



Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

AGENDA

**Friday, June 21, 2024
10:00 AM**

**Pechanga Resort Casino
45000 Pechanga Pkwy
Eagle's View Ballroom
Temecula, CA 92592**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 405-6706. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 200, Riverside, CA, 92501.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to lfelix@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Lucy Felix 72 hours prior to the meeting at (951) 405-6706 or lfelix@wrcog.us. Later requests will be accommodated to the extent feasible.

- 1. CALL TO ORDER (Rita Rogers, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. **CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Action Minutes from the June 3, 2024, meeting of the Executive Committee

- Requested Action(s):**
1. Approve the Action Minutes from the June 3, 2024, meeting of the Executive Committee.

B. Approval of General Assembly and Executive Committee Meeting Schedules for 2025

- Requested Action(s):**
1. Approve the schedule of General Assembly and Executive Committee meetings for 2025.

C. TUMF Program Activities Update: Approval of One TUMF Credit Agreement and One TUMF Reimbursement Agreement Amendment

- Requested Action(s):**
1. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Lake Elsinore, and Zairey, Inc., for improvements to Grand Avenue, 1,500 linear feet of improvements by adding two lanes, curb and gutter, and traffic signal improvements from Macy Street to Highway 74.
 2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Planning, Engineering, and Construction Phases of the Temescal Canyon Road Widening Project in an amount not to exceed \$6,455,311.

D. Approval of the 2024 TUMF Northwest, Hemet / San Jacinto, and Pass Zones' 5-Year Transportation Improvement Programs

- Requested Action(s):**
1. Approve the 2024 TUMF Northwest Zone 5-Year Transportation Improvement Program.
 2. Approve the 2024 TUMF Hemet / San Jacinto Zone 5-Year Transportation Improvement Program.
 3. Approve the 2024 TUMF Pass Zone 5-Year Transportation Improvement Program.

E. Fiscal Year 2022/2023 Annual Comprehensive Financial Report

- Requested Action(s):**
1. Receive and file.

F. Approval of MOU with SCAG for the Regional Early Action Planning Grant (REAP) Subregional Partnership (SRP) Program 2.0 for Reimbursement

- Requested Action(s):**
1. Authorize the Executive Director to execute the MOU, substantially as to form, with SCAG for the Regional Early Action Planning grant (REAP) Subregional Partnership (SRP) 2.0 Program reimbursement.

G. Modification of Program Reports Related to the Direct Capital Providers Program

Requested Action(s):

1. Adopt Resolution Number 23-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain commercial programs with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Program.

6. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. State Government Updates from State Controller Malia Cohen

Requested Action(s):

1. Receive and file.

B. WRCOG 2024 General Assembly & Leadership Address and Speaker Discussion for GA 2025

Requested Action(s):

1. Reflect on the 33rd General Assembly event and discuss the 34th General Assembly event, including the process and selection of a speaker.

7. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Rita Rogers, City of Perris

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

9. ITEMS FOR FUTURE AGENDAS

Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

10. GENERAL ANNOUNCEMENTS

Members are invited to announce items / activities which may be of general interest to the Committee.

11. NEXT MEETING

The next Joint WRCOG Executive Committee and Supporting Foundation meeting has yet to be scheduled.

The Executive Committee is dark for the month of July. The next Executive Committee meeting is scheduled for Monday, August 5, 2024, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

12. ADJOURNMENT

Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Action Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Chris Barajas at 2:00 p.m. on June 3, 2024, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

2. PLEDGE OF ALLEGIANCE

Vice-Chair Rita Rogers, led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Banning - Sheri Flynn
- City of Beaumont - Mike Lara
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Mark Terry
- City of Corona - Jacque Casillas*
- City of Eastvale - Christian Dinco
- City of Hemet - Jackie Peterson
- City of Jurupa Valley - Chris Barajas (Chair)
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Lesa Sobek
- City of Moreno Valley - Elena Baca-Santa Cruz
- City of Murrieta - Ron Holliday
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of Riverside - Chuck Conder
- City of San Jacinto - Alonso Ledezma
- City of Wildomar - Joseph Morabito
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel
- County, District 3 - Chuck Washington
- County, District 5 - Yxstian Gutierrez
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Water - Brenda Dennstedt

* Arrived after Roll Call

Absent:

- Riverside Co. Superintendent of Schools - Dr. Edwin Gomez
- City of Temecula - James Stuart

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Perris
SECONDER:	Lake Elsinore
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Wildomar, District 1, District 2, District 3, District 5, EMWD, Western Water
ABSTAIN:	Riverside

A. Action Minutes from the May 6, 2024, WRCOG Executive Committee Meeting

Action:

1. Approved the Action Minutes from the May 6, 2024, WRCOG Executive Committee meeting.

B. Fiscal Department Activities Update and Budget Amendment

Action:

1. Received and filed.

C. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

D. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

E. Request to Authorize Annual Levy Assessments related to PACE Programs

Action:

1. Adopted Resolution Number 06-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in various counties.
2. Adopted Resolution Number 07-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Amador County.
3. Adopted Resolution Number 08-24; A Resolution of the Executive Committee of the Western

Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Butte County and certifying to Butte County the validity of the legal process used to place direct charges on the secured tax roll.

4. Adopted Resolution Number 09-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in the Glenn County.
5. Adopted Resolution Number 10-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Humboldt County.
6. Adopted Resolution Number 11-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County.
7. Adopted Resolution Number 12-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Madera County.
8. Adopted Resolution Number 13-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Mendocino County.
9. Adopted Resolution Number 14-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Merced County.
10. Adopted Resolution Number 15-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments certifying compliance with State law with respect to the levying of special assessments in Monterey County.
11. Adopted Resolution Number 16-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Nevada County.
12. Adopted Resolution Number 17-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County.
13. Adopted Resolution Number 18-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Sutter County and certifying to Sutter County the validity of the legal process used to place direct charges on the secured tax roll.
14. Adopted Resolution Number 19-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain determinations with respect to the placement of assessments on the tax roll in Ventura County.
15. Adopted Resolution Number 20-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yolo County.
16. Adopted Resolution Number 21-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yuba County.

F. I-REN Monthly Activities Update

Action:

1. Received and filed.

G. Approval of Fiscal Year 2024/2025 Agency Salary Schedule

Action:

1. Adopted Resolution Number 22-24; a Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Year 2024/2025 publicly available Salary Schedule effective July 1, 2024, through June 30, 2025, as required by the California Public Employees' Retirement System.

H. Approval of First Amendment to Professional Services Agreement for On-Call Planning Services between WRCOG and PlaceWorks, Inc.

Action:

1. Authorized the Executive Director to execute a First Amendment to the On-Call Professional Services Agreement between WRCOG and PlaceWorks, Inc., for support to WRCOG with general land use and housing planning support activities and services to WRCOG and its member agencies, and to increase the total not-to-exceed amount from \$400,000 to \$700,000. Any changes to the attached draft are subject to consultation by legal counsel.

I. Approval of Agency Information Technology and Audio / Visual Services Professional Services Agreement

Action:

1. Authorized the Executive Director to negotiate and enter into a Professional Services Agreement with TWINTEL Solutions, Inc., to provide Information Technology and Audio / Visual services in an amount not to exceed \$11,040.38 per month. Any changes to the attached Agreement are subject to consultation by legal counsel.

6. REPORTS / DISCUSSION

A. I-REN 2023 Annual Report

Action:

1. Received and filed.

B. Implementation of WRCOG Guidelines and Framework for New Programs and Initiatives Activities Update

Action:

1. Received and filed.

C. Update to WRCOG Committee Procedures

Action:

1. Approved the updated Committee Procedures for the Planning Directors Committee, the Public Works Committee, the Solid Waste Committee, and the Finance Directors Committee.

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Perris
SECONDER:	Lake Elsinore
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5, EMWD, Western Water

7. REPORT FROM THE TECHNIAL ADVISORY COMMITTEE CHAIR

Technical Advisory Committee (TAC) Chair Rod Butler reported that the TAC has discussed the Member Dues Study, which will revamp the member dues. The TAC will bring its recommendations to the Executive Committee in August or September of this year. Mr. Butler also reported that Clara Miramontes will likely take over as TAC Chair for the next fiscal year.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Brian Tisdale reported that CALCOG has continued to try to restore the REAP 2.0 funding for housing, which was cut by the Governor earlier this year.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Barajas thanked the Committee for the opportunity to serve as Chair and hopes to see everyone at the upcoming General Assembly event.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson, Executive Director, reported that the next Executive Committee meeting will take place on the Friday after the General Assembly event at Pechanga. The General Assembly agenda will have members vote on the minutes from last year's event, the budget, and the leadership. The voting process is being revised to make it easier to track all 108 eligible votes. There are currently 720 registered guests, and approximately 300 spots belonging mostly to sponsors, which have not yet registered.

11. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

12. GENERAL ANNOUNCEMENTS

Committee member Kevin Bash recognized Taylor Dockins, who graduated from Norco High School in 2017. Ms. Dockins was an All-League, All-State, All-County player four years in a row, earned the Gatorade Softball Player of the Year, which is awarded to the best player in the entire nation, and earned a full ride to Cal-State Fullerton. Ms. Dockins passed away from a rare cancer yesterday, and Mr. Bash would like to adjourn the meeting in her honor.

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Friday, June 21, 2024, at 10:00 a.m., at Pechanga Resort Casino, 4500 Pechanga Parkway, Temecula.

14. ADJOURNMENT

The meeting was adjourned at 2:50 p.m. in memory of Taylor Dockins.



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: Approval of General Assembly and Executive Committee Meeting Schedules for 2025

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: June 21, 2024

Recommended Action(s):

1. Approve the schedule of General Assembly and Executive Committee meetings for 2025.

Summary:

The 2025 General Assembly meeting is scheduled for the 2nd Thursday in the month of June.

All Executive Committee meeting dates are proposed for the 1st Monday of the month at 2:00 p.m. If the 1st Monday is a holiday, the meeting is scheduled for the 2nd Monday.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to approve the General Assembly and Executive Committee meeting schedules for 2025. This aligns with Goal #4 of WRCOG's 2022-2027 Strategic Plan (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

Following are the proposed 2025 meeting dates for the General Assembly and Executive Committee:

Committee	Day	Time	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
General Assembly	2nd Thursday	6:30 p.m.	-	-	-	-	-	12	-	-	-	-	-	-
Executive	1st Monday	2:00 p.m.	DARK	3	3	7	5	2 & 13 ¹	DARK	4	8 ²	6	3	1

¹The Executive Committee meeting will be held at 10:00 a.m. at Pechanga Resort Casino.

²The Executive Committee meeting is scheduled for the 2nd Monday due to observance of Labor Day.

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: TUMF Program Activities Update: Approval of One TUMF Credit Agreement and One TUMF Reimbursement Agreement Amendment

Contact: Brian Piche-Cifuentes, Transportation Analyst I, bpiche-cifuentes@wrcog.us, (951) 405-6705

Date: June 21, 2024

Recommended Action(s):

1. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Lake Elsinore, and Zairey, Inc., for improvements to Grand Avenue, 1,500 linear feet of improvements by adding two lanes, curb and gutter, and traffic signal improvements from Macy Street to Highway 74.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Planning, Engineering, and Construction Phases of the Temescal Canyon Road Widening Project in an amount not to exceed \$6,455,311.

Summary:

The County of Riverside and City of Lake Elsinore are requesting to enter into TUMF agreements with WRCOG. This initiative involves an investment of \$8,536,277, which will be directed towards street improvements on Grand Avenue and widening Temescal Canyon Road. These investments will improve the infrastructure, stimulate economic growth, reduce traffic congestion, and enhance the overall quality of life for residents and businesses within the county.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to request approval of one TUMF Credit Agreement and one TUMF Reimbursement Agreement Amendment. This effort supports WRCOG's 2022-2027 Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:

Background

WRCOG's TUMF Program is a subregional fee program designed to provide transportation and transit

infrastructure that mitigates the impact of new growth in western Riverside County. A Reimbursement Agreement is a document between WRCOG and a member agency that allows WRCOG to provide funding for TUMF expenses incurred for the Planning, Design, Engineering, and/or Construction phase(s) of a TUMF project. To enter into a Reimbursement Agreement, the funding for the project must first be allocated in the appropriate TUMF Zone Transportation Improvement Program (TIP). TUMF Agreements and Amendments are initiated by their respective agencies when that agency is ready for the infrastructure development.

A TUMF Credit Agreement is a document between WRCOG, a member agency, and a developer, and allows WRCOG to provide credit towards TUMF fees. This credit is established by work completed for the Planning, Design, Engineering, and/or Construction Phase(s) of a TUMF facility. To enter into a Credit Agreement, the project must have eligible funding identified in WRCOG's current TUMF Nexus Study. TUMF Credit Agreements give credit for eligible infrastructure built as part of new development. Developers contribute to the TUMF Program through direct work on facilities. The maximum amount of credit a developer can receive is determined through the TUMF Nexus Study project list.

Present Situation

TUMF Credit Agreement

1. The TUMF Credit Agreement between WRCOG, the City of Lake Elsinore, and Zairey, Inc., will have work done on Grand Avenue from Macy Street to Highway 74, constructing an additional two lanes of approximately 1,500 linear feet, with a maximum credit of \$2,080,966 for TUMF-eligible work.

TUMF Reimbursement Agreement Amendment

1. The Temescal Canyon Road Widening Project (19-NW-RCY-1301) set the amount of funding in the Planning, Engineering, and Construction phases to an amount not to exceed \$5,640,000. An increase in project funding has now been requested by the County in a Second Amendment of \$815,311, for a total not to exceed \$6,455,311.

Prior Action(s):

June 23, 2020: The Executive Committee authorized the Executive Director to execute the TUMF Reimbursement Agreement Amendment with the County of Riverside for the Temescal Canyon Road Widening amount not to exceed \$5,640,000.

January 7, 2020: The Executive Committee authorized the Executive Director to execute the TUMF Reimbursement Agreement with the County of Riverside for the Temescal Canyon Road Widening amount not to exceed \$3,000,000.

Financial Summary:

TUMF liabilities with respect to Credit Agreements are recognized when the developer's credit exceeds the developer's obligation and creates projected liability. These liabilities are reflected as fiduciary fund long-term debt in WRCOG's financials under the TUMF Fund. These potential liabilities are subject to reimbursement based on the availability of funding in their respective TUMF Zones.

Attachment(s):

Attachment 1 - TUMF Credit Agreement - Grand Avenue Road Improvements

Attachment 2 - TUMF Reimbursement Agreement Amendment #2 - Temescal Canyon Road Widening

Attachment

TUMF Credit Agreement
between WRCOG, the City of
Lake Elsinore, and Zairey,
Inc. – Grand Avenue Road
Improvements

For Use Between Public Agency and Developer
"Master Agreement"

**IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM**

This **IMPROVEMENT AND CREDIT AGREEMENT** ("Agreement") is entered into this __ day of _____, 2024, (the "Effective Date") by and between the City of Lake Elsinore, ("AGENCY"), the Western Riverside Council of Governments, a joint powers Agency, ("WRCOG") and Zairey, Inc., a California Corporation, with its principal place of business at 45 Cinch Road, Bell Canyon, CA 91307 ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer owns 12.55 acres of real property located within the AGENCY of the City of Lake Elsinore, California, which is more specifically described in the legal description set forth in Exhibit "A", attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has requested from AGENCY-certain entitlements and/or permits for the construction of improvements on the Property, which are more particularly described as 1,500 linear feet of improvements (add two lanes, curb and gutter, and traffic signal improvements) on Grand Avenue from Macy Street to Highway 74 ("Project");

WHEREAS, the AGENCY is a member agency of WRCOG, a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. WRCOG is the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, as part of the TUMF Program, the AGENCY has adopted "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("2016 Nexus Study")

WHEREAS, as a condition to AGENCY's approval of the Project, AGENCY has required Developer to construct certain street and transportation system improvement(s) of regional importance ("TUMF Improvements");

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer's fair share of the costs to deliver those TUMF Improvements that help mitigate the Project's traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network"), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the TUMF Improvements have been designated as having Regional or Zonal Significance as further described in the 2016 Nexus Study and the 5 year Transportation Improvement Program as may be amended;

WHEREAS, AGENCY, WRCOG and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely delivery of the TUMF Improvements, (2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the AGENCY, (3) to provide a means by

which the Developer's costs for project delivery of the TUMF Improvements and related right-of-way is offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, and (4) to provide a means, subject to the separate approval of WRCOG, for Developer to be reimbursed to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and AGENCY hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of TUMF Improvements. Developer shall construct or have constructed at its own cost, expense, and liability certain street and transportation system improvements generally described as 1,500 linear feet of improvements (add two lanes, curb and gutter, and traffic signal improvements) on Grand Avenue from Macy Street to Highway 74 and as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of Developer and approved by AGENCY, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the TUMF Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of AGENCY and the owner of such improvement. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the TUMF Improvements.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the TUMF Improvements until all plans and specifications for the TUMF Improvements have been submitted to and approved by AGENCY. Approval by AGENCY shall not relieve Developer from ensuring that all TUMF Improvements conform with all other requirements and standards set forth in this Agreement.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the TUMF Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer.

2.3 Public Works Requirements. In order to insure that the TUMF Improvements will be constructed as if they had been constructed under the direction and supervision, or under the

authority of, AGENCY, Developer shall comply with all of the following requirements with respect to the construction of the TUMF Improvements:

(a) Developer shall obtain bids for the construction of the TUMF Improvements, in conformance with the standard procedures and requirements of AGENCY with respect to its public works projects, or in a manner which is approved by the Public Works Department.

(b) The contract or contracts for the construction of the TUMF Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the TUMF Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/counties and as required by the procedures and standards of AGENCY with respect to the construction of its public works projects or as otherwise directed by the Public Works Department.

(d) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the TUMF Improvements which they will construct in conformance with AGENCY's standard procedures and requirements.

(e) Developer and all such contractors shall comply with such other requirements relating to the construction of the TUMF Improvements which AGENCY may impose by written notification delivered to Developer and each such contractor at any time, either prior to the receipt of bids by Developer for the construction of the TUMF Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

Developer shall provide proof to AGENCY, at such intervals and in such form as AGENCY may require that the foregoing requirements have been satisfied as to the TUMF Improvements.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the TUMF Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The TUMF Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with AGENCY, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the TUMF Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work

assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to TUMF Improvements. All work shall be done and the TUMF Improvements completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation it is determined that the public interest requires alterations in the TUMF Improvements, Developer shall undertake such design and construction changes as may be reasonably required by AGENCY. Any and all alterations in the plans and specifications and the TUMF Improvements to be completed may be accomplished without first giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of TUMF Improvements. AGENCY shall not be responsible or liable for the maintenance or care of the TUMF Improvements until AGENCY approves and accepts them. AGENCY shall exercise no control over the TUMF Improvements until accepted. Any use by any person of the TUMF Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to AGENCY's acceptance of the TUMF Improvements. Developer shall maintain all of the TUMF Improvements in a state of good repair until they are completed by Developer and approved and accepted by AGENCY, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by AGENCY. If Developer fails to properly prosecute its maintenance obligation under this section, AGENCY may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. AGENCY shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the TUMF Improvements or their condition prior to acceptance. In no event shall WRCOG be responsible for the maintenance, operation or care of the TUMF Improvements

4.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of the construction of the TUMF Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by AGENCY.

5.0 AGENCY Inspection of TUMF Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the TUMF Improvements, maintain reasonable and safe facilities and provide safe access for inspection by AGENCY of the TUMF Improvements and areas where construction of the TUMF Improvements is occurring or will occur.

6.0 Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 8412 and 8414 of the Civil Code with respect to the TUMF Improvements, Developer shall provide to AGENCY such evidence or proof as AGENCY shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the TUMF Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to AGENCY a title insurance policy or other security acceptable to AGENCY guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 Acceptance of TUMF Improvements; As-Built or Record Drawings. If the TUMF Improvements are properly completed by Developer and approved by AGENCY, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, AGENCY shall be authorized to accept the TUMF Improvements. AGENCY may, in its sole and absolute discretion, accept fully completed portions of the TUMF Improvements prior to such time as all of the TUMF Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the TUMF Improvements. Upon the total or partial acceptance of the TUMF Improvements by AGENCY, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted TUMF Improvements in accordance with California Civil Code sections 8182, 8184, 9204, and 9208 ("Notice of Completion"), at which time the accepted TUMF Improvements shall become the sole and exclusive property of AGENCY without any payment therefore. Notwithstanding the foregoing, AGENCY may not accept any TUMF Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the AGENCY for all such TUMF Improvements. The drawings shall be certified and shall reflect the condition of the TUMF Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the TUMF Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the TUMF Improvements, for a period of one (1) year following completion of the work and acceptance by AGENCY ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the TUMF Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of AGENCY, and to the approval of AGENCY. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any TUMF Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following AGENCY's acceptance of the repaired, replaced, or reconstructed TUMF Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any TUMF Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the TUMF Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to AGENCY for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if AGENCY determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, AGENCY may at any time thereafter declare Developer to be in default or violation of this

Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation (“Notice”). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, AGENCY may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon AGENCY’s issuance of the Notice, Developer and its surety shall be liable to AGENCY for all costs of construction and installation of the TUMF Improvements and all other administrative costs or expenses as provided for in this Section 10.0 of this Agreement.

10.2 Failure to Remedy; AGENCY Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to AGENCY within the time frame contained in the Notice, AGENCY may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. AGENCY’s right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any of the TUMF Improvements at the time of AGENCY’s demand for performance. In the event AGENCY elects to complete or arrange for completion of the remaining work and the TUMF Improvements, AGENCY may require all work by Developer or its surety to cease in order to allow adequate coordination by AGENCY.

10.3 Other Remedies. No action by AGENCY pursuant to this Section 10.0 et seq. of this Agreement shall prohibit AGENCY from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. AGENCY may exercise its rights and remedies independently or cumulatively, and AGENCY may pursue inconsistent remedies. AGENCY may institute an action for damages, injunctive relief, or specific performance.

11.0 Security; Surety Bonds. Prior to the commencement of any work on the TUMF Improvements, Developer or its contractor shall provide AGENCY with surety bonds in the amounts and under the terms set forth below (“Security”). The amount of the Security shall be based on the estimated actual costs to construct the TUMF Improvements, as determined by AGENCY after Developer has awarded a contract for construction of the TUMF Improvements to the lowest responsive and responsible bidder in accordance with this Agreement (“Estimated Costs”). If AGENCY determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in the amount requested by AGENCY. Developer’s compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer’s indemnification obligation provided in Section 12.0 of this Agreement.

11.1 Performance Bond. To guarantee the faithful performance of the TUMF Improvements and all the provisions of this Agreement, to protect AGENCY if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the one-year guarantee and warranty of the TUMF Improvements, Developer or its contractor shall provide AGENCY a faithful performance bond in an amount which sum shall be not less than one hundred percent

(100%) of the Estimated Costs. The AGENCY may, in its sole and absolute discretion, partially release a portion or portions of the security provided under this section as the TUMF Improvements are accepted by AGENCY, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than _____ (___%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 11.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the TUMF Improvements and this Agreement, Developer or its contractor shall provide AGENCY a labor and materials bond in an amount which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of AGENCY after six (6) months from the date AGENCY accepts the TUMF Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which AGENCY is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of AGENCY's anticipated administrative and legal expenses arising out of such claims.

11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California, and shall be satisfactory to AGENCY. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by AGENCY in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the TUMF Improvements, or the plans and specifications for the TUMF Improvements shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "B", unless other forms are deemed acceptable by the AGENCY, and when such forms are completed to the satisfaction of AGENCY, the forms and evidence of the Security shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless AGENCY, the Western Riverside Council of Governments (WRCOG), their elected officials, board members, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its employees, contractors, or agents in connection with the performance of this Agreement, or arising out of or in any way related to or caused by the TUMF Improvements or their condition prior to AGENCY's approval and acceptance of the TUMF Improvements ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorney fees, and related costs or expenses, and the reimbursement of AGENCY, WRCOG, their elected officials, board members, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim

which is caused solely and exclusively by the negligence or willful misconduct of AGENCY as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by AGENCY, WRCOG, their elected officials, board members, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence form general liability insurance at least as broad as Insurance Services Office Form CG 00 01, or equivalent form, with an occurrence limit of Two Million Dollars (\$2,000,000) and aggregate limit of Four Million Dollars (\$4,000,000) for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance at least as broad as Insurance Services Office Form CA 00 01 (coverage symbol 1 – any auto), or equivalent form, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers' Compensation. Workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the TUMF Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars (\$2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the TUMF Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by AGENCY. At the option of AGENCY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects AGENCY, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to AGENCY guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers' compensation insurance, shall name AGENCY, WRCOG, their elected officials, board members, officers, employees, and agents as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including any materials,

parts, or equipment furnished in connection therewith. For Required Insurance provided by Developer's contractors, WRCOG shall be added as an additional insured using ISO CG 2038 or an exact equivalent. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance, except for the professional liability and workers' compensation insurance shall be primary with respect to any insurance or self-insurance programs covering AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents. The Required Insurance, except for the professional liability insurance, shall provide that the insurance company waives all right of recovery by way of subrogation against AGENCY and WRCOG in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish AGENCY with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by AGENCY before work pursuant to this Agreement can begin. AGENCY reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to AGENCY. If such notice of cancellation endorsements are unavailable, Developer shall provide such thirty (30) days' written notice of cancellation.

13.7 Insurer Rating. Unless approved in writing by AGENCY, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least "A" and FSC-VIII.

14.0 TUMF Credit.

14.1 Developer's TUMF Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the estimated amount Developer is obligated to pay to AGENCY pursuant to Ordinance No. 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83) as part of the TUMF Program is \$610,733 for the various Project uses including a gas station, convenience store, quick-serve restaurants, automated self-service car wash, office space, fast food restaurants, retail space, apartments or condos, and multi-family residential. ("TUMF Obligation"). This TUMF Obligation shall be initially determined under the TUMF fee schedule in effect for the AGENCY at the time the Developer submits a building permit application for the TUMF Improvement. Notwithstanding, this TUMF Obligation does not have to be paid until the Certificate of Occupancy is obtained.

14.2 Fee Adjustments. Notwithstanding the foregoing, Developer agrees that this Agreement shall not estop AGENCY from adjusting the TUMF in accordance with the provisions of Ordinance No. 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83).

14.3 Credit Offset Against TUMF Obligation. Pursuant to Ordinance No. 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83) and in consideration for Developer's obligation under this Agreement for the delivery of TUMF Improvements, credit shall be applied by AGENCY to offset the TUMF Obligation ("Credit") subject to adjustment and reconciliation under Section 14.5 of this agreement. Developer hereby agrees that the amount of the Credit shall be applied after Developer has initiated the process of project delivery of TUMF Improvements to the lowest responsible bidder in accordance with this Agreement. Developer further agrees that the dollar amount of the Credit shall be equal to the lesser of: (A) the bid amount set forth in the contract awarded to the lowest responsible bidder, or (B) the unit cost assumptions for the TUMF Improvement in effect at the time of the contract award, as such assumptions are identified and determined in the most recent TUMF Nexus Study and the TUMF Administrative Plan adopted by WRCOG ("Unit Cost Assumptions").

The bid amount and the Unit Cost Assumptions shall hereafter be collectively referred to as "Estimated Credit". At no time will the Credit exceed the Developer's TUMF Obligation. If the dollar amount of the Estimated Credit exceeds the dollar amount of the TUMF Obligation, Developer will be deemed to have completely satisfied its TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. If the dollar amount of the Estimated Credit is less than the dollar amount of the TUMF Obligation, the Developer agrees the Credit shall be applied to offset the TUMF Obligation as follows:

(i) For residential units in the Project, the Credit shall be applied to all residential units to offset and/or satisfy the TUMF Obligation. The residential units for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to each unit, shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

(ii) For commercial and industrial structures in the Project, the Credit shall be applied to all commercial and industrial development to offset and/or satisfy the TUMF Obligation. The commercial or industrial structure(s) for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to such structure(s), shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section, including how the Credit is applied to offset the TUMF Obligation as described above.

14.4 Verified Cost of the TUMF Improvements. Upon recordation of the Notice of Completion for the TUMF Improvements and acceptance of the TUMF Improvements by AGENCY, Developer shall submit to the AGENCY Public Works Director the information set forth in the attached Exhibit "C". The AGENCY Public Works Director, or his or her designee,

shall use the information provided by Developer to calculate the total actual costs incurred by Developer in delivering the TUMF Improvements covered under this Agreement (“Verified Costs”). The AGENCY Public Works Director will use his or her best efforts to determine the amount of the Verified Costs and provide Developer written notice thereof within thirty (30) calendar days of receipt of all the required information from Developer. The Agency may request that WRCOG calculate the amount of the Verified Cost. In this case, the AGENCY shall provide WRCOG written notice and all necessary documentation and allow WRCOG fifteen (15) days to determine costs. Agency will notify the Developer within the previous thirty (30) day deadline

14.5 Reconciliation; Final Credit Offset Against TUMF Obligation. The Developer is aware of and accepts the fact that Credits are speculative and conceptual in nature. The actual amount of Credit that shall be applied by AGENCY to offset the TUMF Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the TUMF Improvements as determined in accordance with Section 14.3 of this Agreement (“Actual Credit”). No Actual Credit will be awarded until the Verified Costs are determined through the reconciliation process. Please be advised that while a Developer may use an engineer’s estimates in order to estimate Credits for project planning purposes, the Actual Credit awarded will only be determined by the reconciliation process.

(a) TUMF Balance. If the dollar amount of the Actual Credit is less than the dollar amount of the TUMF Obligation, the AGENCY Public Works Director shall provide written notice to Developer of the amount of the difference owed (“TUMF Balance”) and Developer shall pay the TUMF Balance in accordance with 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83) to fully satisfy the TUMF Obligation (see Exhibit “F” - Example “A”).

(b) TUMF Reimbursement. If the dollar amount of the Actual Credit exceeds the TUMF Obligation, Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section (see Exhibit “F” - Example “B”).

(c) TUMF Overpayment. If the dollar amount of the Actual Credit exceeds the Estimated Credit, but is less than the TUMF Obligation, but the Actual Credit plus additional monies collected by AGENCY from Developer for the TUMF Obligation exceed the TUMF Obligation (“TUMF Overpayment”), Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may be entitled to a refund. The AGENCY’s Public Works Director shall provide written notice to WRCOG and the Developer of the amount of the TUMF Overpayment and AGENCY shall direct WRCOG to refund the Developer in accordance with Ordinance No. 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83) (see Exhibit “F” - Example C).

14.6 Reimbursement Agreement. If authorized under either Section 14.3 or Section 14.5 Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the Actual Credit exceeds the TUMF Obligation, as determined pursuant to Section 14.3

of this Agreement, Ordinance No. 2017-1381 (City of Lake Elsinore Municipal Code Chapter 16.83), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement Agreement"). If AGENCY and WRCOG agree to a Reimbursement Agreement with Developer, the Reimbursement Agreement shall be executed on the form set forth in Exhibit "D," and shall contain the terms and conditions set forth therein. The Parties agree that the Reimbursement Agreement shall be subject to all terms and conditions of this Agreement, and that upon execution, an executed copy of the Reimbursement Agreement shall be attached hereto and shall be incorporated herein as a material part of this Agreement as though fully set forth herein.

15.0 Miscellaneous.

15.1 Assignment. Developer may, as set forth herein, assign all or a portion of its rights pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"). Developer and such purchaser and assignee ("Assignee") shall provide to AGENCY such reasonable proof as it may require that Assignee is the purchaser of such portions of the Property. Any assignment pursuant to this Section shall not be effective unless and until Developer and Assignee have executed an assignment agreement with AGENCY in a form reasonably acceptable to AGENCY, whereby Developer and Assignee agree, except as may be otherwise specifically provided therein, to the following: (1) that Assignee shall receive all or a portion of Developer's rights pursuant to this Agreement, including such credit as is determined to be applicable to the portion of the Property purchased by Assignee pursuant to Section 14.0 et seq. of this Agreement, and (2) that Assignee shall be bound by all applicable provisions of this Agreement.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between or among AGENCY, WRCOG and Developer. Developer's contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of AGENCY. This Agreement shall be interpreted and administered in a manner consistent with the TUMF Administrative Plan in effect at the time this Agreement is executed.

15.3 Warranty as to Property Ownership; Authority to Enter Agreement. Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Prohibited Interests. Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer, to solicit or secure this Agreement. Developer also warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Developer, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon the making of this Agreement. For breach of this warranty, AGENCY shall have the right to rescind this Agreement without liability.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY: City of Lake Elsinore
Attn: Remon Habib
130 South Main Street
Lake Elsinore, CA 92539

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attention: Executive Director
Telephone: (951) 405-6700
Fax No. (951) 223-9720

To Developer: Zairey Inc
Attn: Ahmad Zaki
45 Cinch Road
Bell Canyon, CA 91307
Telephone: (818) 601-0374

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to AGENCY include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

15.8 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

15.9 Termination. This Agreement shall terminate 10 years after the Effective Date, unless extended in writing by the Parties. In addition, this Agreement shall terminate 5 years after the Effective Date in the event that the TUMF Improvements as specified in the Credit Agreement is not commenced within 5 years of the Effective Date.

15.9.1 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

15.9.2 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

15.9.3 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

15.9.4 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

15.9.5 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.9.6 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.9.7 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

15.9.8 Entire Agreement. This Agreement contains the entire agreement between AGENCY and Developer and supersedes any prior oral or written statements or agreements between AGENCY and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER:
Zairey, Inc.
a California corporation

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENT:

By: _____

Its: Executive Director-_____

ATTEST:

By: _____

Its: _____

AGENCY:
CITY OF LAKE ELSINORE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

For Use Between Public Agency and Developer
“Master Agreement”

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

For APN/Parcel ID(s): 381-320-020 and 381-320-023

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 4 IN BLOCK "C", AS SHOWN BY "MAP SHOWING SUBDIVISIONS IN ELSINORE" ON FILE IN BOOK 8, PAGE: 377 OF MAPS, SAN DIEGO COUNTY RECORDS, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE SOUTHWESTERLY 411 FEET OF SAID LAND.

PARCEL 2:

LOT 6 AND 8 IN BLOCK "C", AS SHOWN BY "MAP SHOWING SUBDIVISIONS IN ELSINORE" ON FILE IN BOOK 8, PAGE 377 OF MAPS, SAN DIEGO RECORDS, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE , STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE SOUTHERLY 411 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 8 LYING SOUTHEASTERLY OF THE NORTHEASTERLY LINE OF LAND CONVEYED TO THE COUNTY OF RIVERSIDE, BY THAT CERTAIN DEED RECORDED NOVEMBER 23, 1931 IN BOOK 57, PAGE 171 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY.

EXHIBIT A-1

EXHIBIT “B”
FORMS FOR SECURITY
[ATTACHED BEHIND THIS PAGE]

EXHIBIT B-1

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

PERFORMANCE BOND

WHEREAS, the City of Lake Elsinore (“AGENCY”) has executed an agreement with _____ (hereinafter “Developer”), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter the “Work”);

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain TUMF Improvement and Credit/Reimbursement Agreement dated _____, (hereinafter the “Agreement”); and

WHEREAS, the Agreement is hereby referred to and incorporated herein by this reference; and

WHEREAS, Developer or its contractor is required by the Agreement to provide a good and sufficient bond for performance of the Agreement, and to guarantee and warranty the Work constructed thereunder.

NOW, THEREFORE, we the undersigned, _____, as Principal and a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY in the sum of _____ (\$_____), said sum being not less than one hundred percent (100%) of the total cost of the Work as set forth in the Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Developer and its contractors, or their heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless AGENCY, its officers, employees, and agents, as stipulated in the Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by AGENCY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Agreement or to the Work to be performed

EXHIBIT B-2

thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

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

Principal

By: _____
President

Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE §1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

Date

Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title of Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Corporate Officer – Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Trustee ☐ Guardian or Conservator

EXHIBIT B-4

☐Other: _____

Signer is Representing: _____

—

—

☐Other: _____

Signer is Representing: _____

—

—

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

Signature

Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

LABOR & MATERIAL BOND

WHEREAS, the City of Lake Elsinore ("AGENCY") has executed an agreement with _____ (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain Improvement and Credit / Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, Developer or its contractor is required to furnish a bond in connection with the Agreement providing that if Developer or any of his or its contractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the provisions of 3248 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we the undersigned, _____, as Principal and _____ a corporation organized and existing under the laws of the State of Michigan and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the said Work, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to said Work to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as _____ aforesaid, _____ the _____ sum _____ of

(\$ _____), said sum being not less than 100% of the total amount payable by Developer under the terms of the Agreement, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Developer or its contractors, or their heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the

EXHIBIT B-6

Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Sections 8024, 8400, 8402, 8404, 8430, 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

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

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

Principal

By: _____
President

Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE §1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

Date

Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____

Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title of Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

EXHIBIT B-8

☐Other: _____

Signer is Representing: _____

—

—

☐Other: _____

Signer is Representing: _____

—

—

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

Signature

Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

EXHIBIT “C”

DOCUMENTATION TO BE PROVIDED TO AGENCY BY DEVELOPER FOR DETERMINATION OF VERIFIED COSTS

To assist AGENCY in determining the Verified Costs for a completed TUMF Improvement, Developer shall provide the following documents to AGENCY:

1. Plans, specifications and Developer’s civil engineer’s cost estimate;
2. If Developer is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvement. Only actual, documented and reasonable costs directly related to the TUMF Improvement will be considered. Costs should be documented as specified below.
3. Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.
4. List of bidders from whom bids were requested;
5. Construction schedules and progress reports;
6. Contracts, insurance certificates and change orders with each contractor, consultant, service provider or vendor;
7. Invoices received from all contractors, consultants, service providers and vendors;
8. Canceled checks for payments made to contractors, consultants, service providers and vendors (copy both front and back of canceled checks);
9. Spreadsheet showing total costs incurred in and related to the construction of each TUMF Improvement and the check number for each item of cost and invoice;
10. Final lien releases from each contractor and vendor; and
11. Such further documentation as may be reasonably required by AGENCY to evidence the completion of construction and the payment of each item of cost and invoice.

EXHIBIT “D”

REIMBURSEMENT AGREEMENT TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into this ____ day of _____, 20____, by and between the City of Lake Elsinore, a California municipal corporation, (“AGENCY”), the Western Riverside Council of Governments (“WRCOG”), a Joint Powers Agency and _____ a _____, with its principal place of business at _____ (“Developer”). AGENCY and Developer are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

WHEREAS, AGENCY, WRCOG and Developer are parties to an agreement dated _____, 20____, entitled “Improvement and Credit Agreement - Transportation Uniform Mitigation Fee Program” (hereinafter “Credit Agreement”);

WHEREAS, Sections 14.1 through 14.3 of the Credit Agreement provide that Developer is obligated to pay AGENCY the TUMF Obligation, as defined therein, but shall receive credit to offset the TUMF Obligation if Developer constructs and AGENCY accepts the TUMF Improvements in accordance with the Credit Agreement;

WHEREAS, Section 14.5 of the Credit Agreement provides that if the dollar amount of the credit to which Developer is entitled under the Credit Agreement exceeds the dollar amount of the TUMF Obligation, Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the credit exceeds the TUMF Obligation;

WHEREAS, Section 14.5 additionally provides that a reimbursement agreement executed pursuant to the Credit Agreement (i) shall be executed on the form attached to the Credit Agreement, (ii) shall contain the terms and conditions set forth therein, (iii) shall be subject to all terms and conditions of the Credit Agreement, and (iv) shall be attached upon execution to the Credit Agreement and incorporated therein as a material part of the Credit Agreement as though fully set forth therein; and

WHEREAS, AGENCY and WRCOG have consented to execute a reimbursement agreement with Developer pursuant to the Credit Agreement, City of Lake Elsinore, and the TUMF Administrative Plan adopted by WRCOG.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Effectiveness. This Agreement shall not be effective unless and until the Credit Agreement is effective and in full force in accordance with its terms.

3.0 Definitions. Terms not otherwise expressly defined in this Agreement, shall have the meaning and intent set forth in the Credit Agreement.

4.0 Amount of Reimbursement. Subject to the terms, conditions, and limitations set forth in this Agreement, the Parties hereby agree that Developer is entitled to receive the dollar amount by which the Actual Credit exceeds the dollar amount of the TUMF Obligation as determined pursuant to the Credit Agreement, City of Lake Elsinore, and the TUMF Administrative Plan adopted by WRCOG (“Reimbursement”). The Reimbursement shall be subject to verification by WRCOG. AGENCY and Developer shall provide any and all documentation reasonably necessary for WRCOG to verify the amount of the Reimbursement. The Reimbursement shall be in an amount not exceeding [INSERT DOLLAR AMOUNT] (“Reimbursement Amount”). WRCOG shall, upon receipt and approval of information requested by WRCOG, shall be responsible for transmitting the Reimbursement Amount to the Developer. In no event shall the dollar amount of the Reimbursement exceed the difference between the dollar amount of all credit applied to offset the TUMF Obligation pursuant to Section 14.3, 14.4, and 14.5 of the Credit Agreement, and one hundred (100%) of the approved unit awarded, as such assumptions are identified and determined in the Nexus Study and the TUMF Administrative Plan adopted by WRCOG as may be amended from time to time.

5.0 Payment of Reimbursement; Funding Contingency. The payment of the Reimbursement Amount shall be subject to the following conditions:

5.1 Developer shall have no right to receive payment of the Reimbursement unless and until (i) the TUMF Improvements are completed and accepted by AGENCY in accordance with the Credit Agreement, (ii) the TUMF Improvements are scheduled for funding pursuant to the five-year Transportation Improvement Program adopted annually by WRCOG, (iii) WRCOG has funds available and appropriated for payment of the Reimbursement amount.

5.2 Developer shall not be entitled to any interest or other cost adjustment for any delay between the time when the dollar amount of the Reimbursement is determined and the time when payment of the Reimbursement is made to Developer by WRCOG through AGENCY.

6.0 Affirmation of Credit Agreement. AGENCY and Developer represent and warrant to each other that there have been no written or oral modifications or amendments of the Credit Agreement, except by this Agreement. AGENCY and Developer ratify and reaffirm each and every one of their respective rights and obligations arising under the Credit Agreement. AGENCY and Developer represent and warrant that the Credit Agreement is currently an effective, valid, and binding obligation.

7.0 Incorporation Into Credit Agreement. Upon execution of this Agreement, an executed original of this Agreement shall be attached as Exhibit “D” to the Credit Agreement and shall be incorporated therein as a material part of the Credit Agreement as though fully set forth therein.

8.0 Terms of Credit Agreement Controlling. Each Party hereby affirms that all provisions of the Credit Agreement are in full force and effect and shall govern the actions of the Parties under

EXHIBIT D-2

this Agreement as though fully set forth herein and made specifically applicable hereto, including without limitation, the following sections of the Credit Agreement: Sections 10.0 through 10.3, Section 12.0, Sections 13.0 through 13.7, Sections 14.0 through 14.6, and Sections 15.0 through 15.17.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER: _____
[Developer Name]

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

City of Lake Elsinore

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT “E”

TUMF CREDIT / REIMBURSEMENT ELIGIBILITY PROCESS

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:

- (a) Prepare a separate bid package for the TUMF Improvements.
- (b) The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.
- (c) Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the AGENCY.
- (d) The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the AGENCY’s requirements and guidelines.
- (e) Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.

2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between AGENCY and Developer ("Agreement"), Developer shall provide the AGENCY and WRCOG with the following:

- (a) Copies of all information listed under Item 1 above.
- (b) Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the AGENCY and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.

3. Prior to the AGENCY’s acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.2 and 14.3 of the Agreement, and the following conditions shall also be satisfied:

- (a) Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.
- (b) Developer shall have satisfied the AGENCY’s inspection punch list.
- (c) After final inspection and approval of the completed TUMF Improvements, the AGENCY shall have provided the Developer a final inspection release letter.

(d) AGENCY shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.

(e) Developer shall have provided AGENCY a copy of the As-Built plans for the TUMF Improvements.

(f) Developer shall have provided AGENCY copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.

(g) Developer shall have submitted a documentation package to the AGENCY to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

(i) Plans, specifications, and Developer's Civil Engineer's cost estimates; or Engineer's Report showing the cost estimates.

(ii) If DEVELOPER is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvements. Only actual, documented and reasonable costs directly related to the TUMF Improvements will be considered. Costs should be documented as specified below.

(iii) Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.

(iv) Contracts/agreements, insurance certificates and change orders with each vendor or contractor.

(v) Invoices from all contractors, consultants, service providers and vendors.

(vi) Copies of cancelled checks, front and back, for payments made to contractors, consultants, service providers and vendors.

(vii) Final lien releases from each contractor and vendor (unconditional waiver and release).

(viii) Certified contract workers payroll for AGENCY verification of compliance with prevailing wages.

(ix) A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should include for each item claimed the check number, cost, invoice numbers, and name of payee. See

attached sample for details. [ATTACH SAMPLE, IF APPLICABLE; OTHERWISE DELETE
REFERENCE TO ATTACHED SAMPLE

EXHIBIT "F"

RECONCILIATION **EXAMPLES**

All examples are based on a single family residential development project of 200 dwelling units:
200 SF dwelling units @ \$6,650 / dwelling unit = \$1,330,000 in fees (TUMF Obligation)

Example A: "TUMF BALANCE"

CREDIT

TUMF Obligation:	\$1,330,000	
Estimated Credit: Bid (\$1,500,000) or unit Cost Assumption (\$1,600,000) whichever is less		<u>\$1,500,000</u>
Potential Reimbursement:	(\$170,000)	

RECONCILIATION

TUMF Obligation:	\$1,330,000	
Actual Credit:	<u>\$1,200,000</u>	
TUMF Balance (Payment to TUMF):		\$130,000

Example B: "REIMBURSEMENT"

CREDIT

TUMF Obligation:	\$1,330,000	
Estimated Credit: Bid (\$1,500,000) or unit Cost Assumption (\$1,600,000) whichever is less		<u>\$1,500,000</u>
Potential Reimbursement:	(\$170,000)	

RECONCILIATION

TUMF Obligation:	\$1,330,000	
Actual Credit:	<u>\$1,500,000</u>	
Reimbursement Agreement with Developer (Based on Priority Ranking):		(\$170,000)

Example C: "TUMF OVERPAYMENT"

CREDIT

TUMF Obligation:	\$1,330,000	
Estimated Credit: Bid (\$1,200,000) or unit Cost Assumption (\$1,500,000) whichever is less		<u>\$1,200,000</u>
Remaining TUMF Obligation:	\$130,000	
Prorated Fee: \$130,000 / 200 du =	\$650 / du	

RECONCILIATION

Actual Credit:	\$1,300,000	
TUMF payments from Developer (\$650 per unit x 200 units)		<u>\$130,000</u>
Actual Credit plus TUMF Payment		\$1,430,000
TUMF Obligation:	\$1,330,000	
Actual Credit plus TUMF Payment		<u>\$1,430,000</u>
TUMF Overpayment (Refund to Developer):		(\$100,000)

Exhibit G
Zaki Group - Bamiyan Marketplace
Grand Ave - TUMF Credit & Reimbursement Estimate
May 20, 2024

Unpaid TUMF - Estimated Remaining Units	Fee per Unit / SF	Units / SF	Amount
Phase 1			
10-Dispenser Gas Station with 6,480 SF Canopy (a)	\$ 7.72	11,038	\$ 85,213
4,354 SF Convenience Store (a)	\$ -	4,354	\$ -
1,960 SF Quick-Serve Restaurant (Attached to Convenience Store) (a)	\$ -	1,960	\$ -
4,054 SF Automated Self-Service Car Wash (a)	\$ -	4,054	\$ -
2,000 SF Office above Quick-Serve Restaurant (a)	\$ -	2,000	\$ -
Phase 1 Subtotal			\$ 85,213
Phase 2			
2,400 SF Fast Food Restaurants No. 1 (b)	\$ -	2,400	\$ -
2,400 SF Fast Food Restaurants No. 2 (b)	\$ -	2,400	\$ -
Mixed-Use Building: Retail Space No. 1 - 3,833 SF (b)	\$ 7.72	833	\$ 6,431
Mixed-Use Building: Retail Space No. 2 - 3,833 SF (b)	\$ 7.72	833	\$ 6,431
Mixed-Use Building: Retail Space No. 3 - 3,833 SF (b)	\$ 7.72	833	\$ 6,431
Mixed-Use Building: Retail Space No. 4 - 3,833 SF (b)	\$ 7.72	833	\$ 6,431
Mixed-Use Building: Retail Space No. 5 - 3,834 SF (b)	\$ 7.72	834	\$ 6,438
Mixed-Use Building: Retail Space No. 6 - 3,834 SF (b)	\$ 7.72	834	\$ 6,438
Mixed-Use Building: 14 Apartments or Condos (c)	\$ 6,580.00	14	\$ 92,120
Phase 2 Subtotal			\$ 130,720
Phase 3			
(5) 2-Story Multi-family Residential Buildings with Approx. 60 Units (c)	\$ 6,580.00	60	\$ 394,800
Phase 3 Subtotal			\$ 394,800
Estimated Subtotal			\$ 610,733
Obligation Total			\$ 610,733

TUMF Network Road Segment applicable to Proposed Improvements					Cost Item	Amount	
Grand Rd - Hwy 74 to Riverside Network Distance: 0.64 Existing Lanes: 2 Increase in Lanes: 4					Road Const	\$ 1,832,000	
					ROW/Utilities	\$ 6,110,000	
					Planning (10%)	\$ 184,000	
					Engineering (25%)	\$ 458,000	
					Contingency (10%)	\$ 792,000	
					Network Road Segment Cost Est		\$ 9,376,000
					Maximum TUMF Share		\$ 9,376,000
Network Unit Cost per Lane mile					\$ 3,662,500		
Network Unit Cost per Lane foot					\$ 694		
* TUMF Share divided by total lane distance for 4 add'l lanes at .64 Miles							
Road Improvement Cost Estimate (based on Network Unit Cost per Lane foot)							
Lane	Construction Limits (Sta. to Sta.) (c)			Cost Per Lane Foot (1)	Linear Lane Feet (2)	Amount (1) x (2)	
3	10+00	25+00	Grand Ave (Macy St - Hwy 74)	\$693.66	1,500	\$ 1,040,483	
4	10+00	25+00	Grand Ave (Macy St - Hwy 74)	\$693.66	1,500	\$ 1,040,483	
TUMF Road Total					3,000	\$ 2,080,966	

TOTAL TUMF UNIT COST ASSUMPTION FOR ELIGIBLE IMPROVEMENTS	\$ 2,080,966
--	---------------------

TUMF Fee Credit:	\$ 610,733
Maximum TUMF Fee Reimbursement:	\$ 1,470,233
Total TUMF Benefit	\$ 2,080,966

Footnotes:

- (a) Per the WRCOG TUMF Fee Calculation Handbook each fuel filling position is equivalent to 1,403.8 retail square feet. 1,403.80 square feet per filling position multiplied by 10 filling positions is 14,038 square feet where the total building square footage is 12,368 and per the Handbook the fee owed is the greater of the two square footages, less the 3,000 SF reduction.
- (b) Per the WRCOG TUMF Fee Calculation Handbook for mix-use projects with multiple tenants, the 3,000 SF reduction would apply to each individual use or each individual tenant to the extent that each tenant is operating independently of on another, and each is viewed as separate uses.
- (c) Units are expected to be considered Multi-Family Residential based on the TUMF Program definition of, "Multi-Family Residential Unit" means a development project that has a density of greater than eight (8) residential dwelling units per gross acre."

Attachment

TUMF Reimbursement Agreement Amendment #2 – Temescal Canyon Road Widening

**AMENDMENT NO. 2 TO TRANSPORTATION UNIFORM MITIGATION FEE
PROGRAM AGREEMENT**

TEMESCAL CANYON ROAD WIDENING

This Amendment No. 2 to Transportation Uniform Mitigation Fee Program Agreement (“Amendment No. 2”) is entered into this _____ day of _____, 20____, by and between the **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS** (“WRCOG”) and **COUNTY OF RIVERSIDE** (“AGENCY”). WRCOG and the AGENCY are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled “Transportation Uniform Mitigation Fee Program Agreement” that is dated **January 7, 2020** (“Agreement”) and Amendment No.1 Transportation Uniform Mitigation Fee Program Agreement that is dated **June 23, 2020** (“Amendment No.1”). The Agreement and Amendment No.1 (“Agreements”) provide the terms and conditions, scope of work, schedule and funding amount for the construction of the **Temescal Canyon Road Widening** (hereinafter the “Project”).

B. The Parties desire to amend the Agreements by increasing the funding amount pursuant to Section 6 of the Agreement and Section 1 of the Amendment No.1.

C. The funding amount specified in the Agreements are being amended to match the funding amount shown in the current Northwest Zone 5-year Transportation Improvement Plan (TIP) for this Project. Funds are being increased for this Project because new funding has become available.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. The Funding Amount contained in Section 1 of the Amendment No.1 is hereby increased by **Eight Hundred Fifteen Thousand Three Hundred Eleven Dollars (\$815,311)** from **Five Million Six Hundred Forty Thousand Dollars (\$5,640,000)** to an amount not to exceed **Six Million Four Hundred Fifty-Five Thousand Three Hundred Eleven Dollars (\$6,455,311)** for Planning (PLN), Engineering (ENG), and Construction (CON) Phases.

2. The foregoing increase in the Funding Amount is within the Maximum TUMF Share.

3. AGENCY's Local Match Contribution. AGENCY funding is not required, as shown in Exhibit "A" attached hereto.

4. Exhibits "A", "A-1", and "A-2" of the Amendment No. 1 are hereby replaced in their entirety by Exhibits "A", "A-1", and "A-2" of this Amendment No. 2, which are attached hereto and incorporated by reference.

5. The above-stated Recitals are hereby fully incorporated into this Amendment No. 2.

6. Except to the extent specifically modified or amended hereunder, all of the terms, covenants and conditions of the Agreement as amended, shall remain in full force and effect between the Parties hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

COUNTY OF RIVERSIDE

By: _____
Kurt Wilson
Executive Director

By: _____
Dennis Acuna
Director of Transportation

Approved as to Form:

Approved as to Form:
Minh C. Tran
County Counsel

By: _____
Steven C. DeBaun
General Counsel

By: _____
Stephanie Nelson
Deputy County Counsel

APPROVAL BY THE COUNTY BOARD
OF SUPERVISORS

By: _____

Chairman, County Board of Supervisors

Attest:
Kimberly Rector
Clerk of the Board

By: _____

Deputy

Exhibit A

SCOPE OF SERVICES

Temescal Canyon Road Widening

SCOPE OF WORK:

The Temescal Canyon Road is located south of the City of Corona within the unincorporated community of El Cerrito within western Riverside County. Temescal Canyon Road serves as the only north-south arterial that runs parallel to I-15 interchange and is used as an alternate route to avoid congestion on I-15 interchange.

The proposed Project consists of widening Temescal Canyon Road from two to four lanes including but not limited to curb and gutter, on-street bike lanes, and sidewalk from Tom Barnes Street to El Cerrito Road and 200 feet segment of widening north of Cajalco Road.

The Project will relieve congestion along Temescal Canyon Road, improve safety, and bring the road up to the current County design standards for Major Highways.

The Project phases to be funded under this Agreements consist of PLN, ENG, and CON.

EXHIBIT “A-1”
ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PLN	\$ 689,128	\$0	\$ 689,128
ENG	\$ 3,183	\$0	\$ 3,183
ROW	\$ 0	\$0	\$ 0
CON	\$5,763,000	\$0	\$5,763,000
TOTAL	\$6,455,311	\$0	\$6,455,311

EXHIBIT “A-2”

PROJECT SCHEDULE

Phase	Estimated Completion Date	Estimated Cost	Comments
PLN	FY 24/25	\$ 689,128	
ENG	FY 25/26	\$ 3,183	
ROW	FY 25/26	\$ 0	
CON	FY 27/28	\$5,763,000	
TOTAL		\$6,455,311	



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: Approval of the 2024 TUMF Northwest, Hemet / San Jacinto, and Pass Zones' 5-Year Transportation Improvement Programs

Contact: Cameron Brown, Program Manager, cbrown@wrcog.us, (951) 405-6712

Date: June 21, 2024

Recommended Action(s):

1. Approve the 2024 TUMF Northwest Zone 5-Year Transportation Improvement Program.
2. Approve the 2024 TUMF Hemet / San Jacinto Zone 5-Year Transportation Improvement Program.
3. Approve the 2024 TUMF Pass Zone 5-Year Transportation Improvement Program.

Summary:

Staff and elected officials representing each jurisdiction within the TUMF Northwest, Hemet / San Jacinto, and Pass Zones have met to discuss and approve funding allocations for individual projects in the TUMF Program. The result of these meetings is a 5-year, Zone-specific, Transportation Improvement Program (TIP), which must be approved by the WRCOG Executive Committee.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item to request approval of the 2024 TUMF Northwest, Hemet / San Jacinto, and Pass Zones' TIPs. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:

Background

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in western Riverside County. The WRCOG subregion is divided into five Zones with each jurisdiction a part of one Zone. The County of Riverside is a member of all TUMF Zones due to the unincorporated areas within each zone area. Representatives from the five TUMF Zones meet annually to allocate fee revenue to eligible infrastructure projects through a 5-year TIP.

Present Situation

TUMF funds are programmed through a collaborative exercise involving each of WRCOG's member agencies which participate in the TUMF Program. The Executive Committee from the TUMF Northwest, Hemet / San Jacinto, and Pass Zones have met and recommended approval of their respective TIPs. These TIPs have been vetted by WRCOG and member agency staff, and have been recommended for approval by the Zone Executive Committees. Zones are represented by the following member agencies:

1. Northwest Zone: Corona, Eastvale, Jurupa Valley, Norco, Riverside, and County of Riverside (District 1 & 2)
2. Hemet / San Jacinto Zone: Hemet, San Jacinto, and County of Riverside (District 3 & 5)
3. Pass Zone: Banning, Beaumont, Calimesa, and County of Riverside (District 5)

The WRCOG Executive Committee is being asked to approve these TIPs so that local agencies may now enter into reimbursement agreements with WRCOG on the project funding allocated.

Prior Action(s):

May 29, 2024: The TUMF Northwest Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2024 TUMF Northwest Zone 5-Year Transportation Improvement Program.

May 29, 2024: The TUMF Hemet / San Jacinto Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2024 TUMF Hemet / San Jacinto Zone 5-Year Transportation Improvement Program.

May 20, 2024: The TUMF Pass Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2024 TUMF Pass Zone 5-Year Transportation Improvement Program.

Financial Summary:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the Transportation Department. TUMF revenue and expenditures are associated with Fund 220 for its programmatic costs and Fund 110 for its administrative costs.

Attachment(s):

[Attachment 1 - TUMF Northwest Zone TIP](#)

[Attachment 2 - TUMF Hemet / San Jacinto Zone TIP](#)

[Attachment 3 - TUMF Pass Zone TIP](#)

Attachment

2024 Northwest Zone TUMF Transportation Improvement Program



Fiscal Year 2024/2025 Northwest Zone 5-Year Transportation Improvement Program

Fiscal Year			FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Last Invoice	Reimbursement Agreement Amount	Max Share (2021)										
Forecast Revenues			\$	9,453,678	\$	9,737,288	\$	10,029,407	\$	10,330,289	\$	10,640,198	\$	82,205,106	\$	(17,366,494)	\$	99,363,126					
Carryover Revenues			\$	34,690,726	\$	(17,434,702)	\$	(19,434,413)	\$	(18,294,006)	\$	(7,963,717)											
Available Revenues			\$	44,144,404	\$	(7,697,413)	\$	(9,405,006)	\$	(7,963,717)	\$	2,676,481											
Programmed Expenditures																							
Phase																							
City of Corona																							
05-NW-COR-1048	McKinley St.Grade Separation & Bridge (0.330 mi. 4 to 6 lanes)*	PLN	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(149,582)	\$	175,600	7/29/2010	\$	175,600	NA	
		ENG	\$	1,455,000	\$	-	\$	-	\$	-	\$	-	\$	1,455,000	\$	-	\$	1,455,000		\$	1,455,000		
		ROW	\$	2,947,000	\$	-	\$	-	\$	-	\$	-	\$	2,947,000	\$	-	\$	2,947,000		\$	-		
		CON	\$	3,000,000	\$	3,000,000	\$	2,276,000	\$	-	\$	-	\$	8,276,000	\$	-	\$	8,276,000		\$	-		
20-NW-COR-1308	Ontario Ave (I-15 to El Cerrito)	PLN	\$	123,000	\$	-	\$	-	\$	-	\$	-	\$	123,000	\$	-	\$	123,000	N/A	\$	123,000	\$	6,160,000
		ENG	\$	1,000,000	\$	-	\$	-	\$	-	\$	-	\$	1,000,000	\$	-	\$	1,000,000		\$	1,000,000		
		ROW	\$	2,000,000	\$	-	\$	-	\$	-	\$	-	\$	2,000,000	\$	-	\$	2,000,000		\$	2,000,000		
		CON	\$	-	\$	3,037,000	\$	-	\$	-	\$	-	\$	3,037,000	\$	-	\$	3,037,000		\$	3,037,000		
22-NW-COR-1203	Ontario Ave (Lincoln to Buena Vista)	ENG	\$	300,000	\$	-	\$	-	\$	-	\$	-	\$	300,000	\$	-	\$	300,000	N/A	\$	300,000	\$	2,357,000
		ROW	\$	1,000,000	\$	-	\$	-	\$	-	\$	-	\$	1,000,000	\$	-	\$	1,000,000		\$	1,000,000		
		CON	\$	-	\$	1,000,000	\$	-	\$	-	\$	-	\$	1,000,000	\$	-	\$	1,000,000		\$	1,000,000		
City of Jurupa Valley																							
16-NW-JVL-1182	Limonite Avenue (Bain to Homestead) (.74 mile, 2 to 4 lanes)*	PLN	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(110,000)	\$	110,000	7/30/2020	\$	110,000	\$	3,490,000
		ENG	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(350,000)	\$	350,000		\$	350,000		
		ROW	\$	800,000	\$	-	\$	-	\$	-	\$	-	\$	800,000	\$	-	\$	800,000		\$	-		
		CON	\$	-	\$	-	\$	850,000	\$	-	\$	-	\$	850,000	\$	-	\$	850,000		\$	-		
16-NW-JVL-1183	Market Street Bridge over the Santa Ana River (2 to 4 lanes)	PLN	\$	83,332	\$	-	\$	-	\$	-	\$	-	\$	83,332	\$	(141,668)	\$	225,000	9/1/2023	\$	225,000	\$	8,466,000
		ENG	\$	475,000	\$	-	\$	-	\$	-	\$	-	\$	475,000	\$	-	\$	240,000		\$	240,000		
		CON	\$	5,906,000	\$	2,000,000	\$	-	\$	-	\$	-	\$	7,906,000	\$	-	\$	7,906,000		\$	-		
18-NW-JVL-1195	Rubidoux Boulevard/SR-60 Interchange	PLN	\$	2,000,000	\$	-	\$	-	\$	-	\$	-	\$	2,000,000	\$	-	\$	2,000,000	N/A	No Agreement	\$	9,278,000	
		ENG	\$	-	\$	2,500,000	\$	-	\$	-	\$	-	\$	2,500,000	\$	-	\$	2,500,000					
18-NW-JVL-1196	Cantu Galleano Ranch Road, Gap Closure (Bellegrave to .31 mile west), .31 miles	PLN	\$	22,000	\$	-	\$	-	\$	-	\$	-	\$	22,000	\$	-	\$	22,000	N/A	\$	22,000	\$	426,000
		ENG	\$	54,000	\$	-	\$	-	\$	-	\$	-	\$	54,000	\$	-	\$	54,000		\$	54,000		
18-NW-JVL-1197	Market Street (Rubidoux to Santa Ana River), 1.74 miles, 2 to 4 lanes	PLN	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(226,492)	\$	227,000	10/26/2023	\$	227,000	\$	4,488,000
		ENG	\$	555,602	\$	-	\$	-	\$	-	\$	-	\$	555,602	\$	(10,398)	\$	566,000		\$	566,000		
		ROW	\$	1,002,000	\$	-	\$	-	\$	-	\$	-	\$	1,002,000	\$	-	\$	1,002,000		\$	-		
		CON	\$	2,415,000	\$	200,000	\$	-	\$	-	\$	-	\$	2,615,000	\$	-	\$	2,615,000		\$	-		
20-NW-JVL-1309	Bellegrave Ave (Cantu-Galleano Ranch Rd to Van Buren), 2 to 4 lanes	PLN	\$	40,000	\$	-	\$	-	\$	-	\$	-	\$	40,000	\$	-	\$	40,000	N/A	\$	40,000	\$	790,000
		ENG	\$	100,000	\$	-	\$	-	\$	-	\$	-	\$	100,000	\$	-	\$	100,000		\$	100,000		
24-NW-JVL-1310	Van Buren Blvd (Bellegrave to Santa Ana River)	PLN	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(130,000)	\$	130,000	NA	No Agreement	\$	9,312,000	
		ENG	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(317,597)	\$	317,597							
		ROW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(154,866)	\$	154,866							
		CON	\$	7,000,000	\$	-	\$	-	\$	-	\$	-	\$	7,000,000	\$	-	\$	7,000,000					
County of Riverside																							
18-NW-RCY-1203	Temescal Canyon Road Widening - Dos Lagos to Dawson	ROW	\$	445,940	\$	-	\$	-	\$	-	\$	-	\$	445,940	\$	(1,154,060)	\$	1,600,000	1/4/2024	\$	1,600,000	\$	5,763,000
		CON	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(2,707,107)	\$	2,707,107	\$	3,000,000					



Fiscal Year 2024/2025 Northwest Zone 5-Year Transportation Improvement Program

Fiscal Year		FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Last Invoice	Reimbursement Agreement Amount	Max Share (2021)	
Forecast Revenues		\$ 9,453,678	\$ 9,737,288	\$ 10,029,407	\$ 10,330,289	\$ 10,640,198	\$ 82,205,106	\$ (17,366,494)	\$ 99,363,126				
Carryover Revenues		\$ 34,690,726	\$ (17,434,702)	\$ (19,434,413)	\$ (18,294,006)	\$ (7,963,717)							
Available Revenues		\$ 44,144,404	\$ (7,697,413)	\$ (9,405,006)	\$ (7,963,717)	\$ 2,676,481							
19-NW-RCY-1301	Temescal Canyon Road Widening - El Cerrito to Tom Barnes*	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (689,128)	\$ 689,128	7/21/2023	\$ 1,200,000	\$ 5,763,000	
		ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,183)	\$ 3,183		\$ 1,800,000		
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2,640,000		
		CON	\$ -	\$ -	\$ 5,763,000	\$ -	\$ -	\$ 5,763,000	\$ -		\$ 5,763,000		\$ -
21-NW-RCY-1303	Wood Rd Widening (Krameria to Cajalco)	PLN	\$ 1,329,217	\$ -	\$ -	\$ -	\$ -	\$ 1,329,217	\$ (17,783)	\$ 1,347,000	3/28/2023	\$ 400,000	
County of Riverside/Cities of Norco and Eastvale													
05-NW-EAV-1050	Hamner Avenue Bridge (1,200' over Santa Ana River) 2 to 6 lanes	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)	\$ 250,000	6/6/2022	\$ 250,000	NA	
		CON	\$ 45,210	\$ -	\$ -	\$ -	\$ -	\$ 45,210	\$ (4,454,790)		\$ 4,500,000		\$ 4,500,000
18-NW-RCY-1199	Hamner Ave, Schleisman Ave. to Santa Ana River & Santa Ana River to 6th Street (.17 mi., 4 to 6 lanes, 1 mi. 2 to 6 lanes)	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (571,000)	\$ 571,000	2/28/2024	\$ 571,000	\$ 9,623,000	
		ENG	\$ 191,883	\$ -	\$ -	\$ -	\$ -	\$ 191,883	\$ (540,842)		\$ 732,725		\$ 742,000
		ROW	\$ 932,000	\$ -	\$ -	\$ -	\$ -	\$ 932,000	\$ -		\$ 932,000		\$ -
		CON	\$ 2,240,312	\$ -	\$ -	\$ -	\$ -	\$ 2,240,312	\$ (2,279,899)		\$ 4,520,211		\$ 4,510,000
City of Norco													
24-NW-NOR-1311	Hamner Ave (6th to Hidden Valley)	PLN	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	NA	No RA	\$ 23,682,000
City of Riverside													
16-NW-RIV-1186	Adams Street/SR-91 Interchange	PLN	\$ 1,529,881	\$ -	\$ -	\$ -	\$ -	\$ 1,529,881	\$ (1,289,752)	\$ 2,819,633	10/19/2023	\$ 2,000,000	\$ 18,556,000
		ENG	\$ 4,100,000	\$ -	\$ -	\$ -	\$ -	\$ 4,100,000	\$ -	\$ 4,100,000		\$ 2,100,000	
16-NW-RIV-1190	Third Street Grade Separation	PLN	\$ 467,777	\$ -	\$ -	\$ -	\$ -	\$ 467,777	\$ (1,032,223)	\$ 1,500,000	4/4/2024	\$ 1,500,000	\$ 38,343,000
		ENG	\$ 1,779,963	\$ -	\$ -	\$ -	\$ -	\$ 1,779,963	\$ (720,037)	\$ 2,500,000		\$ 2,500,000	
		ROW	\$ 7,250,000	\$ -	\$ -	\$ -	\$ -	\$ 7,250,000	\$ -	\$ 7,250,000		\$ 4,250,000	
18-NW-RIV-1202	Van Buren Blvd., Santa Ana River to Jurupa Ave. (.33 mi. 4 to 6 lanes)	PLN	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ 46,000	\$ -	\$ 46,000	5/10/2022	N/A	\$ 5,656,000
		ENG	\$ 247,911	\$ -	\$ -	\$ -	\$ -	\$ 247,911	\$ (66,089)	\$ 314,000		N/A	
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		N/A	
		CON	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000		N/A	
City of Eastvale													
17-NW-EAV-1192	Limonite Avenue Bridge (over Cucamonga Creek), 0 to 4 lanes	PLN	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ 450,000	N/A	\$ 450,000	\$ 9,598,000
		ENG	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000		\$ 500,000	
		CON	\$ 4,195,077	\$ -	\$ -	\$ -	\$ -	\$ 4,195,077	\$ -	\$ 4,195,077		\$ 4,195,077	
18-NW-EAV-1204	Limonite Avenue Extension, Hellman to Archibald	PLN	\$ 196,000	\$ -	\$ -	\$ -	\$ -	\$ 196,000	\$ -	\$ 196,000	N/A	No RA	NA
		ENG	\$ 454,000	\$ -	\$ -	\$ -	\$ -	\$ 454,000	\$ -	\$ 454,000			
Total Programmed Capital Expenditures		\$ 61,579,106	\$ 11,737,000	\$ 8,889,000	\$ -	\$ -							
Total Programmed Balance Carryover*		\$ (17,434,702)	\$ (19,434,413)	\$ (18,294,006)	\$ (7,963,717)	\$ 2,676,481							
Summary Table													
Fiscal Year		FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	5-Year Total Available Revenue	5-Year Total Programmed	5-Year Balance				
Available Revenues		\$ 44,144,404	\$ (7,697,413)	\$ (9,405,006)	\$ (7,963,717)	\$ 2,676,481							
Programmed Phases		\$ 61,579,106	\$ 11,737,000	\$ 8,889,000	\$ -	\$ -	\$ 84,881,587	\$ 82,205,106	\$ 2,676,481				
Carryover Balance		\$ (17,434,702)	\$ (19,434,413)	\$ (18,294,006)	\$ (7,963,717)	\$ 2,676,481							

Green - Additional TUMF funding available, Red - TUMF Max Share reached, Blue - Project completed, invoices pending
Status: PLN=Planned, STD=Started, PND=Pending final invoice, CPL=Completed, CLD= Phase Closed, TER=Terminated.
Actual Revenue Forecasts, Carryover, and Payments thru 7/1/2019.
Red font=payments or adjustments; green font= no FY activity; Yellow highlight = obligated funds and overprogramming alert.

Attachment

2024 Hemet/San Jacinto Zone TUMF Transportation Improvement Program



Fiscal Year 2024/2025 Hemet/San Jacinto Zone 5-Year Transportation Improvement Program

Fiscal Year		FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Current Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Last Invoice	Reimbursement Agreement Amount	Max Share (2021)	
Forecast Revenues		\$5,500,000	\$ 5,665,000	\$ 5,834,950	\$ 6,009,999	\$ 6,190,298	\$ 60,094,368	\$ (1,640,737)	\$ 46,735,105				
Carryover Revenues (As of 3/10/2024)		\$28,124,797	\$ 20,930,430	\$ 12,095,430	\$ 9,930,380	\$ 7,940,378							
Available Revenues		\$ 33,624,797	\$ 26,595,430	\$ 17,930,380	\$ 15,940,378	\$ 14,130,677							
Funded Expenditures							Phase**						
City of Hemet													
24-HS-HEM-1315	Warren Rd (Domenigoni to Esplanade)	PLN	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	N/A	No Agreement	14,954,000
		ROW		\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000			
		CON	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000			
City of San Jacinto													
20-HS-SJC-1201	State St, Gilman Springs to Quandt Ranch Rd	PLN	\$ 59,535	\$ -	\$ -	\$ -	\$ -	\$ 59,535	\$ -	\$ 59,535	N/A	\$ 59,535	\$ 1,184,000
		ENG	\$ 149,121	\$ -	\$ -	\$ -	\$ -	\$ 149,121	\$ -	\$ 149,121		\$ 149,121	
		ROW	\$ 247,779	\$ -	\$ -	\$ -	\$ -	\$ 247,779	\$ -	\$ 247,779		\$ 247,779	
		CON	\$ 681,565	\$ -	\$ -	\$ -	\$ -	\$ 681,565	\$ -	\$ 681,565		\$ 681,565	
20-HS-SJC-1202	Warren Rd (Upper Line to Ramona Expy, 1.75 miles)	PLN	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	N/A	\$ 150,000	\$ 4,807,000
		ENG	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ 175,000		\$ 175,000	
		CON	\$ 4,482,000	\$ -	\$ -	\$ -	\$ -	\$ 4,482,000	\$ -	\$ 4,482,000		\$ 4,482,000	
Cities of San Jacinto and Hemet													
05-HS-SJC-1025	Esplanade Ave, Warren Road to State St (Phase I & II) (3.53 mi. 2 to 4 lanes)	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (384,105)	\$ 384,105	7/28/2021	\$ 294,025	\$ 9,700,000
		ENG	\$ 82,828	\$ -	\$ -	\$ -	\$ -	\$ 82,828	\$ (793,172)	\$ 876,000		\$ 876,000	
		ROW	\$ 536,540	\$ -	\$ -	\$ -	\$ -	\$ 536,540	\$ (463,460)	\$ 1,000,000		\$ 1,000,000	
		CON	\$ 5,630,000	\$ -	\$ -	\$ -	\$ -	\$ 5,630,000	\$ -	\$ 5,630,000		\$ 5,630,000	
20-HS-HEM-1306	Esplanade Ave, Warren Road to Sanderson St - South Side Improvements (1.5 mi)	PLN	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	N/A	\$ 100,000	
		ENG	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000		\$ 100,000	
		CON	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000		\$ -	
County of Riverside													
23-HS-RCY-1305	SR-79 (SR-74 to Domenigoni)	ENG	\$ 5,000,000	\$ 10,000,000			\$ 15,000,000			N/A	N/A	\$ 19,302,000	
		ROW	\$ 10,000,000	\$ 3,000,000	\$ 3,000,000	\$ 4,000,000	\$ -	\$ 20,000,000	\$ -				\$ 20,000,000
Total Funded Capital Expenditures			\$ 12,694,368	\$ 14,500,000	\$ 8,000,000	\$ 8,000,000	\$ -						
Total Funded Balance Carryover*			\$ 20,930,430	\$ 12,095,430	\$ 9,930,380	\$ 7,940,378	\$ 14,130,677						

Summary Table									
Fiscal Year	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	3-Year Total Available Revenue	5-Year Total Programmed	5-Year Balance	
Available	\$ 33,624,797	\$ 26,595,430	\$ 17,930,380	\$ 15,940,378	\$ 14,130,677				
Programmed	\$ 12,694,368	\$ 14,500,000	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 62,825,044	\$ 60,094,368	\$ 2,730,677	
Carryover	\$ 20,930,430	\$ 12,095,430	\$ 9,930,380	\$ 7,940,378	\$ 14,130,677				

65 Programmed Carryover Balance does not reflect actual Zone available cash

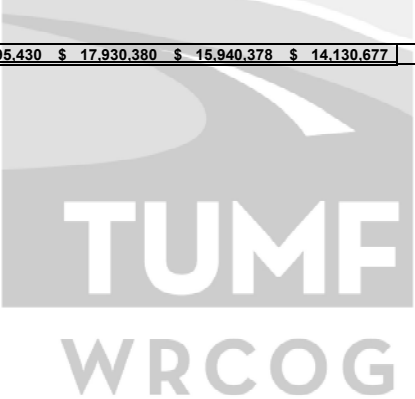


Fiscal Year 2024/2025 Hemet/San Jacinto Zone 5-Year Transportation Improvement Program

Fiscal Year	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Current Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Last Invoice	Reimbursement Agreement Amount	Max Share (2021)
Forecast Revenues	\$5,500,000	\$ 5,665,000	\$ 5,834,950	\$ 6,009,999	\$ 6,190,298	\$ 60,094,368	\$ (1,640,737)	\$ 46,735,105			
Carryover Revenues (As of 3/10/2024)	\$28,124,797	\$ 20,930,430	\$ 12,095,430	\$ 9,930,380	\$ 7,940,378						
Available Revenues	\$ 33,624,797	\$ 26,595,430	\$ 17,930,380	\$ 15,940,378	\$ 14,130,677						

Phases: planning=PLN, engineering=ENG, right-of-way=ROW, construction=CON

Reimbursement Detail Tracked on Separate Spreadsheet



Attachment

2024 Pass Zone TUMF Transportation Improvement Program



Fiscal Year 2024/2025 Pass Zone 5-Year Transportation Improvement Program

Fiscal Year		FY 24-25	FY25-26	FY26-27	FY27-28	FY28-29	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Last Invoice	Reimbursement Agreement Values	Max Share (2021)	
Forecast Revenues		\$3,000,000	\$ 3,090,000	\$ 3,182,700	\$ 3,278,181	\$ 3,376,526	\$ 39,450,456	\$ (2,270,007)	\$ 44,599,976				
Carryover Revenues (As of 4/4/23)		\$ 19,630,277	\$7,279,820	\$ (7,630,180)	\$ (8,547,480)	\$ (6,269,299)							
Available Revenues		\$22,630,277	\$ 10,369,820	\$ (4,447,480)	\$ (5,269,299)	\$ (2,892,772)							
Programmed/Expenditures Phase**													
Cities of Banning and Beaumont													
17-PS-BAN-1191	Highland Springs Avenue Interchange	PLN	\$ 2,043,316	\$ -	\$ -	\$ -	\$ -	\$ 2,043,316	\$ (1,456,684)	\$ 3,500,000	11/17/2023	\$ 3,500,000	\$17,897,000
		ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000		\$ 200,000	
		CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000			
City of Banning													
06-PS-BAN-1206	Sun Lakes Blvd Extension (Highland Home to Sunset)	PLN	\$ 124,240	\$ -	\$ -	\$ -	\$ -	\$ 124,240	\$ (375,760)	\$ 500,000	6/21/2023	\$ 500,000	\$14,679,000
		ENG	\$ 182,900	\$ -	\$ -	\$ -	\$ -	\$ 182,900	\$ (317,076)	\$ 499,976		\$ 500,000	
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
		CON	\$ 1,000,000	\$ 7,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 12,000,000	\$ -	\$ 12,000,000			
City of Beaumont													
19-PS-BEA-1204	Potrero Boulevard Interchange (Phase II)	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11/26/2023	\$ -	\$25,123,000
		ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,487)	\$ 250,000		\$ 3,000,000	
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
		CON	\$ 6,500,000	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ 13,500,000	\$ -		\$ 13,500,000	
City of Calimesa													
19-PS-CAL-1205	County Line Road Interchange	PLN	\$ 500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	N/A	N/A	\$18,556,000
		ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000			
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
		CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
16-PS-CAL-1189	Cherry Valley Boulevard Interchange	PLN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	\$36,617,000
		ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
		ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
		CON	\$ -	\$ -	\$ 2,100,000	\$ -	\$ -	\$ 2,100,000	\$ -	\$ 2,100,000			
20-PS-CAL-1208	Singleton Rd/I-10 Interchange	PLN	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000	N/A		\$ 38,423,000
		ENG	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ 600,000			
		ROW	\$ 2,100,000	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000	\$ -	\$ 2,100,000			
		CON	\$ 2,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000			
Total Programmed Capital Expenditures		\$ 15,350,456	\$18,000,000	\$ 4,100,000	\$ 1,000,000	\$ 1,000,000	\$ 39,450,456		\$ 44,599,976				
Total Programmed Carryover Balance*		\$7,279,820	\$ (7,630,180)	\$ (8,547,480)	\$ (6,269,299)	\$ (3,892,772)							

Summary Table									
Fiscal Year	FY 24-25	FY25-26	FY26-27	FY27-28	FY28-29				
Available Revenues	\$ 22,630,277	\$ 10,369,820	\$ (4,447,480)	\$ (5,269,299)	\$ (2,892,772)	5-Year Total Available Forecast/Cash	5-Year Total Programmed	5-Year Balance	
Funded Programmed	\$ 15,350,456	\$ 18,000,000	\$ 4,100,000	\$ 1,000,000	\$ 1,000,000	\$ 35,557,683.94	\$ 39,450,456	\$ (3,892,772)	
Carryover Balance	\$ 7,279,820	\$ (7,630,180)	\$ (8,547,480)	\$ (6,269,299)	\$ (3,892,772)				

NOTES:

Total Funded Carryover Balance does not reflect actual available cash.
Cherry Valley Interchange & Highland Springs Interchange funding shown above from part of Beaumont Settlement.

** Phase: planning=PLN, engineering=ENG, right-of-way=ROW, construction=CON.



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: Fiscal Year 2022/2023 Annual Comprehensive Financial Report

Contact: Brett Van Lant, Partner, Van Lant & Fankhanel, bvanlant@vlfcpa.com, (951) 283-4848
 Andrew Ruiz, WRCOG Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
 Louis Fernandez, WRCOG Accounting Manager, lfernandez@wrcog.us, (951) 405-6744

Date: June 21, 2024

Recommended Action(s):

1. Receive and file.

Summary:

WRCOG's annual financial audit has been completed and the Annual Comprehensive Financial Report has been issued with an unmodified opinion.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide information on WRCOG's Fiscal Year (FY) 2022/2023 Audit.

Discussion:

On April 22, 2024, WRCOG's audit for Fiscal Year 2022/2023 was officially completed and its financials were issued. Attached for review is WRCOG's Annual Comprehensive Financial Report (ACFR). The Agency's financials were issued much later than typically expected, primarily due to timing related to I-REN invoicing. Going forward, staff expect to issue its financials in a more timely manner, usually around five to six months after fiscal year end.

WRCOG's auditors are providing an unmodified opinion on the FY 2022/2023 Annual Comprehensive Financial Report (ACFR). An unmodified opinion is the highest form of assurance an auditing firm can provide to its client and means that the audit and associated Agency financials are both in good form and the accounting practices are solid.

WRCOG has received the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association for eight consecutive years, most recently the Fiscal

Year 2021/2022 Award. The Award recognizes that the Agency is transparent, has provided full disclosure of its financial statements, and that the users of the ACFR have all the information needed to draw a financial conclusion of the Agency. WRCOG will once again apply for the award for Fiscal Year 2022/2023.

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

[Attachment 1 - Fiscal Year 2022/2023 Annual Comprehensive Financial Report](#)

Attachment

Fiscal Year 2022/2023
Annual Comprehensive
Financial Report



Annual Comprehensive Financial Report



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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Introductory Section



Western Riverside Council of Governments

County of Riverside • City of Banning • City of Beaumont • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale
City of Hemet • City of Jurupa Valley • City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco
City of Perris • City of Riverside • City of San Jacinto • City of Temecula • City of Wildomar • Eastern Municipal Water District
Western Municipal Water District • Riverside County Superintendent of Schools

April 22, 2024

To the Western Riverside Council of Governments and Citizens of Western Riverside County:

Letter of Transmittal

The Annual Comprehensive Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2023 is hereby submitted in accordance with the provision of Section 6505 of the Government Code of the State of California (the State). The report contains financial statements that have prepared in conformity with generally accepted accounting principles (GAAP) in the United States prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Western Riverside Council of Governments (WRCOG). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of WRCOG. All disclosure necessary to enable the reader to gain an understanding of WRCOG's financial activities have been included. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements.

Van Lant & Fankhanel, LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview, and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRCOG for its ACFR for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

Profile of the Government

WRCOG was formed in November 1989 as a California Joint Powers Authority under the Government Code Section 6500 et seq., of the State of California. WRCOG strives to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 18 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, and the Riverside County Superintendent of Schools have seats on WRCOG Executive Committee, the group that sets policy for the Agency. WRCOG's many areas of activity cover such programs as transportation, energy, community growth and development, and environment.

Major Initiatives

Transportation Uniform Mitigation Fee (TUMF) Program: WRCOG developed and administers the TUMF Program, a multi-jurisdictional fee program that ensures that new development in the subregion contributes their “fair share” to the sustaining of the regional transportation system. Over the life of the Program, fees paid by new residential and non-residential development will contribute to the construction of nearly \$3 billion in transportation and transit improvements in Western Riverside County. The TUMF Program has contributed to over 146 completed infrastructure projects since inception, with 70 in active development today. The Program also provides more than \$92 million for regional transit improvements, and nearly \$43 million for acquisition of sensitive habitat.

To date, WRCOG has received more than \$1 billion in TUMF revenue since the Program’s inception in 2003. Of the 70 active projects; 20 are under construction; 7 are in right-of-way acquisition; and 43 are in the planning, environmental, or engineering stages. The TUMF Program has helped to fund and deliver more than \$1 billion in critical transportation infrastructure.

The Local Transportation Fund (LTF): The Local Transportation Fund’s revenue is derived from ¼ cent of the general sales tax collected statewide, and then allocated by the State Board of Equalization (BOE). The Riverside County Transportation Commission (RCTC) receives an LTF allocation for the entire County, from the BOE, which they then divide among various groups. RCTC then allocates those funds to various projects and programs including an allocation for regional planning efforts. The regional planning efforts receive a small portion of the overall funds. RCTC then allocates those planning dollars among 3 parties (themselves, WRCOG, and CVAG). Per adopted RCTC policy, WRCOG receives 55% of those planning funds. To receive those funds, WRCOG must submit a work plan. The Work Plan is generally accepted by RCTC assuming that WRCOG can demonstrate that the work WRCOG is doing is consistent with regional planning purpose. Once the Work Plan has Staff and Commission approval, WRCOG can invoice RCTC for these funds and they are paid to WRCOG in a lump sum payment. WRCOG is then responsible for managing the LTF budget and the funds are mainly used to pay for staff time, staff benefits, agency overhead expenses, and consultant time.

Regional Early Action Planning (REAP) Grant: funds support regional agencies in their efforts to support the acceleration of housing production and facilitate local government implementation of the 6th cycle Regional Housing Needs Assessment (RHNA). REAP funding was provided to Metropolitan Planning Organizations, including the Southern California Association of Governments (SCAG). One of the programs SCAG developed was the Sub-Regional Partnership (SRP) Program in which COGs received a funding amount based on their respective RHNA allocation. Thanks to this funding from SCAG’s REAP SRP Program, WRCOG is able to provide the following resources to our member jurisdictions: Affordable Housing Pipeline, Objective Design Standards (ODS) Toolkit, Senate Bill (SB) 9 Toolkit, GIS Underutilization and Sites Analysis, grant repository reports, periodic housing legislative updates, and technical assistance on a variety of housing related activities.

Inland Regional Energy Network (I-REN) Program: In 2012, the California Public Utilities Commission (CPUC) authorized a new model for administering energy efficiency programs outside the traditional Investor-Owned Utility (IOU)-administered paradigm. These new models are known as Regional Energy Networks (RENs).

Since 2018 WRCOG has partnered and has been strategizing with the Coachella Valley Association of Governments (CVAG) and San Bernardino Council of Governments (SBCOG) on development of a REN to service the Inland Counties of Riverside and San Bernardino, with WRCOG acting as the

lead agency. This tri-COG group hereby collectively referred to as the Inland REN (“I-REN” or “I-REN Team”) for the purposes of this program, has submitted a Business Plan to the CPUC, and has been approved to become a REN Program Administrator (PA), with the desire to address CPUC goals and objectives described in Rulemaking 13-11-005 concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues. The I-REN Business Plan addresses three sectors – the Public Sector, the Codes & Standards Sector (C&S), and the Workforce, Education & Training Sector (WE&T). Throughout these sectors, there will be a strong focus on hard-to-reach communities and disadvantaged communities within the I-REN territory.

The I-REN Business Plan was approved by the CPUC on November 18, 2021, with a budget of \$65 million to be funded through program years 2022 to 2027.

Public Sector and related subprograms: I-REN plans to implement a Public Sector program and related subprograms for the purpose of achieving local and State Energy Efficiency goals.

Codes & Standards Sector and subprograms: I-REN will implement a dynamic and targeted set of programs to assist local government agencies in better understanding and enforcing energy building codes.

Workforce, Education & Training (WE&T) Sector and subprograms: I-REN will implement programs to ensure there is a trained workforce to support and realize energy efficiency savings goals across sectors.

Property Assessed Clean Energy Program (PACE) Program: In 2011, WRCOG launched the WRCOG PACE Program - a regional and statewide effort that provides financing to residential and commercial property owners for the installation of energy efficient, renewable energy, seismic strengthening, and water conservation improvements to homes and businesses - in the subregion and throughout California. Over 90,000 residential projects have been completed, representing approximately \$2 billion in funding. Since inception, roughly 43 commercial projects have been completed totaling over \$191 million.

Program participants complete an application and work with a contractor to make the improvements. Repayment occurs through the property owner's annual property tax bill, allowing property owners to pay the assessment over time. The Program includes multiple benefits. For property owners, energy and water conservation improvements will yield reduced utility bills and can improve property values. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce GHG emissions associated with energy use, and bring and retain needed jobs for area contractors.

The WRCOG PACE Program has also expanded throughout California. As of 2023, over 380 jurisdictions have joined the statewide Program, continuing to save billions of gallons of water, reducing millions of tons of GHG, and saving billions of kWh. This expansion has allowed commercial PACE to increase its presence and give business owners new financing opportunities, including new construction and retrofitting older buildings. PACE financing continues to offer commercial property owners alternative financing while offering renewable energy, water conservation, seismic strengthening improvements and energy efficient products.

During Fiscal Year (FY) 20/21, WRCOG's partner in the residential PACE Program (HERO), Renovate America, terminated its PACE product and subsequently filed for Chapter 11 Bankruptcy in December 2020, effectively ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining residential PACE administration agreements with the two other companies that have partnered

with WRCOG, Renew Financial and PACE Funding Group. Going forward, all WRCOG PACE Program updates will be focused solely on the commercial, or C-PACE, element of the Program.

While there are no longer new projects with the PACE residential Programs, WRCOG is still servicing the outstanding assessments (liens) related to the Program in the winddown phase. The Program still generates revenues from refunds, payoffs, delinquency selloffs, and the annual administrative fee.

Western Community Energy: Established in 2018, WCE is a Joint Powers Authority (JPA), that represents 7-member cities to provide electric generation service within its respective jurisdictions. WCE is a CCA program that gives local government the opportunity to buy electricity directly from its source and then offers it to the community at a more competitive rate than the current utility provider.

On May 24, 2021, WCE declared a fiscal emergency, which ultimately led to WCE filing for Chapter 9 bankruptcy protection. Multiple factors led to WCE declaring its fiscal emergency, including increased energy usage due the COVID lockdown, increased energy costs, increased delinquencies due to COVID and record-high heatwaves in the Fall of 2020. While other CCAs and utilities in California experienced similar events and challenges, they were able to draw on reserves that were built up over years of operation to overcome these challenges.

As WCE commenced operation right as these issues started to happen, it did not have the opportunity to build financial reserves and had no cushion to fall back on. WCE has an Implementation and Management Services Agreement with WRCOG to provide administrative Services to the Agency. WRCOG provided WCE with startup costs to launch the CCA as well as additional amounts to support operations. The amount owed by WCE to WROG at the time of the bankruptcy was approximately \$5 million. As WRCOG is seen as an unsecured creditor in the bankruptcy, approximately 42% was paid out to WRCOG in September 2022 and the remainder was reflected as bad debt expense in FY 21/22. WCE's was fully dissolved in Fiscal Year 2022/2023.

Used Oil and Filter Collection Program: WRCOG's Regional Used Oil Program helps protect groundwater and the environment from the hazards of improperly disposed motor oil. WRCOG's Used Oil and Oil Filter Exchange events have been an effective tool in educating and facilitating the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate individuals who change their own oil, the Do-It-Yourselfer (DIYer), promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program where residents can drop-off other automotive and household hazardous products for free.

Solid Waste Cooperative: California has continued to pass legislation (AB 341, AB 1826, AB 827, and SB 1383) requiring jurisdictions to implement processes that promote business and multi-family complex recycling and organics recycling programs. WRCOG's Solid Waste Committee works with its partners and the California Department of Resources Recycling and Recovery (CalRecycle) to discuss solid waste issues and ways to address mandates.

Love Your Neighborhood Program: The program is an "action-ready" stormwater pollution prevention initiative for Riverside County that spans across 27 cities and three watersheds: Middle Santa Ana River, Santa Margarita, and Whitewater River watersheds. The goal of the program is to increase pollution awareness and its impact on the environment through local cleanup efforts coordinated by partner cities and local agencies. The program obtains real-time data to track the number of pollutants removed from communities in support of stormwater mandates required by state permits.

Clean Cities Coalition (Coalition): WRCOG's Clean Cities Coalition is nationally recognized for its efforts to promote clean air by encouraging the use of alternative fuel vehicles and the development of alternative fuel infrastructure, technologies, and education. The Coalition hosts educational live webinars and events to bring together groups of leading policymakers, fleets, sustainability directors, and legislators to discuss the importance of clean technology transportation.

Streetlight Program: At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program that assisted 10 member agencies and a Community Services District to purchase streetlights which were previously owned and operated by Southern California Edison (SCE), within their jurisdictional boundaries. Once the streetlights were purchased by the member agency, the lamps were retrofitted to light-emitting diode (LED) technology to provide more economical operations (i.e., lower maintenance costs and reduced energy use). Local control of the streetlight system provides agencies with opportunities for future revenue generation such as digital-ready networks and telecommunications and information technology strategies. In order to identify and elaborate on these new opportunities, WRCOG developed a Smart Streetlights Implementation Plan and Broadband Assessment that could be applicable to all WRCOG member agencies.

The Program seeks to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintenance of streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is providing continuous operations & maintenance (O&M) agreement that will enhance the level of service currently provided by SCE, working with agencies to update regional and community-specific streetlight standards, coordinating as-needed retrofits and additional LED conversion work, and are actively seeking and developing smart city opportunities that could be implemented by public agencies. The Regional Streetlight Program currently provides services to nine local government agencies in WRCOG's jurisdiction, including streetlight operations & maintenance services, project management, and as-needed technical assistance, for smart streetlight technologies, such as traffic sensors, and as needed support for broadband initiatives or projects.

Fellowship Program: In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), and California Baptist University (CBU). The goal of this Program is to retain local students to fulfill the subregion's need for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students or recent graduates who attend school, live, or work in the Western Riverside region to engage them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight, maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. WRCOG is also responsible for soliciting interest from students, reviewing applications, and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. WRCOG also provides ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience.

Financial Planning

A successful fiscal year always starts during the creation of the budget process. Management staff will begin to gather data and discuss planning of the budget around January of every year. Management will describe their needs in terms of increased line items and justify that with any increases they foresee in revenues for the upcoming fiscal year.

The first time the draft budget is presented publicly at WRCOG's sub-committee level. The Administration & Finance Committee, which is comprised of 11 of WRCOG's Executive Committee members, will review and discuss the budget, usually at its March or April meeting and make any recommendations and have it forwarded on to the Technical Advisory Committee (TAC), which is comprised of the City Managers and Agency Directors of WRCOG's member agencies. This meeting of the TAC usually occurs within the same month as the Administration & Finance Committee. After it is recommended for approval, the budget's next stop is at WRCOG's Executive Committee meeting (usually in June). Once approved by the Executive Committee, the budget is approved by the General Assembly. The General Assembly is usually held at an off-site location and generally on the fourth Thursday of every June. The General Assembly is comprised of a majority of all City Councils, County Board of Supervisors, and other Board Members that represent WRCOG.

The budget itself is presented at the fund level. This, along with greater budget detail and narrative descriptions, is intended to provide a more user-friendly document that meets the mandates of transparency, communication, and fiscal sustainability in a way that will allow even the most casual observer to understand WRCOG's programs and money flow. With the exception of the general government, each fund is self-sufficient and able to fund its own expenditures through revenue generated. The general government, however, does not bring in enough revenue to cover all the expenditures such as rent, legal, consulting, and payroll, and because of this, must charge overhead to offset the difference. The overhead is calculated during the budget process and allocated to each function in the most equitable method possible. This is usually based on the amount of revenue generated as a percentage of the total agency revenue.

Budget control levels establish the parameters for administrative budget transfers and amendments. Upon adoption of the budget resolution, budget control levels are by department within the General Fund and by Fund within all other funds. The goal of creating internal controls is to ensure that one person cannot create, approve, and issue a check, wire, or any other sensitive piece of information. WRCOG follows the policy that at least two, if not three, signatures are required to approve any check requests and the amount must be verified against the approved budget to ensure there are sufficient funds available to expend.

The Executive Committee of WRCOG has provided outstanding leadership and has provided staff with excellent resources, which are reflected in the programs delivered to the various members. WRCOG continues to be counted on to provide regional perspective while respecting local control.

WRCOG's Executive Committee approves all financial policies relevant to every aspect of the agency's accounting and as such, none of the policies approved during the year, or in year's past, had a significant impact on the current period's financial statements.

Awards and Acknowledgments

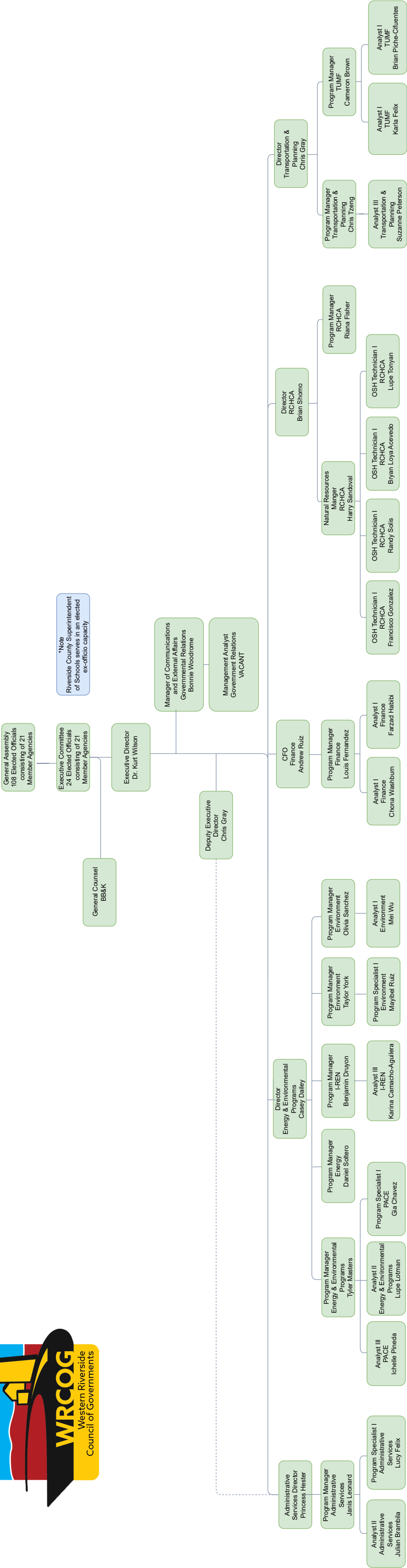
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Western Riverside Council of Governments for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 10th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Ruiz'.

Andrew Ruiz
Chief Financial Officer



Dr. Kurt Wilson, Executive Director
Organizational Chart by Name
Effective September 1, 2023

Western Riverside Council of Governments

List of Principal Officials
As of June 30, 2023

Executive Committee Members

Name and Position	Title	Agency
Crystal Ruiz	Chair	City of San Jacinto
Chris Barajas	Vice-Chair	City of Jurupa Valley
Rita Rogers	2nd Vice-Chair	City of Perris
Reuben Gonzales	Member	City of Banning
Mike Lara	Member	City of Beaumont
Wendy Hewitt	Member	City of Calimesa
Mark Terry	Member	City of Canyon Lake
Jacque Casillas	Member	City of Corona
Christian Dinco	Member	City of Eastvale
Jackie Peterson	Member	City of Hemet
Brian Tisdale	Member	City of Lake Elsinore
Bob Karwin	Member	City of Menifee
Elena Baca-Santa Cruz	Member	City of Moreno Valley
Ron Holliday	Member	City of Murrieta
Kevin Bash	Member	City of Norco
Ronaldo Fierro	Member	City of Riverside
James Stewart	Member	City of Temecula
Joseph Morabito	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
Karen Spiegel	Member	County of Riverside, District 2
Chuck Washington	Member	County of Riverside, District 3
Yxstian Gutierrez	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water Dist.
Phil Paule	Member	Eastern Municipal Water Dist.
Dr. Edwin Gomez	Member	Riverside County Supt. of Schools

Management Staff

Dr. Kurt Wilson, Executive Director
Chris Gray, Deputy Executive Director
Andrew Ruiz, Chief Financial Officer
Casey Dailey, Director of Energy & Environmental Programs
Princess Hester, Administrative Services Director



Government Finance Officers Association

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**Western Riverside Council of Governments
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditor's Report

Executive Committee
Western Riverside Council of Governments
Riverside, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the WRCOG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of WRCOG, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WRCOG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WRCOG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WRCOG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WRCOG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WRCOG's basic financial statements. The accompanying combining statements and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2024, on our consideration of WRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control over financial reporting and compliance.

Van Lant & Fankhaed, LLP

April 22, 2024

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

This section of the Western Riverside Council of Governments (WRCOG) Annual Comprehensive Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2023. Management encourages readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to WRCOG's basic financial statements. WRCOG's basic financial statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The following required supplemental information has been included in this report:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 - General Fund
 - Local Transportation Special Revenue Fund
 - Regional Energy Network Special Revenue Fund
- Schedule of WRCOG's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
- Schedule of Plan Contributions
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of OPEB Contributions

The following other information has been included in this report:

- Supplementary Information
- Statistical Section

Government-Wide Financial Statements are designed to provide readers with a broad overview of WRCOG finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all WRCOG's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of WRCOG is improving or declining.

The *Statement of Activities* presents information showing how WRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected TUMF fees or expenses pertaining to earned but unused vacation and sick leave).

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Fund Financial Statements only utilize governmental funds. The focus of governmental fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth by the Governmental Accounting Standards Board (GASB). Like other state and local governments, WRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

WRCOG maintains three major governmental funds organized to their type (general and special revenue). The governmental fund statements present the financial information of each major fund in separate columns.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support WRCOG's own programs. The basis of accounting for these funds is much like that used for proprietary funds. WRCOG reports two types of fiduciary funds (OPEB Trust Fund and Custodial Funds). The OPEB trust fund accounts for the activities of the PARS Pension Rate Stabilization Program Section 115 Trust. The custodial funds are used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans and Transportation Uniform Mitigation Fees (TUMF) received from developers as part of the fees assessed by member agencies. WRCOG changed the fund reporting type for the TUMF Custodial Fund.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for the fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of the proportionate share of net pension liability, schedule of plan contributions, schedule of changes in net OPEB liability, schedule of OPEB contributions, plus budget and actual information.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was \$9.7 million and consisted of net investment in capital assets of \$172,252, restricted net position of \$3.3 million, and unrestricted net position of \$6.2 million.
- At June 30, 2023, WRCOG's assets of \$20.8 million plus deferred outflows of resources of \$3.3 million was more than its liability of \$12.7 million and deferred inflows of resources of \$1.8 million resulting in a net position of \$9.7 million.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position – Net Position may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, WRCOG reported net position, with total assets and deferred outflows of resources more than liabilities and deferred inflows of resources by \$9.7 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2022 was \$1.7 million and increased to \$3.7 million at June 30, 2023.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. WRCOG reports deferred outflows related to pensions and OPEB.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. WRCOG reports deferred inflows also related to pensions and OPEB.

The table below provides summarized data from the Statement of Net Position for WRCOG as of June 30, 2023, as compared to the prior year:

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

**Statement of Net Position
As of June 30**

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 18,744,914	\$ 15,841,871
Capital Assets	2,091,787	2,520,373
	<u>20,836,701</u>	<u>18,362,244</u>
Total Assets		
Deferred Outflows of Resources	3,330,470	2,449,634
	<u>4,310,275</u>	<u>2,497,304</u>
Current and Other Liabilities		
Long-term Liabilities	8,392,722	5,920,181
	<u>12,702,997</u>	<u>8,417,485</u>
Total Liabilities		
Deferred Inflows of Resources	1,783,721	3,447,774
	<u>172,252</u>	<u>230,209</u>
Net Position:		
Net Investment in Capital Assets		
Restricted	3,321,749	2,963,656
Unrestricted	6,186,452	5,752,754
	<u>\$ 9,680,453</u>	<u>\$ 8,946,619</u>
Total Net Position		

WRCOG's total net position increased by 8.20%, or \$733,834, during fiscal year 2022-2023 compared to the prior year. The increase in net position was mostly due to an increase in current assets. Total assets increased 13.48%, or \$2.5 million, during fiscal year 2022-2023 compared to the prior year, mostly due to an increase of cash and investments. Total liabilities increased from \$8.4 million in FY 2021/2022 to \$12.7 million, or 50.91%. This increase in liabilities is attributable to an increase in the Net Pension Liability. Below are the three components of net position and their respective fiscal year-end balances:

- **Net Investment in Capital Assets** represents 1.78%, or \$172 thousand of WRCOG's total net position for fiscal year 2022-2023 compared to 2.57%, or \$230 thousand, for fiscal year 2021-2022. The decrease is attributable to the adjustment to the right-to-use leased office in capital assets.
- **Restricted net position** accounts 34.31%, or \$3.3 million, of WRCOG's total net position for fiscal year 2022-2023 compared to 33.13%, or \$2.9 million, for fiscal year 2021-2022. This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The increase is attributable to the increase in net position in the clean cities fund.
- **Unrestricted net position** accounts for 63.91%, or \$6.1 million, of WRCOG's total net position for fiscal year 2022-2023 compared to 64.30%, or \$5.8million for fiscal year 2021-2022. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Governmental Activities

Revenues: WRCOG's governmental activities rely on the following sources of revenue to finance ongoing operations:

- General revenue related to governmental activities primarily consists of fees, other revenues, and investment earnings. Investment earnings increased from negative \$27,181 to \$316,879 due to unrealized gains on market value of securities.
- Charges for services are revenues received related to the sponsorship of the PACE Program and TUMF administration fee collection. In addition, the PACE Program recording fees are included in the revenue balance. Charges for services decreased by 36.40%, or \$2.7 million from the prior year due to less PACE and TUMF revenues collected during the fiscal year.
- Operating Grants and Contributions are revenues received from parties outside of WRCOG, such as state agencies, and are generally restricted to one or more specific programs. Operating grants and contributions increased by \$2.5 million, or 81.49%, from \$701 thousand in fiscal year 2021-2022 to \$5.5 million in the current fiscal year. This increase was due to the increased IREN activity during the fiscal year.

Expenses: Total program expenses for governmental activities were \$9.8 million for the current fiscal year, a decrease of 10.94%, or \$1.2 million compared to the prior fiscal year. The decrease in expenses is mostly attributable to the bad debt expense, related to WCE's bankruptcy, recognized during the prior fiscal year.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2022-2023, as compared to the prior year:

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30**

	2023	Percent of Total	2022	Increase (Decrease) From 2022	Percent Increase (Decrease)
Revenues					
Program Revenues:					
Charges for Services	\$ 4,762,107	45%	\$ 7,487,534	\$ (2,725,427)	-36.40%
Operating Grants and Contributions	5,495,592	52%	3,028,003	2,467,589	81.49%
General Revenues:					
Investment Income	316,879	3%	(27,181)	344,060	1265.81%
Total Revenues	10,574,578	100%	10,488,356	86,222	0.82%
Expenses					
General Government	4,483,666	46%	4,391,339	(92,327)	2.10%
Energy	4,603,005	47%	6,086,935	1,483,930	-24.38%
Environmental	731,502	7%	559,545	(171,957)	30.73%
Interest on Leases	22,571	0%	12,315	(10,256)	83.28%
Total Expenses	9,840,744	100%	11,050,134	1,209,390	-10.94%
Change in Net Position	733,834		(561,778)	1,209,390	
Net Position, Beginning of Year, Restated	8,946,619		9,508,397	(561,778)	
Net Position, End of Year	\$ 9,680,453		\$ 8,946,619	\$ 733,834	8.20%

FINANCIAL ANALYSIS OF FUND STATEMENTS

As previously noted, WRCOG uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of WRCOG's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing WRCOG's short-term financial requirements. In particular, the total fund balance less the non-spendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of governmental funds reported by WRCOG include the General and Special Revenue Funds.

The General Fund is the chief operating fund for WRCOG. At the end of the current fiscal year, the General fund's total fund balance was \$11.4 million, as compared to \$10.8 million for the prior fiscal year. The increase of \$590 thousand, or 5.5%, was mostly a net result of the decreased energy expenditures in the current fiscal year. In the prior year the energy expenditures had a recognition of bad debt expense from WCE's bankruptcy. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The non-spendable portion of fund balance was \$149 thousand; restricted fund balance in the General Fund was \$337 thousand which is funds held in a pension stabilization fund held in Section 115 Trust. WRCOG established the Trust in February 2020 and initially

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2023**

funded the trust in October 2020. The assigned portion was \$219 thousand for the Fellowship Program, and the unassigned portion was \$10.6 million. The current year's unassigned fund balance is 198% of the total General Fund expenditures of \$5.4 million, as compared to 115% of the total General Fund expenditures for fiscal year 2021-2022. The total fund balance of the General fund for the current year is 211% of the total general fund expenditures as compared to 123% for the prior year.

The Local Transportation Fund (LTF) is a Special Revenue Fund for WRCOG. At the end of the current fiscal year, the LTF's total fund balance was \$2.74 million, as compared to \$2.59 million for the prior fiscal year. The increase of \$144 thousand, or 5.54%, was mostly a net result of the increase in revenues.

The Local Transportation Fund's revenue is derived from ¼ cent of the general sales tax collected statewide, and then allocated by the State Board of Equalization (BOE). The Riverside County Transportation Commission (RCTC) receives an LTF allocation for the entire County, from the BOE, which they then divide among various groups. RCTC then allocates those funds to various projects and programs including an allocation for regional planning efforts. The regional planning efforts receive a small portion of the overall funds. RCTC then allocates those planning dollars among 3 parties (themselves, WRCOG, and CVAG). Per adopted RCTC policy, WRCOG receives 55% of those planning funds. To receive those funds, WRCOG must submit a work plan. The Work Plan is generally accepted by RCTC assuming that WRCOG can demonstrate that the work WRCOG is doing is consistent with regional planning purpose. Once the Work Plan has Staff and Commission approval, WRCOG can invoice RCTC for these funds and they are paid to WRCOG in a lump sum payment. WRCOG is then responsible for managing the LTF budget and the funds are mainly used to pay for staff time, staff benefits, agency overhead expenses, and consultant time.

Inland Regional Energy Network (I-REN) Fund is a Special Revenue Fund for WRCOG. At the end of the current fiscal year, I-REN's total fund balance was (\$2 million), as compared to the zero-fund balance in the prior fiscal year. This zero-fund balance is attributed to the I-REN as a reimbursement-based program. However, during the current fiscal year the IREN fund reported unavailable revenue of \$2,068,509.

Since 2018 WRCOG has partnered and has been strategizing with the Coachella Valley Association of Governments (CVAG) and San Bernardino Council of Governments (SBCOG) on development of a REN to service the Inland Counties of Riverside and San Bernardino, with WRCOG acting as the lead agency. These partners joined together and submitted a Business Plan to the California Public Utilities Commission (CPUC) to establish locally administered, designed, and delivered energy efficiency programs. I-REN's Business Plan was approved by the

CPUC in November 2021 for three sectors: Public, Codes and Standards, and Workforce Education and Training

The CPUC-approved I-REN Business Plan established the 6-year budgeting parameters (program years 2022 to 2027) of I-REN in terms of the revenue amount and spending categories that can be authorized. As funds from the 6-year authorization (\$65.6m) are drawn down, the remaining funds are spread evenly over the remaining time. Lower spending levels in year one is offset by proportionally higher spending levels in future years. While the pace of spending fluctuates slightly from year to year, the cumulative spending total over the 6-year period is capped

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at \$65.6m. The annual spending amount is the result of that calculation and is codified through a procedural step with the CPUC (annual Advice Letter) as well as the WRCOG annual budget in which the I-REN funds are embedded because WRCOG serves as the Lead Administrative Agency.

GENERAL FUND FINANCIAL ANALYSIS

Revenues for the General Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2023	Percent of Total	2022	Increase (Decrease) From 2022	Percent Increase (Decrease)
Revenues					
Intergovernmental	\$ 1,640,771	27%	\$ 1,801,188	\$ (160,417)	-8.9%
TUMF Mitigation Fees	2,924,554	49%	3,031,817	(107,263)	-3.5%
PACE Fees	1,027,275	17%	3,713,297	(2,686,022)	-72.3%
Other Revenues	60,141	1%	63,749	(3,608)	-5.7%
Investment Income	316,858	5%	(27,181)	344,039	-1265.7%
Total Revenues	<u>\$ 5,969,599</u>	<u>100%</u>	<u>\$ 8,582,870</u>	<u>\$ (2,613,271)</u>	<u>-30.4%</u>

Intergovernmental revenues are derived from various grants and member dues. Revenues decreased due to the revenues relating to the California Resiliency Challenge and HHW grant received in FY 2022 and not in FY 2023. TUMF mitigation fees were lower because less permits were issued during the fiscal year. PACE fees decreased due to the decrease in early payoffs. These early payoffs require additional processing and additional fees are collected due to this. Other revenues remained consistent. Lastly, investment income increased in the general fund due to unrealized gains on fair market values on investments.

Expenditures for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2023	Percent of Total	2022	Increase (Decrease) From 2022	Percent Increase (Decrease)
Expenditures					
General Government	\$ 2,852,840	53%	\$ 2,465,813	\$ 387,027	15.7%
Energy	1,888,361	35%	5,576,173	(3,687,812)	-66.1%
Environmental	245,011	5%	317,661	(72,650)	-22.9%
Lease Principal	370,629	7%	410,505	(39,876)	-9.7%
Lease Interest	22,571	0%	12,315	10,256	83.3%
Total Expenditures	<u>\$ 5,379,412</u>	<u>100%</u>	<u>\$ 8,782,467</u>	<u>\$ (3,403,055)</u>	<u>-38.7%</u>

The increase in the General Government expenditure is due to an increase in salaries and employee fringe benefits, along with an increase in consultant fees. Energy expenditures have decreased primarily due to the bad debt expense recognized in FY 2022 related to WCE's

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bankruptcy. Lastly, the Environmental Department experienced a decrease in expenditures due to less work performed in the Used Oil and Clean Cities programs.

LOCAL TRANSPORTATION FUND FINANCIAL ANALYSIS

Revenues for the LTF Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	<u>2023</u>	<u>Percent of Total</u>	<u>2022</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent Increase (Decrease)</u>
Revenues					
Intergovernmental	\$ 1,002,500	100%	\$ 866,250	\$ 136,250	15.7%
Total Revenues	<u>\$ 1,002,500</u>	<u>100%</u>	<u>\$ 866,250</u>	<u>\$ 136,250</u>	<u>15.7%</u>

The Local Transportation Fund's revenue is derived from ¼ cent of the general sales tax collected statewide, and then allocated by the State Board of Equalization. Revenues increased due to more taxes being collected, and a higher allocation compared to the prior year.

Expenditures for the LTF, including comparative amounts from the preceding year, are shown in the following tabulation:

	<u>2023</u>	<u>Percent of Total</u>	<u>2022</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent Increase (Decrease)</u>
Revenues					
Intergovernmental	\$ 1,002,500	100%	\$ 866,250	\$ 136,250	15.7%
Total Revenues	<u>\$ 1,002,500</u>	<u>100%</u>	<u>\$ 866,250</u>	<u>\$ 136,250</u>	<u>15.7%</u>

The increase in LTF expenditures is due to more work performed in the program. LTF funds are mainly used to pay for staff time, staff benefits, agency overhead expenses, and consultant time.

INLAND REGIONAL ENERGY NETWORK FUND FINANCIAL ANALYSIS

Revenues for the I-REN Fund, including comparative amounts from the preceding year are shown in the following tabulation:

The I-REN Fund's revenues are reimbursement based and correspond with the CPUC-approved I-REN Business Plan. As funds from the 6-year authorization \$65.6M are drawn down, the remaining funds are spread evenly over the remaining time. Lower spending levels in year one is offset by proportionally higher spending levels in future years. While the pace of spending fluctuates slightly from year to year, the cumulative spending total over the 6-year period is capped at \$65.6M. Revenues increased due to the higher program activity during the fiscal year. The difference in revenues and expenditures is attributable to the unavailable revenue reported of \$2,068,509.

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	2023	Percent of Total	2022	Increase (Decrease) From 2022	Percent Increase (Decrease)
Revenues					
Charges for Services	\$ 646,135	100%	\$ 510,762	\$ 135,373	100.0%
Total Revenues	<u>\$ 646,135</u>	<u>100%</u>	<u>\$ 510,762</u>	<u>\$ 135,373</u>	100.0%

Expenditures for the I-REN Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2023	Percent of Total	2022	Increase (Decrease) From 2022	Percent Increase (Decrease)
Expenditures					
Energy	\$ 2,714,644	100%	\$ 510,762	\$ 2,203,882	100.0%
Total Expenditures	<u>\$ 2,714,644</u>	<u>100%</u>	<u>\$ 510,762</u>	<u>\$ 2,203,882</u>	100.0%

The increase in I-REN expenditures is due to higher program activity during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual amounts mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for the year end, the fourth quarter amendments are presented at the July Administration & Finance Committee and approved at the August Executive Committee meeting.

Because of this timing, each category of the budget for revenue has some variation with the largest occurring with the intergovernmental revenues. When the final budget was presented to the Executive Committee, it was anticipated revenues in the General Fund would be \$6.3 million; however, the actual amount was only \$5.9 million, leaving a variance of \$302 thousand. This

variance was primarily due to less TUMF mitigation fees and PACE fees collected than originally anticipated.

On the expenditure side for the General Fund, it was anticipated expenditures would be \$5.9 million; however, actual expenditures were only \$5.4 million, leaving a variance of \$500 thousand. This variance was mostly due to the administrative department and fellowship program having less expenditures than originally anticipated.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

As of June 30, 2023, WRCOG had capital assets of \$2,091,787, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles; as well as the Right to use Leased Office.

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Additional information on WRCOG's capital assets can be found on Note 4 to the financial statements.

Long-term liabilities have increased from \$6.3 million in FY 2021/2022, to \$8.4 million, including net pension and net OPEB liabilities, in FY 2022/2023, or a increase of 32.5%. The increase in long-term liabilities can mostly be attributed to an increase in net pension liabilities.

Additional information to WRCOG's long-term liabilities can be found on Note 5, Note 8, and Note 9 to the financial statements.

ECONOMIC FACTORS AND OTHER FACTORS

On June 29, 2023, WRCOG adopted the Fiscal Year 2023/2024 budget. The budget provides visibility into the programs and finances of WRCOG in a date-rich and user-friendly format, presented at the fund level.

The total WRCOG budget is \$19,621,107 in revenues and transfers in against \$19,342,918 in expenditures, which includes all funds except for the Riverside County Habitat Conservation Agency (RCHCA) and the Transportation Uniform Mitigation Fee (TUMF) passthrough funds. The General Fund budget totals \$7,278,415 in revenues and transfers in against \$7,650,002 in expenditures and has an approximate fund balance of \$10.8M of approximately 142%.

The Unfunded Accrued Liability (UAL) is -\$32K (103.8% funded) for PEPR employees and \$2.2M (84.4% funded) for Classic employees. This is offset by a 115 Trust balance of \$334k. The Other Post Employment Benefit (OPEB) liability is \$1.8M (52% funded).

One Program from Fiscal Year 2022/2023 ended and was not included in the Fiscal Year 2023/2024 budget: California Resiliency Challenge.

The TUMF Program operates by collecting fees from developers and then redistributing funds to member agencies and other regional entities for projects. In previous budgets, those funds were included as WRCOG revenues and expenditures. During FY 2022's audit, it was determined that those funds should be treated as pass-through funds with the exception of the 4% Administrative

fee that remains with WRCOG. Despite the change in accounting and appearance, this had no tangible impact on the operation or implementation of the Program but does change the reporting in a way that reflects a substantial change in the total revenues and expenditures.

Most public agencies rely primarily on tax revenues (property or sales) to fund general government activities. Some single-purpose agencies rely primarily on fees charged to customers in exchange for services. In the case of WRCOG, the programs are funded by revenues related to those specific programs and the Administrative function is funded through a combination of Member Dues and overhead charged to programs for their incremental administrative burden. The Member Dues in the 2024 budget account for \$294k. In contrast, member dues in 2009 totaled \$320k. The decrease was the result of a policy decision to reduce fees during the Great Recession. Those fees have never been restored. No change in Member Dues was proposed in the 2024 budget. Over the next year, however, the Executive Committee has referred the matter

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to the Technical Advisory Committee to evaluate and make recommendations to be considered as part of the FY 2024/2025 budget.

The Solid Waste Program continues to benefit those member agencies which opt in to receive services. The costs of labor and materials have grown, and the scope of those services has expanded as state mandates have increased. Despite these increases, the Solid Waste Program fees charged to those agencies which opt in to the Program have not been adjusted in more than 10 years. The 2024 budget includes fee increases to the Solid Waste Program ranging from \$1,116 to \$8,241 based on agency size and whether the agency opts in for a second service. This is necessary in order for the Program to be self-sufficient.

The Clean Cities Program has received significant attention at the state and federal levels with new challenges and opportunities emerging every year. The current Program has operated on a combination of funding from the U.S. Department of Energy (DOE), a temporary partnership with the West Virginia University (WVU), and Agency member dues. The DOE funds are determined solely by the DOE and the WVU funds will expire at the end of the upcoming fiscal year. The true cost associated with the Program would require a substantial increase in member dues. Fortunately, staff has taken an aggressive stance in search of grant funding to offset the member obligation for the Program. It is unclear when, or to what extent, those grant funds will materialize. The 2024 budget increased member dues of \$126,000 to \$138,600 based on the funding formula. The FY 2024/2025 budget will either reflect the benefits of grants received in the upcoming fiscal year, or a proposal for an additional fee increase in order for the Program to be self-sufficient.

The Fellowship Program was borne of capacity related to the HERO residential PACE Program. It provided two lump sum injections of funds to operate the Program. Since 2019, no new funds have been added to the Program. The only change has been for hosting agencies to share costs. This cost sharing has slowed the depletion of funds, but the Program can't continue without additional funding. No changes are proposed in the 2024 budget, however, based on the guiding principles, if the Program expends all of its available funding, the Program will be discontinued. Over the course of the next year, in an attempt to prevent or delay the Program's transition, staff will evaluate a variety of philanthropic or fundraising options to benefit the Program.

The HERO Program was effectively closed several years ago by action of the Executive Committee. This ended the process of taking on new customers or issuing new bonds related to

the Program, but it did not relieve WRCOG of its responsibility to service existing bonds. HERO-related revenues continue to trickle in at a slow pace and the costs of servicing the existing bonds are also declining. The Program built a small reserve in recent years with the expectation that, as the Program came closer to winding down, it would have negative fiscal activity. That is the case for FY 2023/2024 and is demonstrated by drawing on reserve funds.

The Inland Regional Energy Network (I-REN) is a partnership between all three Councils of Government (COG) in the two-county region (WRCOG, Coachella Valley Association of Governments, and San Bernardino Council of Governments). It is funded by the California Public Utilities Commission (CPUC) through a six-year allocation of funds from the Public Goods Surcharge. The I-REN governance structure includes elected officials from each participating COG with each COG having three votes. They provide policy direction and technical guidance on issues related to I-REN. I-REN, however, is not a separate legal entity so WRCOG, in its capacity

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as lead administrative agency, incorporates the I-REN funds in the WRCOG budget. Unlike most public agencies, the CPUC issues funds based on the calendar year. This creates an offsetting approval and authorization process that is further complicated by the unusual governance structure. These issues are addressed in the 2024 budget resolution by asking the General Assembly to specifically delegate budget authority to the Executive Committee and delegating limited authority to the I-REN governance structure (known as the I-REN Executive Committee). This provides the necessary programmatic latitude to I-REN while protecting the fiduciary responsibility of WRCOG through continued oversight and the ability to intervene if necessary.

CONTACTING WRCOG'S MANAGEMENT

This financial report is designed to provide a general overview of WRCOG's finances for all those with an interest in the government's finances and to show WRCOG's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 200, Riverside, California 92501.

BASIC FINANCIAL STATEMENTS

Western Riverside Council of Governments
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 13,305,624
Receivables:	
Grants	2,947,192
Due From Other Governments	1,022,789
Annual PACE Fee Receivable	497,940
Mitigation Fees Receivable	157,534
Accounts	267,304
Leases Receivable	55,748
Restricted Cash and Investments	337,620
Prepaid Items	153,163
Capital Assets, Net of Accumulated Depreciation	2,091,787
Total Assets	<u>20,836,701</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB Related Items	1,481,679
Pension Related Items	1,848,791
Total Deferred Outflows of Resources	<u>3,330,470</u>
LIABILITIES	
Accounts Payable	2,251,113
Deposits Payable	3,493
Due to Other Governments	205,475
Accrued Wages Payable	290,605
Unearned Revenue	232,903
Due to Fiduciary Funds	1,326,686
Noncurrent Liabilities:	
Due Within One Year	405,511
Due in More Than One Year	7,987,211
Total Liabilities	<u>12,702,997</u>
DEFERRED INFLOWS OF RESOURCES	
Lease Related Items	55,748
OPEB Related Items	1,505,932
Pension Related Items	222,041
Total Deferred Inflows of Resources	<u>1,783,721</u>
NET POSITION	
Net Investment in Capital Assets	172,252
Restricted for:	
Section 115 Trust	337,620
LTF	2,736,764
AB 2766	170,538
Foundation	76,827
Unrestricted	6,186,452
Total Net Position	<u>\$ 9,680,453</u>

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 4,483,666	\$ 3,591,650	\$ 1,877,896	\$ -	\$ 985,880
Energy	4,603,005	1,170,457	2,677,625	-	(754,923)
Environmental	731,502	-	940,071	-	208,569
Interest on Leases	22,571	-	-	-	(22,571)
Total Governmental Activities	<u>\$ 9,840,744</u>	<u>\$ 4,762,107</u>	<u>\$ 5,495,592</u>	<u>\$ -</u>	<u>416,955</u>
General Revenues:					
Investment Income					<u>316,879</u>
Total General Revenues					<u>316,879</u>
Change in Net Position					733,834
Net Position - Beginning of Year					<u>8,946,619</u>
Net Position - End of Year					<u>\$ 9,680,453</u>

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Balance Sheet
Governmental Funds
June 30, 2023

		Special Revenue			
	General	Local	Regional Energy	Non-Major	Total
	Fund	Transportation	Fund Network	Funds	Governmental
		Fund			Funds
ASSETS					
Cash and Investments	\$ 9,853,309	\$ 2,768,034	\$ 155,104	\$ 529,177	\$ 13,305,624
Restricted Cash and Investments	337,620	-	-	-	337,620
Receivables:					
Grants	557,960	-	2,389,232	-	2,947,192
Due from Other Governments	992,370	300	-	30,119	1,022,789
Annual PACE Fee Receivable	497,940	-	-	-	497,940
Mitigation Fees Receivable	157,534	-	-	-	157,534
Accounts	193,959	-	-	73,345	267,304
Leases	55,748	-	-	-	55,748
Due from Other Funds	1,013,956	-	-	51,505	1,065,461
Prepaid Items	149,872	-	3,291	-	153,163
Total Assets	<u>\$ 13,810,268</u>	<u>\$ 2,768,334</u>	<u>\$ 2,547,627</u>	<u>\$ 684,146</u>	<u>\$ 19,810,375</u>
LIABILITIES					
Accounts Payable	\$ 463,740	\$ 31,570	\$ 1,633,051	\$ 122,752	\$ 2,251,113
Deposits Payable	3,493	-	-	-	3,493
Due to Other Governments	203,873	-	-	1,602	205,475
Accrued Wages Payable	290,605	-	-	-	290,605
Unearned Revenue	12,150	-	-	220,753	232,903
Due to Custodial Funds	1,326,686	-	-	-	1,326,686
Due to Other Funds	51,505	-	914,576	99,380	1,065,461
Total Liabilities	<u>2,352,052</u>	<u>31,570</u>	<u>2,547,627</u>	<u>444,487</u>	<u>5,375,736</u>
DEFERRED INFLOWS OF RESOURCES					
Lease Related	55,748	-	-	-	55,748
Unavailable Revenue	10,790	-	2,068,509	7,119	2,086,418
Total Deferred Inflows of Resources	<u>66,538</u>	<u>-</u>	<u>2,068,509</u>	<u>7,119</u>	<u>2,142,166</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	149,872	-	-	-	149,872
Restricted:					
Section 115 Trust	337,620	-	-	-	337,620
LTF	-	2,736,764	-	-	2,736,764
AB 2766	-	-	-	155,538	155,538
Foundation	-	-	-	76,827	76,827
Used Oil Block Grant	-	-	-	175	175
Assigned:					
Fellowship	219,878	-	-	-	219,878
Unassigned	10,684,308	-	(2,068,509)	-	8,615,799
Total Fund Balances	<u>11,391,678</u>	<u>2,736,764</u>	<u>(2,068,509)</u>	<u>232,540</u>	<u>12,292,473</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,810,268</u>	<u>\$ 2,768,334</u>	<u>\$ 2,547,627</u>	<u>\$ 684,146</u>	<u>\$ 19,810,375</u>

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds	\$ 12,292,473
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:

Capital Assets Being Depreciated	3,781,621
Accumulated Depreciation	(1,689,834)

Long-term debt obligations are not due and payable in the current period and, therefore, are not reported in the funds:

Lease Payable	(1,919,535)
Compensated Absences	(542,230)
Net Pension Liability	(3,709,687)
Net OPEB Liability	(2,221,270)

Amounts for deferred inflows and deferred outflows related to the City's Pension and OPEB Liabilities are not reported in the funds:

Deferred Outflows Related to Pensions	1,848,791
Deferred Inflows Related to Pensions	(222,041)
Deferred Outflows Related to OPEB	1,481,679
Deferred Inflows Related to OPEB	(1,505,932)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

2,086,418

Net position of governmental activities	\$ <u><u>9,680,453</u></u>
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The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

		Special Revenue			
	General Fund	Local Transportation Fund	Regional Energy Network	Non-Major Funds	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 1,640,771	\$ 1,002,500	\$ -	\$ 624,998	\$ 3,268,269
TUMF Mitigation Fees	2,924,554	-	-	-	2,924,554
PACE Fees	1,027,275	-	-	-	1,027,275
Other Revenues	60,141	-	-	299,835	359,976
Investment Income	316,858	-	-	21	316,879
Charges for Services	-	-	646,135	-	646,135
Total Revenues	5,969,599	1,002,500	646,135	924,854	8,543,088
EXPENDITURES					
Current:					
General Government	2,852,840	858,750	-	235,208	3,946,798
Energy	1,888,361	-	2,714,644	-	4,603,005
Environmental	245,011	-	-	486,491	731,502
Debt Service:					
Lease Principal	370,629	-	-	-	370,629
Lease Interest	22,571	-	-	-	22,571
Total Expenditures	5,379,412	858,750	2,714,644	721,699	9,674,505
Net Change in Fund Balances	590,187	143,750	(2,068,509)	203,155	(1,131,417)
Fund Balances, Beginning of Year	10,801,491	2,593,014	-	29,385	13,423,890
Fund Balances, End of Year	\$ 11,391,678	\$ 2,736,764	\$ (2,068,509)	\$ 232,540	\$ 12,292,473

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ (1,131,417)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense:

Capital Additions	-
Depreciation	(428,586)
Disposals	-

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in unavailable revenue for the current period.	2,031,490
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Amounts for deferred inflows and deferred outflows related to WRCOG's Pension and OPEB Liabilities are not reported in the funds. This is the net change in deferred inflows and outflows related to these liabilities:

Deferred Outflows Related to Pensions	927,430
Deferred Inflows Related to Pensions	1,344,523
Deferred Outflows Related to Total OPEB Liability	(46,594)
Deferred Inflows Related to Total OPEB Liability	96,538

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Principal Paid on Leases	370,629
Compensated Absences	(118,610)
Net Pension Liability	(1,948,747)
Net OPEB Liability	(362,822)

Change in net position of governmental activities	\$ 733,834
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The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and Investments	\$ 1,631,642	\$ 132,085,929
Cash and Investments with Fiscal Agents	-	44,135,699
Due from Other Governments	-	4,109,930
Assessments Receivable	-	55,545
Due from WRCOG	-	1,326,686
Total Assets	1,631,642	181,713,789
LIABILITIES		
Accounts Payable	-	13,412,757
Refunds Payable	-	53,950
Due to WRCOG	-	497,940
Due to Other Governments	-	871,198
Deposits Payable	-	145,618
Long-term Liabilities		
Due to City of Moreno Valley	-	3,493,500
Refund Liability	-	5,536,466
Total Liabilities	-	24,011,429
NET POSITION		
Restricted for OPEB	1,631,642	-
Restricted for other Organizations or Agencies	-	157,702,360
Total Net Position	\$ 1,631,642	\$ 157,702,360

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Assessments Collected for Others	\$ -	\$ 212,470,082
Investment Income	85,279	3,130,499
Total Additions	<u>85,279</u>	<u>215,600,581</u>
DEDUCTIONS		
General and Administrative	29,900	892,670
Payments to TUMF Members	-	49,660,890
Benefit Distributions	242,976	-
Distributions to Shareholders	<u>-</u>	<u>149,111,275</u>
Total Deductions	<u>272,876</u>	<u>199,664,835</u>
Change in Net Position	(187,597)	15,935,746
Net Position - Beginning	<u>1,819,239</u>	<u>141,766,614</u>
Net Position - Ending	<u><u>\$ 1,631,642</u></u>	<u><u>\$ 157,702,360</u></u>

The accompanying notes are an integral part of this statement.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Western Riverside Council of Governments (WRCOG) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of WRCOG's accounting policies are described below.

A) Reporting Entity

The Western Riverside Council of Governments (WRCOG) was formed in 1989 under the California Government Code Section 6500 et. seq. WRCOG is a special district governed by twenty-four Executive Committee Members consisting of seventeen members from the cities in Western Riverside County (excluding the City of Beaumont), four Riverside County Supervisors, two members, each from the Eastern and Western Municipal Water Districts, and one member from the Riverside County Superintendent of Schools.

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of WRCOG and any of its component units. Component units are legally separate entities for which WRCOG is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of WRCOG's operations so the accounts of these entities are to be combined with the data of WRCOG. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status.

Blended Component Unit

WRCOG Supporting Foundation (the Foundation). WRCOG has created a foundation to support its mission and objectives under IRC 509(a)(3) as an organization that is supervised and controlled in connection with a publicly supported organization. All contributions to the Foundation are exempt under section 501(c)(3) of the Internal Revenue Code. WRCOG executive committee members are the governing board of the Foundation, and management of WRCOG has operational responsibility for the component unit. The Foundation is reported as a separate nonmajor fund in these financial statements. Separate financial statements are not prepared for the Foundation.

B) Basis of Presentation

WRCOG's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all activities of WRCOG. All fiduciary activities are reported only in the fund financial statements.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues and are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General assembly revenues and other items that do not meet the definition of program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements of the fiduciary funds. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. WRCOG considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year end, except for cost reimbursement-based grants where due to the nature of these grants 180 days after year end is used. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

C) Fund Classifications

WRCOG reports the following major governmental funds:

General Fund. The general fund is WRCOG's primary operating fund. It accounts for all financial resources of WRCOG, except those required to be accounted for in another fund.

Local Transportation (LTF) Special Revenue Fund. This fund is used to account for the proceeds of the LTF funds which are legally restricted to expenditures for specified purposes.

Regional Energy Network (IREN) Special Revenue Fund. This fund is used to account for the proceeds of the Regional Energy funds which are legally restricted to expenditures for specified purposes.

Additionally, WRCOG reports the following fiduciary funds:

OPEB Trust Fund. Accounts for the prefunding of post-employment retirement benefits other than pensions.

Custodial Funds. WRCOG's custodial funds are used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans and Transportation Uniform Mitigation Fees (TUMF) received from developers as part of the fees assessed by member agencies.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for non-negotiable certificates of deposit and investment contracts that are reported at cost. These investments are not transferrable, and they have terms that are not affected by changes in market interest rate. Investment income includes interest earnings and the net increase (decrease) in fair value of investments. WRCOG categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Restricted Cash and Investments

In February 2020, WRCOG established a funding policy for a Section 115 Pension Rate Stabilization Trust Fund (Pension Trust) to achieve long-term pension sustainability. The purpose of the Pension Trust is to generate a reasonable level of investment growth to responsibly manage pension costs and fund present and future pension obligations. As required, amounts are set aside in the General Fund. See Note 2(I) for additional information on the Pension Trust.

E) Interfund Balances and Transfers

Activities between funds that are representative of lending and borrowing arrangements outstanding at year end are referred to as amounts due to/from other funds.

F) Capital Assets

Capital assets, which include furniture and computers, are reported in the government-wide financial statements. WRCOG defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives varying from five to ten years.

G) Compensated Absences

A total of 10 days of vacation per year may be accumulated by each employee with three years of service, 15 days with four years of service, and 20 days with ten or more years of service. However, employees are not paid for their accumulated sick leave upon retirement until they have been employed for five years, at which time 50% of accumulated sick leave hours is paid out. WRCOG accrued a liability for compensated absences, which meets the following criteria:

- WRCOG's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- The obligation relates to rights that vest or accumulate,
- Payment of the compensation is probable,
- The amount can be reasonably estimated.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated absences not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

H) Fund Balance – Governmental Funds

The following fund balance classifications describe the relative strength of the spending constraints on WRCOG's fund balances:

- Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- Committed fund balance – amounts constrained to specific purposes by WRCOG itself, using its highest level of decision-making authority (i.e., Executive Committee ordinance). To be reported as committed, amounts cannot be used for any other purpose unless WRCOG takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts WRCOG intends to use for a specific purpose. Intent is expressed by the Executive Committee.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, WRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, WRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Executive Committee or management has provided otherwise in its commitment or assignment actions.

I) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J) Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of WRCOG's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which WRCOG cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. WRCOG reports deferred outflows of resources relating to the Net Pension Liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. WRCOG has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from various receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, WRCOG reports deferred inflows relating to the Net Pension Liability.

L) Net Position Flow Assumption

Sometimes WRCOG will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is WRCOG's policy to consider restricted net position to have been depleted before unrestricted net position.

M) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the WRCOG'S plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

O) Leases

Lessee: WRCOG is a lessee for noncancellable leases of office space. WRCOG recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. WRCOG recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, WRCOG initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how WRCOG determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- WRCOG uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, WRCOG generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that WRCOG is reasonably certain to exercise.

WRCOG monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: WRCOG is a lessor for noncancellable leases of office space leased by WRCOG. WRCOG recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, WRCOG initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially the same amount as the beginning lease receivable. The deferred inflow of resources is reduced as revenue on a straight-line basis over the life of the lease term.

Key estimates and judgments include how WRCOG determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- WRCOG uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

WRCOG monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 13,305,624
Restricted Cash and Investments	337,620
Statement of Fiduciary Net Position:	
Cash and Investments	133,717,571
Cash and Investments with Fiscal Agent	44,135,699
Total Cash and Investments	<u>\$ 191,496,514</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 350
Deposits with Financial Institutions	15,350,381
Investments	176,145,783
Total Cash and Investments	<u>\$ 191,496,514</u>

Investments Authorized by WRCOG's Investment Policy

The table below identifies the investment types that are authorized for WRCOG by the California Government Code (or WRCOG's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or WRCOG's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of fiscal agent accounts held by bond trustee that are governed by the provisions of debt agreements of WRCOG, rather than the general provisions of the California Government Code or the WRCOG's investment policy.

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Supranational Obligations	5 years	30%	None
State of California Obligations	5 years	30%	5%
Local Agency Obligations	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%
Repurchase Agreements	1 year	20%	20%
Commercial Paper	270 days	30%	5%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Local Government Investment Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end, the weighted average maturity of the investments contained in the Local Agency Investment Fund (LAIF) pool was approximately 200 days. WRCOG's investment policy recognizes the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

Information about the sensitivity of the fair values of WRCOG's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of WRCOG's investment by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	1 to 2 Years	2 to 5+ Years
U.S. Treasury Obligations	\$ 23,804,950	\$ -	\$ 10,988,668	\$ 12,816,282
U.S. Agency Securities	7,475,249	2,434,013	3,524,662	1,516,574
Supranational Agency Securities	716,228	-	716,228	-
Municipal Bonds	943,597	724,968	75,017	143,612
Corporate Notes	11,896,864	1,445,920	4,616,918	5,834,026
Negotiable CD's	1,031,465	-	284,944	746,521
Asset Backed Securities	8,486,900	16,872	230,490	8,239,538
LAIF	864,610	864,610	-	-
CAMP	76,054,881	76,054,881	-	-
Money Market Mutual Funds	397,721	397,721	-	-
Restricted Section 115 Trust:				
U.S. Treasury Obligations	86,558	-	-	86,558
Corporate Note	98,898	-	8,237	90,661
Corporate Stock	81,178	81,178	-	-
Mutual Funds	56,380	56,380	-	-
Money Market Fund	14,605	14,605	-	-
Held by Bond Trustee:				
Money Market Mutual Funds	44,135,699	44,135,699	-	-
Total Pooled Investments	<u>\$ 176,145,783</u>	<u>\$ 126,226,847</u>	<u>\$ 20,445,164</u>	<u>\$ 29,473,772</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the WRCOG's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS - Continued

Investment Type	Total	Minimum Legal Rating	AAA	A/AA	BBB	Rating not Required
U.S. Treasury Obligations	\$ 23,804,950	N/A	\$ -	\$ 23,804,950	\$ -	\$ -
U.S. Agency Securities	7,475,249	N/A	-	7,475,249	-	-
Supranational Agency Securities	716,228	AA	716,228	-	-	-
Municipal Bonds	943,597	A	397,761	545,836	-	-
Corporate Notes	11,896,864	A	259,552	10,374,790	870,208	392,314
Negotiable CD's	1,031,465	N/A	-	-	-	1,031,465
Asset Backed Securities	8,486,900	AA	7,029,030	-	-	1,457,870
LAIF	864,610	N/A	-	-	-	864,610
CAMP	76,054,881	N/A	-	-	-	76,054,881
Money Market Mutual Funds	397,721	N/A	-	-	-	397,721
Restricted Section 115 Trust:						
U.S. Treasury Obligations	86,558	N/A	-	47,946	-	38,612
Corporate Note	98,898	A	-	86,872	12,026	-
Corporate Stock	81,178	N/A	-	-	-	81,178
Mutual Funds	56,380	N/A	-	-	-	56,380
Money Market Fund	14,605	N/A	-	-	-	14,605
Held by Bond Trustee:						
Money Market Mutual Funds	44,135,699	N/A	-	-	-	44,135,699
Total Pooled Investments	<u>\$ 176,145,783</u>		<u>\$ 8,402,571</u>	<u>\$ 42,335,643</u>	<u>\$ 882,234</u>	<u>\$ 124,525,335</u>

Concentration of Credit Risk

At June 30, 2023, WRCOG has no investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of WRCOG's total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the WRCOG's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure WRCOG deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2023, none of WRCOG's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities. For investments identified herein as held by bond trustee, the bond trustee selects the investments under terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS - Continued

Fair Value

Fair value measurements are categorized based on the valuation inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Fair value measurements for investments are as follows as of June 30, 2023:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 23,804,950	\$ 23,804,950	\$ -	\$ -
U.S. Agency Securities	7,475,249	-	7,475,249	-
Supranational Agency Securities	716,228	-	716,228	-
Municipal Bonds	943,597	-	943,597	-
Corporate Notes	11,896,864	-	11,896,864	-
Negotiable CD's	1,031,465	-	1,031,465	-
Asset Backed Securities	8,486,900	-	8,486,900	-
Restricted Section 115 Trust:				
U.S. Treasury Obligations	86,558	-	86,558	-
Corporate Note	98,898	-	98,898	-
Total Investments at Fair Value Level	<u>\$ 54,540,709</u>	<u>\$ 23,804,950</u>	<u>\$ 30,735,759</u>	<u>\$ -</u>

Investments not subject to fair value hierarchy

LAIF	\$ 864,610
CAMP	76,054,881
Money Market Fund	397,721
Restricted Section 115 Trust:	
Corporate Stocks	81,178
Mutual Funds	56,380
Money Market Fund	14,605
Held by Bond Trustee:	
Money Market Mutual Funds	44,135,699
Total Investments	<u>\$ 121,605,074</u>

Investment in State Investment Pool

WRCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS - Continued

the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

Investment in JPA Pool/CAMP

WRCOG is a voluntary participant in the CAMP Trust (Trust), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the Trust specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro-rata share of the fair value provided by CAMP.

Section 115 Trust

In February 2020, WRCOG's board authorized participation in the PARS Pension Rate Stabilization Program Section 115 Trust in order to mitigate rising pension costs through CalPERS and to set aside funding for the OPEB Plan. The initial funding amount was \$350,000 for the pension trust and \$1,920,000 for the OPEB trust. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program and receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. The trust permits WRCOG, under Federal and State law, to invest in a more diversified array of investments to maximize investment returns long term. The balance of the Trust at June 30, 2023 is \$1,969,262 and is reported as restricted cash and investments.

3) INTERFUND RECEIVABLES AND PAYABLES

Due To/From Other Funds

Interfund receivables and payables at June 30, 2023 are as follows:

Due From (Receivable)	Due To (Payable)	Amount
General Fund	Regional Energy Network	\$ 914,576
	Non-major Governmental Funds	99,380
Non-major Governmental Funds	General Fund	51,505
Total		<u>\$ 1,065,461</u>

The outstanding short-term loans between funds are a result of lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Due to/From Custodial Funds

The \$1,326,686 due to the Fiduciary Funds from WRCOG is the result of a lag between when funds are collected on behalf of the custodial funds and when they are remitted to those funds.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Furniture and Computer Equipment	\$ 829,260	\$ -	\$ -	\$ 829,260
Other Capital Assets	33,037	-	-	33,037
Right-to-use Leased Office	2,919,324	-	-	2,919,324
Total Depreciable Capital Assets	3,781,621	-	-	3,781,621
Less Accumulated Depreciation:				
Furniture and Computer Equipment	(680,839)	(63,671)	-	(744,510)
Other Capital Assets	(33,036)	-	-	(33,036)
Right-to-use Leased Office	(547,373)	(364,915)	-	(912,288)
Total Accumulated Depreciation	(1,261,248)	(428,586)	-	(1,689,834)
Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,520,373</u>	<u>\$ (428,586)</u>	<u>\$ -</u>	<u>\$ 2,091,787</u>

Depreciation expense of \$428,586 was charged to the general government function of the governmental activities.

5) LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Governmental Activities:						
Net OPEB Liability	\$ 1,858,448	\$ 362,822	\$ -	\$ 2,221,270	\$ -	\$ 2,221,270
Net Pension Liability	1,760,940	1,948,747	-	3,709,687	-	3,709,687
Compensated Absences	423,620	227,827	109,217	542,230	54,223	488,007
Lease Payable	2,290,164	-	370,629	1,919,535	351,288	1,568,247
Total	<u>\$ 6,333,172</u>	<u>\$ 2,539,396</u>	<u>\$ 479,846</u>	<u>\$ 8,392,722</u>	<u>\$ 405,511</u>	<u>\$ 7,987,211</u>

Compensated absences will be liquidated primarily by the General Fund.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

5) LONG-TERM LIABILITIES - Continued

Lease Payable

WRCOG, in a prior year, entered into lease agreement as lessee for office space for its administrative office. The lease terms are 8 years as of the inception date of the lease of January 1, 2021. As of June 30, 2023, the value of the lease liability was \$1,919,535, which is the present value of the future minimum lease payments. WRCOG is required to make monthly lease payments ranging from \$36,442 to \$35,455 through December 31, 2028. The amount of the right-to-use asset as of June 30, 2023 was \$2,919,324 and had accumulated depreciation of \$912,288.

The following represents the future lease payments to be made:

Fiscal Year Ending June 30,	Lease Principal	Interest	Total
2024	\$ 351,288	\$ 32,574	\$ 383,862
2025	351,349	44,097	395,446
2026	351,563	55,995	407,558
2027	351,466	68,203	419,669
2028	345,938	79,522	425,460
2029	167,931	44,799	212,730
Totals	<u>\$ 1,919,535</u>	<u>\$ 325,190</u>	<u>\$ 2,244,725</u>

6) FIDUCIARY FUND LONG-TERM DEBT

The following is a summary of long-term debt activity for WRCOG's fiduciary fund for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Refund Liability	\$ 6,318,427	\$ -	\$ 781,961	\$ 5,536,466	\$ -	\$ 5,536,466
City of Moreno Valley Agreement	3,493,500	-	-	3,493,500	-	3,493,500
Total	<u>\$ 9,811,927</u>	<u>\$ -</u>	<u>\$ 781,961</u>	<u>\$ 9,029,966</u>	<u>\$ -</u>	<u>\$ 9,029,966</u>

Refund Liability

WRCOG maintains a listing of developers who are owed a refund for various reasons including expired permits, duplicate payments, and credit agreements entered into with the developer. Some of the refunds are included on the Transportation Improvement Program (TIP) and some are not but are generally not paid out until the zone has enough money to repay the refund. Each zone within the TIP maintains its own refund amounts and as funds become available, the refunds are paid out. No interest is calculated on refunds granted back to the developer. The refunds will be liquidated from the TUMF Custodial Fund.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

City of Moreno Valley Agreement

In 2011, WRCOG entered into an agreement with the City of Moreno Valley to fund a portion of the Nason/SR-60 Interchange Project. Pursuant to the agreement, the City incurred project-related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was \$11,128,000. As of June 30, 2023, the remaining amount to be reimbursed to the City is \$3,493,500. The liability will be liquidated from the TUMF Custodial Fund.

7) TRANSPORTATION UNIFORM MITIGATION FEES (TUMF)

WRCOG developed an ordinance and an administrative plan effective June 1, 2003, to implement the Transportation Uniform Mitigation Fee (TUMF). This ordinance and the administrative plan allows for the collection of mitigation fees over 25 years related to the planning and construction of a regional transportation system throughout the western region of Riverside County. The municipalities located within the western region of Riverside County (grouped by zones) and the County of Riverside collect these fees and remit them to WRCOG on a monthly basis. WRCOG is responsible for the administration of these fees, subject to certain restrictions, and approves plans that meet the goals (nexus) of the legislation.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2022, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as a deduction in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however, the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

8) PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. WRCOG sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and WRCOG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

8) PENSION PLAN – Continued

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	7.75%
Required employer contribution rates	15.21% + \$282,847	7.60% + \$11,546

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis.

WRCOG's required contribution for the unfunded liability was \$294,393 in fiscal year 2023. WRCOG's contributions to the Plan for the year ended June 30, 2023 were \$643,730.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

8) PENSION PLAN - Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, WRCOG reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$3,709,687. WRCOG's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. WRCOG's proportion of the net pension liability was based on a projection of WRCOG's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

WRCOG's proportionate share of the net pension liability as of June 30, 2021, and 2022 was as follows:

Proportion - June 30, 2021	0.09274%
Proportion - June 30, 2022	0.07928%
Change - Increase (Decrease)	-0.01346%

At June 30, 2023, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 643,730	\$ -
Differences between actual and expected experience	74,498	49,895
Changes in assumptions	380,135	-
Change in employer's proportion	29,393	152,543
Differences between employer's contributions and employer's proportionate share of contributions	41,519	19,603
Net differences between projected and actual earnings on plan investments	679,516	-
Total	<u>\$ 1,848,791</u>	<u>\$ 222,041</u>

\$643,730 reported as deferred outflows related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 272,282
2025	201,671
2026	93,451
2027	415,616
2028	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

8) PENSION PLAN - Continued

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

8) PENSION PLAN - Continued

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents WRCOG's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what WRCOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		5.90%
Net Pension Liability/(Asset)	\$	5,803,569
Current Discount Rate		6.90%
Net Pension Liability/(Asset)	\$	3,709,687
1% Increase		7.90%
Net Pension Liability/(Asset)	\$	1,986,942

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

9) OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description - WRCOG has established an agent multiple employer plan that provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

Tier	Date of Hire	Benefit
1	< 1/1/98	100% of premium (ee + dep.)
2	1/1/98 - 6/30/01	Cost of Kaiser coverage (ee + dep.)
3	7/1/01 - 9/1/04	Up to employee + 1 Kaiser premium
4	> 9/1/04	50% weighted average of 4 top plans + 40% of weighted average for 1 dep. for top plans. Vesting is 50% of premium at 10 years graded to 100% at 20 years.

In April 2012 WRCOG joined the Public Agencies Post-Retirement Health Care Plan, a multiple-employer trust administered by the Public Agency Retirement Services.

Employees Covered by Benefit Terms – As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

9) OTHER POSTEMPLOYMENT BENEFITS - Continued

Active employees	28
Inactive employees or beneficiaries current receiving benefits	11
Inactive employees entitled to, but not yet receiving benefits	1
	<u>40</u>

Contributions – Benefit provisions are established and may be amended by the Executive Committee. WRCOG contributes 100% of the cost of health insurance premiums for retirees.

Net OPEB Liability - WRCOG's total OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age, Level Percent of Pay
Asset Valuation Method	Market Value
Mortality	MacLeod Watts Scale 2022
Age at Retirement	50 to 75
Health Care Trend Rate	5.40% for 2021; 5.80% for 2022, ultimate rate of 4.80% by 2076
Inflation Rate	2.50%
Salary Changes	3.00%
Discount Rate	3.40% as of June 30, 2021; 3.90% as of June 30, 2022

Discount Rate – A discount rate of 3.90% was used in the valuation. This discount rate assumes the WRCOG continues to fully fund for its retiree health benefits.

Changes in the Net OPEB Liability

	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022 (June 30, 2021 measurement date)	\$ 3,913,393	\$ 2,054,945	\$ 1,858,448
Changes in the year:			
Service cost	314,558	-	314,558
Interest on the total OPEB liability	140,383	-	140,383
Expected Investment Income	-	104,426	(104,426)
WRCOG Contributions	-	57,247	(57,247)
Changes in assumptions or other inputs	-	-	-
Difference between expected and actual experience, changes of assumptions	(259,809)	-	(259,809)
Change due to Plan Experience	-	(300,917)	300,917
Administrative Expenses	-	(28,446)	28,446
Benefit payments	(198,087)	(198,087)	-
Net changes	(2,955)	(365,777)	362,822
Balance at June 30, 2023 (June 30, 2022 measurement date)	\$ 3,910,438	\$ 1,689,168	\$ 2,221,270

Changes of Assumptions

The discount rate increased from 3.40% to 3.90%.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

9) OTHER POSTEMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of WRCOG if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.90%)	Discount Rate (3.90%)	1% Increase (4.90%)
Net OPEB liability	\$ 2,784,315	\$ 2,221,270	\$ 1,809,923

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of WRCOG, as well as what WRCOG's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Rates	1% Increase
Net OPEB liability	\$ 1,610,973	\$ 2,221,270	\$ 3,021,327

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2023, WRCOG recognized OPEB expense of \$358,0303. WRCOG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 45,152	\$ -
Differences Between Expected and Actual Experience	-	1,272,261
Net Difference Between Projected and Actual Earnings	142,142	-
Changes of Assumptions	1,294,385	233,671
Total	<u>\$ 1,481,679</u>	<u>\$ 1,505,932</u>

The \$45,152 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	Amount
2024	\$ 7,890
2025	5,143
2026	(1,357)
2027	36,758
2028	(23,427)
Thereafter	(94,412)

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

9) OTHER POSTEMPLOYMENT BENEFITS - Continued

Other Benefits

WRCOG also provides a deferred compensation plan under Section 457 of the Internal Revenue Code. As a result of changes in tax law, these benefits have been placed in a trust for the exclusive benefit of the employees requesting such deferrals.

10) COMMITMENTS AND CONTINGENCIES

WRCOG has participated in various federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material.

11) PROPERTY ASSESSED CLEAN ENERGY PROGRAM

In 2011, WRCOG launched the Property Assessed Clean Energy (PACE) Program, a regional effort that provides financing to residential and commercial property owners to install energy- efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion.

Program participants complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. For property owners, energy and water conservation improvements will yield reduced utility bills. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce greenhouse gas emissions associated with energy use, and bring and retain jobs for area contractors.

The PACE Program has expanded statewide; over 380 municipalities throughout California have joined the Program. What makes the PACE Program particularly unique is that the financing is provided entirely by private investment funds to implement the Program.

Under the PACE Program, a contractual assessment is entered into by the property owner. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements, the issuance of the bonds that will finance the program, and the costs to administer the program. The assessments are billed and collected on the County property tax bill. Repayments made by the property owners flow through the County to the trustee to fund the debt service. WRCOG does not receive the special assessments. As the sponsor of the PACE program, WRCOG receives a percentage of the amount financed for its participation in the program.

During Fiscal year 20/21, WRCOG's partner in the residential HERO Program, Renovate America, terminated its HERO product and subsequently filed for Chapter 11 Bankruptcy in December 2020, effectively ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining residential PACE administration agreements with the two other companies that have partnered with WRCOG, Renew Financial and PACE Funding Group. Going forward, all WRCOG PACE Program updates will be focused solely on the commercial, or C-PACE, element of the Program.

While there are no longer new projects with the PACE residential Programs, WRCOG is still servicing the outstanding assessments (liens) related to the Program in the winddown phase. The Program still generates revenues from refunds, payoffs, delinquency sell-offs, and the annual administrative fee. For FY 22/23, PACE commercial program revenue totaled \$93,665 while residential revenue totaled \$934,831.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

12) FELLOWSHIP PROGRAM

In November 2015, WRCOG launched the Fellowship Program. The Fellowship Program is administered in partnership with the University of California, Riverside and California Baptist University, but also works with other schools in Southern California. The purpose of the program is to encourage students to seek careers in public policy and local government. Based on available funding and member agency's needs, each member agency is provided with a student intern who is employed by WRCOG, to be used to support local government departments.

The Fellowship Program was historically funded by net PACE Program revenues, however in FY 20/21, WRCOG began to request a Member contribution to offset the Programs costs, as its funding source is no longer available. Additionally, as previously disclosed in FY 19/20, the BEYOND Program, which was also funded by net PACE revenues, ceased to operate and an unspent portion of BEYOND was re-assigned to the Fellowship Program. In the fiscal year ended June 30, 2023. Fellowship Program expenses incurred by WRCOG totaled to \$219,878.

13) RISK MANAGEMENT

WRCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters which are covered through the purchase of insurance policies.

At June 30, 2023, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to \$2,000,000 per occurrence and \$10,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to \$1,000,000 per occurrence and \$122,000 personal property and \$1,000 deductible per occurrence.
- Crime Insurance: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Excess Liability: WRCOG is insured up to \$4,000,000 per occurrence.
- Workers Compensation: WRCOG is insured up to \$1,000,000 per occurrence.
- Employee Dishonest Bond: WRCOG is insured up to \$25,000 bond limit.
- Business Auto Policy: WRCOG is insured up to \$1,000,000 liability limit with a \$1,000 deductible.
- Commercial Cyber Insurance: WRCOG is insured up to \$1,000,000 per occurrence and a \$5,000 deductible.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

14) WESTERN COMMUNITY ENERGY (WCE)

Western Community Energy ("WCE") was organized on August 23, 2018 pursuant to the Joint Exercise of Powers Agreement by City of Canyon Lake, City of Eastvale, City of Hemet, City of Jurupa Valley, City of Perris, and City of Wildomar ("Member Agencies"). In 2002, AB 117 was signed into law allowing public agencies to aggregate the electrical load of interested consumers within their jurisdictional boundaries and purchase electricity on behalf of those consumers. The WCE was formed with the purpose and intent to collectively study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and other energy related and climate change programs related to a Community Choice Aggregation program ("CCA Program"), and exercise all other powers necessary and incidental to accomplishing this purpose. The Member Agencies each adopted an ordinance electing to implement through the Authority a community choice aggregation program pursuant to California Public Utilities Code§ 3 66.2.

Western Riverside Council of Governments
Notes to Financial Statements
Year Ended June 30, 2023

14) WESTERN COMMUNITY ENERGY (WCE) - Continued

On May 24, 2021, WCE declared a fiscal emergency, which ultimately led to WCE filing for Chapter 9 bankruptcy protection. Multiple factors led to WCE declaring its fiscal emergency, including increased energy usage due the COVID lockdown, increased energy costs, increased delinquencies due to COVID and record high heatwaves in the Fall of 2020. While other CCAs and utilities in California experienced similar events and challenges, they were able to draw on reserves that were built up over years of operation to overcome these challenges.

As WCE commenced operation right as these issues started to happen, it did not have the opportunity to build financial reserves and had no cushion to fall back on. WCE has an Implementation and Management Services Agreement with WRCOG to provide administrative services to the Agency. WRCOG provided WCE with start-up costs to launch the CCA as well as additional amounts to support operations. The amount owed by WCE to WRCOG at the time of the bankruptcy was approximately \$5 million. As WRCOG is seen as an unsecured creditor in the bankruptcy, approximately 42% was paid out to WRCOG in September 2022 and the remainder was reflected as bad debt expense, \$2,127,764 and included as Energy expenditures in FY 21/22. WCE was fully dissolved in Fiscal Year 2022/2023.

15) LEASES

Lease Receivable - In prior fiscal years, WRCOG entered into a sublease agreement with a third party to lease office space under a WRCOG lease. The lease term ranged of the sublease was 8 years. WRCOG currently receives monthly payments from all leases of \$5,076. WRCOG recognized \$55,748 in lease revenue and \$6,997 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2023, WRCOG's receivable for the sublease payments was \$55,748. Also, WRCOG has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$55,748.

REQUIRED SUPPLEMENTARY INFORMATION

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 1,678,109	\$ 1,499,223	\$ 1,640,771	\$ 141,548
TUMF Mitigation Fees	2,240,800	3,122,403	2,924,554	(197,849)
PACE Fees	2,925,000	1,246,413	1,027,275	(219,138)
Other Revenues	100,000	100,000	60,141	(39,859)
Investment Income	5,000	304,260	316,858	12,598
Total Revenues	6,948,909	6,272,299	5,969,599	(302,700)
EXPENDITURES				
Current:				
General Government	3,466,762	3,246,580	2,852,840	393,740
Energy	2,700,646	1,995,146	1,888,361	106,785
Environmental	173,016	290,610	245,011	45,599
Debt Service:				
Lease Principal	340,000	340,000	370,629	(30,629)
Lease Interest	-	-	22,571	(22,571)
Total Expenditures	6,680,424	5,872,336	5,379,412	492,924
Excess (Deficiency) of Revenues over Expenditures	268,485	399,963	590,187	190,224
Net Change in Fund Balances	268,485	399,963	590,187	190,224
Fund Balances, Beginning of Year	10,801,491	10,801,491	10,801,491	-
Fund Balances, End of Year	<u>\$ 11,069,976</u>	<u>\$ 11,201,454</u>	<u>\$ 11,391,678</u>	<u>\$ 190,224</u>

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Local Transportation Special Revenue Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 930,000	\$ 1,002,500	\$ 1,002,500	\$ -
Total Revenues	930,000	1,002,500	1,002,500	-
EXPENDITURES				
Current:				
General Government	948,829	990,040	858,750	131,290
Total Expenditures	948,829	990,040	858,750	131,290
Net Change in Fund Balances	(18,829)	12,460	143,750	131,290
Fund Balances, Beginning of Year	2,593,014	2,593,014	2,593,014	-
Fund Balances, End of Year	<u>\$ 2,574,185</u>	<u>\$ 2,605,474</u>	<u>\$ 2,736,764</u>	<u>\$ 131,290</u>

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Regional Energy Network Special Revenue Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for Services	\$ 10,038,349	\$ 3,377,451	\$ 646,135	\$ (2,731,316)
Total Revenues	10,038,349	3,377,451	646,135	(2,731,316)
EXPENDITURES				
Current:				
Energy	10,038,330	3,277,449	2,714,644	562,805
Total Expenditures	10,038,330	3,277,449	2,714,644	562,805
Net Change in Fund Balances	19	100,002	(2,068,509)	(2,168,511)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ 19	\$ 100,002	\$ (2,068,509)	\$ (2,168,511)

**Western Riverside Council of Governments
Required Supplementary Information
Year Ended June 30, 2023**

**Schedule of WRCOG's Proportionate Share of the Net Pension Liability
Last 10 Years***

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	0.09274%	\$ 3,709,687	\$ 2,591,751	143.13%	75.85%
2021	0.03256%	1,760,940	2,610,410	67.46%	86.73%
2020	0.02880%	3,129,775	2,504,167	124.98%	62.87%
2019	0.02800%	2,873,074	2,530,409	113.54%	75.21%
2018	0.02720%	2,621,376	2,413,255	108.62%	75.93%
2017	0.02710%	2,689,185	2,062,647	130.38%	74.33%
2016	0.02650%	2,297,048	1,760,643	130.47%	78.40%
2015	0.02630%	1,808,565	1,616,828	111.86%	78.40%
2014	0.02290%	1,421,911	1,422,424	99.96%	79.82%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2022, the accounting discount rate changed from 7.15% to 6.90%. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

*Fiscal year 2015 was the first year of implementation, therefore, 10 years of information are not yet available.

**Western Riverside Council of Governments
Required Supplementary Information
Year Ended June 30, 2023**

**Schedule of Plan Contributions
Last 10 Years***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 643,730	\$ (643,730)	\$ -	\$ 3,545,850	18.15%
2022	577,461	(577,461)	-	2,591,751	22.28%
2021	523,824	(523,824)	-	2,610,410	20.07%
2020	466,492	(466,492)	-	2,504,167	18.63%
2019	236,092	(236,092)	-	2,530,409	9.33%
2018	345,428	(345,428)	-	2,413,255	14.31%
2017	323,200	(323,200)	-	2,062,647	15.67%
2016	305,212	(305,212)	-	1,760,643	17.34%
2015	294,471	(294,471)	-	1,616,828	18.21%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019, 6/30/2020, 6/30/2021

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

Western Riverside Council of Governments
Required Supplementary Information
Year Ended June 30, 2023

Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years*

	Measurement Period		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 314,558	\$ 197,412	\$ 180,222
Interest on total OPEB liability	140,383	174,529	165,457
Changes in assumptions	(259,809)	934,215	105,642
Changes in benefits	-	-	-
Differences between expected and actual experience	-	(313,855)	-
Benefit payments, including refunds	(198,087)	(167,719)	(170,086)
Net change in total OPEB liability	(2,955)	824,582	281,235
Total OPEB liability - beginning	3,913,393	3,088,811	2,807,576
Total OPEB liability - ending (a)	<u>\$ 3,910,438</u>	<u>\$ 3,913,393</u>	<u>\$ 3,088,811</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 57,247	\$ 47,459	\$ 140,657
Net Investment Income	(196,491)	295,055	72,852
Benefit payments	(198,087)	(167,719)	(170,086)
Administrative Expense	(28,446)	(26,274)	-
Net change in plan fiduciary net position	(365,777)	148,521	43,423
Plan fiduciary net position - beginning	2,054,945	1,906,424	1,863,001
Plan fiduciary net position - ending (b)	<u>\$ 1,689,168</u>	<u>\$ 2,054,945</u>	<u>\$ 1,906,424</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 2,221,270</u>	<u>\$ 1,858,448</u>	<u>\$ 1,182,387</u>
Plan fiduciary net position as a percentage of the total OPEB liability	43.2%	52.5%	61.7%
Covered - employee payroll	3,188,032	2,794,918	2,664,693
Net OPEB liability as a percentage of covered-employee payroll	69.68%	66.49%	44.37%

Notes to Schedule of Changes

The discount rate from the 2019 Actuarial Valuation to the 2021 Actuarial Valuation changed from 5.45% to 3.40%

*OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Western Riverside Council of Governments
Required Supplementary Information
Year Ended June 30, 2023

Measurement Period		
2019	2018	2017
\$ 150,146	\$ 171,367	\$ 108,879
173,314	160,645	159,498
763,070	-	-
-	-	-
(836,051)	-	(156,922)
(131,557)	(84,617)	(113,278)
118,922	247,395	(1,823)
2,688,654	2,441,259	2,443,082
<u>\$ 2,807,576</u>	<u>\$ 2,688,654</u>	<u>\$ 2,441,259</u>
\$ 106,392	\$ 120,000	\$ -
97,620	(5,368)	104,450
(131,557)	(84,617)	(105,916)
(7,570)	(6,574)	(7,361)
64,885	23,441	(8,827)
1,798,116	1,774,675	1,783,502
<u>\$ 1,863,001</u>	<u>\$ 1,798,116</u>	<u>\$ 1,774,675</u>
<u>\$ 944,575</u>	<u>\$ 890,538</u>	<u>\$ 666,584</u>
66.4%	66.9%	72.7%
2,817,402	2,617,222	2,211,299
33.53%	34.03%	30.14%

**Western Riverside Council of Governments
Required Supplementary Information
Year Ended June 30, 2023**

**Schedule of Plan Contributions
for WRCOG's OPEB Plan
Last 10 Years***

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2023	\$ 348,026	\$ (45,152)	\$ 302,874	\$ 3,708,227	1.22%
2022	280,846	(57,247)	223,599	3,188,032	1.80%
2021	274,960	(47,459)	227,501	2,974,918	1.60%
2020	256,928	(140,657)	116,271	2,664,693	5.28%
2019	202,857	(202,857)	-	2,817,402	7.20%
2018	185,075	(185,075)	-	2,617,222	7.07%

Notes to the Schedule: None

*Fiscal year 2017-18 was the first year of implementation. Additional years to be presented as information becomes available.

**Western Riverside Council of Governments
Notes to Required Supplementary Information
Year Ended June 30, 2023**

1. Budgets and Budgetary Accounting

By state law, WRCOG's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. WRCOG's Governing Board satisfied these requirements. A budget is adopted for all expenditures by financial responsibility for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2023, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Western Riverside Council of Governments
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue			Total Nonmajor Governmental Funds
	Clean Cities	Used Oil Block Grant	WRCOG Foundation	
ASSETS				
Cash and Investments	\$ 128,219	\$ 262,897	\$ 138,061	\$ 529,177
Receivables:				
Accounts	-	-	73,345	73,345
Due From Other Governments	30,119	-	-	30,119
Due From Other Funds	-	51,505	-	51,505
Total Assets	<u>\$ 158,338</u>	<u>\$ 314,402</u>	<u>\$ 211,406</u>	<u>\$ 684,146</u>
LIABILITIES				
Accounts Payable	\$ 1,681	\$ 4,157	\$ 116,914	\$ 122,752
Unearned Revenue	-	220,753	-	220,753
Due to Other Governments	-	-	1,602	1,602
Due to Other Funds	-	89,317	10,063	99,380
Total Liabilities	<u>1,681</u>	<u>314,227</u>	<u>128,579</u>	<u>444,487</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	<u>1,119</u>	<u>-</u>	<u>6,000</u>	<u>7,119</u>
Total Deferred Inflows of Resources	<u>1,119</u>	<u>-</u>	<u>6,000</u>	<u>7,119</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	<u>155,538</u>	<u>175</u>	<u>76,827</u>	<u>232,540</u>
Total Fund Balances	<u>155,538</u>	<u>175</u>	<u>76,827</u>	<u>232,540</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 157,219</u>	<u>\$ 314,402</u>	<u>\$ 205,406</u>	<u>\$ 684,146</u>

Western Riverside Council of Governments
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2023

	Special Revenue			Total Nonmajor Governmental Funds
	Clean Cities	Used Oil Block Grant	WRCOG Foundation	
REVENUES				
Intergovernmental	\$ 426,600	\$ 198,398	\$ -	\$ 624,998
Other Revenues	-	-	299,835	299,835
Investment Income	-	-	21	21
Total Revenues	426,600	198,398	299,856	924,854
EXPENDITURES				
Current:				
General Government	-	-	235,208	235,208
Environmental	288,268	198,223	-	486,491
Total Expenditures	288,268	198,223	235,208	721,699
Net Change in Fund Balances	138,332	175	64,648	203,155
Fund Balances (Deficit), Beginning of Year	17,206	-	12,179	29,385
Fund Balances (Deficit), End of Yea	\$ 155,538	\$ 175	\$ 76,827	\$ 232,540

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Clean Cities Special Revenue Fund
Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 340,167	\$ 426,600	\$ 86,433
Other Revenues	-	-	-
	<u>340,167</u>	<u>426,600</u>	<u>86,433</u>
Total Revenues	<u>340,167</u>	<u>426,600</u>	<u>86,433</u>
EXPENDITURES			
Current:			
Environmental	<u>339,783</u>	<u>288,268</u>	<u>51,515</u>
	<u>339,783</u>	<u>288,268</u>	<u>51,515</u>
Total Expenditures	<u>339,783</u>	<u>288,268</u>	<u>51,515</u>
Net Change in Fund Balance	384	138,332	137,948
Fund Balance, Beginning of Year	<u>17,206</u>	<u>17,206</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 17,590</u></u>	<u><u>\$ 155,538</u></u>	<u><u>\$ 137,948</u></u>

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Used Oil Special Revenue Fund
Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 198,398	\$ 198,398	\$ -
Other Revenues	-	-	-
	<u>198,398</u>	<u>198,398</u>	<u>-</u>
Total Revenues	<u>198,398</u>	<u>198,398</u>	<u>-</u>
EXPENDITURES			
Current:			
Environmental	<u>198,223</u>	<u>198,223</u>	<u>-</u>
	<u>198,223</u>	<u>198,223</u>	<u>-</u>
Total Expenditures	<u>198,223</u>	<u>198,223</u>	<u>-</u>
Net Change in Fund Balance	175	175	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 175</u></u>	<u><u>\$ 175</u></u>	<u><u>\$ -</u></u>

Western Riverside Council of Governments
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - WRCOG Foundation Special Revenue Fund
Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Revenues	\$ 339,000	\$ 299,835	\$ (39,165)
Investment Income	-	21	21
	<u>339,000</u>	<u>299,856</u>	<u>(39,144)</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	<u>321,122</u>	<u>235,208</u>	<u>85,914</u>
	<u>321,122</u>	<u>235,208</u>	<u>85,914</u>
Total Expenditures			
Net Change in Fund Balance	17,878	64,648	46,770
Fund Balance, Beginning of Year	<u>12,179</u>	<u>12,179</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 30,057</u></u>	<u><u>\$ 76,827</u></u>	<u><u>\$ 46,770</u></u>

CUSTODIAL FUNDS

Western Riverside Council of Governments
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Custodial Funds		
	PACE	TUMF	Totals
ASSETS			
Cash and Investments	\$ 5,027,844	\$ 127,058,085	\$ 132,085,929
Cash and Investments with Fiscal Agents	44,135,699	-	44,135,699
Due from Other Governments	-	4,109,930	4,109,930
Assessments Receivable	55,545	-	55,545
Due from WRCOG	643,982	682,704	1,326,686
Total Assets	49,863,070	131,850,719	181,713,789
LIABILITIES			
Accounts Payable	5,029,864	8,382,893	13,412,757
Refunds Payable	53,950	-	53,950
Due to Other Governments	-	871,198	871,198
Due to WRCOG	497,940	-	497,940
Deposits Payable	145,618	-	145,618
Long-term Liabilities			
Due to City of Moreno Valley	-	3,493,500	3,493,500
Refund Liability	-	5,536,466	5,536,466
Total Liabilities	5,727,372	18,284,057	24,011,429
NET POSITION			
Restricted for other Organizations or Agencies	44,135,698	113,566,662	157,702,360
Total Net Position	\$ 44,135,698	\$ 113,566,662	\$ 157,702,360

Western Riverside Council of Governments
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2023

	Custodial Funds		
	PACE	TUMF	Totals
ADDITIONS			
Assessments Collected for Others	\$ 131,456,174	\$ 81,013,908	\$ 212,470,082
Investment Income	27,101	3,103,398	3,130,499
Total Additions	131,483,275	84,117,306	215,600,581
DEDUCTIONS			
General and Administrative	-	892,670	892,670
Payments to TUMF Members	-	49,660,890	49,660,890
Distributions to Shareholders	149,111,275	-	149,111,275
Total Deductions	149,111,275	50,553,560	199,664,835
Net Change in Fiduciary Net Position	(17,628,000)	33,563,746	15,935,746
Net Position, Beginning of Year	61,763,698	80,002,916	141,766,614
Net Position, End of Year	\$ 44,135,698	\$ 113,566,662	\$ 157,702,360



Statistical Section

STATISTICAL SECTION

This section of the Western Riverside Council of Government's Annual Comprehensive Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing WRCOG's financial condition.

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Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	66
Revenue Capacity These schedules contain information to help the reader assess WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.	74
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	75
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	77
Debt Capacity This schedule contains information to help the reader assess WRCOG's outstanding debt.	81

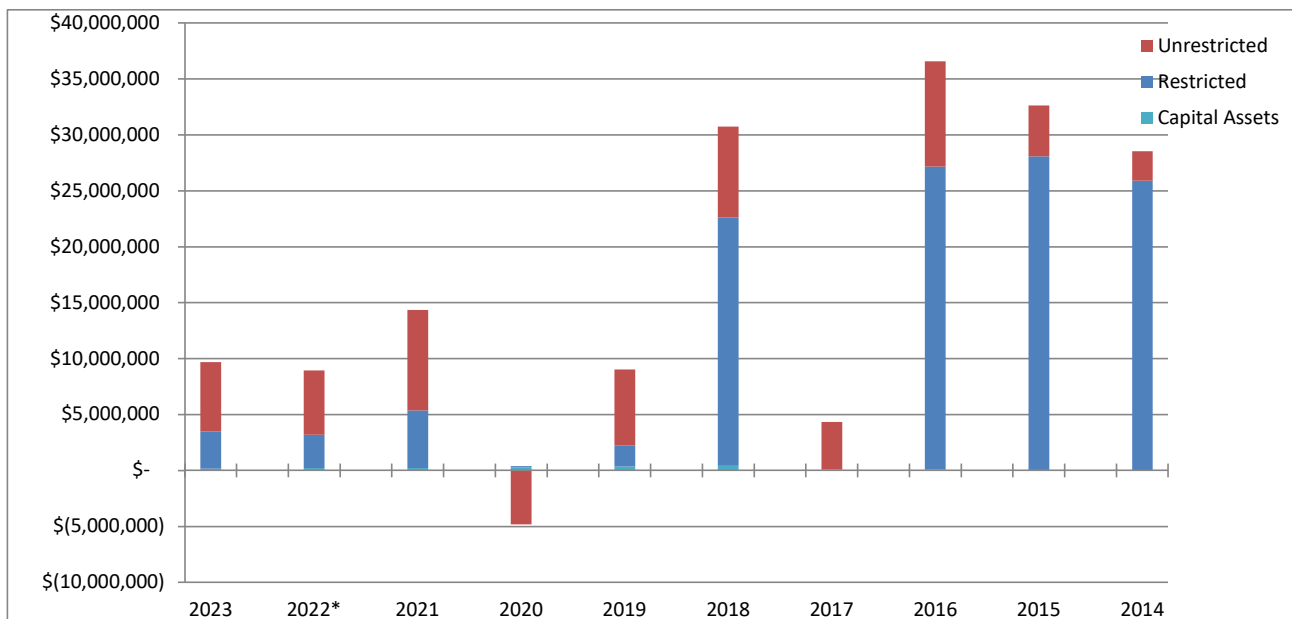
**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year			
	<u>2023</u>	<u>2022*</u>	<u>2021</u>	<u>2020</u>
Governmental activities:				
Net investment in				
Capital Assets	\$ 172,252	\$ 230,209	\$ 218,171	\$ 293,345
Restricted	3,321,749	2,963,656	5,164,059	111,838
Unrestricted	6,186,452	5,752,754	8,965,785	(4,815,321)
Total governmental activities net position/(deficit)	<u>\$ 9,680,453</u>	<u>\$ 8,946,619</u>	<u>\$ 14,348,015</u>	<u>\$ (4,410,138)</u>

* Due to GASB 84 implementation, WRCOG changed the fund reporting type for the TUMF Custodial Fund, in prior years this was reported as a special revenue fund.

Source: Finance Department



Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 362,054	\$ 413,343	\$ 93,875	\$ 100,296	\$ 54,038	\$ 30,021
1,907,303	22,211,582	11,702	27,079,334	28,033,173	25,869,263
6,771,505	8,130,795	4,232,803	9,385,943	4,556,290	2,632,813
<u>\$ 9,040,862</u>	<u>\$ 30,755,720</u>	<u>\$ 4,338,380</u>	<u>\$ 36,565,573</u>	<u>\$ 32,643,501</u>	<u>\$ 28,532,097</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year Ended June 30,			
	<u>2023</u>	<u>2022*</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
General government	\$ 4,483,666	\$ 4,391,339	\$ 4,150,530	\$ 3,674,580
Transportation	-	-	42,583,401	63,456,285
Energy	4,603,005	6,086,935	3,110,304	2,349,851
Environmental	731,502	559,545	707,125	704,465
Interest on Lease	22,571	12,315		
Total primary government expenses	<u>9,840,744</u>	<u>11,050,134</u>	<u>50,551,360</u>	<u>70,185,181</u>
Program Revenues				
Governmental activities:				
General government	5,469,546	5,370,744	447,393	341,563
Transportation	-	-	63,706,655	50,389,714
Energy	3,848,082	4,574,850	3,962,842	2,966,193
Environmental	940,071	569,943	673,823	758,394
Total primary government program revenues	<u>10,257,699</u>	<u>10,515,537</u>	<u>68,790,713</u>	<u>54,455,864</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>416,955</u>	<u>(534,597)</u>	<u>18,239,353</u>	<u>(15,729,317)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Other revenues			-	-
Investment income	316,879	(27,181)	(243,696)	2,356,692
Loss on sale of capital assets			-	(78,375)
Total primary government	<u>316,879</u>	<u>(27,181)</u>	<u>(243,696)</u>	<u>2,278,317</u>
Changes in Net Position				
Total primary government	<u>\$ 733,834</u>	<u>\$ (561,778)</u>	<u>\$ 17,995,657</u>	<u>\$ (13,451,000)</u>

* Due to GASB 84 implementation, WRCOG changed the fund reporting type for the TUMF Custodial Fund, in prior years this was reported as a special revenue fund.

Source: Finance Department

Fiscal Year Ended June 30,					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 6,966,676	\$ 5,416,418	\$ 4,028,482	\$ 2,520,688	\$ 2,031,313	\$ 2,245,634
85,033,676	34,971,790	74,542,061	41,631,788	33,114,224	54,779,449
2,779,274	6,333,946	5,622,980	5,629,560	4,926,278	2,445,533
533,897	570,687	513,137	423,667	531,945	647,781
<u>95,313,523</u>	<u>47,292,841</u>	<u>84,706,660</u>	<u>50,205,703</u>	<u>40,603,760</u>	<u>60,118,397</u>
569,301	567,640	512,876	513,188	349,268	420,810
66,842,236	67,483,341	42,731,611	43,508,888	37,430,113	24,905,073
3,364,946	6,003,534	9,316,452	9,779,134	7,473,816	3,198,814
542,592	515,141	528,775	464,885	620,836	618,415
<u>71,319,075</u>	<u>74,569,656</u>	<u>53,089,714</u>	<u>54,266,095</u>	<u>45,874,033</u>	<u>29,143,112</u>
<u>(23,994,448)</u>	<u>27,276,815</u>	<u>(31,616,946)</u>	<u>4,060,392</u>	<u>5,270,273</u>	<u>(30,975,285)</u>
-	-	-	36,112	241,763	259,349
2,262,464	273,559	(12,645)	509,228	552,021	706,876
-	-	-	-	-	-
<u>2,262,464</u>	<u>273,559</u>	<u>(12,645)</u>	<u>545,340</u>	<u>793,784</u>	<u>966,225</u>
<u>\$ (21,731,984)</u>	<u>\$ 27,550,374</u>	<u>\$ (31,629,591)</u>	<u>\$ 4,605,732</u>	<u>\$ 6,064,057</u>	<u>\$ (30,009,060)</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

	Fiscal Year				
	<u>2023</u>	<u>2022*</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>GENERAL FUND</u>					
General fund:					
Nonspendable					
Prepaid Expenses	\$ 149,872	\$ 119,789	\$ 61,060	\$ 209,708	\$ 96,486
Restricted					
Section 115 Pension Trust	337,620	326,257	366,611	-	-
LTF	-	-	-	-	-
Assigned					
BEYOND Program	-	-	-	702,559	702,559
Fellowship Program	219,878	218,375	219,839	609,412	304,733
Unassigned	10,684,308	10,137,070	13,015,251	10,291,851	9,613,033
Total general fund	<u>\$ 11,391,678</u>	<u>\$ 10,801,491</u>	<u>\$ 13,662,761</u>	<u>\$ 11,813,530</u>	<u>\$ 10,716,811</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>					
All other governmental funds:					
Restricted					
Transportation	-	-	17,187,489	2,483,852	15,073,913
AB 2766	155,538	17,206	45,325	-	-
Foundation	76,827	12,179	11,721	111,838	72,145.00
Used Oil	175	-	-	-	-
LTF	2,736,764	2,593,014	-	-	-
Unassigned	(2,068,509)	-	-	-	-
Total all other governmental funds	<u>\$ 900,795</u>	<u>\$ 2,622,399</u>	<u>\$ 17,244,535</u>	<u>\$ 2,595,690</u>	<u>\$ 15,146,058</u>

* Due to GASB 84 implementation, WRCOG changed the fund reporting type for the TUMF Custodial Fund, in prior years this was reported as a special revenue fund.

Source: Finance Department

Fiscal Year				
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 43,859	\$ 167,212	\$ 90,762	\$ 82,987	\$ 70,111
-	-	-	-	-
-	-	-	-	581,358
-	11,702.00	-	-	-
2,533,866	3,305,419.00	1,556,763.00	-	-
514,732	121,272.00	400,000.00	-	-
8,233,431	8,988,826	7,888,825	5,415,947	1,275,895
<u>\$ 11,325,888</u>	<u>\$ 12,594,431</u>	<u>\$ 9,936,350</u>	<u>\$ 5,498,934</u>	<u>\$ 1,927,364</u>
38,098,604	9,373,801	51,540,293	53,379,614	49,094,887
-	-	-	-	-
11,733	-	11,690	11,695	11,604
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 38,110,337</u>	<u>\$ 9,373,801</u>	<u>\$ 51,551,983</u>	<u>\$ 53,391,309</u>	<u>\$ 49,106,491</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

	Fiscal Year			
	<u>2023</u>	<u>2022*</u>	<u>2021</u>	<u>2020</u>
Revenues				
Intergovernmental	\$ 3,268,269	\$ 2,881,203	\$ 1,504,000	\$ 1,068,020
TUMF Mitigation fees	2,924,554	3,031,817	60,897,468	48,850,599
Pace fees	1,027,275	3,713,297	3,340,417	2,512,229
Other revenues	359,976	323,530	3,048,828	2,085,571
Investment income (loss)	316,879	(27,181)	(243,696)	2,356,691
Chrges for Services	646,135	510,762		
Total revenues	<u>8,543,088</u>	<u>10,433,428</u>	<u>68,547,017</u>	<u>56,873,110</u>
Expenditures				
Current:				
General Government	3,946,798	3,524,632	3,903,224	3,531,873
Programs:				
Transportation	-	-	45,090,784	61,740,570
Energy	4,603,005	6,086,935	3,110,304	2,349,851
Environmental	731,502	559,545	707,125	704,465
Debt service	393,200	422,820	-	-
Total expenditures	<u>9,674,505</u>	<u>10,593,932</u>	<u>52,811,437</u>	<u>68,326,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,131,417)</u>	<u>(160,504)</u>	<u>15,735,580</u>	<u>(11,453,649)</u>
Other financing sources (uses):				
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,131,417)</u>	<u>\$ (160,504)</u>	<u>\$ 15,735,580</u>	<u>\$ (11,453,649)</u>
Debt service as a percentage of noncapital expenditures	<u>4.06%</u>	<u>3.99%</u>	<u>0.00%</u>	<u>0.00%</u>

* Due to GASB 84 implementation, WRCOG changed the fund reporting type for the TUMF Custodial Fund, in prior years this was reported as a special revenue fund.

Source: Finance Department

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 967,270	\$ 931,500	\$ 1,145,570	\$ 1,058,265	\$ 1,461,999	\$ 1,350,596
63,686,091	51,305,031	42,239,340	42,615,158	36,507,739	24,306,973
2,752,932	5,684,817	9,028,003	9,562,139	7,159,144	2,197,585
3,852,228	16,648,307	894,488	848,957	986,914	1,547,307
2,262,464	273,560	(12,645)	509,229	552,021	420,526
<u>73,520,985</u>	<u>74,843,215</u>	<u>53,294,756</u>	<u>54,593,748</u>	<u>46,667,817</u>	<u>29,822,987</u>
6,039,994	4,493,570	3,965,880	2,681,489	2,070,885	2,191,112
87,741,176	35,974,673	82,703,352	44,125,019	30,998,608	44,901,088
2,779,274	6,336,292	5,632,488	5,647,563	4,929,398	2,431,687
533,897	570,687	513,137	435,670	534,027	638,549
-	-	-	-	-	-
<u>97,094,341</u>	<u>47,375,222</u>	<u>92,814,857</u>	<u>52,889,741</u>	<u>38,532,918</u>	<u>50,162,436</u>
<u>(23,573,356)</u>	<u>27,467,993</u>	<u>(39,520,101)</u>	<u>1,704,007</u>	<u>8,134,899</u>	<u>(20,339,449)</u>
-	-	-	-	-	1,500,000
-	-	-	-	-	1,500,000
<u>\$ (23,573,356)</u>	<u>\$ 27,467,993</u>	<u>\$ (39,520,101)</u>	<u>\$ 1,704,007</u>	<u>\$ 8,134,899</u>	<u>\$ (18,839,449)</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Revenue by Funds
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL FUND:										
Member dues:										
Banning	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,957	\$ 3,957
Beaumont	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000				5,255	5,255
Calimesa	\$ 1,049	\$ 1,049	\$ 1,049	\$ 1,049	\$ 1,049	1,049	1,049	1,049	1,102	1,102
Canyon Lake	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	1,406	1,406	1,406	2,256	2,256
Corona	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	20,290	20,290	20,290	25,886	25,886
Eastvale	\$ 7,171	\$ 7,171	\$ 7,171.06	\$ 7,171	\$ 7,171	7,171	7,171	7,171	-	-
Hemet	\$ 9,797	\$ 9,797	\$ 7,425	\$ 9,797	\$ 9,797	9,797	9,797	9,797	10,386	10,386
Jurupa Valley	\$ 12,710	\$ 12,710	\$ 12,710	\$ 12,710	\$ 12,710	12,710	12,710	12,710	-	-
Lake Elsinore	\$ 6,933	\$ 6,933	\$ 6,933	\$ 6,933	\$ 6,933	6,933	6,933	6,933	7,904	7,904
Menifee	\$ 10,491	\$ 10,491	\$ 10,491	\$ 10,491	\$ 10,491	10,491	10,491	10,491	10,147	10,147
Moreno Valley	\$ 25,780	\$ 25,780	\$ 25,780	\$ 25,780	\$ 25,780	25,780	25,780	25,780	25,413	25,413
Murrieta	\$ 13,794	\$ 13,794	\$ 13,794.48	\$ 13,794	\$ 13,794	13,794	13,794	13,794	17,954	17,954
Norco	\$ 3,573	\$ 3,573	\$ 3,573.45	\$ 3,573	\$ 3,573	3,573	3,573	3,573	4,482	4,482
Perris	\$ 9,215	\$ 9,215	\$ 9,215	\$ 9,215	\$ 9,215	9,215	9,215	9,215	8,173	8,173
Riverside	\$ 40,512	\$ 40,512	\$ 40,512	\$ 40,512	\$ 40,512	40,512	40,512	40,512	42,894	42,894
San Jacinto	\$ 5,889	\$ 5,889	\$ 5,889	\$ 5,889	\$ 5,889	5,889	5,889	5,889	5,504	5,504
Temecula	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	13,424	13,424	13,424	18,714	18,714
Wildomar	\$ 4,298	\$ 4,298	\$ 4,298	\$ 4,298	\$ 4,298	4,298	4,298	4,298	4,863	4,863
County of Riverside	\$ 48,136	\$ 48,136	\$ 48,135.73	\$ 48,136	\$ 48,136	48,136	48,136	48,136	43,520	43,520
County of Riverside - Office of Superintendent	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	17,000	17,000	17,000	17,000	17,000
Eastern Municipal Water District	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	17,000	17,000	17,000	17,000	17,000
Western Municipal Water District	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	17,000	17,000	17,000	17,000	17,000
Morongo Band of Mission Indians	\$ -	\$ -	\$ -	\$ -	\$ 17,000	17,000	17,000	9,500	10,000	10,000
Total Member dues	\$ 294,410	\$ 294,410	\$ 292,038	\$ 294,410	\$ 311,410	\$ 306,410	\$ 306,410	\$ 298,910	\$ 299,410	\$ 299,410
ALL OTHER GOVERNMENTAL FUNDS										
Transportation Uniform Mitigation Fee (TUMF):										
Banning	3,422,834	1,061,580	90,905	16,719	12,165	\$ 16,040	\$ 40,930	\$ 6,326	\$ 54,738	\$ 4,116
Beaumont	6,291,799	7,010,745	1,044,450	661,889	1,133,974	514,351		-	-	-
Calimesa (6,295)		35,902	84,328	357,530	188,577	4,055	103,835	10,359	133,217	65,387
Canyon Lake	70,728	40,416	35,410	41,949	44,605	38,832	18,525	20,583	27,055	22,642
Corona	1,271,817	3,188,478	766,323	500,855	2,599,705	140,921	1,153,262	2,743,488	1,989,728	114,644
Eastvale	49,202	285,044	988,078	819,704	660,354	1,735,201	1,249,621	1,705,338	1,241,685	1,438,152
Hemet	1,549,830	6,278,812	938,306	200,532	247,002	217,626	52,392	351,010	545,597	736,612
Jurupa Valley	3,879,805	4,675,452	629,122	1,707,104	1,919,323	995,072	2,400,109	2,302,649	1,738,387	242,216
Lake Elsinore	782,271	3,526,850	1,564,641	1,588,824	912,194	56,629	800,725	969,533	898,098	868,004
March JPA	2,912,980	1,538,527	222,156	1,503,832	1,196,382	1,668,406	765,627	222,482	239,874	-
Menifee	9,314,421	12,348,549	6,129,067	2,369,260	2,589,565	1,944,365	1,374,603	1,203,549	909,230	1,665,304
Moreno Valley	2,977,464	5,044,629	2,962,390	1,861,624	4,400,523	300,521	883,562	1,356,327	2,343,895	1,138,394
Murrieta	1,683,651	3,051,055	1,121,883	667,417	1,115,593	2,585,547	884,391	1,452,155	1,496,315	70,944
Norco	353,769	1,912,486	4,483	136,181	523,643	1,867,071	304,411	100,355	101,444	11,288
Perris	3,102,070	2,909,125	1,198,867	726,994	789,812	918,236	1,235,325	1,167,113	1,069,887	1,498,823
Riverside	3,995,469	3,079,636	823,662	1,928,733	3,018,415	1,484,544	3,113,205	1,852,839	1,461,429	594,363
San Jacinto	2,950,368	1,301,744	1,024,429	784,469	984,137	3,212,024	843,818	698,893	259,021	200,630
Temecula	2,774,398	2,783,627	445,363	676,132	646,123	1,448,549	810,938	809,664	679,386	227,028
Wildomar	2,284,734	714,129	170,292	316,900	134,061	87,114	826,659	384,865	83,178	219,722
County - Northwest	8,084,735	6,721,922	3,573,018	3,237,826	998,669	272,790	569,203	414,258	216,343	183,616
County - Southwest	4,473,234	3,824,734	2,576,214	1,421,458	730,000	1,643,915	863,473	636,493	1,529,926	1,288,379
County - Central	838,820	289,194	96,255	189,085	1,403,293	1,125,077	911,716	1,040,489	593,671	46,173
County - Pass	1,864,662	79,133	52,888	37,617	64,879	815,242	12,349	20,581	16,502	4,116
County - Hemet/San Jacinto	8,191,089	5,256,153	1,287,613	946,277	2,254,436	538,809	376,151	299,821	91,090	82,324
Regional Transit Authority	2,288,464	2,408,783	1,906,091	1,554,652	1,956,588	1,203,022	692,725	698,889	314,621	367,630
Riverside County Transportation Commission	33,413,031	35,169,770	27,830,143	22,698,912	28,567,429	23,630,936	19,594,830	19,769,172	17,480,991	10,899,357
WRCOG	2,924,554	3,078,317	2,435,899	1,986,776	2,500,431	2,056,290	1,689,574	1,704,607	2,076,008	974,049
MSHCP	1,074,774	1,131,282	895,193	730,140	918,909	783,850	667,382	673,319	602,662	369,011
Total TUMF	112,814,677	118,746,075	60,897,467	49,669,391	62,510,785	51,305,034	42,239,340	42,615,159	38,193,977	23,332,924

Source: Fiscal Department

Western Riverside Council of Governments
Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2023	2,494,626	186,049,207	74,580	5.20%
2022	2,473,902	188,179,830	76,066	4.10%
2021	2,454,453	114,090,413	45,834	6.30%
2020	2,442,304	104,794,676	42,418	14.90%
2019	2,440,124	95,140,992	39,261	4.60%
2018	2,415,955	87,827,068	36,782	4.70%
2017	2,390,702	88,000,000	35,883	5.80%
2016	2,317,924	89,500,000	31,762	6.90%
2015	2,329,271	83,500,000	31,344	8.40%
2014	2,292,507	76,289,477	30,815	9.80%
2013	2,227,577	70,376,019	29,986	11.50%

Sources:

California State Department of Finance as of January 1
FRED Economic Data Economic Research Federal Reserve Bank of St. Louis
U.S. Department of Commerce Bureau of Economic Analysis
State of California Employment Development Department as of June
Riverside County Economic Development Agency

Represents most recent data available

Data not available solely for Western Riverside County

<https://www.statista.com/statistics/200838/median-household-income-in-the-united-states/>

<https://www.google.com/search?q=riverside+population+2023&rlz>

<https://labormarketinfo.edd.ca.gov/>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Employment Statistics by Industry for Riverside County
Calendar Years 2022 and Ten Calendar Years**

Industry Type	2022	% of Total Employment	2013	% of Total Employment
Agricultural service	11,500	1.4%	12,100	2.0%
Mining and logging	500	0.1%	300	0.1%
Construction	74,300	9.1%	42,600	7.1%
Manufacturing	45,000	5.5%	39,000	6.5%
Transportation, warehousing, and public utilities	78,000	9.5%	24,900	4.2%
Wholesale trade	27,200	3.3%	22,400	3.7%
Retail trade	92,400	11.3%	82,400	13.7%
Information	5,200	0.6%	6,300	1.1%
Finance and insurance	11,500	1.4%	11,600	1.9%
Real estate and rental and leasing	11,000	1.3%	8,400	1.4%
Professional & business services	79,800	9.7%	57,500	9.6%
Education & health services	130,800	16.0%	85,500	14.3%
Leisure and hospitality	100,300	12.2%	75,000	12.5%
Other services	23,800	2.9%	20,300	3.4%
Federal government, civilian	14,700	1.8%	6,800	1.1%
State government	15,100	1.8%	15,800	2.6%
Local government	98,900	12.1%	88,600	14.8%
Total	820,000	100.0%	599,500	100.0%

Source: State of California Economic Development Department

Represents most recent data available

Data not available solely for Western Riverside County

2013 & 2022 Source:

<https://labormarketinfo.edd.ca.gov/cgi/databrowsing/localAreaProfileQSResults.asp?selectedarea=Riverside+County&selectedindex=33&menuChoice=localAreaPro&state=true&geogArea=0604000065&countyName=>

Western Riverside Council of Governments
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	As of June 30			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Management services and administration	9	10	9	7
Transportation & Planning	6	4	6	6
Energy	8	3	11	11
Environmental	3	8	2	2
RCHCA	7	6	4	5
 Total full time equivalents	 33.0	 31.0	 32.0	 31.0

Source: Fiscal Department

Since FY 19/20 the amount reflected includes both WRCOG and RCHCA employees, since WRCOG provides administrative services to RCHCA per the service agreement.

As of June 30

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
7	7	9	7.8	7.2	5.5
7	4	3.5	5.5	4.9	4.9
7	14	15.3	8.3	7.2	4.6
3	4.5	2.3	1.3	3.4	3.0
-	-	-	-	-	-
24.0	29.5	30.1	22.8	22.7	18.0

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A JOINT POWERS AUTHORITY)**

**Economic Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year			
	2023	2022	2021	2020
Property Assessed Clean Energy Programs				
Energy Efficiency Products Installed	14	41	88	7,437
Solar Products Installed	0	3	50	2,049
Water Efficiency Products Installed	2	8	10	471
Energy Savings Programs				
Energy Savings (kWh)	n/a	n/a	n/a	n/a
Gas Savings (Therms)	n/a	n/a	4,000	n/a
Environmental Programs				
Gallons of Gasoline Equivalent Reduced	5,458,287	4,185,750	n/a	4,206,956
Tons Greenhouse Gas Emissions Reduced	13,265	7,440	n/a	6,728
Used Oil Gallons Recycled	425,077	350,515	n/a	391,902
Used Oil Filters Recycled	1,354	1,747	n/a	1,229
Solid Waste - Disposal Amount (tons):	1,348,860	2,249,971	n/a	1,327,618
Transportation Programs				
Single Family Home Permits Issued	4,425	5,118	4,604	3,150
Multi-family Home Permits Issued	1,717	984	958	1,044
New Retail Construction (square foot)	289,011	592,410	220,143	618,445
New Commercial Construction (square foot)	177,093	195,787	426,595	461,103
New Industrial Construction (square foot)	6,253,986	7,115,390	3,156,026	4,254,754

Source: Finance Department

Fiscal Year						
2019	2018	2017	2016	2015	2014	2013
15,700	51,700	92,300	80,300	48,100	23,400	12,700
6,543	23,500	28,900	36,000	27,000	11,300	5,712
1,263	4,131	8,655	7,284	2,526	417	30
14,443,467	2,534,586	152,304	n/a	n/a	n/a	1,380,809
52,547	n/a	9,862	n/a	n/a	n/a	n/a
9,688,567	9,630,272	9,747,951	9,730,702	8,963,115	10,376,763	8,399,294
16,730	15,703	15,610	15,255	12,829	25,146	21,818
390,453	207,996	230,000	328,686	157,556	213,140	148,959
1,435	1,036	1,428	1,418	194	250	28,000
786,538	723,493	708,996	637,811	617,666	584,569	533,829
3,659	3,580	3,179	2,916	2,360	1,821	2,453
1,990	557	450	1,032	1,199	281	1,375
428,260	622,387	479,982	366,654	265,173	396,902	292,879
482,308	613,916	512,886	691,077	269,918	85,772	328,923
7,540,010	6,083,631	4,089,710	2,906,471	3,045,491	1,242,931	3,860,571

**Western Riverside Council of Governments
Ratios of Outstanding Debt by Type
Last Ten Calendar Years**

<u>Governmental Activities</u>		Total Primary Government	Percentage of Personal Income (1)	Personal Income
Fiscal Year	Capital Leases			
2023	\$ 1,919,535	\$ 1,919,535	0.0010%	186,049,207,080
2022	2,290,164	2,290,164	0.0012%	188,179,829,532
2021	-	-	0.0000%	114,090,413,000
2020	-	-	0.0000%	104,794,676,000
2019	-	-	0.0000%	95,140,992,000
2018	-	-	0.0000%	87,827,068,000
2017	-	-	0.0000%	88,000,000,000
2016	-	-	0.0000%	89,500,000,000
2015	-	-	0.0000%	83,500,000,000
2014	-	-	0.0000%	76,289,477,000
2013	-	-	0.0000%	70,376,019,000

Sources: Finance Department

(1) See Demographic and Economic Information in statistical section for personal income and population data.

Details regarding WRCOG's outstanding debt can be found in Note 5 of the Notes of the Basic Financial Statements

April 22, 2024

Executive Committee
Western Riverside Council of Governments
Riverside, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by WRCOG are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by WRCOG during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting WRCOG's financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimates for the net pension and net OPEB liabilities are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office and other actuarial data. We evaluated the key factors and assumptions to develop the liability in determining that the estimated liabilities are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net pension and net OPEB liabilities in Notes 8 and 9 to the financial statements, respectively is based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit, other than delays in completing the audit due to the significant general ledger accounting and reconciliations needed.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- 1) Adjustments were made to revenues and unavailable revenues at year-end.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 22, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to WRCOG's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as WRCOG's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information, as listed in WRCOG's financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (e.g., budgetary schedules, combining statements, individual fund statements), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of WRCOG Council and management of WRCOG and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Van Lant & Fankhaenel, LLP

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Executive Committee
Western Riverside Council of Governments
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WRCOG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WRCOG's internal control. Accordingly, we do not express an opinion on the effectiveness of WRCOG's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether WRCOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WRCOG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant & Fankhaenel, LLP

April 22, 2024



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: Approval of MOU with SCAG for the Regional Early Action Planning Grant (REAP) Subregional Partnership (SRP) Program 2.0 for Reimbursement

Contact: Suzanne Peterson, Analyst III, speterson@wrcog.us, (951)405-6719

Date: June 21, 2024

Recommended Action(s):

1. Authorize the Executive Director to execute the MOU, substantially as to form, with SCAG for the Regional Early Action Planning grant (REAP) Subregional Partnership (SRP) 2.0 Program reimbursement.

Summary:

WRCOG was estimated to receive approximately \$1.6M through REAP SRP 2.0 to continue to provide assistance to local jurisdictions. WRCOG's application was accepted by SCAG; however, due to California's budget deficit, SCAG's REAP 2.0 program, including the SRP 2.0 program, has been suspended. While SCAG is anticipated to receive partial funding, the SRP Program is not anticipated to be reinstated. However, pending the execution of the subject MOU, WRCOG will be reimbursed for expenses incurred to date.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to request that the Executive Committee authorize the Executive Director to execute a Memorandum of Understanding (MOU) with the Southern California Association of Governments (SCAG) for the Regional Early Action Planning grant (REAP) Subregional Partnership Program (SRP) 2.0 for reimbursement of expenses. This item aligns with WRCOG's 2022-2027 Strategic Plan Goal #2 (Identify and help secure grants and other potential funding opportunities for projects and programs that benefit member agencies).

Discussion:

Background

The REAP Grant Subregional Partnership (SRP) Program is intended to increase planning to accelerate housing production throughout the SCAG region through implementable actions that will increase housing supply to meet the 6th Cycle Regional Housing Needs Assessment (RHNA). The SRP,

conducted as part of the initial REAP funding, also known as REAP 1.0, has been designed to augment and complement funds that were awarded to jurisdictions by the California Department of Housing and Community Development (HCD) pursuant to Senate Bill (SB) 2 Planning Grants and the Local Early Action Program (LEAP) grant program.

Present Situation

WRCOG was allocated approximately \$1.7M through the REAP SRP 1.0 program to provide assistance to the subregion's local jurisdictions. WRCOG proposed projects to utilize the allocated funding, which was approved in late 2020. WRCOG later entered into an MOU with SCAG in March 2021 that includes approval of the proposed projects. Since 2021, WRCOG has worked on a variety of projects utilizing REAP funding to provide numerous tools and resources, as well as direct local assistance to its member agencies for housing related activities.

WRCOG was estimated to receive approximately \$1.6M through REAP SRP 2.0 to continue to provide assistance to local jurisdictions. WRCOG committed a significant amount of time to prepare for SRP 2.0, including engaging jurisdictions about the types of assistance SRP 2.0 can provide, and discussions with SCAG about eligible activities. However, in January 2024, Governor Newsom released the State budget proposal which included several cuts to housing programs, including REAP 2.0. Subsequently, SCAG issued a Notice to Stop Incurring Expenses to eligible subrecipients. As part of this, SCAG also requested that WRCOG provide as much detail as possible an accounting of staff incurred costs incurred to the program. SCAG indicated that this detail would assist in their efforts to get REAP 2.0 funding included in the budget, as well as the possibility of WRCOG being reimbursed for the incurred costs.

WRCOG provided the requested information and is now being requested to execute an MOU in order to be reimbursed for those expenses. This MOU only covers the initial costs incurred under REAP 2.0, and does not cover any actual activities of REAP 2.0.

Prior Action(s):

None.

Financial Summary:

Costs incurred related to REAP 2.0 are limited to only staff time related to preparing and coordinating project initiation and implementation, and amount to approximately \$23,085. This staff time is currently being absorbed by the Local Transportation Fund (Fund 210).

Attachment(s):

None.



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: Modification of Program Reports Related to the Direct Capital Providers Program

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: June 21, 2024

Recommended Action(s):

1. Adopt Resolution Number 23-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain commercial programs with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Program.

Summary:

WRCOG's Commercial Property Assessed Clean Energy (C-PACE) Program offers financing for energy efficiency, water conservation, seismic strengthening, and electric vehicle charging improvements. On March 4, 2024, the Executive Committee approved adding Direct Capital Providers and additional C-PACE administrators to enhance fiscal sustainability and meet the community need for financing transactions under \$2M.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to approve a resolution authorizing an amendment to the Program Reports related to Direct Capital Providers. The effort aligns with WRCOG's 2022-2027 Strategic Goal Plan #5 (To develop projects and programs that improve infrastructure and sustainable development in our region).

Discussion:

Background

PACE Programs are authorized by several states to offer property-based financing assistance to residential and/or commercial property owners seeking to implement energy savings, renewable energy, water conservation, new construction, electric vehicle charging stations, and seismic strengthening

improvements. For both residential and commercial projects, improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item charge on the secured property tax bill. The State of California began authorizing PACE financing in 2008 and is currently one of 37 states to authorize this type of financing for commercial projects, and one of only three states offering the program for residential projects. WRCOG began offering PACE financing for local residential and commercial projects in 2011. In 2014, the WRCOG Program offerings expanded beyond the WRCOG boundaries to include much of the state - 384 of the 482 cities and 35 of the 58 counties. This was accomplished by enrolling the extra-territorial jurisdictions as Associate Members of WRCOG. The residential program was closed to new participants in 2021 at the direction of the Executive Committee; however, the commercial program remains active and the Associate Member designations also remain active.

C-PACE operates in partnership with third party providers who provide C-PACE Program design and administrative services that include setting and adhering to processes and procedures established by WRCOG to review eligibility of potential improvements, marketing the program, approving property owner applications, providing origination services related to financing eligible C-PACE improvements, and developing of a standard set of documents documenting the legal requirements of the transaction. Until recently, this partner list included Nuveen Green Capital (formerly Greenworks Lending), CleanFund, and Twain Financial Partners Holding. Two of the three partners are no longer originating PACE loans. As a result, there is currently only one provider (Nuveen Green Capital) partnering with WRCOG for C-PACE projects.

Present Situation

On March 4, 2024, the Executive Committee authorized the addition of Direct Capital Providers and additional C-PACE administrators. In its approval, the Executive Committee established certain criteria in the Program Reports for each of the Programs, which provided parameters for each financing under the Capital Provider Program. One such criteria which was established was a minimum transaction limit of \$2M.

In implementing the expansion of the C-PACE Program to capital providers, WRCOG staff has determined that there is a community and market need to provide financing to commercial property owners for transactions under \$2M.

Staff recommends that the Executive Committee authorize the Executive Director, or his designees, to evaluate and approve the financing of projects under \$2M for approval, on a case-by-case basis, through an amendment of the Program Report.

Prior Action(s):

June 12, 2024: The Administration & Finance Committee recommended that the Executive Committee adopt Resolution Number 23-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain commercial programs with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Program.

March 4, 2024: The Executive Committee adopted a resolution authorizing WRCOG to issue and

directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

December 13, 2023: The Administration & Finance Committee recommended that the Executive Committee direct the Executive Director to develop a resolution authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

Financial Summary:

Activities related to the Commercial PACE Program are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the General Fund (Fund 110).

Attachment(s):

[Attachment 1 - Resolution No. 23-24 WRCOG Resolution Authorizing the Amendment of DCP CPACE](#)

Attachment

Resolution Number 23-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain Commercial Projects with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Provider

RESOLUTION NUMBER 23-24

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING THE AMENDMENT OF THE PROGRAM REPORTS FOR THE WRCOG ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY AND THE CALIFORNIA HERO PROGRAM TO ALLOW FOR THE FINANCING OF CERTAIN COMMERCIAL PROJECTS WITH A TRANSACTION SIZE LESS THAN TWO MILLION DOLLARS IN CONNECTION WITH WRCOG'S DIRECT CAPITAL PROVIDERS PROGRAM

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), the Executive Committee has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program (the "WRCOG Program Area") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements, seismic improvements and electric vehicle charging infrastructure (the "Eligible Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California HERO Program (the "California Program" and, together with the WRCOG Program, the "Programs") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become associate members of WRCOG (the "California Program Area" and, together with the WRCOG Program Area, the "Program Area") and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within the Program Area; and

WHEREAS, since the establishment of the Programs the administration and financing of the Eligible Improvements on commercial properties ("Commercial Properties") located within the Program Areas has been accomplished by program administrators; and

WHEREAS, on March 4, 2024, the Executive Committee determined that it would be in the best interests of the Programs and the owners of Commercial Properties within the Program Area to enable WRCOG to administer and finance Eligible Improvements by selling bonds directly to capital providers (the “Capital Provider Program”) that meet certain requirements as set forth in the Program Reports for each Program Area (the “Program Reports”) and approved by the Executive Director of WRCOG or his designee (the “Authorized Representative”); and

WHEREAS, one criteria established in the Program Reports for the Capital Provider Program was a minimum transaction size for any financing of \$2 million; and

WHEREAS, the Executive Committee believes that there is benefit to the property owners within the jurisdiction of the Programs to offer PACE financing to commercial property owners who have transaction sizes under \$2 million; and

WHEREAS, the Executive Committee now desires to amend the Program Reports to grant to the Executive Director, and his assignees, the authority to approve PACE financing with a transaction size under the \$2 million on a case by case basis; and

WHEREAS, this Executive Committee, with the aid of its staff and counsel, has reviewed the documents identified in the preceding recitals and found them to be in proper order.

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Approval of Amended Program Reports. The Executive Committee hereby approves the amendments to the Program Reports presented at this meeting (Exhibits A and B). The Authorized Representatives are hereby authorized to take all actions necessary to implement such changes.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on June 21, 2024.

Rita Rogers, Chair
WRCOG Executive Committee

Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

EXHIBIT A

**ENERGY EFFICIENCY AND WATER
CONSERVATION PROGRAM FOR
WESTERN RIVERSIDE COUNTY
ADMINISTRATIVE GUIDELINES AND
PROGRAM REPORT AMENDED
JUNE 21, 2024**

[ATTACHED]

ENERGY EFFICIENCY
AND
WATER CONSERVATION PROGRAM
FOR
WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES
AND
PROGRAM REPORT

ADOPTED: JUNE 7, 2010 – AMENDED JANUARY 12, 2011 – AMENDED JUNE 6, 2011
AMENDED JULY 29, 2011 – AMENDED: SEPTEMBER 12, 2011 – REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 – REVISED JUNE 3, 2013 – REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 – AMENDED AUGUST 4, 2014 – AMENDED OCTOBER 6, 2014 –
REVISED NOVEMBER 4, 2014— AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016
REVISED – JUNE 6, 2016 – AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017 –
AMENDED MARCH 7, 2017 – REVISED APRIL 3, 2017 – AMENDED APRIL 4, 2017 – REVISED
JULY 11, 2017– REVISED OCTOBER 2, 2017 – REVISED APRIL 2, 2018 – JUNE 4, 2018 –
REVISED AUGUST 6, 2018- REVISED APRIL 1, 2019 – REVISED JUNE 3, 2019
REVISED AUGUST 1, 2019 – AMENDED MARCH 4, 2024 – AMENDED JUNE 21, 2024



Prepared By:
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Phone: (951) 405-6700
Fax: (951) 223-9720

PROGRAM REQUIREMENTS FOR PARTICIPATION IN WRCOG'S DIRECT CAPITAL PROVIDER COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

If financing is provided for the Program by Capital Providers for commercial properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Capital Providers providing commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by qualifying Capital Providers financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. New construction of eligible properties are subject to additional underwriting and technical requirements. Certain eligibility criteria must be satisfied, and financing may be approved only if all of the following criteria are met:

- No program administration agreement with WRCOG
- WRCOG would be the issuer of bonds
- Minimum of \$10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Minimum transaction size of \$2M, unless otherwise approved by the Executive Director or designee
- Ability to manage delinquency of assessments
- Capital Provider agrees that the finance team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution
- All projects must, at a minimum, meet the following requirements, unless expressly waived by authorized personnel of WRCOG:
 - Applicant must be the property owner of record
 - Property Owner must be current on the payment of special taxes and not have had any major delinquencies for the past three years
 - No bankruptcy of property owner or affiliated companies for seven years
 - No liens except mortgage debt for which lender consent has been obtained, except liens of community facilities district and assessments district
 - Must finance or refinance products improvements authorized under program report
 - Total effective tax rate not to exceed 5%
 - Value to Lien requirement 95% (includes PACE plus existing debt)
 - Energy savings report (if applicable)

Refinancing:

- Authorized to refinance existing debt or cash financed-eligible improvements
- Improvements installed three years prior to date of application of PACE refinancing
- Useful life of improvements is equal to or greater than the term of the PACE refinancing
- Compliance with parameters established for commercial program in Program Report

EXHIBIT B

**CALIFORNIA HERO PROGRAM
REORT AMENDED JUNE 21, 2024**

[ATTACHED]



PROGRAM REPORT

CITIES/TOWNS OF ALAMEDA, ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN, DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLEASANTON, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES,

ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA BARBARA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, T_{EMPLE} CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, CITY OF WINDSOR, AND, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, YREKA, AND YUBA. THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 - REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 - REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 - REVISED NOVEMBER 3, 2014 - REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015 - REVISED MARCH 2, 2015 - REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016 – REVISED JANUARY 9, 2017 – REVISED APRIL 3, 2017 – REVISED JUNE 5, 2017– REVISED JULY 10, 2017 – REVISED AUGUST 7, 2017 – REVISED SEPTEMBER 11, 2017— REVISED OCTOBER 2, 2017— REVISED DECEMBER 4, 2017 – REVISED FEBRUARY 5, 2018 – REVISED APRIL 2, 2018 – REVISED JULY 2, 2018 - REVISED MARCH 4, 2019 – REVISED MARCH 22, 2019 – REVISED APRIL 1, 2019 - REVISED MAY 6, 2019 - AMENDED JUNE 3, 2019 - REVISED JULY 1, 2019 – AMENDED DECEMBER 2, 2019 – AMENDED MARCH 4, 2024 – AMENDED JUNE 21, 2024

to finance the installation of Eligible Products on participating properties and encourage the future liquidity of the Program.

PROPERTY ASSESSMENT LIEN

All property owners must sign⁷ and return the Assessment Contract within the time period specified in the notice of approval of a property owner's application. Upon completion of the project and execution of the Assessment Contract, the Agent will place a lien for the full amount of the contractual assessment on the property that secures such assessment. If the lien is recorded before the first business day in July, the assessment installment will appear on the next tax bill. For liens recorded after the first business day of July, the assessment installment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

DIRECT CAPITAL PROVIDER

Capital Providers may provide financing for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by such Capital Provider meeting the following minimum requirements and is authorized by the Executive Director of WRCOG:

- Minimum of \$10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Capital Provider agrees that the financing team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution

Property owners may be individuals, associations, business entities, cooperatives, and any owner of Commercial property for which real property taxes are paid or

assessments may otherwise be collected on the property tax bill. New construction of eligible properties are subject to additional underwriting and technical requirements.

All projects must, at a minimum, meet the following requirements, unless expressly waived by authorized personnel of WRCOG:

- Applicant must be the property owner of record
- Property Owner must be current on the payment of special taxes and not have had any major delinquencies for the past three years
- No bankruptcy of property owner or affiliated companies for seven years
- No liens except mortgage debt for which lender consent has been obtained, except liens of community facilities district and assessments district
- Must finance or refinance products improvements authorized under program report
- Total effective tax rate not to exceed 5%
- Value to Lien requirement 95% (includes PACE plus existing debt)
- Minimum transaction size of \$2M, unless otherwise approved by the Executive Director or his designee
- Energy savings report (if applicable)

REFINANCING

- Authorized to refinance existing debt or cash financed-eligible improvements
- Improvements installed three years prior to date of application of PACE refinancing
- Useful life of improvements is equal to or greater than the term of the PACE refinancing
- Compliance with parameters established for commercial program in Program Report

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

Strategy One: The Program will, at launch, utilize Renovate America to fund installations of Eligible Products for Residential and Commercial properties. Renovate America will provide a revolving credit line to finance the installation of Eligible Products for such Residential and Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in above and in the Residential Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Renovate America one or more municipal bonds secured by the contractual assessments payable by the Residential and Commercial and to be improved.

Strategy Two: The Program will, at launch, utilize the Twain Financial Partners to fund installations of Eligible Products for Commercial properties, under Twain. Twain Financial Partners will provide a revolving credit line to finance and refinance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in above and the Commercial Handbook. In



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: State Government Updates from State Controller Malia Cohen
Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701
Date: June 21, 2024

Recommended Action(s):

1. Receive and file.

Summary:

Malia Cohen, California State Controller, will provide an update regarding fiscal issues affecting California's State Government. This presentation aligns with WRCOG's 2022-2207 Strategic Plan Goal #1 (Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion).

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to share information regarding Statewide governmental fiscal issues which may be of interest to WRCOG member agencies.

Discussion:

Controller Malia Cohen serves as the Chief Fiscal Officer of the State of California. She is responsible for the accounting and disbursement of the State's financial resources. Her duties include safeguarding unclaimed private property, serving as the independent auditor of State agencies, and administering the payroll system for both State Government and California State University employees. Controller Cohen also serves on 70 boards and commissions, including the nation's two largest pension funds.

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Staff Report

Subject: WRCOG 2024 General Assembly & Leadership Address and Speaker Discussion for GA 2025

Contact: Bonnie Woodrome, Manager of Communications and External Affairs, bwoodrome@wrcog.us, (951) 405-6752

Date: June 21, 2024

Recommended Action(s):

1. Reflect on the 33rd General Assembly event and discuss the 34th General Assembly event, including the process and selection of a speaker.
-

Summary:

The 2024 General Assembly & Leadership Address has completed, and the planning for 2025 begins. The Executive Committee will make suggestions for a speaker for the 2025 event and direct staff to work with the General Assembly (GA) Ad Hoc Committee to retain a speaker's bureau and a featured speaker. The GA Ad Hoc Committee will bring the final selections to the A&F Committee and the Executive Committee for consideration and approval.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to discuss the outcome of the 2024 General Assembly & Leadership Address and to discuss options for speakers for the 2025 General Assembly. This item aligns with WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

The 2025 General Assembly & Leadership Address, scheduled for June 12, 2025, will begin planning. Traditionally, the speaker selection is managed by the A&F Committee. As in year's past, the Chair can appoint a GA Ad Hoc Committee to streamline the speaker selection process. The WRCOG Chair may appoint Executive Committee members to review selections and make recommendations.

After selections are discussed today, staff will review options and availability with the speaker bureaus. This information will be presented to the Ad Hoc Committee.

In alignment with current procurement processes and to avoid evergreen contracts, the GA Ad Hoc Committee may review several speaker bureau agencies. After evaluating various speaker bureaus based on their services, selections, and reliability in providing speakers, the GA Ad Hoc Committee will select a bureau and work with the agency to select a final round of speakers. Ultimately, the GA Ad Hoc Committee will bring the final selections to the A&F Committee and the Executive Committee for final consideration.

As the WRCOG Supporting Foundation is the financial steward for the General Assembly & Leadership Address events, the final decision will ultimately require approval by the Supporting Foundation Board of Directors.

Prior Action(s):

None.

Financial Summary:

Estimated costs associated with the 2025 General Assembly & Leadership Address are included in the adopted Fiscal Year 2024/2025 Supporting Foundation Budget.

Attachment(s):

[Attachment 1 - 2025 General Assembly & Leadership Address speaker considerations](#)

2025 General Assembly & Leadership Address Speaker Considerations

Speaker Budget

2025	TBD	\$100,000
2024	Sean McVay	\$135,000
2023	Doris Kearns Goodwin	\$77, 000

2024 General Assembly & Leadership Address considered speakers

Speaker details on pages after the list below.

- Barack Obama (multiple requests)
- Michelle Obama (multiple requests)
- Thomas Sowell
- Mike Pompeo
- Kristi Noem
- Jordan Peterson
- Breaking Points- Krystal Ball and Saagar Enjeti
- The Rising- Briahna Joy Gray and Robby Soave
- Jeff Bezos
- Frank Luntz
- Magic Johnson
- Oprah Winfrey
- Hillary Clinton
- Gabrielle Giffords
- Liz Chaney
- Mitt Romney
- Brené Brown- not taking engagements
- Robin Sharma
- Matthew Luhn- not available
- [Tim Tebow*](#)
- Steve Pemberton
- William Barr
- Sen. Tim Scott
- Simon Sinek
- [Admiral William McRaven*](#)
- Bill Gates
- Sheryl Sanberg- Not taking engagements
- [David C. Edelman*](#)
- Rana el Kaliouby
- Katica Roy
- De Kai
- [Sean McVay*](#)
- Andrew Whitworth
- Allyson Felix
- James Blake
- Sydney McLaughlin
- Maria Sharpova
- Abby Wambach
- LaVar Burton
- Ashley Judd
- Mario Lopez
- Rob Lowe

[*Final considerations for 2024](#)

Barack Obama (multiple requests)

Barack Obama is an American politician and attorney who served as the 44th President of the United States from 2009 to 2017, making history as the first African American to assume the presidency. Before his presidency, he served as a U.S. Senator from Illinois from 2005 to 2008 and is known for his eloquent oratory, progressive policies, and authoring several best-selling books, including "The Audacity of Hope" and "Dreams from My Father."

Michelle Obama (multiple requests)

Michelle Obama is an American attorney, author, and former First Lady of the United States from 2009 to 2017, during the presidency of her husband, Barack Obama. She is admired for her initiatives focused on education, military families, healthy eating, poverty awareness, and she has continued to advocate for issues related to education and girls' empowerment globally, additionally achieving widespread acclaim for her memoir, "Becoming," which explores her life, values, and experiences in the White House.

Thomas Sowell

A distinguished economist, social theorist, political philosopher, and author, known for his writings on economics, politics, and culture. Born on June 30, 1930, Sowell has authored numerous books, articles, and essays on a variety of subjects, including economic history, intellectual history, and social policy. His work often reflects a libertarian and conservative perspective, and he is a senior fellow at the Hoover Institution, a public policy think tank located at Stanford University.

Mike Pompeo

Mike Pompeo is an American politician, attorney, and former Central Intelligence Agency (CIA) director who served as the 70th United States Secretary of State from April 2018 to January 2021 under President Donald Trump. Before his roles in the Trump administration, he was a member of the United States House of Representatives for Kansas's 4th district from 2011 to 2017, where he was known for his conservative stance on various issues, including foreign policy and national security.

Kristi Noem

Kristi Noem is an American politician serving as the governor of South Dakota since January 2019, known for her conservative policies and alignment with the Republican Party. Before becoming governor, she represented South Dakota in the United States House of Representatives from 2011 to 2019, where she focused on issues related to agriculture, economic development, and fiscal responsibility.

Jordan Peterson

Jordan Peterson is a Canadian clinical psychologist, cultural critic, and professor of psychology, known for his discussions about cultural and political issues including gender identity, free speech, and political correctness. He gained substantial recognition and controversy in 2016 due to his opposition to Canada's Bill C-16, which proposed adding gender identity and gender expression to the list of prohibited grounds for discrimination, and he has since amassed a large following for his lectures and discussions on topics related to philosophy, religion, and psychology.

Breaking Points (Krystal Ball and Saagar Enjeti)

Krystal Ball and Saagar Enjeti are political commentators who co-host the online show "Breaking Points," where they discuss and analyze current events, political policies, and societal issues, offering perspectives that aim to challenge the conventional left-right political discourse. Krystal Ball, a progressive commentator and former MSNBC host, provides insights from a left-leaning perspective, while Saagar Enjeti, a conservative political analyst and former chief Washington correspondent for The Hill, offers views from the right, together fostering conversations that seek to bridge ideological divides and present nuanced takes on pressing matters.

The Rising (Briahna Joy Gray and Robby Soave)

Briahna Joy Gray, a political commentator and former press secretary for Bernie Sanders' 2020 presidential campaign, and Robby Soave, a senior editor at Reason host a podcast that features views from a libertarian and left point of view.

Jeff Bezos

Jeff Bezos is the founder and former CEO of Amazon, a multinational technology company that started as an online bookstore and expanded into one of the world's largest online retailers, also offering services like cloud computing and artificial intelligence. As of my knowledge cut-off in January 2022, he is one of the wealthiest individuals globally and has invested in various other ventures, including space exploration company Blue Origin and ownership of The Washington Post.

Frank Luntz

Frank Luntz is a highly influential American political consultant, pollster, and communication expert, best known for his work on shaping political and public opinion through language, for which he has advised various political campaigns, corporations, and organizations primarily within the Republican Party. He is renowned for developing persuasive messaging strategies and conducting focus groups, enabling him to gauge and influence public sentiment on a range of issues, from politics to consumer preferences.

Magic Johnson

Magic Johnson is a retired American professional basketball player and former president of basketball operations of the Los Angeles Lakers of the National Basketball Association (NBA). He is widely regarded as one of the greatest basketball players of all time, renowned for his versatility, basketball IQ, and achievements, including five NBA championships with the Lakers and three Most Valuable Player (MVP) Awards, and he has also been successful as an entrepreneur and advocate for HIV/AIDS prevention and treatment.

Oprah Winfrey

Oprah Winfrey is a multifaceted American media executive, actress, talk show host, television producer, and philanthropist, best known for her talk show "The Oprah Winfrey Show," which was the highest-rated television program of its kind in history and aired from 1986 to 2011. Oprah, often hailed as the "Queen of All Media," has played a crucial role in shaping American popular culture and has amassed significant influence and wealth due to her ventures in media and publishing, remaining a powerful advocate for education, philanthropy, and self-empowerment, especially for women and people of color.

Hillary Clinton

Hillary Clinton is an American politician, diplomat, lawyer, and writer who served as the 67th United States Secretary of State from 2009 to 2013 and as a U.S. Senator from New York from 2001 to 2009. She was the First Lady of the United States from 1993 to 2001 during the presidency of her husband, Bill Clinton, and she was the Democratic Party's nominee for President in 2016, becoming the first woman to be nominated for president by a major U.S. political party.

Gabrielle Giffords

Gabrielle Giffords is a former U.S. Representative for Arizona's 8th congressional district, serving from 2007 to 2012, and a gun control advocate. She survived an assassination attempt in 2011, which led to her resignation from Congress, and subsequently co-founded the gun violence prevention organization Giffords with her husband, retired astronaut Mark Kelly.

Liz Cheney

Liz Cheney is an American attorney and politician who serves as the U.S. Representative for Wyoming's at-large congressional district and is affiliated with the Republican Party. She has held various positions within the party and is known for her focus on defense and national security issues, and she is the daughter of former Vice President Dick Cheney.

Mitt Romney

Mitt Romney is an American politician and former businessman who is currently serving as the United States Senator from Utah, and he is a member of the Republican Party. He was the Republican nominee for President of the United States in the 2012 election and he previously served as the 70th Governor of Massachusetts from 2003 to 2007.

Brené Brown- not taking engagements

Brené Brown is a renowned research professor at the University of Houston, where she holds the Huffington Foundation – Brené Brown Endowed Chair at The Graduate College of Social Work, and she has spent the past two decades studying courage, vulnerability, shame, and

empathy. She is also a bestselling author and has penned books like "Daring Greatly" and "Braving the Wilderness," and is known for her engaging talks, including a TED talk on the power of vulnerability, making complex concepts accessible and resonant with a wide audience.

Robin Sharma

Robin Sharma is a renowned Canadian writer, leadership expert, and motivational speaker, best known for his bestselling books on leadership and personal development, including "The Monk Who Sold His Ferrari" series. His works, which also include "The Leader Who Had No Title," focus on self-improvement, leadership, and productivity, offering readers and audiences practical strategies to improve their lives and careers.

Matthew Luhn (not available for June 20, 2024)

Matthew Luhn is a veteran storyteller, animation film director, and writer with extensive experience in the animation industry, notably with Pixar Animation Studios, where he contributed to well-known films like "Toy Story," "Finding Nemo," "Up," and "Monsters, Inc." He utilizes his expertise in storytelling to consult for various companies and deliver keynotes and workshops, helping creators and businesses craft compelling stories and connect with their audiences effectively.

Tim Tebow

Tim Tebow is a former professional American football quarterback and current baseball outfielder in the New York Mets organization, who gained acclaim for his college football career at the University of Florida, winning the Heisman Trophy in 2007. He has also worked as a sports analyst and commentator, and he has authored several books, sharing his experiences and motivational insights.

Steve Pemberton

Scott Pemberton is recognized as a talented musician and guitarist, known for his unique playing style and energetic performances. He blends various genres in his music, including rock, blues, and funk, and has garnered a dedicated fan base, especially in the Pacific Northwest, due to his engaging live shows and proficient guitar skills.

Senator Tim Scott

Senator Tim Scott is an American politician and a member of the Republican Party who has been serving as the United States Senator for South Carolina since 2013. He made history as the first African-American senator from South Carolina and is known for his focus on issues such as economic opportunity, education reform, and tax reforms, seeking to address disparities and create equitable environments for economic growth and development.

William Barr

William Barr is an American attorney who served as the 77th and 85th Attorney General of the United States. He first served as Attorney General from 1991 to 1993 under President George H. W. Bush and then again from 2019 to 2020 under President Donald Trump. During his tenures, Barr was involved in numerous high-profile legal and policy matters and was a central figure in discussions and debates related to the role and powers of the executive branch, legal interpretations, and justice administration.

[David C. Edelman](#)

Advisor on AI, Digitization, Go-To-Market Strategy, Marketing Organization, and Agile Operations; Senior Lecturer in Marketing at HBS; Executive Advisor, Independent Board Member.

David Edelman's leadership in driving strategic digital and marketing change over the past 30 years – as a top CMO and as a Strategic Consultant -- has made him a sought-after advisor on AI, digitization, go-to-market strategy, marketing organization, and agile operations. From his

earlier work for clients such as JPMorganChase, SAP, American Express, Verizon, IBM, and McDonalds, he developed and popularized foundational concepts such as “The Customer Decision Journey,” and “Segment-of-One Marketing.” Most recently, he guided Aetna (now part of CVS Health) through becoming a digitally-oriented, customer-centric enterprise. David has been repeatedly recognized by Forbes as one of the “Most Influential CMOs in the World,” and by AdWeek as one of the “Top 20 Marketing and Technology Executives.” His writing and work has attracted over 1.1 million followers to his LinkedIn blog, and he has delivered dozens of keynote presentations at conferences around the world. Currently, David is a Senior Lecturer in Marketing at HBS. He also advises CEO’s and CXO’s in Health and Marketing Services, focusing on where AI and personalization unlock transformational opportunities. Through his relationship with Halifax Partners, he is a Board member of Stratatech, a vocational school chain, building on his strong interest in education. He is also on the Advisory Board of Glasswing Ventures, a major Boston VC firm, and serves as a Senior Advisor to The Boston Consulting Group. Previously, as Chief Marketing Officer of Aetna, now part of healthcare giant CVS Health, David ran CVS Health’s “Digital First” enterprise modernization program. He drove a broad transformation at Aetna, implementing real-time analytics and agile operations in a company where marketing had been merely a functional cost center. By rebuilding Aetna’s go-to-market operations as fast cycle “war rooms” that constantly test and learn, he accelerated the growth of its Medicare business, adding billions in revenues. Using advanced marketing to improve members’ health behaviors, his team cracked the code of moving the needle to save millions in medical cost.

His speech on The Future of AI and the Customer Experience Companies across all industries is putting personalization at the center of their enterprise strategies. For example, Home Depot, JPMorgan Chase, Starbucks, and Nike have publicly announced that personalized and seamless omnichannel experiences are at the core of their corporate strategy. We are now at the point where competitive advantage will be based on the ability to capture, analyze, and utilize personalized customer data at scale and on how a company uses AI to understand, shape, customize, and optimize the customer journey. The obvious winners have been large tech companies, which have embedded these capabilities in their business models. But challenger brands, such as sweetgreen in restaurants and Stitch Fix in apparel, have designed transformative first-party, data-driven experiences as well. David C. Edelman explores how cutting-edge companies use what they call intelligent experience engines to assemble high-quality customer experiences. Although building one can be time-consuming, expensive, and technologically complex, the result allows companies to deliver personalization at a scale that could only have been imagined a decade ago.

[Rana el Kaliouby](#)

Pioneering AI Scientist and Inventor of Emotion and Human Perception AI; Visionary Entrepreneur, Investor and Authority on Developing an AI Mindset for Competitive Advantage; Expert on Designing and Implementing Ethical Business Strategies; Deputy CEO, Smart Eye; Co-Founder and Former CEO, Affectiva; Bestselling Author, “Girl Decoded” (2020); Executive Fellow, Harvard Business School.

Global investments in artificial intelligence (AI) have significantly increased yet organizations still struggle to use the technology to its fullest potential. As [Smart Eye](#) Deputy CEO and visionary AI pioneer [RANA EL KALIOUBY](#) knows firsthand, to make the tremendous leaps demanded by 21st-century business, leaders and their teams must become AI-minded – but this change can’t happen all at once. “Small changes to how you approach AI transformation can have a big impact,” explains el Kaliouby, co-founder and former CEO of [Affectiva](#) who has been named one of [Entrepreneur’s 100 Women of Influence in 2022](#), [AI Magazine’s 2022 Top 10 Leaders](#) [Innovating in the AI Space](#), and Forbes’ [Top 50 Women in Tech](#). “For example, by clarifying roles and responsibilities, you can alleviate fears about job elimination. Show you respect privacy and safety by declaring an AI ethics policy consistent with your business values. Success will boil down to team, culture and people.” A Harvard University Executive Fellow, el Kaliouby couples

academic rigor with a practitioner's experience to demystify AI and its practical implications for business advantage. Her exceptional skills earned as a tech entrepreneur, investor, and early pioneer in the data science and machine learning C-suite make her an expert guide for organizations embarking on an AI journey. Pointing to pitfalls and highlighting opportunities, el Kaliouby shows businesses how to weave AI throughout the fabric of their organization and revitalize their culture, automate and accelerate innovation, and - ultimately - increase profits.

[Watch Rana el Kaliouby's TED Talk.](#) [Watch Rana el Kaliouby in conversation with Microsoft.](#)
[Katica Roy](#)

CEO and Founder of Pipeline; Award-Winning Gender Economist; Programmer and Data Scientist; LinkedIn's 2022 Top Influencer for Gender Equity.

Award-winning economist and data scientist [KATICA ROY](#) is in demand for her [expert insights about AI](#), its impact on the fight for gender equity, and the future of revenue. The Future of Revenue is about utilizing artificial intelligence to enable employers to make decisions to maximize the potential of their workforce. When 96% of CEOs say gender equity is one of their top 10 priorities while only 22% of employees say that gender diversity is regularly measured and shared, the leaky workforce pipeline is not being addressed and leaving financial returns on the table. So how do employers identify the cracks in the workforce pipeline and improve their financial performance? In engaging and compelling talks, Roy explains how she's built a robust, data-driven platform using advanced technology, [including artificial intelligence](#), to ensure equitable decisions and eradicate bias in human capital decisions that leads to improved financial performance for the organization as well as growth for the individual. [Watch Katica Roy at The Atlantic Live on who wins in the age of AI.](#) [De Kai](#)

Distinguished Research Scholar, ISCI, Berkeley ; Professor, Computer Science and Engineering, HKUST.

A landmark voice in AI, [DE KAI](#) pioneered pivotal advances that shifted natural language processing and machine learning at a time of heated debate about how to take these theories into reality, helping develop modern AI as we know it today. While working on his postdoc in Geoffrey Hinton's lab, De Kai was developing the theory behind the innovations which he then built into the world's first web translator, quickly spawning tools like Google Translate. From groundbreaking theory, to implementing the mathematical models, to deploying robust commercial systems, to actively working today globally with CEOs and legislators to evaluate impact, De Kai shares a deep understanding of the AI landscape at every level. De Kai speaks to not only the theory behind AI innovation, but also the risks, challenges, opportunities, and ethics that businesses will face in the near term. Talks with De Kai are highly personalized to the concerns and interests of each group, helping his audience move seamlessly from the big picture ideas to the granular issues, including prescriptions for how to get ahead of the potential risks as an executive. [Watch De Kai's TEDx Talk.](#)

[Sean McVay](#)

Head Coach of Super Bowl LVI Winning Los Angeles Rams; Youngest Coach in Modern NFL History; Youngest Coach to Win a Playoff Game, Win a Super Bowl, Make Multiple Super Bowl Appearances, and be Named AP NFL Coach of the Year; Expert in Leadership, Communication, and creating advantages out of adversity.

[Andrew Whitworth](#)

Super Bowl Champion with the LA Rams; Former NFL Offensive Tackle, LA Rams; 2021 Walter Payton NFL Man of the Year; Philanthropist and Founder, BigWhit 77 Foundation.

[Allyson Felix](#)

Holder of 13 Global Titles, 10 U.S. Championships, 11 Olympic Medals, and a World Record; One of TIME's "100 Most Influential People"; One of Bloomberg's "50 People and Ideas that Defined Global Business" (2021); Entrepreneur and Founder, Saysh.

[James Blake](#)

Legendary Tennis Player; New York Times Bestselling Author, 'Ways of Grace' and 'Breaking Back'; Director and Media Analyst for the Miami Open Tournament; Philanthropist and Founder, the James Blake Foundation.

[Sydney McLaughlin](#)

Gold Medal Olympic Track and Field Athlete; Entrepreneur and Lifestyle Designer; Author of 'Far Beyond Gold: Running from Fear to Faith'; Named the Gatorade National Girls Athlete of the Year.

[Maria Sharapova](#)

International Tennis Icon; Founder and CEO, Sugarpova; Investor and Brand Builder; New York Times Bestselling Author, 'Unstoppable: My Life So Far'.

[Abby Wambach](#)

FIFA Women's World Cup Champion and Two-Time Gold Medalist; #1 New York Times Bestselling Author, 'Wolfpack' and 'Forward: A Memoir'; Co-Founder and Part Owner, Angel City FC; TV Personality and Host, ESPN's 'Abby's Places'.

[LeVar Burton](#)

Award-Winning Actor, Writer, Director, and Producer; Award-Winning author of 'Aftermath', 'The Rhino Who Swallowed a Storm', and 'A Kids Book About Imagination'; Podcaster & Host, 'LeVar Burton Reads' - over 25M downloads; Renowned Literacy Advocate.

[Ashley Judd](#)

Award-Winning Actress; Political Activist and Advocate for Social Justice; New York Times Bestselling Author, 'All That Is Bitter & Sweet: A Memoir'; Global Humanitarian.

[Mario Lopez](#)

Two-Time Emmy Award-Winning Host of 'Access Hollywood'; Actor, Producer, and TV and Radio Personality; Bestselling Fitness and Children's Author; Philanthropist and Partner of the Boys & Girls Clubs of America.

[Rob Lowe](#)

Hollywood Icon, Actor, Producer, and Director; New York Times Bestselling Author, 'Stories I Only Tell My Friends' and 'Love Life'; Host, 'Literally! with Rob Lowe' and 'Parks & Recollection' Podcasts; Advocate for Cancer, Drug & Recovery Awareness.

Speakers Detail 2013-2024

Year	Speaker(s)	Speaking price (does not include travel/ hotel/meals)	Representative Agency
2024	Sean McVay	\$135,000	HWA
2023	Doris Kearns Goodwin	\$77,200	WSB
2022	Steve Wozniak	\$65,000	WSB
2021	Daymond John	\$36,000	WSB
2019	Josh Earnest	\$49,900	WSB
2018	Steve Forbes	\$55,000	HWA
2017	Robert Gates	\$75,500	WSB
2016	Julia Gillard	\$40,000	HWA
2015	David Gergen	\$44,000	WSB
2014	James Carville/ Mary Matalin	\$82,000	WSB
2013	Pres. George W. Bush	\$175,000	WSB

All WRCOG Keynote Speakers

Year	Speaker(s)
2001	Joel Kotkin
2002	Henry Cisneros
2003	Peter Calthorpe
2004	Bill Handel
2005	Steve Bridges
2006	Oliver North
2007	Sam Donaldson
2008	George Stephanopoulos
2009	Patrick Buchanan
2010	Dee Dee Myers & Karl Rove
2011	Condoleezza Rice
2012	Colin L. Powell
2013	George W. Bush
2014	James Carville & Mary Matalin
2015	David Gergen
2016	Julia Gillard
2017	Robert Gates
2018	Steve Forbes
2019	Josh Earnest
2020	n/a
2021	Daymond John
2022	Steve Wozniak
2023	Doris Kearns Goodwin
2024	Sean McVay