

March 8, 2020

Mr. Wladimir Wlassowsky, P.E.
Assistant Director, Department of Transportation
250 Frank H. Ogawa Plaza, 5th Floor
City of Oakland
Oakland, CA 94612

Re: Proposal for Finalizing Engineer's Report for Utility Underground Assessment District No. 2007-232 (Piedmont Pines Phase II)

Dear Wlad,

With the recent approval by the California Public Utilities Commission (CPUC) of Phase II of the Piedmont Pines utility undergrounding project, Harris & Associates ("Harris") is pleased to submit our proposed amendment to our current agreement to finalize the Engineer's Report, prepare the property owner Notice and Ballot materials, and support the issuance of bonds for this project. This is a continuation of the work that Harris previously completed for the City. The following are the services and activities that we anticipate providing to the City for the proceedings required for formation of the Piedmont Pines Phase II assessment district and the issuance of bonds.

Scope of Work

1. **Initial Meeting.** Harris will meet with the City's team to discuss the scope of the work based upon the CPUC's recent approval, the proposed project schedule, and other items as needed. This meeting will ensure that all parties understand all aspects of the analysis work before any work begins.
2. **Confirm District Boundaries and Update Parcel Data** – Harris will review and confirm the boundaries for Phase II based upon the CPUC's recent ruling, and update the Assessor's parcel information, and property owner names and addresses, Update the Boundary Map and Assessment Diagram as needed, and prepare an updated property owner list.
3. **Prepare Updated Boundary Map** – Harris will prepare and deliver two (2) original 18-inch x 26-inch mylars and two (2) 8½-inch x 11-inch bond copies of the Proposed Boundary Map. Two (2) electronic copies will also be provided on CD-ROM. The boundary map will be recorded at Alameda County within 15 days of the City's adoption of resolution of intent.
4. **Update Preliminary Cost Estimate** – Harris will coordinate the preparation of an updated estimate of probable costs for the assessment proceeding based upon estimates of construction costs provide by the City and the utility providers. District formation costs and financing costs will also be updated based upon the costs provided by the City's financing team. The updated Preliminary Cost Estimate will be reviewed with the project team and any updates provided will be included in the final preliminary costs estimate.

5. **Update Preliminary Engineer's Report.** The Preliminary Engineer's Report will be updated based upon any changes in the District's boundary, changes in the Assessor's data and changes in property ownership. The assessment methodology will be reviewed and updated if required based upon discussions with the City's Bond Counsel, however it is anticipated the limited updates will be needed from the prior draft report. The updated Preliminary Engineer's Report will be signed by a registered Professional Engineer, certified by the State of California, and will incorporate the requirements of the Act including the following elements:
- i. A general description of improvements.
 - ii. Estimates of the costs of streetlight improvements, including improvement costs, incidental costs, financing costs, contributions from the utilities, etc.
 - iii. A listing of assessor's parcel numbers to be assessed, and the estimated maximum amount of annual assessment to be levied for each parcel.
 - iv. Assessment methodology used to determine the apportionment of special benefit to the benefiting parcels and delineate zones of benefit, if any.
 - v. A copy of the Assessment Roll.
 - vi. A copy of the Assessment Diagram.
 - vii. A Right-of-Way Certificate (executed by Superintendent of Streets) and other Certifications as required (executed by appropriate City official).

Harris will provide five (5) copies of the preliminary Engineer's Report for review and comment.

6. **Submit Final Preliminary Engineer's Report.** Harris will finalize the preliminary Engineer's Report based upon any comments received and submit the Final Preliminary Engineer's Report for approval by the City Council. Furnish five (5) hard copies and an electronic version of the preliminary Engineer's Report as ordered by the City.
7. **Notice of Public Hearing and Ballots.** Harris review and update the Notice of Public Hearing and property owner ballots, including preliminary assessment amount, for all property owners of record within the proposed District, as required by the 1913 Act and Proposition 218. Following approval of the Notice of Hearing and Ballot by the City, Harris will print and mail the notices and ballots, stuffing in City provided envelopes, and mailing to the affected property owners. Harris will provide a Certificate of Mailing to the City for its records.
8. **Tabulation of Assessment Ballots** – Harris will attend the Public Hearing for the assessment district and will tabulate the assessment ballots received following the close of the public hearing and report the results to the City Clerk.
9. **File Notice of Assessment and Record Assessment Diagram** - Harris will prepare the Notice of Assessment for review by the City. The Notice of Assessment and Assessment Diagram will be recorded with the County.

10. **Preparation of Cash Collection Notices.** Harris will coordinate with the City for the preparation of the cash collection notices and the timing for mailing of those notices. Given the likely time between the formation of the assessment district and the issuance of bonds prior to the start of construction for the undergrounding of the utilities, the City may desire to send a second Cash Collection Notice out to property owners. Harris will prepare the Cash Collection Notice which will be mailed to each affected property owner and will explain the cash collection procedure and the prepayment amount for each specific property.
11. **Preparation of List of Assessments.** Following the close of the cash collection period, Harris will prepare, and file the List of Assessments including paid/unpaid information and furnish ten (10) copies for the appropriate public officials and other agencies.
12. **Assistance in Initial Bond Sale.** Harris will assist the City and financing team with review of the Official Statement and provide basic financial analysis, as necessary, to bring the project to the point of initial bond sale. This will include preparation of lien to value ratios and top assessed property owner listings. (Assumes up to 2 runs of the tables for the official statement) as requested by the City's financing team.
13. **Meeting Attendance.** Harris will attend property owner meeting and provide support to the Piedmont Pines Neighborhood Association (PPNA) as requested by the City. We have included attendance at two (2) property owner meeting and up to five (5) hours of support to PPNA as requested by the City. Additional time as authorized by the City will be invoiced at the Hourly Rates in effect when services are provided.

Amended Fee

Harris proposes the following amendment to our current agreement with the City:

Existing Contract Amount	\$47,590
Additional Services to Support City's	
Appeal with CPUC (9/27/18 email to Allen Law)	\$21,623
Additional Services for Finalization of Engineer's	
Report, and District Formation.	<u>\$12,400</u>
Revised Contact Amount	\$81,613

Services in addition to those described in the above task will be invoiced at the Hourly Rates shown below as authorized by the City of Oakland.

Principal-in-Charge/Assessment Engineer.....	\$265
Project Manager.....	\$200
Senior Engineer.....	\$180
Senior Analyst.....	\$165
Analyst.....	\$150

Our team looks forward to working with the City on the final tasks required for the formation of the Piedmont Pines Phase II assessment district to fund the installation of new streetlights as part of the utility undergrounding project. If you have any questions regarding this proposal, please call me at us at 800.827.4901.

Sincerely,
Harris & Associates

K. Dennis Klingelhofer, P.E.
Vice President, Municipal & District Finance