Payment by AGENCY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and AGENCY, as to whether liability arises from the sole negligence of the AGENCY or its officers, employees, or agents, CONSULTANT will be obligated to pay for AGENCY's defense until such time as a final judgment has been entered adjudicating the AGENCY as solely negligent. CONSULTANT will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

IX. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this AGREEMENT insurance coverage as specified in Exhibit C attached to and part of this AGREEMENT.

X. INDEPENDENT CONSULTANT

- A. CONSULTANT is and shall at all times remain as to the AGENCY a wholly independent consultant and/or independent contractor. The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither AGENCY nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the AGENCY. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against AGENCY, or bind AGENCY in any manner.
- B. No employee benefits shall be available to CONSULTANT in connection with the performance of this AGREEMENT. Except for the fees paid to CONSULTANT as provided in the AGREEMENT, AGENCY shall not pay salaries, wages, or other compensation to CONSULTANT for performing services hereunder for AGENCY. AGENCY shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing services hereunder.

XI. LEGAL RESPONSIBILITIES

The CONSULTANT shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this AGREEMENT. The CONSULTANT shall at all times observe and comply with all such laws and

regulations. The AGENCY, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this Section.

XII. UNDUE INFLUENCE

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the AGENCY in connection with the award, terms or implementation of this AGREEMENT, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the AGENCY has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this AGREEMENT or any work to be conducted as a result of this AGREEMENT. Violation of this Section shall be a material breach of this AGREEMENT entitling the AGENCY to any and all remedies at law or in equity.

XIII. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of AGENCY, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this AGREEMENT.

XIV. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- A. All information gained by CONSULTANT in performance of this AGREEMENT shall be considered confidential and shall not be released by CONSULTANT without AGENCY's prior written authorization. CONSULTANT, its officers, employees, agents, or sub-consultants, shall not without written authorization from the Agency Manager or unless requested by the Agency Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this AGREEMENT or relating to any project or property located within the AGENCY. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives AGENCY notice of such court order or subpoena.
- B. CONSULTANT shall promptly notify AGENCY should CONSULTANT, its officers, employees, agents, or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this AGREEMENT and the work performed there under or with respect to any project or property located within the AGENCY, unless the

AGENCY is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing the AGENCY of such Discovery. AGENCY retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless AGENCY is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with AGENCY and to provide the opportunity to review any response to discovery requests provided by CONSULTANT. However, AGENCY's right to review any such response does not imply or mean the right by AGENCY to control, direct, or rewrite said response.

XV. NOTICES

Any notices which either party may desire to give to the other party under this AGREEMENT must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To AGENCY: CITY OF IMPERIAL
420 S IMPERIAL AVENUE
IMPERIAL, CA 92251

To CONSULTANT: KOPPEL & GRUBER PUBLIC FINANCE
334 VIA VERA CRUZ
SUITE 256
SAN MARCOS, CA 92078

XVI. LICENSES

At all times during the term of this AGREEMENT, CONSULTANT shall have in full force and effect, all licenses required of it by law for the performance of the services described in this AGREEMENT.

XVII. GOVERNING LAW

The AGENCY and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this AGREEMENT and also govern the interpretation of this Agreement. Any litigation concerning this AGREEMENT shall take place in the municipal, superior, or federal district court with jurisdiction over the AGENCY.

XVIII. ENTIRE AGREEMENT

This AGREEMENT contains the entire understanding between the parties relating to the obligations of the parties described in this AGREEMENT. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this AGREEMENT or with respect to the terms and conditions of this AGREEMENT, are merged into this AGREEMENT and shall be of no further force or effect. Each party is entering into this AGREEMENT based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

XIX. CONTENTS OF PROPOSAL

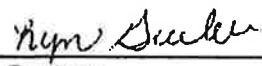
The CONSULTANT's proposal, Exhibit "A" and Exhibit "B" shall be for the scope of services to be provided only, and any other terms and conditions included in such proposal shall have no force and effect on this AGREEMENT or the relationship between CONSULTANT and/or AGENCY, unless expressly agreed to in writing.

XX. AUTHORITY TO EXECUTE THIS AGREEMENT

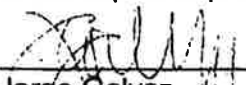
The person or persons executing this AGREEMENT on behalf of CONSULTANT warrants and represents that he/she has the authority to execute this AGREEMENT on behalf of the CONSULTANT and has the authority to bind CONSULTANT to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

KOPPEL & GRUBER PUBLIC FINANCE
Consultant

By: 
Lyn Gruber
Principal


CITY OF IMPERIAL
A Municipal Corporation


Jorge Galvan
Interim City Manager

ATTEST:


Debra Jackson, City Clerk

APPROVED AS TO FORM:

By: 
Dennis Morita, City Attorney

Attachments:

Exhibit A
Exhibit B
Exhibit C

Consultant's Proposal
Addendum 1- CFD and LLMD Administration
Insurance Requirements

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of AGENCY, and prior to commencement of Work, 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 AGENCY.

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, 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 (3) 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 AGENCY, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general 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;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrence of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to AGENCY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by Agency's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with AGENCY at all times during the term of this contract. AGENCY 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 duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONSULTANT, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by AGENCY 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 AGENCY before the AGENCY's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency'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, AGENCY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by AGENCY will be promptly reimbursed by CONSULTANT or AGENCY will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, AGENCY 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 VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against AGENCY, 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 AGENCY, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the AGENCY to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the AGENCY 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 AGENCY 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 AGENCY.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to AGENCY 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.

Additional insured status. General liability policies shall provide or be endorsed to provide that AGENCY and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability 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 AGENCY 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 involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. 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. CONSULTANT agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to AGENCY for review.

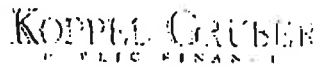
Agency's right to revise specifications. The AGENCY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the AGENCY and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by AGENCY. AGENCY reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by AGENCY.

Timely notice of claims. CONSULTANT shall give AGENCY 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. 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.

EXHIBIT A



May 23, 2016

Via Email

**George Galvan
Interim City Manager
City of Imperial
420 South Imperial Avenue
Imperial, California 92251**

RE: PROPOSAL TO PROVIDE COMMUNITY FACILITIES DISTRICT BOND REFUNDING SERVICES

Dear Mr. Galvan:

Thank you for including Koppel & Gruber Public Finance in your request for proposal process. We are pleased to present our letter proposal to provide Community Facilities District ("CFD") Bond Refunding Services for the City of Imperial ("City").

Lyn Gruber and Scott Koppel will act as co-project managers for the City. We will be the City's day-to-day contact and will be responsible for the accurate and timely delivery of work product, attendance and participation at team meetings.

It is our objective to provide you with high quality service during this transitional period leading to the successful refundings of the CFD bonds with as little impact to the City and the financing team as possible. We have worked on over 100 bond issuances for CFDs throughout the State and have the experience and time necessary to work on the City's CFD bond refundings in a timely manner.

Please feel free to contact me if you have any questions about our proposal or require additional background on our firm or experience. My telephone number is (760) 510-0290 office, (951) 704-4799 cell, or you may email Scott at scott@kgpf.net or me at lyn@kgpf.net.

Sincerely,

A handwritten signature in cursive script that reads "Lyn Gruber".

**Lyn Gruber
Principal**

**334 VIA VERA CRUZ, SUITE 256 • SAN MARCOS, CALIFORNIA • 92078
760.510.0280 FAX 760.510.0288**

I. SCOPE OF SERVICES

As Special Tax Consultant, K&G Public Finance will perform the following scope of work in relation to the issuance of the Community Facilities District refunding bonds specifically related to CFD 2006-1, Improvement Area 1 and CFD 2006-2, Improvement Area 1.

A. Bond Issuance Participation

1. Review and update tables created by current special tax consultant for the Preliminary Official Statement (POS) and Official Statement (OS). These tables typically include:
 - a. Effective tax rate table showing the projected tax rate on an average developed parcel in the CFD.
 - b. Projected special taxes levy based on development status at bond sale.
 - c. Historical Assessed Values.
 - d. Estimated value to lien range summaries.
 - e. Delinquency history.Create additional tables as may be necessary based on finance team discussions.
2. Review and comment on the Fiscal Agent Agreement/Trust Indenture, Preliminary Official Statements and Official Statements with respect to information included in the tables, additional bond issues, foreclosure covenants, disclosure agreements, flow of funds, arbitrage requirements, and escrowed proceeds (if applicable).
3. Review and sign the Special Tax Consultant Certificate certifying the maximum special tax rates are sufficient to meet debt service and coverage requirements in relation to the issuance of bonds.
4. Other tasks as required by the finance team.

II. COMPENSATION

The following hourly rates will be applied for the services described in the Scope of Services.

TITLE	RATE
Principal	\$195
Senior Associate	135
Associate	95
Production/Administration	65

Expenses

In addition to fees for services, K&G Public Finance shall be reimbursed for direct expenses, including travel, mileage, photocopying, data sources, courier services, overnight delivery, and long-distance telephone expenses. These expenses are billed at our cost; we *do not* charge an administrative fee or additional expense mark up.

Billing Structure

During the project, K&G Public Finance shall submit invoices at the time of bond sale.

EXHIBIT B

ADDENDUM 1 - CFD AND LLMD ADMINISTRATION

I. COMMUNITY FACILITIES DISTRICT ("CFD") ADMINISTRATION SCOPE OF SERVICES

A. Full Service Annual Administration Services

K&G Public Finance proposes to provide the following scope of services relating to the full service Annual Administration of the City's CFD Nos. 2004-1 Victoria Ranch, 2004-2 Mayfield, 2004-3 Bratton DVLP, 2005-1 Springfield, 2006-1 Monterey Park and 2006-2 Savannah

1. Attend meetings with respect to the ongoing administration of the CFDs. Develop effective channels of communication to facilitate the smooth administration of the CFDs.
2. Prepare a parcel database to be used in maintaining and calculating the annual tax requirements which includes County Secured Roll information such as land use, building square footage, assessed values and ownership data.
3. Track parcel and tract map information, parcel changes, and collect building permit data from the City for the accurate administration of the CFDs.
4. Simultaneously done with Step 2 and 3, parcels will be classified by land use classification as defined in the Rate and Method of Apportionment ("RMA") which includes Developed Property, Undeveloped Property and Exempt Property for Facilities and Services (in some cases) as well as assigned special tax rates as further defined in the RMA.
5. Work with the City to recover all costs associated with the ongoing administration of the CFDs, including, but not limited to, staff time, County costs, consultant fees, and legal fees. This is to facilitate the self-sufficiency of the CFDs and is allowed for by appropriate statutes and the RMA.
6. Determine the annual budget for the CFDs, typically called the Special Tax Requirement. This includes but is not limited to, maintenance needs, administrative costs identified in Step 5, and replenishment of reserves.
7. Place the appropriate charges on the County of Imperial Tax Roll in the required format and provide the City with a verification of the total amount placed on the tax roll. Research any exceptions (K&G Public Finance had 0 (zero) rejections for all County submittals in Fiscal Year 2015/2016) and resubmit if possible and/or mail direct billings for parcels not able to be placed on the County Tax Roll.
8. Answer property owner questions regarding the CFDs or special taxes placed on the tax roll. This helps to minimize City staff time spent on the CFDs. We also provide a toll-free phone number that is placed on the tax bill next to the special tax if desired.
9. Prepare an Annual Report for the CFDs including the annual budget, a list of valid assessor parcels, the calculated rates for each parcel based upon the RMA, describe development changes, and other pertinent information about the CFD. This provides the City a summary of the calculation of the annual special tax for easy access and reference.

10. Prepare the annual report required by the Local Agency Special Tax and Bond Accountability Act under Government Code 50075.3.
11. Prepare Resolutions needed to approve the Annual Levy (if necessary) and provide reports that may be helpful for presentation to the City Council.
12. Attend up to two (2) City Meetings to approve the annual or other CFDs related items as necessary.
13. Work with the City and their Finance team to determine an appropriate level of delinquency steps including sending various letters and assisting with the foreclosure process.
14. Prepare "Notice of Special Tax" as provided for in Government Code 53340.2(b) and 53341.5. A fee of \$15.00 may be charged to the requestor.
15. If requested by a person who resides in or owns property within the CFD, prepare an "Annual Report" as provided for in Government Code 53343.1. A fee for the cost of preparing the report may be charged by the City to the requesting party.
16. Provide parcel information and delinquency data to Urban Futures Inc. who prepares the City's continuing disclosure reports and acts as the dissemination agent.

II. LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT ADMINISTRATION SCOPE OF SERVICES

K&G Public Finance proposes to provide the following scope of services relating to the annual administration of the City's Imperial Lighting District No. 1, Imperial Landscape District No. 1 and Imperial Landscape District No. 2 ("LLMDs")

A. Update Parcel Databases

1. Prepare and/or obtain the fiscal year 2016/2017 rate schedules for each of the LLMDs, as well as any proposed changes to the boundaries or apportionment methodology.
2. Obtain the most recent County Assessor's data for the parcels within the LLMDs boundaries. Update the parcel database with any changes reflected in the Assessor's records, as well as any changes indicated by the City.
3. Using the approved apportionment methodology, apply the approved rates for the fiscal year to the parcel database.

B. Submit Annual Assessment Roll

1. Prepare an electronic version of the assessment roll in the format required by the County of Imperial Auditor Controller's Department and submit along with other County required forms.
2. Research any unapplied parcels, and coordinate with the City as needed to determine if any changes to the assessment are required based on changes in land use or other pertinent

factors. Submit corrections to the County of Imperial Auditor Controller's Department to be finalized by August 10th.

3. Prepare handbills for any parcels that are subject to the special charge that the County will not accept such as tax exempt parcels, if applicable.
4. Provide firm's name and our toll free phone number and answer property owner questions regarding the assessment placed on the tax roll. This helps to minimize staff time spent on the District.
5. After acceptance of the Assessment Roll for inclusion on the ensuing year's tax roll, provide the City with one electronic copy of the Final Assessment Roll as accepted by the County Auditor Controller's Department.

K&G Public Finance will perform the following tasks beginning in Fiscal Year 2017/2018.

C. City Council Meetings

1. Attend the two required City council meetings including the intent meeting and the Public Hearing typically in the May to June timeframe for the LLMDs.

D. Prepare Annual Engineer's

1. Work with the City to quantify all costs associated with the ongoing administration of the LLMDS, including, but not limited to, staff time, other City costs, consultant fees and legal fees. This is to facilitate the self-sufficiency of the District and is allowed for by appropriate statutes.
2. Work with City staff to determine an annual maintenance budget for landscaping, graffiti removal, lighting and administration, including but not limited to, costs to prepare the engineer's report, levy and collect the assessments.
3. Update the annual Engineer's Report pursuant to the requirements of the "Landscaping and Lighting Act of 1972" (California Streets and Highways Code Section 22565-22567) which will contain at least the following sections:
 - a. Plans and specifications for the improvements;
 - b. An estimate of the annual maintenance costs;
 - c. A diagram for the boundaries of the Landscaping and Lighting District;
 - d. An assessment of the estimated costs of the improvements to each assessor parcel and future consumer price index increases if applicable;
 - e. The special benefit methodology and general benefit discussion;
 - f. The method of spread methodology to each of the parcels within the District; and
 - g. Signed by the City's Engineering.
4. Prepare Resolutions for the two required council meetings, the Intent Meeting and the Public Hearing meeting, in order to approve the Annual Levy and place the assessments on the County tax roll.