

CITY OF EASTVALE SPECIAL JOINT MEETING OF THE EASTVALE CITY COUNCIL AND JURUPA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Rosa Parks Elementary School 13830 Whispering Hills Drive, Eastvale, CA 92880 Tuesday, April 17, 2018 6:00 P.M.

City Council Members

Clint Lorimore, District 3, Mayor Todd Rigby, District 1, Mayor Pro Tem Joseph Tessari, District 2 Adam Rush, District 4 Brandon Plott, District 5

JCSD Board of Directors

Betty Anderson, President, Division 2
Jane Anderson, Vice President, Division 5
Ken J. McLaughlin, Division 1
Betty Folsom, Division 3
Richard "Dickie" Simmons, District 4

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or direction shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the City Council after this positing of this agenda are available for review at Eastvale City Hall, 12363 Limonite Avenue, Suite 910, Eastvale, CA 91752 or you may contact Steven D. Aguilar, Assistant City Clerk, at (951) 361-0900 Monday through Thursday from 7:30 a.m. to 5:30 p.m. and available online at www.eastvaleca.gov.

If you wish to speak before the City Council, please complete a Speaker Form identifying which item(s) you wish to address. <u>Please return</u> the completed form to the Assistant City Clerk prior to being heard before the Council. Speakers Forms are available at the front table of the entryway to the Multipurpose Room.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (951) 361-0900.

Regular meetings are recorded and made available on the City's website at www.eastvaleca.gov. Meeting recordings are uploaded to the City's website within 24 hours (unless otherwise noted) after the completion of the meeting and are kept on the website for 30 days.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. We ask that you fill out a blue "Public Comment Form," available at the side table. The completed form is to be submitted to the City Clerk prior to the start of the meeting. Public comment is limited to three (3) minutes each with a maximum of six (6) minutes (time may be donated by one speaker).

A. CITY COUNCIL/BOARD ACTION ITEMS

1. Consider Agreement Regarding Streetlight Acquisition

STAFF RECOMMENDATION:

That the JCSD Board/Eastvale City Council discuss and provide direction to staff regarding the proposed draft Agreement Regarding Streetlight Acquisition between Jurupa Community Services District and the City of Eastvale.

ADJOURNMENT – The next regular meeting of the Eastvale City Council is scheduled for Wednesday, April 25, 2018, at 6:30 p.m. at Rosa Parks Elementary School, 13830 Whispering Hills Drive, Eastvale, CA 92880.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the following locations: City Hall, 12363 Limonite Avenue, Suite 910; Rosa Parks Elementary School, 13830 Whispering Hills Drive; Eastvale Library, 7447 Scholar Way; and website of the City of Eastvale (www.eastvale.ca.gov,) not less than 72 hours prior to the meeting. Dated this 12th day of April.

Steven D. Aguilar Assistant City Clerk





11201 Harrel Street, Jurupa Valley, CA 91752 (951) 685-7434 * FAX (951) 727-3501

SPECIAL JOINT MEETING THE BOARD OF DIRECTORS OF JURUPA COMMUNITY SERVICES DISTRICT AND CITY OF EASTVALE CITY COUNCIL

April 17, 2018 6:00 p.m. Rosa Parks Elementary School 13830 Whispering Hills Drive Eastvale, CA 92880

Call to Order Flag Salute

PUBLIC COMMENT: Members of the public may address the Board at this time on any non-agenda matter. Please complete a Comment Card and give it to the Secretary. Comments are limited to three (3) minutes per individual. State your name and address for the record before making your presentation. This request is optional, but very helpful for the follow-up process.

Under the provisions of the Brown Act, the Board is prohibited from taking action on oral requests. However, Board Members may respond briefly or refer the communication to staff. The Board may also request the Secretary to calendar an item related to your communication at a future Board meeting.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require a two-thirds vote of the entire Board, or, if fewer than two-thirds of the members are present, a unanimous vote of those members present, making findings that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the posting of the agenda.

- A. <u>BOARD ACTION ITEMS:</u> Prior to action of the JCSD Board, any member of the audience will have the opportunity to address the JCSD Board on any item listed on the agenda, including those on any Consent Calendar. PLEASE SUBMIT A COMMENT CARD TO THE SECRETARY WITH THE AGENDA ITEM NUMBER NOTED.
 - 1. Consider Agreement Regarding Streetlight Acquisition.

Staff Recommendation:

That the JCSD Board/Eastvale City Council discuss and provide direction to staff regarding the proposed draft Agreement Regarding Streetlight Acquisition between Jurupa Community Services District and the City of Eastvale.

B. ADJOURNMENT

Any person with a disability who requires accommodations in order to participate in this meeting or package materials in an alternative format should telephone Board Secretary Julie B. Saba at (951) 727-3528, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained from the District at the address indicated on the agenda.

DECLARATION OF POSTING

I, Julie B. Saba, Board Secretary of the Jurupa Community Services District, certify that a copy of this agenda has been posted by 5:30 p.m. in the District's main office, 11201 Harrel Street, Jurupa Valley, and Rosa Parks Elementary School, 13830 Whispering Hills Drive, Eastvale, on April 11, 2018.

/s/ Julie B. Saba





To: JCSD Board of Directors/ Eastvale City Council Members

From: JCSD Finance and Administration Department

Date: April 17, 2018

Subject: Action Item No. 1

Agreement Regarding Streetlight Acquisition

Staff Recommendation:

It is recommended that the JCSD Board/Eastvale City Council discuss and provide direction to staff regarding the proposed draft Agreement Regarding Streetlight Acquisition between Jurupa Community Services District (JCSD) and the City of Eastvale (City).

Background:

In October 2015, the Western Riverside Council of Governments (WRCOG) began the Regional Streetlight Program to identify the feasibility of streetlight acquisition from Southern California Edison (SCE), as well as the light-emitting diode (LED) retrofit support. This program began working to facilitate the development of a multi-jurisdiction project that would utilize economies of scale to provide a more cost-effective and energy-efficient streetlight solution. A regional approach allows for greater savings, fewer engagement efforts, and less duplication of documentation and fees. JCSD staff has been involved in discussions with WRCOG, its consultant teams, and the City regarding streetlights.

Currently, JCSD administers and manages a large percentage of the streetlights in the cities of Eastvale and Jurupa Valley through multiple Lighting Maintenance Districts (LMDs). Historically, each new development has led to the creation of additional zones within existing LMDs.

On July 20, 2017, JCSD and SCE executed the Purchase and Sale Agreement for 5,922 streetlights within the JCSD District boundary (SCE Agreement) which includes streetlights in both Eastvale and Jurupa Valley. On March 15, 2018, the California Public Utilities Commission (CPUC) formally approved the SCE streetlight Purchase and Sale Agreement effective March 11, 2018. Since the execution of this agreement on July 20, 2017, JCSD staff has been in discussions with the City regarding the transfer of streetlight administration to the City.

Action Item No. 1 April 17, 2018 Page 2

Discussion:

Based on the SCE Agreement, SCE has 60 days from the CPUC approval date to begin the inventory inspection and "true-up" of the streetlights being transferred. SCE has requested that they are informed of any changes to the number of lights being acquired before that inventory inspection process begins. To meet that requirement, JCSD should complete its Streetlight Agreement with the City before May 4, 2018. The SCE Agreement also requires the JCSD Board to identify and approve a structured financing plan by the date the inventory inspection process begins (i.e., 60 days after CPUC approval).

JCSD staff and legal counsel have been working with City staff and legal counsel towards the terms for an agreement for transfer and administration of streetlights. This process has resulted in a draft Agreement with the City regarding Streetlight Acquisition (Eastvale Agreement). Based on input received from both JCSD and the City, the draft Eastvale Agreement is substantially complete.

This process has been positive; however, there exists a couple of terms which remain to be finalized. Staff is still working to analyze how best to administer the streetlight LMDs in the future. Generally, the costs for administration of the streetlight program include the completion of an annual Engineer's Report to support the levy being charged, a labor cost based on the allocation of staff time to coordinate activities, as well as advertising and legal costs for preparing and posting the proposed levy. The City's position is to transfer the administration function for Eastvale lights to them over a period of three (3) years. JCSD staff believes that there are cost efficiencies and benefits of having one agency continue to administer the LMDs for both Jurupa Valley and Eastvale, as indicated in the attachment. Any changes to separate the administration would increase costs to both Jurupa Valley and Eastvale residents which is the reason staff originally proposed that JCSD continue to assess the annual levy while supporting the City's request to become the owner of the poles. It certainly does not impact or stop the City from utilizing the poles and lights in any manner they decide. JCSD's proposal did not include a phase-out period, but JCSD did suggest that it be modified to include a five-year evaluation of the arrangement. This will allow JCSD's actual performance to be re-evaluated instead of basing the decision on projections and estimates that may not reflect future outcomes. All costs presented for JCSD were compiled from actual cost of bid prices provided from WRCOG. The estimate shown for Eastvale was compiled from WRCOG bids and information provided to the Eastvale City Council at the February 14, 2018, City Council meeting relating to their expected labor cost.

Action Item No. 1 April 17, 2018 Page 3

This alternative, in general, maintains JCSD's current obligation to administer the annual levy, and the Purchase Agreement will replace SCE with the City as the owner of the poles. JCSD will not have any discretion about how the City utilizes the poles and streetlights. The City will only be bound by the capacity amount of the annual levy and the reserves in each zone which is the same whether JCSD or the City administers the assessment levy. JCSD has expressed to City staff that the method and process of how to fund the City's costs, found in Exhibit A, are flexible and can be formulated based on the City's needs. JCSD's recommendation for this approach is driven by our Strategic mission to provide the most cost-efficient service, a positive return on investment to all our customers and build a strong partnership with our local agencies.

Staff would like consensus from the JCSD Board of Directors and the Eastvale City Council members as to the proposed draft Eastvale Agreement. This agreement will allow the District to assign its electric accounts with SCE that are within the boundaries of the city of Eastvale to the City. Once assignment is complete, the City will then be able to acquire the streetlights from SCE. The City will have to provide its own financing for purchase of the streetlights. JCSD has proposed that it continue to administer all the LMDs which relate to the accounts for the streetlights that are to be transferred to the City as well as the streetlights scheduled to be purchased by JCSD in the city of Jurupa Valley.

Budget Impact:

The Eastvale Agreement with the City will not impact the District's budget as the cost of the streetlights is funded by the LMDs.

SP/lk

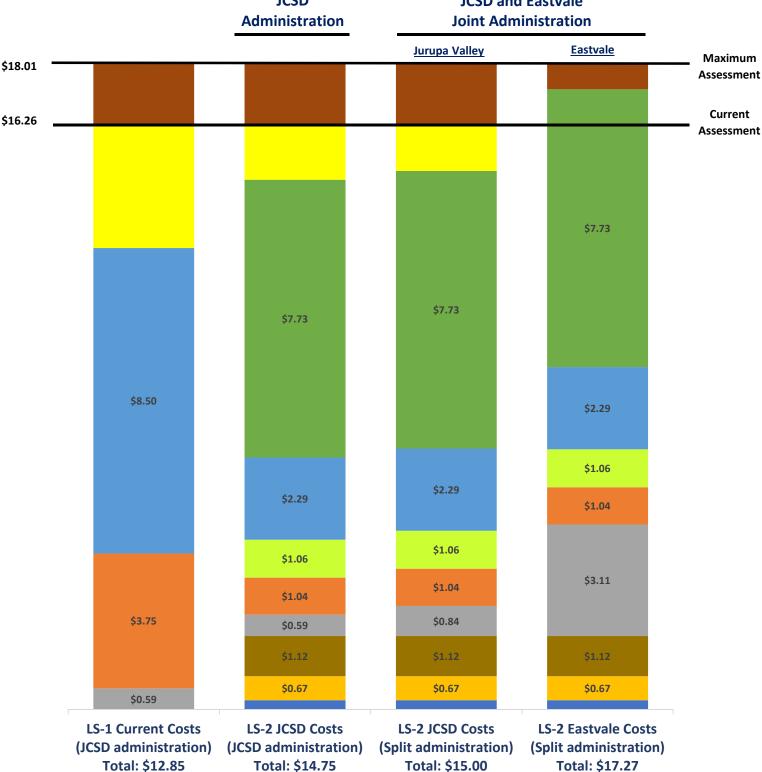
Attachments: 1 – Streetlight Acquisition and Operation Costs Comparison Graphs

2 – Draft Agreement Regarding Streetlight Acquisition (Redline)

JCSD Streetlight Acquisition Cost Comparison Monthly Per Pole Cost

2001-1; 2001-2; 2001-3

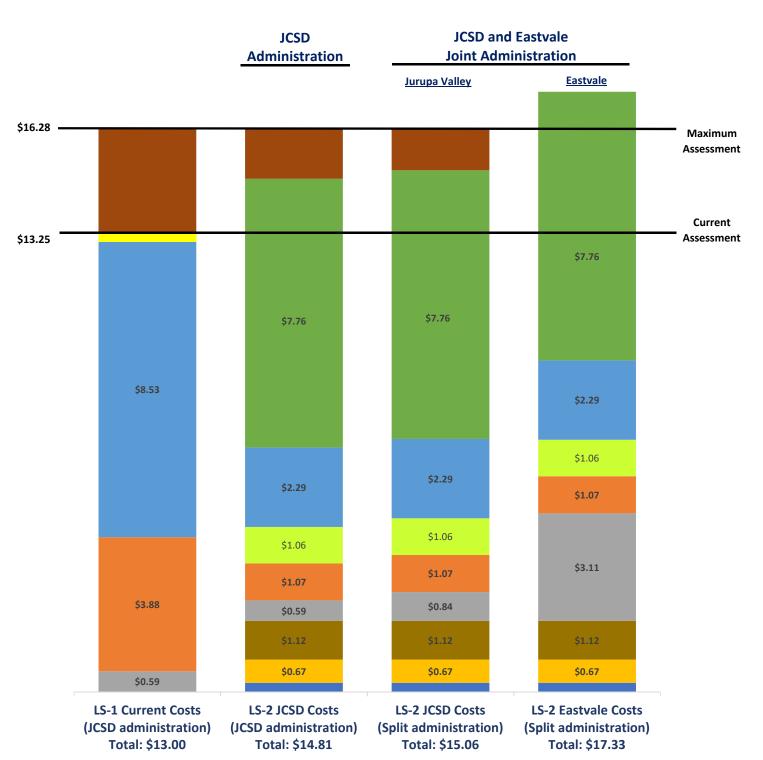




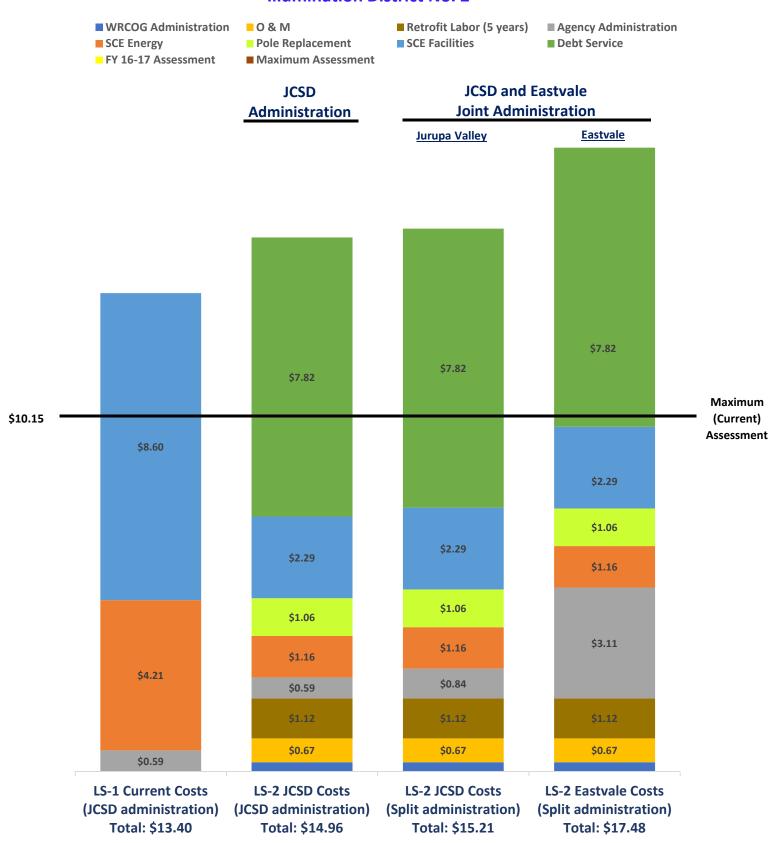
JCSD Streetlight Acquisition Cost Comparison Monthly Per Pole Cost







JCSD Streetlight Acquisition Cost Comparison Monthly Per Pole Cost Illumination District No. 2



AGREEMENT REGARDING STREET LIGHT ACQUISITION

THIS AGREEM	ENT REGARDING STREET LIGHT ACQUISITION ("Agreement")
dated as of	, 2018, for reference purposes only, is made and entered into by and
between the City of Ea	stvale, a municipal corporation and political subdivision of the State of
California (the "City of l	Eastvale") and Jurupa Community Services District, a community services
district duly existing und	der the laws of the State of California ("JCSD").

RECITALS

- A. Southern California Edison ("SCE") has permitted local agencies throughout the State of California (the "State") to participate in a program whereby each local agency can purchase light poles in public rights of way.
- B. JCSD has entered into an agreement with SCE to purchase all of the light poles for which JCSD has an account with SCE within its service area, which includes the City of Eastvale and the City of Jurupa Valley.
- C. The City of Eastvale has requested that JCSD transfer all of its SCE accounts for the light poles in the City of Eastvale to the City of Eastvale, so that the City of Eastvale itself may purchase the light poles from SCE.
- D. JCSD has established lighting maintenance districts ("LMDs") throughout its service area in order to pay the costs associated with street lights, including electrical costs and maintenance charges imposed by SCE.
- E. JCSD and the City of Eastvale wish to enter into this Agreement to set forth the terms of the transfer of the accounts from JCSD to the City of Eastvale, amendment of JCSD's agreement with SCE to exclude light poles within the City of Eastvale, thereby allowing the City of Eastvale to purchase the light poles within its corporate boundaries, management of the light poles, and management of the LMDs for the purpose of paying the costs of the acquisition of the light poles, retrofit of the lights to LED lamps, and operation and management of the light poles and lamps.

NOW THEREFORE, IN CONSIDERATION of the above recitals, the covenants and agreements made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. Unless otherwise defined in the Recitals hereof, the capitalized terms used in this Agreement shall have the meanings specified in this Section 1. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement and the words "herein," "hereof," "hereunder" and other words

of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

- "Agreement" means this Agreement.
- "City Manager" means the City Manager of the City of Eastvale.
- "County" means the County of Riverside, California.
- <u>"Eastvale Light Poles"</u> means those light poles within the corporate boundaries of the City of Eastvale for which SCE electric accounts are transferred from JCSD to the City of Eastvale pursuant to this Agreement. "Eastvale Light Poles" does not include any light poles within the City of Eastvale that may come into existence after the Effective Date of this Agreement, or any existing light poles for which the City of Eastvale already pays electricity charges to SCE.
 - "Effective Date" means the last date that this Agreement is signed by both parties.
- "General Manager" means the General Manager of the Jurupa Community Services District.
- "Purchase and Sale Agreement and Light Pole License Agreement" means that certain agreement entered into by JCSD and SCE, for the purpose of transferring the ownership by sale of all of the eligible light poles in the JCSD service area to JCSD.
 - "WRCOG" means the Western Riverside Council of Governments.

ARTICLE II

TRANSFER OF ACCOUNTS AND USE OF POLES

- Section 2.1 Transfer of Accounts; Amendment of SCE Agreement. Within X days of the Effective Date of this Agreement, JCSD will assign its electric accounts with SCE which are located within the corporate boundaries of the City of for the Eastvale Light Poles to the City of Eastvale in order to allow the City of Eastvale itself to purchase the street Eastvale Light Poles from SCE. JCSD shall then amend its Purchase and Sale Agreement and Light Pole License Agreement to exclude all of the lights located within the corporate boundaries of the City of Eastvale Light Poles. The City of Eastvale will retain all right and title to those light poles upon satisfaction and execution of its own purchase and sale agreement with SCE. JCSD will ensure that the amendment to the Purchase and Sale Agreement and Light Pole License Agreement to remove the Eastvale Light Poles is completed in a timely manner that does not interfere with the City's ability to execute a purchase and sale agreement with SCE for the Eastvale Light Poles.
- **Section 2.2 Financing of Purchase.** JCSD staff warrants that all <u>Eastvale L</u>light <u>pPoles</u> within the City of Eastvale can be identified separately and that no bonds or notes have <u>been</u> or will be issued by JCSD with respect to those light poles. The City of Eastvale shall provide its own financing for purchase of <u>the Eastvale lLight pPoles</u>, whether through the WRCOG financing program or otherwise.

Section 2.3 Administration of LMDs. JCSD will continue to administer all of and the City agree that the administration of the existing LMDs, and the related zones of existing LMDs, which directly relate to JCSD's the accounts with SCE for the Eastvale Light poles will transition in phases from JCSD to the City during a transition period that will begin on the Effective Date of this Agreement and will terminate at the end of the third full fiscal year after the Effective Date (the "Transition Period"), to be transferred to the City of Eastvale subject to the terms set out in Exhibit A.

Section 2.4 Use of Light Poles. JCSD agrees that the City of Eastvale shall have primary use and utility of the Eastvale IL ight pPoles owned by the City of Eastvale and located within JCSD's LMDs from and after the time the City purchases such light poles from SCE. However, the City of Eastvale agrees to permit JCSD to use up to six hundred (600) poles or fifteen (15) percent of the Eastvale IL ight Ppoles, whichever is more, to install, operate and maintain service equipment of JCSD and agencies of which JCSD is a member (for example: the Western Riverside County Regional Wastewater Authority and the Chino Desalter Authority) without charge by the City of Eastvale, provided that JCSD shall be responsible for all of its costs associated with JCSD's use of the Eastvale IL ight Ppoles as provided in paragraphs B, C, D, and E of this section below.

- A. Service equipment includes, but is not limited to:
 - (a) Antennas for meter reading;
 - (b) Antennas for SCADA and/or other telemetry equipment;
- (c) Parks video surveillance equipment, <u>equipment for WIFI service at JCSD parks</u> and other related telemetry; and
 - (d) Banners for JCSD activities.

Service equipment does not include any equipment installed for revenue generation purposes, except for equipment used in connection with billing JCSD water and sewer customers for services used by the customer.

B. The City of Eastvale and JCSD will determine which Eastvale IL ight poles owned by the City of Eastvale but located within JCSD LMDs are suitable for the service equipment purposes by a schedule of light poles submitted to the City of Eastvale, as such schedule may be further amended by the City of Eastvale and JCSD This Agreement does not give JCSD any right to install service equipment on any light poles other than those Eastvale Light Poles identified in the schedule. Such equipment must relate solely to JCSD purposes. Light poles will be available for use on a first come, first serve basis, along with other commercial cellular equipment and the City of Eastvale's own service equipment. The City of Eastvale and JCSD may collocate equipment where feasible and agreed by the City of Eastvale and JCSD. The City of Eastvale and JCSD shall comply with any State or Federal law regarding the use of the light poles and the installation of service equipment.

- C. JCSD shall be responsible for the costs of installing, maintaining, and removing, the JCSD service equipment on the light poles. JCSD shall pay any and all additional electric charges related to JCSD service equipment above the LS1 or LS2 rates, as applicable.
- D. JCSD will comply with the City of Eastvale's approval process for the use of the light poles, including plan check, review and collocation of equipment; provided, however, that the City of Eastvale shall provide an expedited approval process to JCSD in order to further the parties' governmental purposes.
- E. JCSD equipment on light poles may be subject to relocation at the request of the City of Eastvale, but only so long as such relocation does not <u>frustrate_defeat</u> the purpose and use of the equipment and upon the payment of JCSD's expense in relocating such equipment by the entity causing such relocation.

ARTICLE III

PUBLIC OUTREACH

- **Section 3.1 Mutual Agreement.** All public outreach or information provided by both JCSD and City of Eastvale relating to JCSD's transfer of SCE accounts to and the purchase of the <u>Eastvale IL</u>ight <u>pP</u>oles by the City of Eastvale must be mutually agreed to prior to distribution. JCSD and the City of Eastvale will develop a joint, mutually agreed upon, short narrative that can be used in communication materials and websites to provide a historical context about what both agencies want to record about the transaction.
- **Section 3.2 Development Approvals.** JCSD acknowledges that the City of Eastvale directs development approvals within its boundaries and that the City of Eastvale will continue to direct the formation of any new LMDs with respect to newly established light poles within the City of Eastvale, as is the current practice of the City.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Representations and Warranties.

- (a) Each of the parties hereto represents and warrants that it was represented by counsel in this matter, and that it has been advised by counsel that this is a binding and legal agreement and that such party may properly enter into it.
- (b) Each of the parties hereto represents and warrant that it is fully authorized to enter into this Agreement and to bind its respective successors, affiliates, assignees, employees and representatives to its terms.
- (c) Each of the parties represents and warrants that, except for statements, representations, and promises expressly set forth in this Agreement, no party hereto has made any statement representation, or promise to any other party regarding a fact relied upon by such other party. In entering into this Agreement, no party hereto has relied upon any statement,

representation, or promise of any other party of any representative or attorney for any other party, in executing this Agreement or in making the agreements provided for herein.

- (d) Each of the parties hereto represents and warrants that it has made such investigation of the facts pertaining to this Agreement and all matters pertaining hereto as it deems necessary or desirable. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, and supersedes any prior written or oral agreement pertaining thereto.
- **Section 4.2 Cooperation; Additional.** JCSD and the City of Eastvale acknowledge that it may be necessary to execute documents other than those specifically referred to herein in order to complete the transactions contemplated by this Agreement. Therefore, each party hereto hereby agrees to cooperate with each other by executing such other documents or taking such other action as may be reasonably necessary to complete the transactions contemplated by this Agreement in accordance with the intent of the parties as evidenced in this Agreement.
- **Section 4.3** Amendment. This Agreement may be amended only by a written instrument executed by the parties hereto or their successors in interest.
- **Section 4.4** Waiver. All waivers of this Agreement must be in writing and signed by the appropriate authorities of the parties hereto.
- **Section 4.5 Severability.** If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining portions hereof shall not, in any way, be affected or impaired thereby.
- **Section 4.6 Integration.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.
- Section 4.7 Notices, Demands and Communication. Formal notices, demands and communications between JCSD and the City of Eastvale hereunder shall be sufficiently given if personally served, delivered by Federal Express or other nationally recognized overnight delivery service or mailed by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of JCSD or the City of Eastvale, as set forth below. Such written notices, demands and communications may be sent in the same manner to such other address as a party may from time to time designate for such party by notice given as provided in this Section. Such notices, etc., shall be deemed received upon delivery if personally served, three (3) business days after sending by registered or certified mail, return receipt requested or one (1) business day after sending by Federal Express or other nationally recognized overnight delivery service.

If to City: City of Eastvale

12363 Limonite Ave. Suite 910

Eastvale, CA 91752 Attention: City Manager With a copy to: <u>Burke, Williams & Sorensen, LLP</u>

1600 Iowa Ave., Ste. 250 Riverside, CA 92507 Attn: Erica Vega

If to JCSD: Jurupa Community Services District

11201 Harrell Street

Jurupa Valley, CA 91752 Attn: General Manager-

With a copy to: Best Best & Krieger LLP

3390 University Avenue, 5th Floor

Riverside, CA 92501 Attn: Kim Byrens

Section 4.8 Interpretation. The rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

Section 4.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates referenced below.

By: Michele Nissen City Manager Date: JURUPA COMMUNITY SERVICES DISTRICT By: Todd Corbin General Manager Date: Date:

-Signature Page-Agreement Regarding Street Light Acquisition

Julie B. Saba Board Secretary

EXHIBIT A

TERMS OF ADMINISTRATION OF LMDS

I. Transition Period Schedule

Pursuant to Section 2.3 of the Agreement, during the Transition Period, JCSD and the City of Eastvale will jointly share in the responsibility of administering the LMDs. Within X days/months of the completion of the transfer of SCE accounts to the City for the Eastvale Light Poles, JCSD and the City each agree to adopt a joint resolution to transfer jurisdiction over the LMDs and related zones to the City pursuant to Streets and Highways Code section 22612. The joint resolution shall include a schedule for the Transition Period that allows each LMD to be transferred to the City in phases, with at least two (2) LMDs being transferred to the City each fiscal year. JCSD and the City will cooperate and coordinate to ensure that all deadlines are met, and to facilitate a smooth transition of administrative functions.

II. Administration of LMDs During Transition Period

Pursuant to Section 2.3 of the Agreement, For those LMDs and zones of LMDs that have not yet been transferred to the City pursuant to the schedule above, the City of Eastvale and JCSD shall cooperate to ensure that the expenses of the Eastvale Light Poles and the administrative costs related to those LMDs and related zones still being administered by JCSD are paid as follows:

- (a) JCSD will provide to the City of Eastvale the current reserve account balances and current year reserve activity information, including the engineer's reports, relating to each LMD, or related zone, upon the execution of this Agreement and annually thereafter for all LMDs still being administered by JCSD;
- (ab) The City of Eastvale will annually prepare and submit to JCSD a budget for each LMD, and related zone, for its costs of acquisition, operation, maintenance, retrofit and other costs of the light poles within each LMD still administered by JCSD. The annual budget shall include the expenses for preparation of the engineer's reports to be prepared by JCSD;
- (b) JCSD will provide to the City of Eastvale the current reserve account balances and current year reserve activity information, including the engineer's reports, relating to each LMD, or related zone, upon the execution of this Agreement and annually thereafter;
- (c) JCSD will cause the engineer's reports for the assessments to be prepared <u>consistent</u> with the budgets submitted by the City, and <u>approved consistent with all legal requirements</u>, and <u>after approval will submitted the engineer's reports</u> to the County Treasurer-Tax Collector no later than August 10 of each year;
- (d) JCSD will transfer funds to the City of Eastvale semi-annually <u>in advance</u> to provide for <u>the payment of</u> expenses for the light poles based on the budgeted costs for each zone of each LMD included in the engineer's report for that fiscal year. Each semi-annual transfer will occur in February and July and shall equal one-half of the total budgeted costs for that fiscal year;

- (e) On each August 31st, the City of Eastvale will submit a written summary to JCSD of its actual costs incurred for light poles by LMD zone for the prior fiscal year ending June 30th. For example, the summary for the fiscal year ending June 30, 2018 would be submitted to JCSD by August 31, 2018. Such summary will include street light operation and maintenance costs and other related street light costs as well as debt service payments for financing incurred by the City of Eastvale for the acquisition of the light poles and LED retrofit thereof. JCSD will reconcile such summary to the prior transfers paid to the City of Eastvale for that fiscal year. Any amounts due to the City of Eastvale as part of this process will be adjusted in the next semi-annual transfer of assessments to be paid by JCSD to the City of Eastvalereimbursed to the City within thirty (30) days. If the City of Eastvale has excess funds from each LMD, then the next transfer from JCSD for that LMD, if any, shall be reduced by such excess amount;
- (f) Acquisition, operation, maintenance, LED retrofit, debt service payments and other costs related to the light poles will be paid from LMD zone balances and reserves to the extent permitted by law;
- (g) Notwithstanding (a) through (f) above, JCSD shall only transfer funds to the City of Eastvale so long as there exists a positive fund balance, including reserves, for the LMD zone for which such transfer is requested. Any amounts that cannot be currently paid to the City of Eastvale due to this limitation shall be carried forward and paid to the City of Eastvale once a positive balance is restored. JCSD shall not be obligated to transfer its own funds or any funds which are not assessments relating to the LMDs; and
- (h) If at any point in time during the Transition Period JCSD is unable to pay to the City of Eastvale the full semi-annual payment amount for any LMD pursuant to subsection (d) due to an insufficient positive fund balance, the City of Eastvale may demand the acceleration of the transition of that particular LMD so that the transfer of jurisdiction over that LMD to the City is completed prior to the next scheduled semi-annual payment; and
- (ih) Funds received by the City of Eastvale by other parties for the use of the light poles may be used by the City of Eastvale for any lawful purpose.