



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, March 4, 2019
2:00 p.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
1st Floor, Board Chambers
Riverside, CA 92501**

The following teleconference number is provided exclusively for members of the public wishing to address the Executive Committee directly during the public hearing portion of item 6.A on the agenda:

**Teleconference: (877) 336-1828
Access Code: 5233066**

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) 405-6703. 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 450, Riverside, CA, 92501.

The Executive Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER / ROLL CALL (Chuck Washington, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC COMMENTS**

At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the Executive 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 Executive Committee in writing and only pertinent points presented orally.

4. MINUTES

- A. **Summary Minutes from the February 4, 2019, Executive Committee Meeting are Available for Consideration.** **P. 1**

Requested Action: 1. *Approve the Summary Minutes from the February 4, 2019, Executive Committee meeting.*

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 Executive Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Executive Committee request specific items be removed from the Consent Calendar.

Action items:

- A. **Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions** **Christopher Gray** **P. 11**

Requested Actions: 1. *Approve the 2019 Pass Zone TIP.*
2. *Approve the amended 2018 Southwest Zone TIP.*
3. *Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the Cities of Eastvale and Norco for the Planning and Engineering Phases of the Hamner Avenue Widening Project in an amount not to exceed \$1,313,000.*
4. *Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the County of Riverside for the Planning, Right-of-Way, and Construction Phases of the Sunset Avenue Grade Separation Project in an amount not to exceed \$777,283.*
5. *Approve the proposed revisions to the TUMF Fee Calculation Handbook to include language for the 3,000 square foot reduction policy and credit for existing uses.*

- B. **2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019** **Andrew Ruiz** **P. 141**

Requested Action: 1. *Approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.*

- C. **Amendment to Professional Services Agreement for On-Call Planning Professional Services for Member Jurisdictions** **Christopher Gray** **P. 171**

Requested Action: 1. *Approve the Second Amendment to the Professional Services Agreement between WRCOG and Alta Planning + Design, Inc., to provide WRCOG planning support and advisory services in an amount not to exceed \$100,000, and \$200,000 in total, and to extend the term of the Agreement through June 30, 2021.*

- D. Appointment of a WRCOG Representative to a SCAG Policy Committee *Rick Bishop* P. 179

Requested Action: 1. *Appoint Joseph Tessari, City of Eastvale, to the SCAG Community, Economic & Human Development Policy Committee for a term commencing March 1, 2019, ending December 31, 2020.*

Information items:

- E. Finance Department Activities Update *Andrew Ruiz* P. 181

Requested Action: 1. *Receive and file.*

- F. WRCOG Committees and Agency Activities Update *Rick Bishop* P. 187

Requested Action: 1. *Receive and file.*

- G. Western Community Energy Activities Update *Barbara Spoonhour* P. 205

Requested Action: 1. *Receive and file.*

- H. Regional Streetlight Program Activities Update *Daniel Soltero* P. 207

Requested Action: 1. *Receive and file.*

- I. Fiscal Year 2017/2018 Comprehensive Annual Financial Report (CAFR) *Andrew Ruiz* P. 209

Requested Action: 1. *Receive and file.*

- J. Environmental Department Activities Update *Kyle Rodriguez* P. 321

Requested Action: 1. *Receive and file.*

6. REPORTS / DISCUSSION

- A. PACE Programs Activities Update: General Activities Update and Addition of New Providers *Casey Dailey, WRCOG* P. 349

Requested Actions: 1. *Adopt WRCOG Resolution Number 03-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.*
2. *Direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's statewide PACE umbrella.*

B. Report from the League of California Cities *Erin Sasse, League of California Cities* P. 363
Requested Action: 1. Receive and file.

C. Options for Potential WRCOG Assistance for Regional Housing Needs Assessment Update *Christopher Gray, WRCOG* P. 365
Requested Action: 1. Discuss and provide input.

D. 2019/2020 Legislative Platform *Cynthia Mejia, WRCOG* P. 367
Requested Action: 1. Adopt the 2019/2020 Legislative Platform.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR *George Johnson*

8. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit
CALCOG, Brian Tisdale

9. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

10. ITEMS FOR FUTURE AGENDAS *Members*

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

11. GENERAL ANNOUNCEMENTS *Members*

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

12. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
INITIATION OF LITIGATION PURSUANT TO SECTION 54956.9(D)(4)

1 Case

13. NEXT MEETING: The next Executive Committee meeting is scheduled for Monday, April 1, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

14. ADJOURNMENT

Western Riverside Council of Governments

5.A

Regular Meeting

~ Minutes ~

Monday, February 4, 2019

2:00 PM

County Administrative Center

1. CALL TO ORDER

The meeting was called to order by Chair Chuck Washington at 2:02 p.m. on February 4, 2019, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning	Daniela Andrade	Present	1:55 PM
City of Beaumont		Absent	
City of Calimesa	Jim Hyatt	Present	1:55 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:55 PM
City of Corona	Jason Scott	Present	1:55 PM
City of Eastvale	Brandon Plott	Present	1:55 PM
City of Hemet	Bonnie Wright	Present	1:55 PM
City of Jurupa Valley	Michael Goodland	Present	1:55 PM
City of Lake Elsinore	Brian Tisdale	Present	1:55 PM
City of Menifee	Matt Liesemeyer	Present	1:55 PM
City of Moreno Valley	Victoria Baca	Present	2:09 PM
City of Murrieta	Kelly Seyarto	Present	1:55 PM
City of Norco	Kevin Bash	Present	1:55 PM
City of Perris	Rita Rogers	Present	1:55 PM
City of Riverside	Rusty Bailey	Present	2:04 PM
City of San Jacinto	Crystal Ruiz	Present	1:55 PM
City of Temecula	James Stewart	Present	1:55 PM
City of Wildomar	Ben Benoit	Present	1:55 PM
District 1		Absent	
District 2	Karen Spiegel	Present	1:55 PM
District 3	Chuck Washington	Present	1:55 PM
District 5	Jeff Hewitt	Present	
EMWD		Absent	
WMWD	Brenda Dennstedt	Present	1:55 PM
Morongo Band of Mission Indians		Absent	
Office of Education (ex-officio)		Absent	
TAC Chair	George Johnson	Present	1:55 PM
Executive Director	Rick Bishop	Present	1:55 PM

Note: Times above reflect when the member logged in; they may have arrived at the meeting earlier.

2. PLEDGE OF ALLEGIANCE

Vice-Chair Bonnie Wright led members and guests in the Pledge of Allegiance.

3. WELCOME NEW COMMITTEE MEMBERS

Chair Washington welcomed new and returning Committee members Daniela Andrade, City of Banning, Victoria Baca, City of Moreno Valley, and James Stewart, City of Temecula.

4. PUBLIC COMMENTS

There were no public comments.

5. MINUTES

RESULT:	APPROVED AS RECOMMENDED
MOVER:	District 5
SECONDER:	Lake Elsinore
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, San Jacinto, Wildomar, District 2, District 3, District 5, WMWD
ABSTAIN:	Temecula
ABSENT:	Beaumont, Moreno Valley, Riverside, District 1, EMWD, Morongo Band of Mission Indians

A. Summary Minutes from the January 7, 2019, Executive Committee Meeting are Available for Consideration

Action: 1. *Approved the Summary Minutes from the January 7, 2019, Executive Committee meeting.*

6. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Murrieta
SECONDER:	Menifee
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 2, District 3, District 5, WMWD
ABSENT:	Beaumont, Moreno Valley, District 1, EMWD, Morongo Band of Mission Indians

A. Appointment of WRCOG Representatives to Various Committees

Actions: 1. *Appointed Councilmember Micheal Goodland, City of Jurupa Valley, as the alternate representative to the California Association of Councils of Governments for a term commencing January 1, 2019, ending December 31, 2020.*

2. *Appointed Councilmember Larry Smith, City of Calimesa, and Councilmember Joseph Tessari, City of Eastvale, as the two alternate representatives to the County of Riverside Waste Management Task Force for a term commencing January 1, 2019, ending December 31, 2020.*

3. *Appointed Mayor Rusty Bailey, City of Riverside, as the representative to the Santa Ana Watershed Project Authority's One Water One Watershed Steering Committee for a term commencing January 1, 2019, ending December 31, 2020.*

B. Appointment to WRCOG 2nd Vice-Chair Position for the Remainder of Fiscal Year 2018/2019

- Action:** 1. *Appointed Councilmember Kevin Bash, City of Norco, to the position of 2nd Vice-Chair for the remainder of Fiscal Year 2018/2019.*

C. Approval of Revised Purchasing and Procurement Policy

- Action:** 1. *Adopted WRCOG Resolution Number 01-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.*

D. Western Riverside Energy Partnership Activities Update

- Action:** 1. *Authorized the Executive Director to execute a Third Contract Amendment with the Southern California Gas Company to jointly deliver the 2013-2014 Western Riverside Energy Efficiency Partnership Program, including the continuation of the Western Riverside Energy Partnership, through year 2019, substantially as to form.*

E. TUMF Program Activities Update

- Action:** 1. *Received and Filed.*

F. Finance Department Activities Update

- Action:** 1. *Received and Filed.*

G. WRCOG Committees and Agency Activities Update

- Action:** 1. *Received and Filed.*

H. Regional Streetlight Program Activities Update

- Action:** 1. *Received and Filed.*

7. REPORTS / DISCUSSION

A. PACE Programs Activities Update: General Activities Update, Approval of Administrative Changes to the WRCOG Energy Efficiency and Water Conservation Program Administrative Guidelines and Program Report, and Addition of New Providers

Mike Wasgatt, WRCOG Program Manager, reported that the PACE Program provides financing to property owners to implement energy savings, renewable energy, water conservation, and seismic strengthening improvements to their homes or businesses. Financing is paid back through a lien placed on the property tax bill. In December 2011, the HERO Program was initiated and in 2014 expanded its efforts as California HERO, allowing jurisdictions throughout

the state to join and participate. Currently WRCOG offers CaliforniaFIRST, PACE Funding and Ygrene as residential PACE providers and Greenworks, CleanFund, and Ygrene as commercial PACE providers.

After today's actions, WRCOG will be accepting two new associate member jurisdictions to participate in the California HERO Program. The City of Alameda adopted a resolution on December 4, 2018, and the City of Santa Barbara adopted a resolution on December 18, 2018. Staff is presenting for approval Resolution Number 02-19, which accepts the Cities as associate members and sets a public hearing for March 4, 2019.

Over the last year WRCOG has received an increased number of requests to join the Commercial PACE Program. After consideration, staff has requested implementing a deposit in the amount of \$15,000 for all new commercial PACE providers to offset staff time and legal expenses associated with the onboarding process.

On January 23, 2019, staff visited with Twain Financial Partners in St. Louis to review its operations and program. Twain Financial Partners is one of two Commercial PACE providers being considered to join the WRCOG Program. Twain Financial Partners was originally brought to WRCOG by a developer from Temecula that would like to use them for their project financing.

The second commercial provider being brought forward for consideration is Lord Capital. On October 11, 2018, staff visited its offices in New York to review its operations and program.

Committee member Michael Goodland asked what the current deposit is and if the providers are aware of the proposed required deposit.

Mr. Wasgatt responded that currently there is no deposit required and yes, they are aware of the proposed deposit.

Chair Chuck Washington asked if the \$15,000 is not spent where does the remainder of funds go.

Mr. Wasgatt responded that any leftover funds will be returned to the provider.

- Actions:**
1. *Accepted the Cities of Santa Barbara and Alameda as Associate Members of the Western Riverside Council of Governments.*
 2. *Adopted WRCOG Resolution Number 02-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*
 3. *Authorized staff to implement a \$15,000.00 deposit for all new Commercial PACE Providers to work within the WRCOG Program.*
 4. *Supported the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital, LLC, under WRCOG's statewide PACE umbrella.*
 5. *Supported the Ad Hoc Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Twain Financial Partners Holding, LLC, under WRCOG's PACE umbrella.*

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Hemet
SECONDER:	Wildomar
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 2, District 3, District 5, WMWD
ABSENT:	Beaumont, District 1, EMWD, Morongo Band of Mission Indians

B. Report from the League of California Cities

Erin Sasse reported that the League recently held two successful new Mayors and Councilmembers meetings. Having a local event was a benefit to the elected officials.

The Riverside division of the League is holding a ballot measure training session on February 22, 2019. All elected officials, not just new elected officials, are encouraged to attend.

The League is in support of AB 213, a bill which would restore funding to cities that had inhabited annexations, and impacts many cities, including Beaumont, Lake Elsinore, Riverside, San Jacinto, and Temecula. The League is encouraging letters of support.

The Federal Communications Commission (FCC) released regulations which reduces local authority with regard to regulating where 5G deployments will occur. HR 530 was created to repeal the FCC regulations. The League is encouraging local governments to reach out to the Legislators encouraging support of HR 530.

Action: 1. *Received and Filed.*

C. Report from the Southern California Association of Governments

The Honorable Alan Wapner, City of Ontario Council Member and Southern California Association of Governments (SCAG) President, reported that SCAG is the largest Metropolitan Planning Organization in the country, representing 191 cities, six counties, and 19M people. SCAG is primarily responsible for regional planning of transportation, housing, economic development, and environmental impacts.

SCAG is in the midst of working on two key initiatives: the Regional Housing Needs Assessment (RHNA) and Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS).

The RTP is an environmental document required by Federal law and covers all transportation projects to be built over the next 20 years in southern California. Each project must meet to elements – financial constraints and environmental conformity. If any one project within the RTP fails to meet either of these elements, the entire RTP is returned to SCAG to be fixed.

The RHNA is a plan to address the housing needs of the future population, while the RTP/SCS addresses the transportation needs of the future population without adversely impacting the environment. The RHNA looks at the total housing requirement for the entire SCAG region and includes all available space, including tribal lands, military installations, and college campuses; anything where housing can be built.

Action: 1. *Received and Filed.*

D. Update on the Development of a Sustainability Indicators Report

Christopher Gray, WRCOG Director of Transportation & Planning, reported in 2012 WRCOG embarked on the development of the Economic Development and Sustainability Indicators Report (Report). The Report initially identified 40 to 50 key regional indicators to track and evaluate. There has not been much updating to the data since that time. This current update has a narrowed list of indicators; down from more than 40 to just 15. The update will focus on key regional indicators with readily available data.

The subregion continues to make improvements in the areas of air quality and public safety. This subregion, however, does not have as many healthcare facilities when compared to the state-wide average.

In terms of energy and the environment, per capita vehicle miles traveled has reduced slightly; per capita residential water usage has decreased significantly in four out of the five water districts in this subregion; this subregion is well on track to meet the 2020 goals regarding renewable energy.

Of those people with a college degree or have some college education, this subregion is at less than 50%, compared to an average of 55% for the bigger region. Only 48% of high school graduates in this subregion meet the basic requirements for entry into the UC or CSU system, compared to 50% state-wide.

In terms of economic development, household income adjusted for inflation has actually decreased over the last five years due to many of the jobs added to the subregion are in the food service and retail business. Roughly two-thirds of added jobs have not been in the professional or technology industries.

Nearly two-thirds of employed residents within this subregion travel outside of subregion for employment.

The subregion invests a significant amount of funding into education and economic development. While the unemployment rate is low, many of the jobs added are low-skilled and low-paying jobs.

Next steps include compiling all the recent data and share it with member jurisdictions; the data will be tracked on an annual basis; and the information will be shared at the upcoming Future of the Cities conference. The Technical Advisory Committee expressed interest in forming a Task Force to examine the data from this update and to discuss how it applies to the economic development within the subregion.

Committee member Rusty Bailey indicated that at a recent meeting of the Riverside County Transportation Commission (RCTC), a similar discussion was held on how to meet, encourage, and incentivize more desirable jobs. Committee member Bailey suggested inviting RCTC to the Future of Cities conference.

Action: 1. *Received and Filed.*

E. Public Service Fellowship Activities Update

Cynthia Mejia, WRCOG Staff Analyst, reported that when the Fellowship Program launched in 2016, it began as a partnership with WRCOG, UCR, and CBU. Since then the partnership has expanded to CSUSB. Currently, the Program is operating in its third round

and has 15 Fellows placed with member agencies. Fellows work on assignments ranging from legislative analysis to topical research. This third round will end in March 2019.

Looking into the upcoming fourth round of the Program, a Fellowship Ad Hoc Committee was convened with members of the Technical Advisory Committee to discuss several topics and ideas focused on the sustainability and recruitment of Fellows. Ms. Mejia summarized the programmatic concerns and shared the Technical Advisory Committee's recommendations for the next round of the Program.

When it comes to the recruitment process, staff has historically marketed the Program only to students from the partner universities. Through conversations with members of various WRCOG policy committees, though, staff has been asked to expand the partnership to universities outside the subregion in order to increase the number of candidates with technical backgrounds such as IT, land use planning, and civil engineering, which have been lacking in previous rounds.

In addition, as candidate applications are reviewed, staff has historically evaluated candidates based on academic standing such as year and GPA. However, there has never been a minimum GPA requirement. As such, the Committee recommended enacting a minimum 3.0 GPA threshold for all applicants. The Committee also supported expanding to other universities in an attempt to reach students with technical backgrounds, while giving priority to candidates who have a connection to the subregion, including those who do not necessarily live or attend school here, but may be from the area.

On the topic of Fellow placements, the current practice is to place Fellows in WRCOG member agencies, though members of the private sector and non-member public agencies have also expressed interest in hosting a Fellow. The Committee recommended continuing the current practice for now but was open to expanding to non-member public sector agencies in the future, provided that all Program costs would be paid by that host agency.

Currently, WRCOG funds the entire Program which costs approximately \$375,000 per round if one Fellow is placed in each WRCOG member agency. Historically, funding for the Program has come from PACE carryover revenues, which are declining. To extend Program funding, the Committee recommended alternating placements at each jurisdiction every other year and directing any unused BEYOND funds to the Program when that distribution occurs.

In an effort to increase the number of qualified applicants to participate in the Program and prevent Fellows to seek other full-time employment opportunities before the Program completion, staff also recommends an additional Program change, which would welcome both full-time and part-time Fellows. For example, students currently enrolled in an academic program would be hired on a part-time basis for nine months while recently graduated students would be hired on a full-time basis.

Committee member Kevin Bash asked what additional universities are being considered, and expressed concern in partnering with colleges outside of the subregion.

Ms. Mejia responded that the recommendations include Cal Poly Pomona, UC Irvine, Cal State San Marcos, USC, and UCLA, which all have strong programs in planning, engineering or IT.

Committee member Rusty Bailey commended staff for continuing to seek qualified candidates for the Program.

Chair Chuck Washington indicated that, to address Committee member Bash's concern, staff could extend candidate eligibility to candidates who live, work, attended high school in, or are

from this subregion.

Mrs. Mejia agreed and stated that staff would continue to give local university students priority in the recruitment process.

Committee member Brian Tisdale asked for clarification on how the costs would be recovered if the Program would extend to with private sector entities. Ms. Mejia responded saying that if private sector entities participate, they, the entity (ies), would be required to pay for the Fellow's full Fellowship stipend plus an administrative fee.

Committee member Tisdale asked, regarding Fellowship placement of every other year, if the issue is finding enough qualified candidates or controlling the costs.

Ms. Mejia responded that it is a matter of both and that expanding to additional colleges would increase the number of qualified applicants for the Program and alternating placements would extend the longevity of the current funds.

Committee member Bash indicated that he likes the idea of establishing a connection to the region and would be open to that.

Action: 1. *Directed staff to implement the following changes to the Fellowship Program: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school in, or are from the region and meet other minimum qualifications, 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year, and 5) admit Fellows to serve in either a part-time or full-time capacity.*

RESULT:	APPROVED AS RECOMMENDED
MOVER:	San Jacinto
SECONDER:	Riverside
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 2, District 3, District 5, WMWD
NAYS:	Moreno Valley
ABSENT:	Beaumont, District 1, EMWD, Morongo Band of Mission Indians

8. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chair had no report to provide.

9. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Rusty Bailey, Southern California Association of Governments' (SCAG) Regional Council representative, reported that there is the potential for WRCOG, the cities within its jurisdiction, and/or the county to become a Regional Housing Needs Assessment Subregional Delegate regarding a cost benefit analysis that would provide more local control over the numbers. SCAG provides \$2,500 for efforts towards this two-year process. The next SCAG Regional Council meeting is scheduled for March 4, 2019, at 10 a.m.

Committee member Ben Benoit, South Coast Air Quality Management District representative for cities in Riverside County, reported that at the last meeting, that Board received a presentation about modifying the hydrofluoric acid for refineries in southern California. The cost to fix the system could cost upwards of \$600M for one refinery, and \$300M for another.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop, WRCOG Executive Director, reported that, in response to Committee member Bailey's comment regarding RHNA delegation, this matter will be discussed with WRCOG's Planning Directors Committee members to obtain their feedback. Mr. Bishop thanked Alan Wapner for his leadership in bringing the Ontario International Airport back under local control. Mr. Bishop shared a video regarding WRCOG's Streetlight Program; the City of Murrieta is the first jurisdiction underway with its retrofitting. There is an anticipated \$60M in savings throughout the subregion over the next 20 years.

11. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

12. GENERAL ANNOUNCEMENTS

Committee member Crystal Ruiz shared that she was asked to do a briefing for the White House State of the Union address tomorrow regarding infrastructure funding, lowering the cost of prescription drugs and healthcare, and ending foreign wars.

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, March 4, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

14. ADJOURNMENT

The meeting adjourned at 3:02 p.m.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: March 4, 2019

The purpose of this item is to seek approval of the draft 2019 Pass Zone TIP, an amendment to the 2018 Southwest Zone TIP, Reimbursement Agreements with the Cities of Eastvale and Norco and County of Riverside, and revisions to the Fee Calculation Handbook.

Requested Actions:

1. Approve the 2019 Pass Zone TIP.
2. Approve the amended 2018 Southwest Zone TIP.
3. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the Cities of Eastvale and Norco for the Planning and Engineering Phases of the Hamner Avenue Widening Project in an amount not to exceed \$1,313,000.
4. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the County of Riverside for the Planning, Right-of-Way, and Construction Phases of the Sunset Avenue Grade Separation Project in an amount not to exceed \$777,283.
5. Approve the proposed revisions to the TUMF Fee Calculation Handbook to include language for the 3,000 square foot reduction policy and credit for existing uses.

WRCOG's Transportation Uniform Mitigation Fee (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. Each of WRCOG's member jurisdictions and the March Joint Powers Authority (JPA) participate in the Program through an adopted ordinance, collect fees from new development, and remit the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of agencies – referred to as TUMF zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency and the Regional Conservation Authority.

2019 Pass Zone Transportation Improvement Program (TIP)

WRCOG elected officials from the Cities of Banning, Beaumont, Calimesa, and County of Riverside, collectively the Pass Zone Committee, recently recommended approval of the 2019 Pass Zone TIP to the Executive Committee. The 2019 Pass Zone TIP is the result of a Zone prioritization effort, wherein City Managers and Public Works Directors from each of the Pass Zone member agencies met to discuss projects and cooperatively identify priority projects for funding. Each agency within the Zone has at least one project on the TIP. Staff would also note that the funding amounts shown on the TIP includes zone funding from Beaumont-related settlement agreements to-date.

Amendment to the 2018 Southwest Zone TIP

The City of Wildomar has requested an amendment to its 2018 Southwest Zone TIP to advance funding for the Right-of-Way phase of the Bundy Canyon Road Widening Project. The City requested that funding for the Right-of-Way phase from Fiscal Year (FY) 2020/2021 be advanced to FY 2018/2019 to accommodate recent Right-of-Way acquisition costs for the Project. The advancement of TUMF allocation would move approximately \$1.9 million from FY 2020/2021 to FY 2018/2019. The overall programming of TUMF for each project on the Southwest Zone TIP would not change, as the City only requested an advance of funds from FY 2020/2021 to FY 2018/2019. This request was approved by the TUMF Zone Technical Advisory Committee, comprised of the City Manager and Public Works Director from each member agency within the Zone. No additional changes were made to the project funding allocations included as part of the 2018 Southwest Zone TIP.

TUMF Reimbursement Agreement

Two Reimbursement Agreements for TUMF projects are summarized below.

City of Eastvale and City of Norco (one agreement):

1. Hamner Avenue Widening (two segments, just north and south of the Hamner Avenue Bridge), *Planning and Engineering* Phases, in an amount not to exceed \$1,313,000: This project will widen Hamner Avenue on either side of the Hamner Avenue Bridge from four to six lanes. Through a Cooperative Agreement executed between the Cities of Eastvale and Norco and the County of Riverside, the Cities have designated the County of Riverside as the agency to prepare the environmental documentation and complete the plans, specifications, and estimate for the project. The County has extensive experience in the development of similar projects and as such, the Cities have designated the County to complete the initial phases of the Hamner Avenue widening.

County of Riverside (one agreement):

2. Sunset Avenue Grade Separation Project, *Planning, Right-of-Way and Construction* Phases, in an amount not to exceed \$777,283: This project lowered Sunset Avenue to obtain vertical clearance between the roadway at its crossing with the Union Pacific Railroad. The project was completed in early 2016 and since then the County of Riverside and City of Banning have reconciled expenditures to determine if additional TUMF funds could be provided to close-out the project. Because of the reconciliation, WRCOG staff determined that an additional \$1 million in TUMF eligible expenditures could be allocated to the project. Since both the City of Banning and County of Riverside incurred TUMF eligible costs delivering the project, the 2019 Pass Zone TIP has allocated funding to both agencies for TUMF reimbursement. The 2019 Pass Zone TIP has allocated \$777,283 to the County of Riverside for the project.

TUMF Calculation Handbook Revisions

3,000 Square Foot Deduction Policy: On August 7, 2017, the Executive Committee approved a 3,000 square foot (SF) deduction for all service and retail land use types. Since approval of the policy, most project applicants are not required to pay TUMF fees on the first 3,000 SF of retail and service projects. On October 1, 2018, the Executive Committee approved an update to the 3,000 SF deduction that limits the reduction to development projects that are less than 20,000 SF, effective immediately. This means that a retail / service project that is 19,999 SF would receive the 3,000 SF deduction but a 20,000 SF retail / service project would not receive the 3,000 SF deduction.

There is currently no specific language in the TUMF Fee Calculation Handbook or any of the TUMF governing documents detailing how the 3,000 SF deduction policy is to be implemented. The Public Works Committee recommended adding clarifying language to the TUMF Fee Calculation Handbook and has added a line in Worksheet A.2.1 for standard, non-residential, TUMF calculations to provide guidance on administration of the 3,000 SF deduction.

Credit for Existing Uses: The TUMF Program contains an exemption for the reuse / reconstruction of existing buildings and the language in the TUMF Administrative Plan, which reads as follows “...the rehabilitation and/or reconstruction of any habitable structure in use on or after January 1, 2000, provided that the same or fewer traffic trips are generated as a result thereof.”

There is currently no official calculation methodology to guide staff in implementation of this exemption. Staff currently calculates credits for existing uses utilizing the fees and policies currently in effect. The Public Works Committee recommended continuing this policy and clarifying that credits will not be awarded in excess of what would be required for the currently proposed project (i.e., a developer could not request a refund from the TUMF Program if its new project would pay less TUMF than the existing use would have paid).

Prior Action:

February 14, 2019: The Public Works Committee recommended 1) that the Executive Committee approve the proposed revisions to the TUMF Fee Calculation Handbook to include clarification language on the 3,000 square foot deduction policy for retail and service uses; and 2) continuing the policy of calculating credit for existing uses utilizing fee rates in effect at the time a projects’ TUMF obligation is assessed.

Fiscal Impact:

TUMF Program activities are included in the Agency’s adopted Fiscal Year 2018/2019 Budget under the Transportation Department.

Attachments:

1. Draft 2019 Pass Zone TIP.
2. Amended 2018 Southwest Zone TIP.
3. TUMF Reimbursement Agreement with the City of Eastvale and City of Norco for the Planning and Engineering Phases of the Hamner Avenue Widening Project.
4. TUMF Reimbursement Agreement with the County of Riverside for the Planning, Right-of-Way, and Construction Phases of the Sunset Avenue Grade Separation Project.
5. Draft TUMF Calculation Handbook.

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Item 5.A

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Attachment 1

Draft 2019 Pass Zone TIP

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DRAFT 2019 Pass Zone 5-Year Transportation Improvement Program

Fiscal Year		FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Forecast Revenues		\$ 10,100,000	\$ 1,010,000	\$ 1,020,100	\$ 1,030,301	\$ 1,040,604	\$ 15,488,075	\$ -	\$ 15,488,075
Carryover Revenues (As of 12/11/18)		\$ -	\$ 4,861,925	\$ 2,621,925	\$ 642,025	\$ (327,674)			
Available Revenues		\$ 10,100,000	\$ 5,871,925	\$ 3,642,025	\$ 1,672,326	\$ 712,930			
Programmed/Expenditures		Status* Phase**							
Cities of Banning and Beaumont									
17-PS-BAN-1191	Highland Springs Avenue Interchange	PA&ED					\$ -	\$ -	\$ -
		PSE					\$ -	\$ -	\$ -
		ROW	\$ 800,000				\$ 800,000	\$ -	\$ 800,000
		CON	\$ 1,200,000				\$ 1,200,000	\$ -	\$ 1,200,000
City of Banning									
06-PS-BAN-1109	Sunset Avenue Grade Separation	PA&ED					\$ -	\$ -	\$ -
		PSE					\$ -	\$ -	\$ -
		ROW	\$ 360,792				\$ 360,792	\$ -	\$ 360,792
		CON					\$ -	\$ -	\$ -
City of Beaumont									
19-PS-BEA-1204	Potrero Boulevard Interchange (Phase II)	PA&ED					\$ -	\$ -	\$ -
		PSE					\$ -	\$ -	\$ -
		ROW					\$ -	\$ -	\$ -
		CON		\$ 3,000,000	\$ 2,000,000		\$ 5,000,000	\$ -	\$ 5,000,000
City of Calimesa									
19-PS-CAL-1205	County Line Road Interchange	PA&ED		\$ 250,000			\$ 250,000	\$ -	\$ 250,000
		PSE			\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ -	\$ 2,000,000
		ROW				\$ 1,000,000	\$ 1,000,000	\$ -	\$ 2,000,000
		CON					\$ -	\$ -	\$ -
16-PS-CAL-1189	Cherry Valley Boulevard Interchange	PA&ED					\$ -	\$ -	\$ -
		PSE	\$ 2,100,000				\$ 2,100,000	\$ -	\$ 2,100,000
		ROW					\$ 1,000,000	\$ -	\$ 1,000,000
		CON					\$ -	\$ -	\$ -
County of Riverside									
06-PS-BAN-1109	Sunset Avenue Grade Separation	PA&ED					\$ -	\$ -	\$ -
		PSE	\$ 202,307				\$ 202,307	\$ -	\$ 202,307
		ROW	\$ 46,225				\$ 46,225	\$ -	\$ 46,225
		CON	\$ 528,751				\$ 528,751	\$ -	\$ 528,751
Total Programmed Capital Expenditures		\$ 5,238,075	\$ 3,250,000	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000			
Total Programmed Carryover Balance*		\$ 4,861,925	\$ 2,621,925	\$ 642,025	\$ (327,674)	\$ (1,287,070)			

Summary Table								
Fiscal Year	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	5-Year Total Available Forecast/Cash	5-Year Total Programmed	5-Year Balance
Available Revenues	\$ 10,100,000	\$ 5,871,925	\$ 3,642,025	\$ 1,672,326	\$ 712,930			
Funded Programmed	\$ 5,238,075	\$ 3,250,000	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000	\$ 14,201,005	\$ 15,488,075	\$ (1,287,070)
Carryover Balance	\$ 4,861,925	\$ 2,621,925	\$ 642,025	\$ (327,674)	\$ (1,287,070)			

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Item 5.A

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Attachment 2

Amended 2018 Southwest Zone TIP

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DRAFT 2019 Southwest Zone 5-Year Transportation Improvement Program

Fiscal Year				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Revised Forecast Revenues				\$ 5,285,308	\$ 5,417,441	\$ 5,552,877	\$ 5,691,699	\$ 5,833,991	\$ 44,071,594	\$ (38,173,983)	\$ 82,245,577
Carryover Revenues (As of 9/20/2018)				\$ 20,934,488	\$ 2,586,099	\$ (1,481,685)	\$ (4,881,480)	\$ (1,189,782)	TIP Adopted April 2018		
									5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Delta
Available Revenues				\$ 26,219,796	\$ 8,003,540	\$ 4,071,192	\$ 810,218	\$ 4,644,209	\$ 60,282,425	\$ 56,361,689	\$ 3,920,736
Programmed Expenditures				Status*	Phase*						
County of Riverside											
06-SW-RCY-1073	Clinton Keith Rd, I-215 to SR-79 (3.191 m. 4 to 6 lanes)	STD	ROW	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (7,000,000)	\$ 7,000,000
		STD	CON	\$ 1,962,327	\$ -	\$ -	\$ -	\$ -	\$ 1,962,327	\$ (8,037,673)	\$ 10,000,000
City of Lake Elsinore											
05-SW-LEL-1060	SR-74/I-15 Interchange	PLN	PA&ED	\$ 2,634,251	\$ -	\$ -	\$ -	\$ -	\$ 2,634,251	\$ -	\$ 2,634,251
		PLN	ENG	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
		CLD	ROW	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ (1,356,465)	\$ 3,356,465
		STD	CON	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ (1,727,104)	\$ 1,727,104
13-SW-LEL-1175	Railroad Canyon Road/I-15 Interchange	PLN	ENG	\$ 972,179	\$ -	\$ -	\$ -	\$ -	\$ 972,179	\$ -	\$ 972,179
		PLN	ROW	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ 950,000	\$ -	\$ 950,000
07-SW-LEL-1115	Temescal Canyon Road Bridge (2 to 4 lanes)	STD	PA&ED	\$ 24,144	\$ -	\$ -	\$ -	\$ -	\$ 24,144	\$ (264,517)	\$ 288,661
		STD	ENG	\$ 248,328	\$ -	\$ -	\$ -	\$ -	\$ 248,328	\$ (15,339)	\$ 263,667
		PLN	ROW	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
		PLN	CON	\$ -	\$ -	\$ 1,467,672	\$ -	\$ -	\$ 1,467,672	\$ -	\$ 1,467,672
City of Murrieta											
16-SW-MUR-1188	Keller Road/I-215 Interchange	PLN	PA&ED	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
		PLN	ENG	\$ 750,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000
City of Temecula											
18-SW-TEM-1194	Western Bypass/Diaz Road (Rancho California to Cherry) 0-4 lanes, 2.14 miles	PND	PA&ED	\$ 364,044	\$ -	\$ -	\$ -	\$ -	\$ 364,044	\$ -	\$ 364,044
		STD	ENG	\$ 701,879	\$ -	\$ -	\$ -	\$ -	\$ 701,879	\$ -	\$ 701,879
05-SW-TEM-1064	SR-79 Winchester Rd/I-15 Interchange	CLD	PA&ED	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (108,724)	\$ 108,724
		STD	ENG	\$ 360,589	\$ -	\$ -	\$ -	\$ -	\$ 360,589	\$ (3,573,707)	\$ 3,934,296
		PLN	ROW	\$ 1,865,985	\$ -	\$ -	\$ -	\$ -	\$ 1,865,985	\$ (59,015)	\$ 1,925,000
06-SW-TEM-1079	French Valley Parkway/I-15 Overcrossing & Interchange (300')	CLD	PA&ED	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (975,752)	\$ 975,752
		STD	ENG	\$ 1,630,903	\$ -	\$ -	\$ -	\$ -	\$ 1,630,903	\$ (7,170,971)	\$ 8,801,874
		STD	ROW	\$ 1,471,308	\$ -	\$ -	\$ -	\$ -	\$ 1,471,308	\$ (202,940)	\$ 1,674,248
13-SW-TEM-1163	SR-79/I-15 South Overcrossing & Interchange	PLN	CON	\$ 595,260	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,595,260	\$ (5,429,983)	\$ 10,025,243



DRAFT 2019 Southwest Zone 5-Year Transportation Improvement Program

Fiscal Year				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Revised Forecast Revenues				\$ 5,285,308	\$ 5,417,441	\$ 5,552,877	\$ 5,691,699	\$ 5,833,991	\$ 44,071,594	\$ (38,173,983)	\$ 82,245,577
Carryover Revenues (As of 9/20/2018)				\$ 20,934,488	\$ 2,586,099	\$ (1,481,685)	\$ (4,881,480)	\$ (1,189,782)	TIP Adopted April 2018		
									5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Delta
Available Revenues				\$ 26,219,796	\$ 8,003,540	\$ 4,071,192	\$ 810,218	\$ 4,644,209	\$ 60,282,425	\$ 56,361,689	\$ 3,920,736
Programmed Expenditures, continued											
City of Wildomar											
12-SW-WIL-1153	Clinton Keith Rd, I-15 to Copper Craft Dr (1.936 mi. 2 to 4 lanes)	STD	ENG	\$ 1,249,356	\$ -	\$ -	\$ -	\$ -	\$ 1,249,356	\$ (10,784)	\$ 1,260,140
		STD	CON	\$ 3,048,860	\$ -	\$ -	\$ -	\$ -	\$ 3,048,860	\$ -	\$ 3,048,860
12-SW-WIL-1151	Bundy Canyon Road (Cherry Street to Sunset Rd) (4.524 mi. 2 to 4 lanes)	PLN	PA&ED	\$ 708,753	\$ 250,000	\$ -	\$ -	\$ -	\$ 958,753	\$ (82,247)	\$ 1,041,000
		STD	ENG	\$ 801,037	\$ 851,000	\$ -	\$ -	\$ -	\$ 1,652,037	\$ (948,963)	\$ 2,601,000
		PLN	ROW	\$ 1,288,756	\$ 884,225	\$ -	\$ -	\$ -	\$ 2,172,981	\$ (1,067,019)	\$ 3,240,000
		PLN	CON	\$ -	\$ -	\$ 5,485,000	\$ 2,000,000	\$ -	\$ 7,485,000	\$ -	\$ 7,485,000
12-SW-WIL-1058	Palomar St, Mission Trail to Jefferson (3.568 mi. 2 to 4 lanes)	CLD	PA&ED	\$ 364,221	\$ -	\$ -	\$ -	\$ -	\$ 364,221	\$ (142,779)	\$ 507,000
		CLD	ENG	\$ 391,517	\$ -	\$ -	\$ -	\$ -	\$ 391,517	\$ -	\$ 391,517
Developer Reimbursements (25% of revenue)***				\$ -	\$ -	\$ -	\$ -	\$ -			
Total Capital Programmed Expenditures				\$ 23,633,697	\$ 9,485,225	\$ 8,952,672	\$ 2,000,000	\$ (0)			
Total Programmed Balance Carryover*				\$ 2,586,099	\$ (1,481,685)	\$ (4,881,480)	\$ (1,189,782)	\$ 4,644,210			
Summary Table											
Fiscal Year				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	5-Year Total Available Revenue	5-Year Total Programmed	5-Year Total Balance
Available Revenue				\$ 26,219,796	\$ 8,003,540	\$ 4,071,192	\$ 810,218	\$ 4,644,209			
Programmed Phases				\$ 23,633,697	\$ 9,485,225	\$ 8,952,672	\$ 2,000,000	\$ (0)			
Carryover Balance				\$ 2,586,099	\$ (1,481,685)	\$ (4,881,480)	\$ (1,189,782)	\$ 4,644,210			

Notes:

Programmed Carryover Balance does not reflect actual Zone available cash

Status: PLN=Planned, STD=Started, PND=Pending final invoice, CPL=Completed, CLD= Phase Closed, TER=Terminated.

Phases: planning=PA&ED, engineering=ENG, right-of-way=ROW, construction=CON

25% Reimbursement Detail Tracked on Separate Spreadsheet

Actual Revenue Forecasts, Carryover, and Payments thru 9/30/18.

Item 5.A

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Attachment 3

TUMF Reimbursement Agreement with the City of Eastvale and City of Norco for the Planning and Engineering Phases of the Hamner Avenue Widening Project

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
HAMNER AVENUE WIDENING
PA&ED AND PS&E PHASES**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and the **City of Eastvale**, a California municipal corporation and the **City of Norco**, a California municipal corporation. The cities are hereinafter referred to collectively as “AGENCIES”. WRCOG and AGENCIES are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCIES propose to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

E. The Parties recognize that the AGENCIES are implementing the Project, as defined below, in cooperation with the County of Riverside (“COUNTY”), and the COUNTY is the entity that has or will engage a consultant to provide the Work, as defined below. Therefore, the AGENCIES have requested and WRCOG has agreed to direct reimbursements to the COUNTY for authorized Project (as this term is defined below) costs, as set forth herein. The AGENCIES shall require the COUNTY to comply with any provision of this Agreement applicable to the COUNTY as the direct recipient of reimbursements hereunder.

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the COUNTY on behalf of the AGENCIES for **Hamner Avenue Widening** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed

scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCIES and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

- 1) PA&ED – Project Approvals & Environmental Document
- 2) PS&E – Plans, Specifications and Estimates

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to the COUNTY, on behalf of the AGENCIES, on the terms and conditions set forth herein, a sum not to exceed **One Million Three Hundred Thirteen Thousand (\$1,313,000)**, to be used for reimbursing the COUNTY for eligible Project expenses incurred on behalf of AGENCIES as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs (“Total Project Cost”) may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit “A” (“Scope of Work”): (1) AGENCIES, COUNTY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCIES or the COUNTY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates; (7) costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCIES or the COUNTY; (9) construction management, field inspection and material testing costs; and (10) any AGENCIES or COUNTY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCIES without reimbursement: (1) any AGENCIES administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit “A”.

5. Procedures for Distribution of TUMF Program Funds to COUNTY.

(a) Initial Payment by the AGENCIES or COUNTY. The AGENCIES or the COUNTY, as applicable, shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCIES or the COUNTY shall submit invoices to WRCOG requesting reimbursement to the COUNTY for eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCIES or the COUNTY, as applicable, and documents evidencing the AGENCIES’ or COUNTY’s payment of the invoices or demands for payment.

Documents evidencing the AGENCIES' or COUNTY's payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCIES or the COUNTY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCIES or the COUNTY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the COUNTY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCIES or the COUNTY for reimbursement of all or a portion of an invoiced amount, the Parties (including the COUNTY) shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCIES may appeal WRCOG's decision as to the eligibility of one or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCIES disagrees with the Executive Director's decision, the AGENCIES may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCIES submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The COUNTY shall be permitted to exercise the appeal rights of the AGENCIES as set forth herein. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCIES' or the COUNTY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the COUNTY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCIES shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCIES exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCIES in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCIES' Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCIES shall provide such additional funds as may be required to complete the Project.

9. AGENCIES' Obligation to Repay TUMF Program Funds to WRCOG; Exception for PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCIES, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCIES agree that any TUMF Program Funds that were distributed to the AGENCIES or COUNTY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCIES and COUNTY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCIES' Local Match Contribution. AGENCIES local match funding is not required, as shown in Exhibit "A" and as called out in the AGENCIES' Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCIES have fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The City of Eastvale hereby designates **Joe Indrawan, City Engineer**, or his or her designee, as the City's representative to WRCOG. The City of Norco hereby designates the **Director of Public Works**, or his or her designee, as the City's representative to WRCOG. Each of the City's representatives shall have the authority to act on behalf of their respective city for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCIES' responsibility. Each of the City's representatives shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCIES or COUNTY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCIES or the COUNTY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCIES understand and acknowledge that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCIES' sole risk, and that some expenditures by the AGENCIES or the COUNTY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCIES shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCIES may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCIES terminate this Agreement, the AGENCIES shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCIES under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the AGENCIES or COUNTY the TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCIES or COUNTY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCIES and/or the COUNTY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCIES and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCIES shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCIES shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys' fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCIES to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCIES Responsibilities. In addition to the indemnification required under Section 16, the AGENCIES agree to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCIES, the COUNTY or their subcontractors. The AGENCIES will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCIES.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCIES, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCIES for any expenditures, including reasonable attorneys' fees, incurred by the AGENCIES, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCIES shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCIES or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCIES shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCIES' negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCIES shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCIES and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCIES, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCIES, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCIES or WRCOG may be requested in writing by the AGENCIES and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCIES or WRCOG, during the term of his or her service with the AGENCIES or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCIES' duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCIES, the COUNTY or its contractors relating to the condemnation of property undertaken by AGENCIES, the COUNTY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and

other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCIES agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCIES and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCIES for such purpose.

31. Compliance with the Law. The AGENCIES shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCIES: City of Eastvale
12363 Limonite Avenue, Suite 910
Eastvale, California 91752
Attention: Joe Indrawan, City Engineer
Telephone: (951) 361-0900
Facsimile: (951) 685-1225

City of Norco
2870 Clark Avenue
Norco, California 92860
Attention: Director of Public Works
Telephone: (951) 270-5678
Facsimile: (951) 270-5640

If to WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, California 92501
Attention: Christopher Gray, Director of Transportation
Telephone: (951) 405-6700
Facsimile: (951) 223-9720

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the Parties. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the Parties.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCIES or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCIES or contractor, whichever is applicable. The AGENCIES or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The

AGENCIES or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by all Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

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

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF EASTVALE

By: _____ Date: _____

Rick Bishop
Executive Director

By: _____ Date: _____

Bryan Jones
City Manager

Approved as to Form:

Approved as to Form:

By: _____ Date: _____

Steven C. DeBaun
General Counsel

By: _____ Date: _____

Erica L. Vega
City Attorney

Attest:

By: _____

Steven Aguilar
City Clerk

CITY OF NORCO

By: _____ Date: _____

Robin Grundmeyer
Mayor

Approved as to Form:

By: _____ Date: _____

John Harper
City Attorney

Attest:

By: _____

Cheryl Link
City Clerk

EXHIBIT “A”

SCOPE OF WORK

SCOPE OF WORK:

The project phases to be funded under this agreement will be the PA&ED and the PS&E only. Funding for other phases will be completed at a future date by an addendum or separate agreement.

The City of Norco and City of Eastvale in cooperation with the County of Riverside are proposing to widen two road segments on Hamner Avenue. One road segment is between Shleisman Road and Citrus Street just north of the Hamner Avenue Bridge over the Santa Ana River. The other road segment is between Detroit Street and 6th Street just south of the Hamner Avenue Bridge.

The project will widen both Hamner Avenue segments from four lanes to six lanes, which includes one additional northbound lane and one southbound lane. The proposed road widening alignment will vary to minimize right of way acquisitions for the project. Additional improvements will include construction of sidewalks, concrete ramps, concrete curb and gutter and modifications to two traffic signals. Traffic signal modifications are needed to accommodate the widening at the intersection of Hamner Avenue and Shleisman Road, and the intersection of Hamner Avenue and Alhambra Street.

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	LOCAL	TOTAL
PA&ED	\$571,000		
PS&E	\$742,000		
RIGHT OF WAY	TBD		
CONSTRUCTION	TBD		
TOTAL	\$1,313,000		

EXHIBIT “A-2”
PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	FY 19/20	\$571,000	
PS&E	FY 20/21	\$742,000	
RIGHT OF WAY	TBD	TBD	
CONSTRUCTION	TBD	TBD	
TOTAL		\$1,313,000	

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$____INSERT NUMERICAL DOLLAR AMOUNT____) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3) _____

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[__sample__]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
 Western Riverside Council of Governments
 Riverside County Administrative Center
 3370 University Avenue, Suite 450
 Riverside, California 92501
 Attention: Director of Transportation
 ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY's invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure "A" Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year). The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
---------------------------------	--------------------------------

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
 Name
 Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
 Riverside County Administrative Center
 3390 University Avenue, Suite 450
 Riverside, California 92501
 Attention: Director of Transportation
 Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**.
 This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
 Total Invoice to Date:	 \$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00
 Amount Due this Invoice:	 \$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
 Name
 Title

**EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)**

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
 PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

Item 5.A

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Attachment 4

TUMF Reimbursement Agreement with the County of Riverside for the Planning, Right-of-Way, and Construction Phases of the Sunset Avenue Grade Separation Project

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
SUNSET AVENUE GRADE SEPARATION**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day ____ of _____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and the County of Riverside, a subdivision of the State of California (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **SUNSET AVENUE GRADE SEPARATION** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

- 1) PS&E – Plans, Specifications and Estimates
- 2) ROW – Right-of-Way Acquisition and Utility Relocation
- 3) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **SEVEN HUNDRED**

SEVENTY SEVEN THOUSAND TWO HUNDRED EIGHTY THREE DOLLARS (\$777,283), to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs (“Total Project Cost”) may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit “A” (“Scope of Work”): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit “A”.

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY’s payment of the invoices or demands for payment. Documents evidencing the AGENCY’S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG’s decision as to the eligibility of one

or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. AGENCY local match funding is not required, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates **PATRICIA ROMO, DIRECTOR OF TRANSPORTATION**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the

AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys' fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: County of Riverside
Transportation Department
4080 Lemon Street,
Riverside, CA 92501
Attention: Patricia Romo, Director of Transportation
Telephone: (951) 955-7985
Facsimile: (951) 955-3198

If to WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, California 92501
Attention: Christopher Gray, Director of Transportation
Telephone: (951) 405-6710
Facsimile: (951) 223-9720

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

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

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

COUNTY OF RIVERSIDE

Recommended for Approval

By: _____
Rick Bishop
Executive Director

By: _____
Patricia Romo
Director of Transportation

Approved to Form:

Approved as to Form:

By: _____
Steven C. DeBaun
General Counsel

By: _____
County Counsel

Approved By:

By: _____
Chairman, Riverside County Board
of Supervisors

Attest:

Kecia Harper
Clerk of the Board

By: _____

EXHIBIT “A”

SCOPE OF WORK

SCOPE OF WORK:

The Project phases to be funded under this Agreement consist of PS&E, ROW and Construction only.

The Sunset Avenue grade separation project is located at the crossing of Sunset Avenue and Union Pacific Railroad (UPRR) in the City of Banning.

The Sunset Avenue grade separation project requires Sunset Avenue be lowered to obtain sufficient vertical clearance between the roadway and railroad tracks. Also part of the Project were new railroad bridge structure and sidewalks for pedestrian. In addition, the existing on-ramps and off-ramps at the Interstate 10 and Sunset Avenue interchange were modified to tie into the lower Sunset Avenue elevation.

The grade separation construction is needed in order to improve traffic flow and increase public safety by eliminating the conflicting at-grade crossing, as well as improve efficient movement of goods through Riverside County.

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	(See Note 1) LOCAL	STATE	TOTAL
PA&ED				
PS&E	\$202,307	\$3,200,000		\$3,402,307
RIGHT OF WAY	\$46,225	\$ 760,000		\$806,225
CONSTRUCTION	\$528,751		(See Note 2) \$7,388,000	\$7,916,751
TOTAL	\$777,283	\$3,960,000	\$7,388,000	\$12,125,283

Notes:

1. Local Funds are shown for information only and not intended to represent a local match contribution. Local Funds are City of Banning
2. State Funds are Prop. 1B – Trade Corridor Improvement Funds (TCIF)

EXHIBIT “A-2”
PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED			
PS&E	FY 18/19	\$202,307	
RIGHT OF WAY	FY 18/19	\$ 46,225	
CONSTRUCTION	FY 18/19	\$528,751	
TOTAL		\$777,283	

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3) _____

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[sample]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
 Western Riverside Council of Governments
 3390 University Avenue, Suite 450
 Riverside, California 92501
 Attention: Deputy Executive Director
 ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY's invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure "A" Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year) . The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year .

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
---------------------------------	--------------------------------

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
 Name
 Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
 3390 University Avenue, Suite 450
 Riverside, California 92501
 Attention: Deputy Executive Director
 Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
 This is per agreement No. XX-XX-XXX effective Month/Date/Year .

Invoice period covered is from Month/Date/Year to Month/Date/Year .

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
-----------------------------------	--------------

Total Invoice to Date:	\$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00

Amount Due this Invoice:	\$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
 Name
 Title

**EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)**

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
 PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

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Item 5.A

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Pass Zone Transportation Improvement Program (TIP), the 2018 Southwest Zone TIP Amendment, TUMF Reimbursement Agreements, and Fee Calculation Handbook Revisions

Attachment 5

Draft TUMF Calculation Handbook

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TRANSPORTATION UNIFORM MITIGATION FEE

FEE CALCULATION HANDBOOK

Prepared for

The Western Riverside Council of Governments

In Cooperation with

The City of Banning
The City of Beaumont
The City of Calimesa
The City of Canyon Lake
The City of Corona
The City of Eastvale
The City of Hemet
The City of Jurupa Valley
The City of Lake Elsinore
The City of Menifee
The City of Moreno Valley
The City of Murrieta
The City of Norco
The City of Perris
The City of Riverside
The City of San Jacinto
The City of Temecula
The City of Wildomar
The County of Riverside
Eastern Municipal Water District
March Joint Powers Authority
Morongo Band of Mission Indians
Western Municipal Water District

Prepared by

WSP

Revised: ~~August 10, 2017~~ March 4, 2019



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1.0 INTRODUCTION AND PURPOSE

The Board of Supervisors of the County of Riverside and the Councils of the Cities of Western Riverside County enacted the Transportation Uniform Mitigation Fee to fund the mitigation of cumulative regional transportation impacts resulting from future development. The mitigation fees collected through the TUMF program will be utilized to complete transportation system capital improvements necessary to meet the increased travel demand and to sustain current traffic levels of service.

The fee calculations are based on the proportional allocation of the costs of proposed transportation improvements based on the cumulative transportation system impacts of different types of new development. Fees are directly related to the forecast rate of growth and trip generation characteristics of different categories of new development. The purpose of this handbook is to detail the methodology for calculating the TUMF obligation for different categories of new development and, where necessary, to clarify the definition and calculation methodology for uses not clearly defined in the respective TUMF ordinances.

2.0 STANDARD FEE CALCULATIONS

A standard methodology will be applied for calculating all TUMF obligations based on the rates for various land use categories as prescribed in the respective TUMF ordinances. Fees associated with new residential development are to be calculated based on the prescribed TUMF rate and the total number of dwelling units associated with a new development using **Worksheet A.1.1**. Similarly, fees for all new non-residential developments are to be calculated based on the prescribed TUMF rate and the gross floor area of all buildings associated with the new development using **Worksheet A.2.1**.

The TUMF Ordinance sets forth exemptions to the payment of TUMF, including an exemption for existing uses. The specific language in the TUMF Ordinance and Administrative Plan is as follows:

"The rehabilitation and/or reconstruction of any habitable structure in use on or after January 1, 2000, provided that the same or fewer traffic trips are generated as a result thereof."

Credits for the existing use shall be calculated based on the fee schedule and calculation policies in effect at the time of credit application. It is important to note that the amount of credit a project can receive for an existing use is capped at the amount of credit that would be needed for the new proposed project to pay \$0 TUMF. Please contact WRCOG staff with any questions related to application of this exemption.

2.1. Standard Residential Fee Calculations

For the purpose of calculating the TUMF obligation, residential dwelling units are defined as a building or portion thereof used by one (1) family and containing one (1) kitchen, which is designed primarily for residential occupancy. Residential dwelling units may include, but are not limited to, detached houses, apartment homes, condominiums and mobile homes. Residential dwelling units do not include hotel and motel rooms, dormitories, medical care facilities and correctional institutions which are considered to be non-residential developments.

Residential TUMF obligations are calculated by multiplying the net increase in the total number of dwelling units associated with a new development by the appropriate residential land use category fee rate using **Worksheet A.1.1**. Residential land use categories include single-family residential dwelling units and multi-family dwelling units, as defined in the respective TUMF ordinances.

2.2. Standard Non-Residential Fee Calculations

For the purpose of calculating the TUMF obligation, non-residential development is defined as retail commercial, service commercial, industrial, and government or public sector development which is designed primarily for use as a business and is not intended for residential occupancy or dwelling use. The applicable non-residential land use category for a non-residential development is determined based on the predominate use of the building or structure associated with the new development and may be related to the underlying land use zoning of the new development site, as prescribed in the respective TUMF ordinances. The TUMF non-residential land use categories were defined with reference to the socioeconomic data obtained from the Southern California Association of Governments (SCAG) and used as the basis for completing this Nexus Study analysis. The SCAG employment data is provided for thirteen employment sectors consistent with the California Employment Development Department (EDD) Major Groups including: Farming, Natural Resources and Mining; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation, Warehousing and Utilities; Information; Financial Activities; Professional and Business Service; Education and Health Service; Leisure and Hospitality; Other Service; and Government. For the purposes of the Nexus Study, the EDD Major Groups were aggregated to Industrial (Farming, Natural Resources and Mining; Construction; Manufacturing; Wholesale Trade; Transportation, Warehousing and Utilities), Retail (Retail Trade), Service (Information; Financial Activities; Professional and Business Service; Education and Health Service; Leisure and Hospitality; Other Service) and Government/Public Sector (Government). These four aggregated sector types were used as the basis for calculating the fee.

Table 2.1 provides a table detailing the EDD Major Groups and corresponding North American Industry Classification System (NAICS) Categories that are included in each non-residential sector type. Table 2.1 should be used as a guide to determine the applicable non-residential TUMF land use category based on the predominate use of the buildings associated with the new development. A comprehensive breakdown of

the Major Groups and correspondence to the NAICS categories can be found in Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017) and on the U.S. Census Bureau website at www.census.gov/epcd/www/naics.html.

Non-residential TUMF obligation are calculated by multiplying the net increase in the gross floor area of the buildings or structures associated with a new development by the appropriate non-residential land use category fee rate using **Worksheet A.2.1**. The gross floor area of non-residential developments is defined as the sum, measured in square feet, of the area at each floor level, including cellars, basements, mezzanines, penthouses, corridors, lobbies, stores, and offices, that are included within the principal outside faces of the exterior wall of the building or structure, not including architectural setbacks or projections. Included are all stories or areas that have floor surfaces with clear standing head room (at least 6 feet, 6 inches) regardless of their use. Where a ground level area, or part thereof, within the principal outside faces of the exterior walls of the building or structure is left un-roofed, the gross floor area of the un-roofed portion will be added to the overall square footage of the building for the purpose of the non-residential fee calculation unless the unroofed area is solely provided for architectural or aesthetic purposes.

For certain non-residential land use types that have been explicitly defined in this handbook (herein referred to as 'defined use') un-enclosed un-roofed areas and un-enclosed roofed-over spaces that are integral to the performance of the principal business of the site will be added to the overall square footage of any buildings or structures associated with a new development for the purpose of fee calculation. Defined use types are listed in **Table 3.1** of this handbook. Determination of the precise floor area for each defined use will be made in accordance with the provisions of **Section 4.0** and **Section 5.0** of this handbook.

2.3. 3,000 Square Foot Reduction for Retail and Service TUMF Land Uses

2.3.1. Summary

On August 7, 2017, the WRCOG Executive Committee implemented a policy of waiving the TUMF obligation for the first 3,000 square feet (SF) of gross floor area for all service and retail land uses due to concerns raised during the 2016 Nexus Study update over the impact of TUMF on retail uses. On October 1, 2018, the WRCOG Executive Committee updated the provisions of this policy to limit the fee reduction to only those retail and service land uses that have a total gross floor area of less than 20,000 SF.

2.3.2. Implementation

The policy enacted in August 2017 and updated in October 2018 provides a waiver from the TUMF obligation for the first 3,000 SF of gross floor area for new retail and service development projects as well as expansions to existing retail and service land uses where the net increase in the total gross floor area of the building(s) will be less

than 20,000 SF. As such, no TUMF is paid on retail or service projects that increase the total gross floor area of the building(s) by less than 3,000 SF, and the gross floor area used as the basis to determine the fee obligation is reduced by 3,000 SF for retail or service projects that increase the total gross floor area of the building(s) by more than 3,000 SF but less than 20,000 SF. For the purposes of this policy, Class A/B offices are considered Service uses.

For mixed-use projects or 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 one another, and each is viewed as separate uses. This deduction is applied at the time of TUMF fee assessment and is based on the building as shown on plans at that time. Therefore, if a building is subdivided after TUMF fees are paid, TUMF would not be refunded.

2.3.3. Background

In response to concerns raised during the 2016 Nexus Study update, WRCOG staff undertook a study of several mid-size shopping centers in the subregion. Results from this study show that these shopping centers are generally anchored by a large tenant, typically occupying a space over 20,000 SF, and that these large spaces are surrounded by a number of smaller tenant spaces. The larger spaces are commonly occupied by large retailers such as grocery stores, clothing stores, and supermarkets; however, smaller tenant spaces are more commonly occupied by restaurants, beauty salons, dental offices, or electronics shops. Whereas the larger spaces may create a regional traffic draw, these smaller uses are generally more local-serving. For example, a new 200,000 SF retail super center may draw traffic from adjacent jurisdictions, as there may be a limited number of these retailers in the region. However, the smaller uses, such as a beauty salon or dental office, are generally located in every jurisdiction and will not likely create a large regional draw. Thus, even if a smaller use does generate additional traffic, this traffic will generally be local (i.e., new drive-through coffee shop locations, as there are numerous locations throughout the region).

Table 2.1 - TUMF Non-Residential Category Detailed NAICS Correspondence Summary

TUMF	California Employment Development Department (EDD)	North American Industry Classification System (NAICS) (2007)
Category	Major Groups	Category Codes & Descriptions*
Industrial	11-000000 Total Farm	11-111 Crop Production
		11-112 Animal Production
		11-113 Forestry and Logging
		11-114 Fishing, Hunting and Trapping
		11-115 Support Activities for Agriculture and Forestry
	10-000000 Natural Resources & Mining	10-211 Oil and Gas Extraction
		10-212 Mining (except Oil and Gas)
		10-213 Support Activities for Mining
	20-000000 Construction	20-236 Construction of Buildings
		20-237 Heavy and Civil Engineering Construction
		20-238 Specialty Trade Contractors
	30-000000 Manufacturing	32-311 Food Manufacturing
		32-312 Beverage and Tobacco Product Manufacturing
		32-313 Textile Mills
		32-314 Textile Product Mills
		32-315 Apparel Manufacturing
		32-316 Leather and Allied Product Manufacturing
		31-321 Wood Product Manufacturing
		32-322 Paper Manufacturing
		32-323 Printing and Related Support Activities
		32-324 Petroleum and Coal Products Manufacturing
		32-325 Chemical Manufacturing
		32-326 Plastics and Rubber Products Manufacturing
		31-327 Nonmetallic Mineral Product Manufacturing
		31-331 Primary Metal Manufacturing
		31-332 Fabricated Metal Product Manufacturing
		31-333 Machinery Manufacturing
		31-334 Computer and Electronic Product Manufacturing
		31-335 Electrical Equipment, Appliance, and Component Manufacturing
		31-336 Transportation Equipment Manufacturing
		31-337 Furniture and Related Product Manufacturing
		31-339 Miscellaneous Manufacturing
	41-000000 Wholesale Trade	41-423 Merchant Wholesalers, Durable Goods
		41-424 Merchant Wholesalers, Nondurable Goods
		41-425 Wholesale Electronic Markets and Agents and Brokers
	43-000000 Transportation, Warehousing & Utilities	43-221 Utilities
		43-481 Air Transportation
		43-482 Rail Transportation
		43-483 Water Transportation
		43-484 Truck Transportation
		43-485 Transit and Ground Passenger Transportation
		43-486 Pipeline Transportation
		43-487 Scenic and Sightseeing Transportation
		43-488 Support Activities for Transportation
		43-491 Postal Service
		43-492 Couriers and Messengers
		43-493 Warehousing and Storage
Retail	42-000000 Retail Trade	42-441 Motor Vehicle and Parts Dealers
		42-442 Furniture and Home Furnishings Stores
		42-443 Electronics and Appliance Stores
		42-444 Building Material and Garden Equipment and Supplies Dealers
		42-445 Food and Beverage Stores
		42-446 Health and Personal Care Stores
		42-447 Gasoline Stations
		42-448 Clothing and Clothing Accessories Stores
		42-451 Sporting Goods, Hobby, Book, and Music Stores
		42-452 General Merchandise Stores
		42-453 Miscellaneous Store Retailers
		42-454 Nonstore Retailers

**Table 2.1 - TUMF Non-Residential Category Detailed NAICS Correspondence Summary
(continued)**

TUMF	California Employment Development Department (EDD)	North American Industry Classification System (NAICS) (2007)
Category	Major Groups	Category Codes & Descriptions*
Service	50-000000 Information	50-511 Publishing Industries (except Internet)
		50-512 Motion Picture and Sound Recording Industries
		50-515 Broadcasting (except Internet)
		50-517 Telecommunications
		50-518 Data Processing, Hosting and Related Services
		50-519 other Information Services
	55-000000 Finance Activities	55-521 Monetary Authorities-Central Bank
		55-522 Credit Intermediation and Related Activities
		55-523 Securities, Commodity Contracts, and Other Financial Investments and Related Activities
		55-524 Insurance Carriers and Related Activities
		55-525 Funds, Trusts, and Other Financial Vehicles
		55-531 Real Estate
		55-532 Rental and Leasing Services
		55-533 Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
	60-000000 Professional & Business Services	60-540 Professional, Scientific, and Technical Services
		60-550 Management of Companies and Enterprises
		60-561 Administrative and Support Services
		60-562 Waste Management and Remediation Services
	65-000000 Educational & Health Services	65-610 Educational Services
		65-621 Ambulatory Health Care Services
		65-622 Hospitals
		65-623 Nursing and Residential Care Facilities
		65-624 Social Assistance
	70-000000 Leisure & Hospitality	70-711 Performing Arts, Spectator Sports, and Related Industries
		70-712 Museums, Historical Sites, and Similar Institutions
		70-713 Amusement, Gambling, and Recreation Industries
		70-721 Accommodation
		70-722 Food Services and Drinking Places
	80 Other Services	80-811 Repair and Maintenance
		80-812 Personal and Laundry Services
		80-813 Religious, Grantmaking, Civic, Professional, and Similar Organizations
		80-814 Private Households
Government/ Public Sector	90-000000 Government	90-910 Federal Government
		90-920 State Government
		90-930 Local Government
Note: * The NAICS Minor Groups and Categories are cross-referenced to the EDD Major Industrial Codes which are used as the basis for the CDR forecasts.		
Sources:	Riverside County Center for Demographic Research (CDR) California Employment Development Department (EDD) US Census Bureau, North American Industry Classification System (NAICS), 2007	

3.0 DEFINED USE TYPE CALCULATIONS

Notwithstanding the provisions of the respective TUMF ordinances, the TUMF Administration Plan, and the standard residential and non-residential fee calculations described in this handbook, there are a number of “defined use” types that are not clearly defined in the respective TUMF ordinances or cannot readily capture the trip making characteristics of the land use based on the number of dwelling units or gross floor area of new development. For these defined use types, this handbook provides the administrative mechanism to clarify the definition of the particular use, and where appropriate, to determine the proportional ‘fair share’ when the trip generation of the use is not directly or wholly associated with the number of dwelling units or gross floor area.

The methodology for determining the proportional “fair share” for the mitigation of the cumulative traffic impacts associated with the “defined uses” will be unique for each land use. However, the fee obligation for each defined use will be calculated based on the standard residential or non-residential fee calculation methodology (described in Section 2.0 of this handbook) using the schedule of fees prescribed in the respective TUMF ordinances.

The defined use types are indicated in **Table 3.1**. The sections following Table 3.1 provide a detailed explanation of each specific defined use, the rationale for the defined use proportional fair share determination and the methodology for calculating the fee obligation for the specific defined use. **Section 4.0** details the calculation methodology for residential defined use types. **Section 5.0** details the calculation methodology for non-residential defined use types and **Section 6.0** outlines calculation worksheets for applicable defined use types.

Table 3.1 – Defined Use Types		
SECTION	DEFINED USE	CALCULATION METHODOLOGY
<i>Residential</i>		Standard residential fee calculation is the net increase in the total number of dwelling units multiplied by the appropriate residential land use category fee rate using Worksheet A.1.1 .
4.1	Mobile Home Parks	Mobile homes to be located in mobile home parks will be calculated as multi-family dwelling units and mobile homes to be located on individual lots will be calculated as single-family dwelling units using Worksheet A.1.1 for standard residential fee calculations.
4.2	Transit Oriented Development	For eligible residential TOD land uses, the TUMF obligation is calculated by multiplying the standard residential TUMF obligation (either single family or multi-family, as appropriate) by the automobile trip reduction factor using the methodology outlined in Worksheet A.1.2 . Documentation including a site plan and location map will be submitted with the development application to demonstrate eligibility of residential land use as TOD.
4.3	Active Senior Living	For eligible senior adult housing (also referred to as Active Senior Living), the TUMF obligation is calculated by multiplying the standard multi-family residential TUMF obligation by the automobile trip reduction factor using the methodology outlined in Worksheet A.1.23 . Documentation including an active senior living qualification checklist will be submitted with the development application to demonstrate eligibility of residential land use as Active Senior Living.

Table 3.1 (continued) – Defined Use Types		
SECTION	DEFINED USE	CALCULATION METHODOLOGY
<i>Non-Residential</i>		Standard non-residential fee calculation in the net increase in the gross floor area of buildings multiplied by the appropriate non-residential land use category fee rate using Worksheet A.2.1 .
5.1	Fuel Filling Stations	For all types of fuel filling stations or facilities with fuel filling positions, the gross floor area will be calculated using Worksheet A.2.2 and the resultant value will be entered as the <i>Total Gross Floor Area for Retail Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.2	Vehicle Dealerships	Vehicle Dealerships will be calculated as a retail use based on the gross floor area of all buildings and structures associated with the dealership using Worksheet A.2.1 for standard non-residential fee calculations.
5.3	Group Quarters	All types of group quarters will be calculated as service uses using Worksheet A.2.1 for standard non-residential fee calculations.
	Congregate Care Facilities and Nursing Homes	For all group quarters specifically used for congregate care (including assisted living facilities) and/or nursing homes, the gross floor area will be calculated using Worksheet A.2.3 and the resultant value will be entered as the <i>Total Gross Floor Area for Service Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.4	Mini-Warehouses and Rental Storage	Mini-Warehouses and Rental Storage (including outdoor rental storage areas) will be calculated using Worksheet A.2.4 and the resultant value will be entered as the <i>Total Gross Floor Area for Industrial Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.5	Golf Courses	Golf Courses will be calculated using Worksheet A.2.5 and the resultant value will be entered as the <i>Total Gross Floor Area for Service Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.6	Wholesale Nurseries	Wholesale Nurseries will be calculated using Worksheet A.2.6 and the resultant value will be entered as the <i>Total Gross Floor Area for Industrial Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.7	Retail Nurseries (Garden Centers)	Retail Nurseries will be calculated using Worksheet A.2.7 and the resultant value will be entered as the <i>Total Gross Floor Area for Retail Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.8	High-Cube Warehouse/Distribution Center	High-Cube Warehouses/Distribution Centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet will be calculated using Worksheet A.2.8 and the resultant value will be entered as the <i>Total Gross Floor Area for Industrial Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.

Table 3.1 (continued) – Defined Use Types		
SECTION	DEFINED USE	CALCULATION METHODOLOGY
5.9	Wineries	Winery size is determined using Worksheet A.2.9. Small wineries will be calculated as an industrial use based on the gross floor area of all buildings associated with the winery using Worksheet A.2.1 for standard non-residential fee calculations. Medium wineries will be calculated using Worksheet A.2.10 and the resultant value will be entered as the <i>Total Gross Floor Area for Industrial Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations. Large Wineries will be calculated using Worksheet A.2.11 and the resultant value will be entered as the <i>Total Gross Floor Area for Industrial Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.
5.10	Electric Vehicle Supply Equipment Charging Stations	All types of publically accessible electric vehicle supply equipment (EVSE) charging stations will be calculated using Worksheet A.2.12 and the resultant value will be entered as the <i>Total Gross Floor Area for Retail Buildings</i> in Worksheet A.2.1 for standard non-residential fee calculations.

4.0 DETAILED METHODOLOGY FOR RESIDENTIAL DEFINED USE TYPES

4.1. Mobile Home Parks

4.1.1. Summary

Mobile homes to be located in mobile home parks will be considered as multi-family dwelling units with the TUMF obligation calculated using **Worksheet A.1.1** for standard residential fee calculations. Notice of the fee obligation will be provided to the mobile home park developer at the time of issuance of the "Mobile Home Park Permit" or equivalent building permit for the installation of site infrastructure including, but not limited to, permanent foundations, and electrical, water and sewer receptacles. The TUMF will be required to be paid in full by the mobile home park developer at the time of final inspection by the appropriate local jurisdiction to authorize utilization of the site for lease to a mobile home owner (which is considered the equivalent to the issuance of a certificate of occupancy).

Mobile homes to be located on individual lots will be considered single-family dwelling units with the TUMF obligation calculated using **Worksheet A.1.1** for standard residential fee calculations.

4.1.2. Detailed Narrative

In accordance with Section 6.1 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), all mobile homes are considered to be single-family dwelling units for the purpose of calculating the applicable TUMF obligation for newly developed units. Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) defines single-family detached housing as "all single-family detached homes on individual lots" and notes that "single-family detached units had the highest trip generation per dwelling unit of all residential uses, because they were the largest units in size and had more residents and more vehicles per unit than other residential land uses; they were generally located farther away from shopping centers, employment areas, and other trip attractors than other residential land uses; and they generally had fewer alternative modes of transportation available, because they were typically not as concentrated as other residential land uses." Mobile homes located on individual lots are generally consistent with this description of single-family detached housing and tend to reflect single-family trip generation characteristics and resultant transportation system impacts. However, mobile homes grouped in higher density mobile home parks tend to demonstrate trip generation characteristics more like those of multi-family residential unit developments. For this reason, it has been determined that mobile homes expressly located in mobile home parks will be considered as multi-family dwelling units for the purpose of calculating the applicable TUMF obligation.

Trip Generation 9th Edition defines mobile home parks as generally consisting of multiple "manufactured homes that are sited and installed on permanent foundations and

typically have community facilities such as recreation rooms, swimming pools, and laundry facilities" provided for the exclusive use of residents. Foundations (and associated utilities) in mobile home parks are generally provided on a 'for lease' basis to residents who own the actual mobile home with the mobile home being temporarily located on the foundation for the duration of the lease. For the purpose of the TUMF, *mobile homes to be located in mobile home parks* meeting this description will be considered as *multi-family dwelling units* with the fee obligation for newly developed units to be determined accordingly. *Mobile homes to be located on individual lots* will be considered *single-family dwelling units* with the fee obligation remaining unchanged from that previously prescribed in the Nexus Study and subsequently adopted local ordinances.

For the exclusive purpose of assessing the TUMF on newly developed mobile home parks or expansions of existing mobile home parks that result in an increase in the number of mobile home sites provided within the mobile home park, notice of the fee obligation will be provided to the mobile home park developer at the time of issuance of the 'Mobile Home Park Permit' or equivalent building permit for the installation of site infrastructure including, but not limited to, permanent foundations, and electrical, water and sewer receptacles. The TUMF will be required to be paid in full by the mobile home park developer at the time of final inspection by the appropriate local jurisdiction to authorize utilization of the site for lease to a mobile home owner (which is considered the equivalent to the issuance of a certificate of occupancy).

Mobile home parks sites that have received final inspection prior to the enactment of the respective local jurisdictions TUMF Ordinance are considered to be pre-existing. There is no TUMF fee obligation for pre-existing mobile home park sites.

Community facilities such as recreation rooms, swimming pools, and laundry facilities are considered to be ancillary to the primary multi-family residential land use of mobile home parks. The development or expansion of these types of ancillary community facilities would not require payment of TUMF fees. However, the development of non-residential retail, service or industrial facilities (including, but not limited to, convenience markets, management offices and sales offices) in conjunction with a mobile home park would be considered as separate land uses and would require payment of the TUMF fee in accordance with Section 6.2 of the Nexus Study and the provisions of the respective local TUMF Ordinance.

4.2. Transit-Oriented Development

4.2.1. Summary

As described in the California Mitigation Fee Act, a transit-oriented development (TOD) is "a development project consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use...if located within ½ mile of a transit station and with direct walking access to the station, within ½ mile of convenience retail uses including a store that sells food, and with a maximum number of parking spaces as required by state statute or local ordinance."

For the purpose of calculating the TUMF obligation, a factor reflecting the reduction in automobile trip generation associated with residential TOD will be applied to the standard residential TUMF obligation.

The residential TOD TUMF obligation is calculated by multiplying the standard residential TUMF obligation (either single family or multi-family, as appropriate) by the automobile trip reduction factor. The methodology outlined in **Worksheet A.1.2** and described as follows will be applied to determine the TOD TUMF obligations.

1. Complete the TOD qualification checklist and prepare TOD documentation.
2. Determine the standard TUMF obligation for eligible residential TOD land uses using **Worksheet A.1.1**.
3. Multiply the result for Step 2 by 0.885.

Documentation will be submitted with the development application as the basis for determining the eligibility of the residential land use as a TOD. Documentation will include a site plan indicating that at least 50% of the floorspace of the development is dedicated to residential use and the required number of parking spaces associated with the subject development. Documentation will also include a map showing the location of the subject development circled with a ½ mile radius, as well as the location of a transit station(s), the location of diverse uses and direct walking routes of ½ mile or less between the subject development and the listed uses to justify that the development satisfies the characteristics of TOD.

4.2.2. Detailed Narrative

The California Mitigation Fee Act requires that impact fees for residential development that satisfy certain characteristics of transit-oriented development (TOD) “be set at a rate that reflects a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics.”

Section 66005.1 of the California Government Code (Mitigation Fee Act) states the following with regard to Transit-Oriented Development and impact fees:

“(a) When a local agency imposes a fee on a housing development pursuant to Section 66001 for the purpose of mitigating vehicular traffic impacts, if that housing development satisfies all of the following characteristics, the fee, or the portion thereof relating to vehicular traffic impacts, shall be set at a rate that reflects a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics:

(1) The housing development is located within one-half mile of a transit station and there is direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.

(2) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.

(3) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

(b) If a housing development does not satisfy the characteristics in subdivision (a), the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

(c) As used in this section, "housing development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

(d) For the purposes of this section, "transit station" has the meaning set forth in paragraph (4) of subdivision (b) of Section 65460.1. "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.

With regard to the definition of transit station, Section 65460.1 of the California Government Code (Transit Village Development Plan Act) states that *the following definitions shall apply:*

(1)"Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.

(2)"Bus transfer station" means an arrival, departure, or transfer point for the area's intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.

[...]

(5)"Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station."

Research regarding the relationship between automobile trips and TOD is summarized in Table 4.1. Table 4.1 indicates the lower automobile trip generation rates that have been determined to be associated with TOD compared to conventional developments.

Table 4.1 – Examples of Automobile Trip Reduction Rates	
Situation	Automobile Trip Reduction Rate
Housing development within 2,000 ft of a light-rail or commuter rail station ¹	9%
Housing development in settings with intensive transit services ²	15%
Housing or business TOD ³	2 - 16%
TOD housing in California ³	15%
Average trip reduction rate (if the case study indicates a range the average rate was used)	11.5%

Sources

1: Santa Clara County Congestion Management Agency

2: California Air Resource Board study; Parker et al.; 2002

3: Effects of TOD on housing, parking, and travel; R. Cervero et al.; TCRP report 128; 2008

The California Air Resources Board, which estimates the air quality impacts of new developments, calls for up to a 15 percent reduction in trip rates for housing in settings with intensive transit services. The Santa Clara County California's Congestion Management Agency recommends a 9 percent trip reduction in estimated trip generation levels when setting impact fees for new housing developments within 2,000 feet of a light-rail or commuter-rail station. Studies also found that mode shifts and automobile trip reductions are more noticeable in areas where transit use is already high.

Those studies also found wide variations between automobile trip reduction rates from development to development, depending on several factors such as housing density, proximity to downtown, or intensity of transit service. For instance, a 2003 California TOD travel characteristics study found that commute shares of residents living within ½ mile of a transit station strongly differ from the shares of those living outside the station-area. The statewide weighted average difference in transit shares compared against the surrounding ½ mile to 3 miles was nearly 27 percent inside the ½ mile radius and 7 percent outside.

Based on case studies and considering the relatively low housing density in Western Riverside County, as well as the intensity of transit service, an average automobile trip reduction rate of 11.5% will be used to calculate the TUMF obligation for TODs as described in the California Mitigation Fee Act.

The U.S. Green Building Council (USGBC), the Congress for the New Urbanism (CNU), and the Natural Resources Defense Council (NRDC) have developed a national standard for assessing and rewarding environmentally superior neighborhood development practices within the framework of the Leadership in Environmental and Energy Design (LEED®) Green Building Rating System™. As stated in *LEED 2009 for Neighborhood Development Rating System* (USGBC, April 2012), LEED for Neighborhood Development “places emphasis on the site selection, design, and construction elements that bring buildings and infrastructure together into a neighborhood and relate the neighborhood to its landscape as well as its local and regional context. LEED for Neighborhood Development creates a label, as well as guidelines for both decision

making and development, to provide an incentive for better location, design, and construction of new residential, commercial, and mixed-use developments."

LEED Neighborhood Development (LEED ND) Certification utilizes three environmental categories: Smart Location and Linkage, Neighborhood Pattern and Design, and Green Infrastructure and Buildings. The Smart Location and Linkage (SLL) is consistent with the principles of TOD having the intent described as follows:

- "To encourage development within and near existing communities and public transit infrastructure.
- To encourage improvement and redevelopment of existing cities, suburbs, and towns while limiting the expansion of the development footprint in the region to appropriate circumstances.
- To reduce vehicle trips and vehicle miles traveled (VMT).
- To reduce the incidence of obesity, heart disease, and hypertension by encouraging daily physical activity associated with walking and bicycling."

In order to achieve LEED ND certification, a prerequisite is meeting the requirements of SLL. A requirement of SLL directly applicable to TOD and mixed use is locating a "project near existing neighborhood shops, uses, and facilities collectively referred to as "diverse uses" such that the ... project's geographic center is within 1/2-mile walk distance of at least seven diverse uses." This SLL requirement and LEED ND prerequisite provides an appropriate measure for determining a development meets national standards for mixed use in the context of TOD. Although the California Mitigation Fee Act specifically cites the requirement to be located in proximity to Convenience Retail uses, the LEED ND SLL diverse uses requirement will be utilized by WRCOG as the basis for determining that a development application meets the mixed use requirements of a TOD to adequately reduce trip generation rates.

Documentation of TOD that must be submitted with the development application as the basis for determining the TUMF fee obligation consists of the following:

1. Site Plan including a table or narrative detailing that not less than 50% of the total floorspace of the planned development is dedicated for residential use, and indicating the number of parking spaces associated with the subject development does not exceed the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.
2. Location Map showing the location of the subject development circled with a 1/2 mile radius, as well as the location of a transit station(s), the location of diverse uses and direct walking routes of 1/2 mile or less between the subject development and the listed uses. The map must also indicate the pedestrian connectivity from the development to a transit station and the other diverse use locations along a barrier-free walkable pathway not exceeding 1/2 mile.

At least seven diverse uses from the list in Table 4.2 must be identified within a ½ mile walking distance of the development to qualify a TOD. The qualifying diverse uses must include at least one Food Retail establishment and at least one use from each of two other categories. A single establishment may be counted as having more than one diverse use when separate and distinct uses within the establishment fall within different categories. For example, a supermarket (Food Retail category) may also include a pharmacy (Community-Serving Retail category) and a bank (Services category) providing a total of three diverse uses in a single establishment.

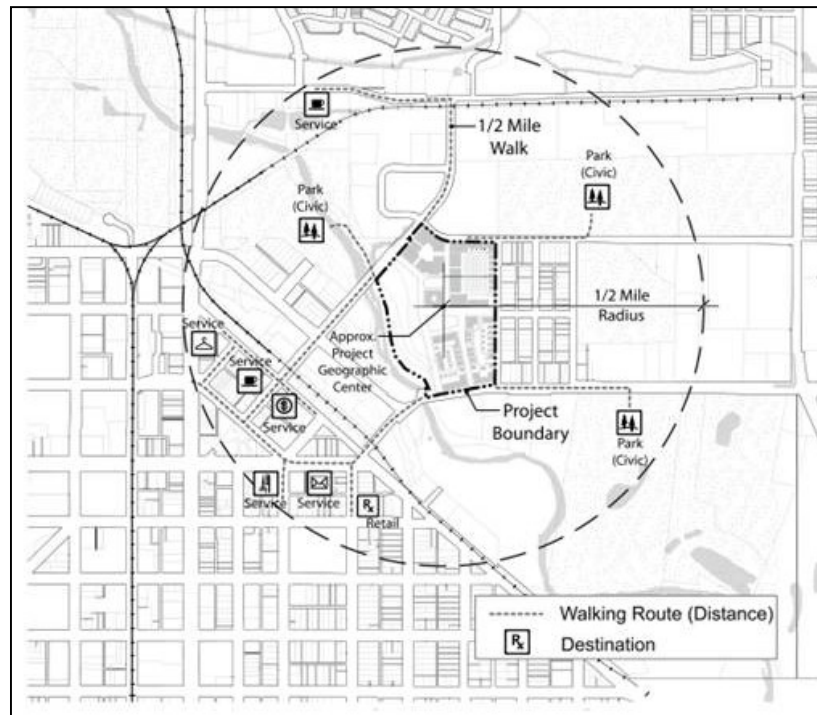
Table 4.2 – List of Diverse Uses¹

Category	Use
Food Retail	Supermarket
	Other food store with produce
Community-Serving Retail	Clothing store or department store selling clothes
	Convenience store
	Farmer's market
	Hardware store
	Pharmacy
	Other retail
Services	Bank
	Gym, health club, exercise studio
	Hair care
	Laundry, dry cleaner
	Restaurant, café, diner (excluding establishments with only drive-throughs)
Civic and Community Facilities	Adult or senior care (licensed)
	Child care (licensed)
	Community or recreation center
	Cultural arts facility (museum, performing arts)
	Educational facility (including K–12 school, university, adult education center, vocational school, community college)
	Family entertainment venue (theater, sports)
	Government office that serves public on-site
	Place of worship
	Medical clinic or office that treats patients
	Police or fire station
	Post office
	Public library
	Public park
	Social services center

Figure 4.1 depicts a sample map of how the Walkability Assessment and Map of Diverse Uses may be presented to meet the requirements.

¹ Adapted from LEED 2009 for Neighborhood Development Rating System, updated April 2012, USGBC

Figure 4.1 – Walkability Assessment and Map of Diverse Uses within ½ mile of Development



The TUMF residential use obligation for a TOD is 88.5% of the standard residential use obligation for a similar development. This rate will be evaluated and updated in conjunction with the regular updates of the TUMF Nexus Study to respond to changes in housing density and transit service in Western Riverside County.

4.3. Active Senior Living

4.3.1. Summary

Senior adult housing (also commonly referred to as "active senior living") is generally defined in the Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) as detached and/or detached housing units in independent living developments, including retirement communities, age-restricted housing and active adult communities, that may include amenities such as golf courses, swimming pools, 24-hour security, transportation, and common recreational facilities, but generally lack centralized dining and on-site health facilities. Residents in active senior living communities live independently and are typically active (requiring little to no medical supervision), which differs from congregate care facilities (including senior assisted living facilities) and nursing homes that are specific types of group quarters (as described in **Section 5.3**) whose primary function is to provide care for elderly persons or other persons who are unable to adequately care for themselves.

Both detached and attached senior adult housing are typically built in higher density sole purpose developments with age restrictions or limitations on residents. As such, active senior living housing units typically demonstrate trip generation rates significantly below those of standard single-family and multi-family residential unit developments. Furthermore, according to Trip Generation 9th Edition, the trip generation rates for detached and attached dwelling units in active senior housing units are very similar, and more closely reflect the trip generation rates of multi-family dwelling units. For this reason, all dwelling units in eligible active senior living developments (both detached and attached) regardless of density are considered multi-family dwelling units for the purpose of calculating the applicable TUMF obligation.

For the purpose of determining the TUMF obligation, all dwelling units in eligible active senior living developments (both detached and attached) regardless of density will be considered multi-family dwelling units. The methodology outlined in **Worksheet A.1.3** and described as follows will be applied to determine the equivalent number of multi-family dwelling units for all types of active senior living dwelling units.

4. Complete the active senior living qualification checklist and provide the required supporting documentation pursuant to Cal. Civ. Code § 51.11 and Cal. Bus. & Prof. Code § 11010.05 [2016].
5. Multiply the total number of eligible active senior living dwelling units (both detached and attached) by 0.53 to determine the equivalent number of multi-family dwelling units
(i.e. for the example facility it is $413 \times 0.53 = 218.9$ equivalent multi-family dwelling units)
6. Use the resultant value as the number of multi-family dwelling units to calculate the TUMF obligation using **Worksheet A.1.1** for standard residential fee calculations.

4.3.2. Detailed Narrative

Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) includes two separate definitions for senior adult housing (commonly referred to as “active senior living”). Detached senior adult housing is defined as “detached independent living developments, including retirement communities, age-restricted housing and active adult communities. These developments may include amenities such as golf courses, swimming pools 24-hour security, transportation, and common recreational facilities. However, they generally lack centralized dining and on-site health facilities. Detached senior communities may or may not be gated.” Attached senior adult housing is similar to detached senior housing, “except they contain apartment-like residential units. Attached senior adult housing may include limited social and recreational services, but typically lacks centralized dining or medical facilities.” In both types of active senior living dwelling units, residents “live independently and are typically active (requiring little to no medical supervision)”, which differs from congregate care facilities (including senior assisted living facilities) and nursing homes that are specific types of group quarters (as described in **Section 5.3**) whose primary function is to provide care for elderly persons or other persons who are unable to adequately care for themselves.

Both detached and attached senior adult housing are typically built in higher density sole purpose developments with age restrictions or limitations on residents. As shown in **Table 4.3**, active senior living housing units typically demonstrate trip generation rates significantly below those of standard single-family and multi-family residential unit developments. Furthermore, according to Trip Generation 9th Edition, the trip generation rates for detached and attached dwelling units in active senior housing units are very similar, and more closely reflect the trip generation rates of multi-family dwelling units. For this reason, all dwelling units in eligible active senior living developments (both detached and attached) regardless of density are considered multi-family dwelling units for the purpose of calculating the applicable TUMF obligation.

Section 51.11 of the California Civil Code (Cal. Civ. Code § 51.11) defines a senior citizen housing development specifically in Riverside County as “a residential development developed with more than 20 units as a senior community by its developer and zoned as a senior community by a local governmental entity, or characterized as a senior community in its governing documents.” Additionally, Section 11010.05 of the 2016 California Business and Professions Code (Cal. Bus. & Prof. Code § 11010.05 [2016]) elaborates that any “person who proposes to create a senior citizen housing development, as defined in Section 51.3 or 51.11 of the Civil Code, shall include in the application for a public report a complete statement of the restrictions on occupancy that are to be applicable in the development. Any public report issued for a senior housing development shall also include a complete statement of the restrictions on occupancy to be applicable in the development.” To demonstrate a development qualifies as active senior living for the purposes of determining the TUMF obligation, applicants will be required to provide copies of local government zoning and/or governing documents, and the public report statement developed pursuant to Cal. Civ. Code § 51.11 and Cal. Bus. & Prof. Code § 11010.05 [2016], respectively.

In accordance with Section 6.1 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), and as discussed previously, both detached and attached senior adult housing, regardless of density, will be considered to be multi-family dwelling units for the purpose of calculating the applicable TUMF obligation. The TUMF obligation for multi-family (and all residential) land uses is based on the total number of dwelling units associated with the specific development and is calculated using **Worksheet A.1.1** for standard residential fee calculations. However, in the case of active senior living communities, vehicle trips generated to and from the site are typically lower than standard residential uses due to the age of the residents (who are typically retired from full time employment) and the provision of various ancillary recreational and entertainment amenities within the community. For this reason, it is necessary to determine the multi-family dwelling unit equivalency for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition indicates the weekday average daily vehicle trip generation rate for detached senior adult housing is 3.68 trips per dwelling unit, while the rate for attached senior adult housing is 3.44 trips per dwelling unit (an average of 3.56 daily trips per dwelling unit). By comparison, standard multi-family uses have a

weekday daily trip generation rate of 6.72 trips per dwelling unit. **Table 4.3** summarizes the various characteristics of senior active living, including trip generation rates, and establishes the equivalent multi-family dwelling units for the purpose of calculating the TUMF obligation for all senior active living dwelling units.

Table 4.3 – Characteristics of Senior Adult Housing in Active Senior Living Developments			
<i>Land Use Type (ITE Code)</i>	<i>Average Number of Dwelling Units</i>	<i>Average Daily Vehicle Trips per Dwelling Unit</i>	<i>TUMF Weighted Equivalent Multi-family Dwelling Unit*</i>
<i>Senior Adult Housing - Detached (251)</i>	780	3.68	
<i>Senior Adult Housing - Attached (252)</i>	46	3.44	0.53
<i>Median All TUMF Multi- Family Use Types</i>		6.72	

Source: [Trip Generation 9th Edition](#), Institute of Traffic Engineers, 2012

Note: * - TUMF weighted equivalent multi-family dwelling units based on relative trip generation per dwelling unit for adult senior living and all TUMF multi-family use types.

The multi-family dwelling unit equivalency for active senior living dwelling units is based on the comparison of average daily trip generation characteristics for detached and attached senior adult housing as defined in the Trip Generation Manual in terms of trips per dwelling unit, and the median trip generation rate for all TUMF multi-family dwelling unit types. Based on this information, each active senior housing dwelling unit represents the equivalent of 0.53 multi-family dwelling units in terms of the relative trip generation rate.

For the purpose of calculating the TUMF obligation for *all types of qualifying active senior living dwelling units*, the total number of qualifying dwelling units in the development will be multiplied by 0.53 to determine the equivalent number of multi-family dwelling units. *The equivalent multi-family dwelling units will be used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.*

Application of this methodology will account for variations in the trip generation rates of senior active living dwelling units and standard multi-family dwelling units. For example, an average active senior living community with 413 detached and/or attached dwelling units would have the equivalent of 218.9 multi-family dwelling units (413 x 0.53).

Community facilities, including, but not limited to, recreation rooms, swimming pools, laundry facilities, security gatehouses, storage rooms, garages and maintenance buildings, that are provided for the sole and exclusive use of community residents (and their permitted guests) are considered to be ancillary to the primary multi-family residential land use of active senior living developments, and through their availability contribute to the lower trip generation rates observed. The development or expansion

of these types of ancillary community facilities would not require separate payment of TUMF fees. However, the development of non-residential retail, service or industrial facilities (including, but not limited to, convenience markets, club houses, management offices and sales offices) that are developed conjunction with an active senior living community but are not limited to the sole and exclusive use of community residents (and their guests) and are available for use by or accessible to the general public would be considered as separate land uses and would require payment of the TUMF fee in accordance with Section 6.2 of the Nexus Study and the provisions of the respective local TUMF Ordinance.

5.0 DETAILED METHODOLOGY FOR NON-RESIDENTIAL DEFINED USE TYPES

5.1. Fuel Filling Stations (Gasoline/Service Stations)

5.1.1. Summary

For the purpose of calculating the TUMF obligation, all types of fuel filling stations or facilities with fuel filling positions will be considered retail use types (for electric vehicle charging stations see Section 5.10). The methodology outlined in **Worksheet A.2.2** and described as follows will be applied to determine the gross floor area for calculating the TUMF obligation for all types of fuel filling stations or facilities with fuel filling positions (*for the example calculation assume a fuel filling station with 12 fuel filling positions and a building area of 1,250 square feet*). The total number of fuel filling positions is equal to the maximum number of vehicles that could be supplied with fuel at the same time.

1. Multiply the total number of fuel filling positions by 1,403.8 square feet (*i.e. for the example station it is $12 \times 1,403.8 = 16,846$ square feet*)
2. Determine the total floor area of buildings on the site noting that the canopy area is not included as part of the gross floor area of the buildings on the site (*i.e. for the example station it is 1,250 square feet*)
3. Compare the results for steps 1 and 2, and use the greater of the two values as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations. (*i.e. $16,846 > 1,250$; for the example station TUMF would be calculated for 16,846 square feet*)

5.1.2. Detailed Narrative

Fuel filling stations (also referred to as gasoline stations or service stations) include all retail land uses where the primary business of the site is the fueling of motor vehicles. Fuel filling stations may also incorporate convenience markets, car washes, facilities for servicing and repairing motor vehicles and “express” fast food services. By contrast, fuel pumps may be provided as an ancillary use to a convenience market where the primary business of the site is the selling of convenience items and not the fueling of motor vehicles. Electric vehicle charging stations are not considered fuel filling stations. See Section 5.10 for the fee calculation methodology related to electric vehicle charging stations.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), fuel filling stations are considered to be retail uses for the purpose of calculating the applicable TUMF obligation for newly developed facilities or expansions of existing facilities. The TUMF for retail (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use. However, in the case of fuel filling stations, the canopy area is not included as part of the gross floor area of the buildings on the site as it is considered to be an un-enclosed roofed over area in accordance with the definition for non-residential gross floor area

provided in **Section 2.2**. Vehicle trips to and from the site are generated primarily by the fuel filling positions (pumps) and in some cases only very limited building gross floor area is associated with the fuel filling station. For this reason, it is necessary to determine the gross floor area equivalency per fueling position for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates a total of four (4) retail land use types that represent fuel filling stations or retail facilities with fuel filling positions. For three of the four land use types, fuel of motor vehicles represents the primary business of the site. These land use types are designated as "Gasoline/Service Stations" without or with ancillary services. The remaining land use type is designated as "Convenience Market with Gasoline Pumps" where fueling of motor vehicles is considered incidental to the primary business of the site, which is the selling of convenience items.

According to the Trip Generation Manual, Gasoline/Service Stations are characterized by an average of 8 to 12 fueling positions that may be accompanied by ancillary facilities including limited automotive repair facilities, a small convenience market, fast food services and/or car wash. In the case of Gasoline/Service Stations with a Convenience Market, the average gross floor area of buildings is approximately 1,000 square feet. Average daily trip generation per fueling position for all Gasoline/Service Stations ranged from 152.84 to 168.56. The relatively small variation in average daily trips per fueling position between Gasoline/Service Stations either without or with ancillary facilities clearly demonstrates that the primary trip generation factor (and business) of the site is the provision of the fuel filling positions.

By contrast, Convenience Markets with Gasoline Pumps have an average of 4 fuel filling positions and approximately 3,000 square feet of gross floor area. This represents less than ½ of the average number of filling positions at Gasoline/Service Stations, and over twice the average gross floor area of Gasoline/Service Stations with Convenience Market. These characteristics clearly differentiate between Gasoline/Service Stations and Convenience Markets with Gasoline Pumps. This differentiation is also reflected in the average daily trip generation per fueling position which is 542.60 for a Convenience Market with Gasoline Pumps, over three times the generation rate for Gasoline/Service Stations. The difference is a direct product of the additional trips generated by the primary use of the site being the selling of convenience items at the Convenience Market, and not the ancillary sale of fuel for motor vehicles.

Table 5.1 summarizes the various characteristics of fuel filling stations, including trip generation. The table also details the calculation of the gross floor area equivalency per fueling position.

The gross floor area equivalency per fueling position for Gasoline/Service Stations is based on the trip generation characteristic of Gasoline/Service Stations with Convenience Market which is quantified in the Trip Generation Manual in terms of both trips per fuel filling position and thousands of square feet of gross floor area. Based on this information each fuel filling position at a Gasoline/Service Station represents the equivalent of 137.5 square feet of gross floor area. To account for the variation in trip

generation rates between Gasoline/Service Stations and all TUMF retail land use types, the gross floor area equivalency per fueling position was weighted based on the relative trip generation between Gasoline/Service Stations and the median of all TUMF Retail Uses as used in the TUMF Nexus Study. This weighted equivalency was then reduced by 56.0% to account for pass by trips to ensure consistency with the TUMF Nexus Study Trip Generation Rate Comparison. The weighted gross floor area equivalency per fueling position for Gasoline/Service Stations is 1403.8.

Land Use Type	Average Fueling Positions	Average Gross Floor Area (1000 sqft)	Average Daily Vehicle Trips per Fueling Position	Average Daily Vehicle Trips per 1,000 sqft	Pass By Trips (PM Peak Hour)	Equivalent Fueling Positions per 1,000 sqft	Equivalent sqft per Fueling Position	TUMF Weighted Equivalent sqft per Fueling Position**
Gasoline/Service Station without Convenience Market (944)	8		168.56					
Gasoline/Service Station with Convenience Market* (945)	12	1	162.78	1,184.26	56%	7.28	137.5	1,403.8
Gasoline/Service Station with Convenience Market and Car Wash (946)	12		152.84					
Convenience Market with Gasoline Pumps (853)	4	3	542.60	845.60	66%	1.56	641.7	
Median of All TUMF Retail Use Types				51.02	42%			

Source: [Trip Generation 9th Edition](#), Institute of Traffic Engineers, 2012

Note: ** - Average Daily Trips per 1,000 sqft based on interpolation of vehicle trips per fueling position and vehicle trips per 1,000 sqft for AM Peak Hour of Generator and PM Peak Hour of Generator relative to the Average Daily Trips per Fueling Position. The resultant interpolated values derived from the AM Peak Hour and PM Peak Hour, respectively, were then averaged to determine the Average Daily Trips per 1,000 sqft.

*** - TUMF weighted equivalent a square feet based on equivalent square feet per fueling position adjusted to reflect relative trip generation between Gasoline/Service Station and all TUMF Retail Uses, and reduced to account for pass by trips (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

For the purpose of calculating the TUMF obligation for *all types of fuel filling stations*, the total number of fuel filling positions will be multiplied by 1,403.8 to determine the equivalent number of square feet of floor area, with the total number of fuel filling positions being equal to the maximum number of vehicles that could be supplied with fuel at the same time. *The equivalent floor area will be compared to the actual building gross floor area for the site (the canopy area is not included as part of the gross floor area of the buildings on the site), and the greater of the two floor areas will be used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.*

Application of this methodology will account for variations in the type of fuel filling station, and in particular the primary business of the site. For example, an average Gasoline/Service Station with Convenience Market (12 filling stations and 1,247 square

feet of gross floor area) would have an equivalent floor area of 16,846 square feet (12 x 1,403.8). A comparison of the equivalent floor area and actual building gross floor area indicates that the equivalent floor area is greater than the actual floor area (16,846 > 1,247) which is consistent with the primary business of the site (fueling of motor vehicles) and therefore would be used as the basis for calculating the TUMF obligation.

5.2. Vehicle Dealerships (New and Used Vehicle Sales)

5.2.1. Summary

For the purpose of determining the TUMF obligation, all vehicle dealerships are considered to be retail use types. TUMF obligation for Vehicle Dealerships will be calculated based on the gross floor area of all buildings associated with the dealership, including all vehicle sales, parts sales, service areas, administrative offices and waiting areas, using **Worksheet A.2.1** for standard non-residential fee calculations.

5.2.2. Detailed Narrative

Vehicle dealerships include all retail land uses where the primary business of the site is the sale of new or used vehicles including but not limited to cars, pick-ups, sport utility vehicles, motorcycles, trucks, boats and recreational vehicles. Vehicle leasing, rental, servicing and parts sales may also be associated with vehicle dealerships.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), all vehicle dealerships are considered to be retail uses for the purpose of calculating the applicable TUMF obligation for newly developed facilities or expansions of existing facilities. The TUMF for retail (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates consideration of a single classification of Vehicle Dealerships (New Car Sales (841)) for the purpose of determining trip generation rates. For New Car Sales, trip generation rates are provided per employee and per 1000 square feet, with no specific consideration given for outdoor vehicle storage or sales areas.

According to the Trip Generation Manual, New Car Sales are characterized by an average gross building floor area of 34,000 square feet, including facilities for new and used automobile and truck sales and leasing, vehicle services and parts sales. The Trip Generation Manual indicates an average weekday trip generation rate of 32.30 trips per thousand square feet for New Car Sales. The New Car Sales weekday trip generation rate per thousand square feet (and per employee) was included in the range of trip generation rates used to calculate the ITE Average Trip Generation Rate for the purpose of calculating the retail component of the TUMF. The New Car Sales weekday trip generation rate is comparable to the median trip generation rate of 51.02 for all retail uses considered for the calculation of the retail TUMF component.

The Trip Generation Manual clearly demonstrates that the calculation of Vehicle Sales trip generation rates on the basis of actual gross building area is consistent with the relationship of other retail land use type build floor areas to trip generation rates. Therefore, it is not considered necessary to explicitly consider outdoor storage or sales areas for Vehicle Dealerships in the calculation of trip generation. Furthermore, since the external storage and sales areas are not integral to the trip generation characteristics of a Vehicle Dealership, the calculation of the TUMF obligation for Vehicle Dealerships will be based exclusively on the gross floor area of all buildings associated with the dealership, including all vehicle sales, parts sales, service areas, administrative offices and waiting areas.

5.3. Group Quarters

5.3.1. Summary

Group quarters include, but are not limited to, correctional facilities, nursing homes, mental hospitals, college dormitories, military barracks, group homes, missions and shelters. Group quarters typically provide a group of rooms with shared living quarters for unrelated persons. Occupants of group quarters live and eat together with other persons in the building sharing at a minimum communal kitchen, dining and living facilities.

All group quarters will be considered non-residential service use types. The TUMF obligation for group quarters will be calculated using **Worksheet A.2.1** for standard non-residential fee calculations. The methodology outlined in **Worksheet A.2.3** and described as follows will be applied to determine the gross floor area for those group quarters specifically used only for congregate care (including assisted living) and/or nursing homes.

1. Multiply the total number of beds by 81.1 square feet (i.e. for 120 beds it is $120 \times 81.1 = 9,732$ square feet)
2. Use the resultant value as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

5.3.2. Detailed Narrative

The U.S. Census Bureau defines a housing unit as “a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.”

The U.S. Census Bureau classifies all people not living in housing unit as living in group quarters. Group quarters include both institutional and non-institutional facilities. Institutional group quarters include, but are not limited to, correctional facilities, nursing homes, and mental hospitals. Non-institutional group quarters include, but are not

limited to, college dormitories, military barracks, group homes, missions and shelters. Group quarters typically provide a group of rooms with shared living quarters for unrelated persons. Occupants of group quarters live and eat together with other persons in the building sharing at a minimum communal kitchen, dining and living facilities.

The issue of classifying group quarters for calculating the TUMF obligation is obscured by the definition of 'residential dwelling units' for the purpose of the TUMF. As indicated in **Section 2.1**, for the purpose of calculating the TUMF obligation, residential dwelling units are defined as a building or portion thereof used by one (1) family and containing one (1) kitchen, which is designed primarily for residential occupancy. Although all group quarters explicitly provide communal kitchen, dining and living facilities shared by the occupants of the building, in some instances individual units within group quarters may include kitchens for the convenience of occupants. This is increasingly common in buildings specifically intended for congregate care and senior assisted living whereby the occupants are provided the option to live and eat within their individual units equipped with a small kitchen. However, despite the inclusion of kitchen facilities in these cases, the principal purpose of the facility remains the provision of living assistance or supervision that inherently includes shared living quarters for unrelated persons and/or the sharing of communal facilities that necessitates occupants living and eating together with other persons in the facility. Accordingly, all group quarters (including those with kitchens in individual units) would not meet the U.S. Census Bureau definition of a residential housing unit and therefore, group quarters will be considered non-residential use types for the purpose of determining the TUMF obligation.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), group quarters are considered to be service use types with the primary use of the facility generally meeting the description of either Hotels, Rooming Houses, Camps and Other Lodging Houses (SIC Major Category 70), Health Services (SIC Major Category 80) or Social Services (SIC Major Category 83). The TUMF obligation for service (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations

Congregate Care, Nursing Homes and Assisted Living

Congregate care facilities (including senior assisted living facilities) and nursing homes are specific types of group quarters whose primary function is to provide care for elderly persons or other persons who are unable to adequately care for themselves due to advanced age or health reasons (such as chronic health care or convalescent care facilities). According to the Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) vehicle ownership by residents of these types of facilities is very low and residents do little or no driving due to their mobility limited condition. Traffic generation at these facilities is primarily limited to employees, visitors, and deliveries. By contrast, trip generation at other types of group quarters such as dormitories, barracks, and group homes is higher due to the increased mobility of residents. For this reason, it is

considered appropriate to review the TUMF calculation methodology specifically for congregate care, nursing home and assisted living facilities.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates a relatively consistent daily trip generation rate for congregate care, nursing home and assisted living facilities based on the number of units or beds, respectively. The daily trip generation rate for congregate care facilities is approximately 2.02 trips per unit (bed), while the daily rate for nursing homes is approximately 2.74 trips per bed and the daily rate for assisted living facilities is 2.66 trips per bed. The relatively small variation in average daily trips between congregate care units, nursing home beds and assisted living beds is indicative of congregate care units (or rooms) typically being intended for occupancy by one individual or related couple. For this reason, the number of units or rooms at a congregate care facility is considered to equate to the number of beds for the purpose of assessing trip generation characteristics in the context of determining TUMF obligation. A nursing home or assisted living facility may include multiple unrelated occupants that share a room or unit therefore making trip generation per bed an appropriate measure.

Table 5.2 summarizes the various characteristics of congregate care facilities and nursing homes, including trip generation. The table also details the calculation of the gross floor area equivalency per bed.

Table 5.2 – Characteristics of Congregate Care Facilities and Nursing Homes							
<i>Land Use Type (ITE Code)</i>	<i>Average Number of Beds</i>	<i>Average Gross Floor Area (sqft)</i>	<i>Average Daily Vehicle Trips per Bed</i>	<i>Average Daily Vehicle Trips per 1,000 sqft</i>	<i>Equivalent Beds per 1,000 sqft</i>	<i>Equivalent sqft per Bed</i>	<i>TUMF Weighted Equivalent sqft per Bed**</i>
Congregate Care Facility* (253)	194		2.02				
Nursing Home** (620)	119	63,000	2.74	7.60	2.77	360.5	81.1
Assisted Living (254)	121		2.66				
Median All TUMF Service Use Types				33.79			

Source: Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * - For Congregate Care Facilities, the number of units is considered to be equal to the number of beds.

** - TUMF weighted equivalent a square feet based on equivalent square feet per bed adjusted to reflect relative trip generation between Congregate Care/Nursing Home and all TUMF Service Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

The gross floor area equivalency per bed for Congregate Care Facilities, Nursing Homes and Assisted Living Facilities is based on the trip generation characteristic of Nursing Homes, which is quantified in the Trip Generation Manual in terms of both trips per bed and thousands of square feet of gross floor area. Based on this information, each bed at a Nursing Home represents the equivalent of 360.5 square feet of gross floor area. To

account for the variation in trip generation rates between Congregate Care Facilities and Nursing Homes, and all TUMF service land use types, the gross floor area equivalency per bed was weighted based on the relative trip generation between Nursing Homes and the median of all TUMF Service Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency per bed for Congregate Care Facilities (including Assisted Living Facilities) and Nursing Homes is 81.1.

For the purpose of calculating the TUMF obligation for *all types of congregate care facilities and nursing homes*, the total number of beds will be multiplied by 81.1 to determine the equivalent number of square feet of floor area. *The equivalent floor area will be used for the purpose of calculating the TUMF* at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study. Application of this methodology will account for the considerably lower trip generation rates observed at congregate care facilities and nursing homes, since residents do little or no driving due to their advanced age and/or medical condition.

5.4. Mini-Warehouses and Rental Storage

5.4.1. Summary

For the purpose of determining the TUMF obligation, all types of mini-warehouses or facilities providing rental storage (including outdoor rental storage areas) will be considered industrial use types. The methodology outlined in **Worksheet A.2.4** and described as follows will be applied to determine the gross floor area for all types of mini-warehouses rental storage facilities.

1. Multiply the total site area in acres by 6,647.3 square feet
(i.e. for the example facility it is $3.3 \times 6,647.3 = 21,936$ square feet)
2. Use the resultant value as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

For the purpose of determining the TUMF obligation, a residence that is located entirely within a mini-warehouse or rental storage site and is used exclusively by an on-site caretaker and his/her immediate family is considered to be integral to the primary industrial use of the site and therefore is not subject to any additional TUMF obligation over the amount calculated in accordance with the methodology outlined above.

5.4.2. Detailed Narrative

Mini-warehouses and rental storage facilities include all land uses where the primary business of the site is the rental of units, vaults or spaces to the general public for the storage of goods. While mini-warehouses are typically enclosed buildings, rental storage facilities can include outdoor unenclosed and uncovered areas for the storage of items such as recreational vehicles, boats, trailers and construction equipment. Rental units or spaces are generally delineated and/or physically separated from other units or spaces, and access is typically provided to the site through a common controlled access point. A residential dwelling is sometimes located within a mini-warehouse or rental storage site for use exclusively by an on-site caretaker.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), mini-warehouses and rental storage facilities are considered to be industrial use types with the primary use of the facility generally meeting the description of Motor Freight Transportation and Warehousing (SIC Major Category 42). The TUMF obligation for industrial (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations. However, in the case of mini-warehouses and rental storage facilities, vehicle trips to and from the site is generated primarily by the availability of storage areas and in some cases only very limited building floor area is associated with the storage facility. For this reason, it is necessary to determine the gross floor area equivalency per acre of the site area for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates the daily trip generation rate for mini-warehouses is approximately 35.43 trips per acre of site area, and is approximately 2.50 trips per thousand square feet of building area. **Table 5.3** summarizes the various characteristics of mini-warehouses, including trip generation, and establishes the equivalent square feet per acre for the purpose of calculating the TUMF obligation for all rental storage facilities including those with very limited building floor area associated with the storage facility.

Table 5.3 – Characteristics of Mini-Warehouses							
<i>Land Use Type (ITE Code)</i>	<i>Average Site Area (acres)</i>	<i>Average Gross Floor Area (sqft)</i>	<i>Average Daily Vehicle Trips per Acre</i>	<i>Average Daily Vehicle Trips per 1,000 sqft</i>	<i>Equivalent Acres per 1,000 sqft</i>	<i>Equivalent sqft per Acre</i>	<i>TUMF Weighted Equivalent sqft per Acre*</i>
<i>Mini-Warehouse (151)</i>	4	56	35.43	2.50	0.07	14,172	6,647.3
<i>Median of All TUMF Industrial Use Types</i>				5.33			

Source: Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * - TUMF weighted equivalent square feet based on equivalent square feet per acre adjusted to reflect relative trip generation per 1000 sqft between Mini-Warehouse and all TUMF Industrial Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

The gross floor area equivalency per acre of site for Mini-Warehouses and Rental Storage Facilities is based on the trip generation characteristic of Mini-Warehouse, which is quantified in the Trip Generation Manual in terms of both trips per acre and trips per thousand square feet of gross floor area. Based on this information, each acre of Mini-Warehouse represents the equivalent of 14,172 square feet of gross floor area. To account for the variation in trip generation rates between Mini-Warehouses and Rental Storage Facilities, and all TUMF industrial land use types, the gross floor area equivalency per acre was weighted based on the relative trip generation between Mini-Warehouses and the median of all TUMF Industrial Uses as used in the TUMF Nexus

Study. The weighted gross floor area equivalency per acre for Mini-Warehouses and Rental Storage Facilities (including outdoor rental storage areas) is 6,647.3.

For the purpose of calculating the TUMF obligation for *all types of Mini-Warehouses and Rental Storage Facilities*, the total area of the site in acres will be multiplied by 6,647.3 to determine the equivalent number of square feet of floor area. *The equivalent floor area will be used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.*

In some instances, mini-warehouse and rental storage facilities include a residence exclusively for use by an on-site caretaker. For the purpose of determining the TUMF obligation, a residence that is located entirely within a mini-warehouse or rental storage site and is used exclusively by an on-site caretaker and his/her immediate family is considered to be integral to the primary industrial use of the site. Due to the integral nature of a caretaker's residence to the mini-warehouse or rental storage use of the site, a caretaker's residence is not subject to any additional TUMF obligation over the amount calculated in accordance with the methodology outlined in this section.

5.5. Golf Courses

5.5.1. Summary

For the purpose of calculating the TUMF obligation, all public and private golf courses are considered to be service use types. The methodology outlined in **Worksheet A.2.5** and described as follows will be applied to determine the gross floor area for the purpose of calculating the fee obligation for all public and private golf courses (*for the example calculation assume a golf course with 18 holes and including buildings covering an area of 15,000 square feet*).

1. Multiply the total number of holes by 1,057.7 square feet
(*i.e. for the example golf course it is $18 \times 1,057.7 = 19,039$ square feet*)
2. Determine the total floor area of buildings on the site
(*i.e. for the example station it is 15,000 square feet*)
3. Compare the results for steps 1 and 2, and use the greater of the two values as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations. (*i.e. $19,039 > 15,000$; for the example golf course TUMF would be calculated for 19,039 square feet*)

5.5.2. Detailed Narrative

Golf courses are recreational facilities intended specifically for the playing of golf, typically over a 9-, 18-, 27- or 36-hole landscaped course. The use of golf courses can be open to the general public or limited only to members of private country clubs or cooperative owner associations. Some sites may also include additional facilities such as driving ranges, and recreational club houses offering services such as locker rooms, pro shops, lounges, meeting rooms, banquet facilities and management offices.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), golf courses are considered to be service use types with the primary use of the facility generally meeting the description of Amusement and Recreational Services (SIC Major Category 79). The TUMF obligation for service (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations. While the trip making characteristics of golf courses may be readily captured based on the gross floor area of sites including larger club house facilities, in the case of sites with very limited building floor area, vehicle trips to and from the facility will be generated primarily by the actual playing course. For this reason, it is necessary to determine the gross floor area equivalency per hole on the playing course for the purpose of calculating the TUMF obligation where limited building floor area accompanies the golf course.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates the daily trip generation rate for golf courses is approximately 35.74 trips per hole, and is approximately 20.52 trips per employee. **Table 5.4** summarizes the various characteristics of golf courses, including trip generation, and establishes the equivalent square feet per hole for the purpose of calculating the TUMF obligation for golf courses.

Table 5.4 – Characteristics of Golf Courses

Land Use Type (ITE Code)	Average Number of Holes	Average Employees	Average Daily Vehicle Trips per Hole	Average Daily Vehicle Trips per Employee	Average Daily Vehicle Trips per 1,000 sqft	Equivalent Holes per 1,000 sqft	Equivalent sqft per Hole	TUMF Weighted Equivalent sqft Hole**
Golf Courses* (430)	20	38	35.74	20.52	53.56	1.50	667.3	1,057.7
Median of All TUMF Service Use Types					33.79			

Source: Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * - Average Daily Trips per 1,000 sqft based on average daily vehicle trips per employee multiplied by the employee conversion factor per 1,000 sqft for all TUMF Service Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

** - TUMF weighted equivalent square feet based on equivalent square feet per hole adjusted to reflect relative trip generation per 1,000 sqft between Golf Course and all TUMF Service Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

The gross floor area equivalency per hole for Golf Courses is based on the trip generation characteristic of Golf Courses, which is quantified in the Trip Generation Manual in terms of trips per hole, trips per acre and trips per employee. For the purpose of calculating TUMF obligation, non-residential fees are determined using gross floor area in square feet. By applying the employee trip conversion factor of 2.61 employees per thousand square feet of service use area (consistent with the TUMF Nexus Study Employment Conversion Factors described in Appendix J), the average daily trips per employee can be defined in terms of the equivalent impact in average daily trips per thousand square feet of service use area. Based on this information, each hole on the playing course is considered to represent the equivalent of 667.3 square feet of gross

floor area. To account for the variation in trip generation rates between Golf Courses, and all TUMF service land use types, the gross floor area equivalency per hole was weighted based on the relative trip generation between Golf Courses and the median of all TUMF Service Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency per hole for Golf Courses is 1,057.7.

For the purpose of calculating the TUMF obligation for golf courses, the total number of holes on the playing course will be multiplied by 1,057.7 to determine the equivalent number of square feet of floor area. The equivalent floor area will be compared to the actual building gross floor area for the site, and the greater of the two floor areas will be used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.

Application of this methodology will account for variations in the size and scale of club house facilities that affect the nature of the primary business of the site. For example, an average golf course (with 18 holes) that includes 15,000 square feet of gross floor area in club house facilities would have an equivalent floor area of 19,039 square feet ($18 \times 1,057.7$). A comparison of the equivalent floor area and actual building gross floor area indicates that the equivalent floor area is greater than the actual floor area ($19,039 > 15,000$) which is consistent with the primary business of the site being the actual playing course and therefore would be used as the basis for calculating the TUMF obligation. Conversely, an average golf course with 30,000 square feet of gross floor area in club house facilities would have an equivalent floor area of 19,039 square feet ($18 \times 1,057.7$). A comparison of the equivalent floor area and actual building gross floor area indicates that the actual floor area is greater than the equivalent floor area ($30,000 > 19,039$) which is consistent with the increased size and scope of the clubhouse affecting the primary business of the site (the use of the recreational club house service facilities) and therefore would be used as the basis for calculating the TUMF obligation.

5.6. Wholesale Nurseries

5.6.1. Summary

For the purpose of determining the TUMF obligation, all wholesale nurseries will be considered industrial use types. The methodology outlined in **Worksheet A.2.6** and described as follows will be applied to determine the gross floor area for all wholesale nurseries (for the example calculation assume a wholesale nursery with a total site area of 24.2 acres and including buildings with a gross floor area of 2,750 square feet).

1. Multiply the total site area in acres by 488.9 square feet
(i.e. for the example facility it is $24.2 \times 488.9 = 11,831$ square feet)
2. Determine the total floor area of buildings on the site
(i.e. for the example facility it is 2,750 square feet)
3. Compare the results for steps 1 and 2, and use the greater of the two values as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations. (i.e. $11,831 > 2,750$; for the example wholesale nursery TUMF would be calculated for 11,831 square feet)

5.6.2. Detailed Narrative

Wholesale Nursery facilities include all land uses where the primary business of the site is the sale of landscape supplies, plants and other farm products to contractors and suppliers. According to the U.S. Census Bureau, the definition for a wholesale nursery is “establishments primarily engaged in the wholesale distribution of flowers, nursery stock, and florists' supplies”. Wholesale nurseries typically incorporate a combination of free-standing buildings and expansive open areas of planting and landscape stock. Most facilities include limited office, storage and shipping facilities.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), wholesale nursery facilities are considered to be industrial use types with the primary use of the facility generally meeting the description of Wholesale Trade – Non-durable Goods (SIC Major Category 51). SIC category code 5193 specifically captures this land use type as “Flowers, Nursery Stock, and Florists' Supplies (merchant wholesalers except those selling nursery stock via retail method)”. The TUMF obligation for industrial (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations. However, in the case of wholesale nursery facilities, vehicle trips to and from the site are generated primarily by the availability of open land used for production, storage and display of plants and other landscape materials. For this reason, it is necessary to determine the gross floor area equivalency per acre of the site area for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates the daily trip generation rate for wholesale nurseries is approximately 2.61 trips per acre of site area, and is approximately 25.14 trips per thousand square feet of building area. **Table 5.5** summarizes the various characteristics of wholesale nurseries, including trip generation, and establishes the equivalent square feet per acre for the purpose of calculating the TUMF obligation for all wholesale nursery facilities, which is typically associated with having very limited building floor area.

Table 5.5 – Characteristics of Wholesale Nurseries

Land Use Type (ITE Code)	Average Site Area (acres)	Average Gross Floor Area (sqft)	Average Daily Vehicle Trips per Acre*	Average Daily Vehicle Trips per 1,000 sqft **	Equivalent Acres per 1,000 sqft	Equivalent sqft per Acre	TUMF Weighted Equivalent sqft per Acre***
Wholesale Nursery (818)	24.2	2,750	2.61	25.14	9.65	104	488.9
Median of All TUMF Industrial Use Types				5.33			

Source: [Trip Generation 9th Edition](#), Institute of Traffic Engineers, 2012

Note: * - Average Daily Trips per acre based on interpolation of Average Weekend Peak Hour and Daily Trips per acre to the Weekday Peak Hour Trips per acre

** - Average Daily Trips per 1,000 sqft based on interpolation of Average Weekend Peak Hour and Daily Trips per 1,000 sqft to the Weekday Peak Hour Trips per 1000 sqft

*** - TUMF weighted equivalent square feet based on equivalent square feet per acre adjusted to reflect relative trip generation per 1000 sqft between Wholesale Nursery and all TUMF Industrial Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

The gross floor area equivalency per acre of site for Wholesale Nursery is based on the trip generation characteristic of Wholesale Nursery, which is quantified in the Trip Generation Manual in terms of both trips per acre and trips per thousand square feet of gross floor area. Based on this information, each acre of Wholesale Nursery represents the equivalent of 104 square feet of gross floor area. To account for the variation in trip generation rates between Wholesale Nursery, and all TUMF industrial land use types, the gross floor area equivalency per acre was weighted based on the relative trip generation between Wholesale Nursery and the median of all TUMF Industrial Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency per acre for Wholesale Nursery is 488.9.

For the purpose of calculating the TUMF obligation for *all types of Wholesale Nurseries*, the total area of the site in acres will be multiplied by 488.9 to determine the equivalent number of square feet of floor area. The *equivalent floor area will be compared to the actual building gross floor area* for the site, and the *greater of the two floor areas will be used for the purpose of calculating the TUMF* at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.

Application of this methodology will account for variations in the size and scale of buildings that affect the nature of the primary business of the site. For example, an average wholesale nursery (covering 24.2 acres) that includes 2,750 square feet of gross floor area in buildings would have an equivalent floor area of 11,831 square feet (24.2 x 488.9). A comparison of the equivalent floor area and actual building gross floor area indicates that the equivalent floor area is greater than the actual floor area (11,831 > 2,750) which is consistent with the primary business of the site being the outdoor production, storage and display areas, and therefore would be used as the basis for calculating the TUMF obligation. Conversely, an average wholesale nursery with 20,000 square feet of gross floor area in buildings would have an equivalent floor area of

11,831 square feet (24.2 x 488.9). A comparison of the equivalent floor area and actual building gross floor area indicates that the actual floor area is greater than the equivalent floor area (20,000 > 11,831) which is consistent with the increased size and scope of the buildings affecting the primary business of the site and therefore would be used as the basis for calculating the TUMF obligation.

5.7. Retail Nurseries (Garden Centers)

5.7.1. Summary

For the purpose of determining the TUMF obligation, all retail nurseries (also referred to as "Garden Centers") will be considered retail use types. The methodology outlined in **Worksheet A.2.7** and described as follows will be applied to determine the gross floor area for all retail nurseries (*for the example calculation assume a retail nursery with a total site area of 2.5 acres and including buildings with a gross floor area of 9,650 square feet*).

1. Multiply the total site area in acres by 2,118.8 square feet
(i.e. for the example facility it is $2.5 \times 2,118.8 = 5,297$ square feet)
2. Determine the total floor area of buildings on the site
(i.e. for the example facility it is 9,650 square feet)
3. Compare the results for steps 1 and 2, and use the greater of the two values as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations. (i.e. $9,650 > 5,297$; for the example retail nursery TUMF would be calculated for 9,650 square feet)

This methodology applies only to retail nurseries and garden centers that are free-standing businesses. Where the selling of garden and landscaping supplies (including plants) is an integral component of a more extensive retail store, the TUMF obligation will be determined based exclusively on the gross building area of the primary business of the site.

5.7.2. Detailed Narrative

Retail Nursery facilities (also referred to as 'Garden Centers') include all land uses where the primary business of the site is the retail sale of garden and landscaping supplies, including plants. According to the U.S. Census Bureau, the definition for a retail nursery is an "establishment primarily engaged in selling trees, shrubs, other plants, seeds, bulbs, mulches, soil conditioners, fertilizers, pesticides, garden tools, and other garden supplies to the general public. These establishments primarily sell products purchased from others, but may sell some plants which they grow themselves". Like their wholesale counterparts they typically incorporate a combination of free-standing buildings with an open area of planting and landscape stock.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), retail nursery facilities are considered to be retail use types with the primary use of the facility generally meeting the description of Retail Trade –

Building Materials, Hardware, Garden Supply and Mobile Home Dealers (SIC Major Category 52). The TUMF obligation for retail (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations. However, in the case of retail nursery facilities, vehicle trips to and from the site may be generated primarily by the availability of open land used for storage and display of plants and other landscape materials. For this reason, it is necessary to determine the gross floor area equivalency per acre of the site area for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates the daily trip generation rate for retail nurseries is approximately 108.1 trips per acre of site area, and is approximately 68.1 trips per thousand square feet of building area. **Table 5.6** summarizes the various characteristics of retail nurseries, including trip generation, and establishes the equivalent square feet per acre for the purpose of calculating the TUMF obligation for all retail nursery facilities, which is typically associated with having very limited building floor area.

The gross floor area equivalency per acre of site for Retail Nursery is based on the trip generation characteristic of Retail Nursery, which is quantified in the Trip Generation Manual in terms of both trips per acre and trips per thousand square feet of gross floor area. Based on this information, each acre of Retail Nursery represents the equivalent of 1,587 square feet of gross floor area. To account for the variation in trip generation rates between Retail Nursery, and all TUMF retail land use types, the gross floor area equivalency per acre was weighted based on the relative trip generation between Retail Nursery and the median of all TUMF Retail Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency per acre for Retail Nursery is 2,118.8.

Table 5.6 – Characteristics of Retail Nurseries							
<i>Land Use Type (ITE Code)</i>	<i>Average Site Area (acres)</i>	<i>Average Gross Floor Area (sqft)</i>	<i>Average Daily Vehicle Trips per Acre</i>	<i>Average Daily Vehicle Trips per 1,000 sqft</i>	<i>Equivalent Acres per 1,000 sqft</i>	<i>Equivalent sqft per Acre</i>	<i>TUMF Weighted Equivalent sqft per Acre*</i>
<i>Retail Nursery (817)</i>	3.0	5	108.10	68.10	0.63	1,587	2,118.8
<i>Median of All TUMF Retail Use Types</i>				51.02			

Source: Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * - TUMF weighted equivalent square feet based on equivalent square feet per acre adjusted to reflect relative trip generation per 1000 sqft between Retail Nursery and all TUMF Retail Uses.

For the purpose of calculating the TUMF obligation for *all types of Retail Nursery*, the total area of the site in acres will be multiplied by 2,118.8 to determine the equivalent number of square feet of floor area. *The equivalent floor area will be compared to the actual building gross floor area for the site, and the greater of the two floor areas will be*

used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study.

Application of this methodology will account for variations in the relative size and scale of buildings and open areas that affect the nature of the primary business of the site. For example, an average retail nursery (covering 2.5 acres) that includes 9,650 square feet of gross floor area in buildings would have an equivalent floor area of 5,297 square feet ($2.5 \times 2,118.8$). A comparison of the equivalent floor area and actual building gross floor area indicates that the actual floor area is greater than the equivalent floor area ($9,650 > 5,297$) which is consistent with the primary business of the site being generated by the retail buildings, and therefore would be used as the basis for calculating the TUMF obligation. Conversely, an average retail nursery with 9,650 square feet of gross floor area in buildings and covering 10 acres would have an equivalent floor area of 21,188 square feet ($10 \times 2,118.8$). A comparison of the equivalent floor area and actual building gross floor area indicates that the equivalent floor area is greater than the actual floor area ($21,188 > 9,650$) which is consistent with the increased size and scope of the outdoor production, storage and display area affecting the primary business of the site and therefore would be used as the basis for calculating the TUMF obligation.

It is to be noted that application of this methodology applies only to retail nurseries and garden centers that are free-standing businesses and not integral components of a more extensive retail store, such as a discount store, discount club, hardware store, home improvement superstore or supermarket. Where the selling of garden and landscaping supplies (including plants) is an integral component of a more extensive retail store, the TUMF obligation will be determined based exclusively on the gross building area of the primary business of the site.

5.8. High-Cube Warehouses and Distribution Centers

5.8.1. Summary

For the purpose of determining the TUMF obligation, all types of high-cube warehouses or distribution centers will be considered industrial use types. The methodology outlined in **Worksheet A.2.8** and described as follows will be applied to determine the equivalent floor area for high-cube warehouses/distribution centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet (*for the example calculation assume a high-cube warehouse with a gross floor area of 450,000 square feet, a ceiling height exceeding 24 feet and a dock-high door loading ratio exceeding 1:10,000*):

1. Subtract 200,000 square feet from the total gross floor area
(i.e. for the example facility it is $450,000 - 200,000 = 250,000$ square feet)
2. Multiply the resultant value from step 1 which is total gross floor area in excess of 200,000 square feet by 0.32
(i.e. for the example facility it is $250,000 \times 0.32 = 80,000$ square feet)
3. Add 200,000 square feet to the resultant value of step 2
(i.e. for the example facility it is $200,000 + 80,000 = 280,000$ square feet)

4. Use the resultant value of step 3 as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

The TUMF obligation for a warehouse facility with a gross floor area of less than 200,000 square feet, a ceiling height of less than 24 feet and/or a dock-high door loading ratio of less than 1 door per 10,000 square feet will be calculated based on the actual gross floor area using **Worksheet A.2.1** for standard non-residential fee calculations. Furthermore, where other uses such as wholesale showrooms, retail showrooms or office suites are co-located with qualifying high-cube warehouse facilities, only the qualifying warehouse portion of the premises will be calculated using **Worksheet A.2.8**. The fee obligation for all other co-located facilities will be calculated based on the actual gross floor area and the appropriate land use category using **Worksheet A.2.1** for standard non-residential fee calculations.

5.8.2. Detailed Narrative

High-cube warehouses or distribution centers are primarily for the storage and/or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. These facilities are generally very large buildings characterized by a small employment count due to a high level of automation, and truck activities frequently outside of the peak hour of the adjacent street system. For the purpose of determining the TUMF obligation, high-cube warehouses and distribution centers are defined as follows:

Very large shell buildings commonly constructed using steel framed and/or concrete tilt-up techniques with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet.

In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), high-cube warehouses and distribution center facilities are considered to be industrial use types with the primary use of the facility generally meeting the description of Motor Freight Transportation and Warehousing (SIC Major Category 42). The TUMF obligation for industrial (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use and is calculated using **Worksheet A.2.1** for standard non-residential fee calculations. However, in the case of high-cube warehouses and distribution centers, vehicle trips generated to and from the site are typically lower than traditional industrial uses due to the small employee count and highly automated activities. For this reason, it is necessary to determine the gross floor area equivalency for the purpose of calculating the TUMF obligation.

A review of Trip Generation 9th Edition (Institute of Traffic Engineers, 2012) indicates the average weekday daily trip generation rate for high-cube warehouses is 1.68 trips per thousand square feet, while the weekday PM peak-hour trip generation rate for the same uses is approximately 0.16 trips per thousand square feet of building area. By comparison, traditional warehouse uses have a weekday daily trip generation rate of

3.56 trips per thousand square feet, and PM peak-hour trip generation rates of 0.45 trips per thousand square feet and 0.58 trips per employee. A study completed in January 2005 by Crain and Associates for the National Association of Industrial and Office Properties (NAIOP) indicates a weekday daily trip generation rate of 1.10 trips per thousand square feet and a weekday PM peak rate of 0.08 trips per thousand square feet for high-cube warehouse sites in the Inland Empire.

Table 5.7 summarizes the various characteristics of high-cube warehouses, including trip generation, and establishes the equivalent square feet for the purpose of calculating the TUMF obligation for all high-cube warehouse and distribution centers.

Table 5.7 – Characteristics of High-Cube Warehouses and Distribution Centers				
<i>Land Use Type (ITE Code)</i>	<i>Average Daily Vehicle Trips per 1,000 sqft</i>	<i>Average PM Peak Vehicle Trips per 1,000 sqft</i>	<i>Average PM Peak Trips per Employee</i>	<i>TUMF Weighted Equivalent sqft *</i>
<i>High-Cube Warehouse (i) (152)</i>	1.68	0.16		0.32
<i>Warehousing (i) (150)</i>	3.56	0.45	0.58	
<i>Warehouse/Distribution Center (ii)</i>	1.10	0.08		
<i>All TUMF Industrial Use Types (i)</i>	5.33			

Source: (i) Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

(ii) San Bernardino/Riverside County Warehouse/Distribution Center Vehicle Trip Generation Study, Crain and Associates, January 2005

Note: * - TUMF weighted equivalent square feet based on relative trip generation per 1000 sqft between High-Cube Warehouse (calculated) and all TUMF Industrial Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

The gross floor area equivalency for High-Cube Warehouses and Distribution Centers is based on the trip generation characteristic of High-Cube Warehouse, which is quantified in the Trip Generation Manual in terms of both daily and PM peak trips per thousand square feet gross floor area. Based on this information, the daily trip generation rate for a high-cube warehouse is approximately 1.68 trips per thousand square feet of gross floor area. To account for the variation in trip generation rates between High-Cube Warehouses and Distribution Centers, and all TUMF industrial land use types, the gross floor area equivalency was weighted based on the relative trip generation between High-Cube Warehouses and the median of all TUMF Industrial Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency for High-Cube Warehouses and Distribution Centers is 0.32.

For the purpose of calculating the TUMF obligation for *High-Cube Warehouses and Distribution Centers* with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet, the gross floor area *in excess of 200,000 square feet* will be multiplied

by 0.32 and the resultant value *increased by 200,000 square feet* to determine the equivalent number of square feet of floor area. The *equivalent floor area will be used for the purpose of calculating the TUMF* at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study. For example, a high-cube warehouse with a gross floor area of 450,000 square feet, a ceiling height exceeding 24 feet and a dock-high door loading ratio exceeding 1:10,000 (for the example facility it is at least 45 dock-high door loading bays i.e. $450,000/10,000 = 45$) the equivalent floor area would be 280,000 square feet ($\{[450,000 - 200,000] \times 0.32\} + 200,000 = 280,000$)

The TUMF obligation for a warehouse facility with a gross floor area of less than 200,000 square feet, a ceiling height of less than 24 feet and/or a dock-high door loading ratio of less than 1 door per 10,000 square feet will be calculated based on the actual gross floor area using **Worksheet A.2.1** for standard non-residential fee calculations. Furthermore, where other uses such as wholesale showrooms, retail showrooms or office suites are co-located with qualifying high-cube warehouse facilities, only the qualifying warehouse portion of the premises will be calculated using **Worksheet A.2.8**. The fee obligation for all other co-located facilities will be calculated based on the actual gross floor area and the appropriate land use category using **Worksheet A.2.1** for standard non-residential fee calculations.

5.9. Winery

5.9.1. Summary

For the purposes of determining the TUMF obligation, small, medium and large wineries, as defined below, are categorized using **Worksheet A.2.9** and fees calculated differently for each category using the methodology described.

Small Winery – A winery characterized by predominantly agricultural and industrial uses involving the cultivation of grapes and/or production of wine. Ancillary uses associated with a small winery can include a small tasting room not exceeding 700 square feet, and associated uses such as office and administration space, minor retail and/or small deli-type (packaged food) service that does not require a kitchen. The total building area for all buildings associated with a small winery cannot exceed 15,000 square feet.

Small winery is considered an industrial use type. TUMF obligation for small winery will be calculated based on the gross floor area of all buildings associated with the winery including all wine production and storage areas, and ancillary associated tasting room, office and administration space, minor retail and/or deli-type (packaged food) service that does not require a kitchen, using **Worksheet A.2.1** for standard non-residential fee calculations.

Medium Winery – A winery with integrated supporting operations, such as tasting room with floor area greater than 700 square feet including outdoor tasting areas, retail, event space, and/or small sit-down restaurant with primary operating hours at lunch. The patrons of the retail shops and restaurant facilities are primarily visitors to

the wine-tasting room, therefore the additional facilities are not viewed as generating additional traffic to the primary use, which is wine tasting and purchase. The total building area for all buildings associated with a medium winery cannot exceed 15,000 square feet.

Medium winery is considered an industrial use type. The methodology outlined in **Worksheet A.2.10** and described as follows will be applied to determine the gross floor area for medium wineries.

1. Multiply the total gross floor area of all buildings associated with the winery including all wine production and storage areas, and ancillary associated tasting room, office and administration space, retail, event space, and/or restaurant by 1.38.

(i.e. For an example facility with 11,350 square feet gross floor area it is $1.38 \times 11,350 = 15,663$ square feet)

2. Use the resultant value as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

Large Winery – Winery with total building area exceeding 15,000 square feet and typically including several other significant trip generating operations occurring on-site in addition to the winery operations, such as a retail shop, sit-down restaurant, hotel, and concert/event venue that operate separately from the winery.

Due to the unique variations of uses associated with each specific large winery, the TUMF obligation is calculated independently for each definable major on-site trip generating use associated with the winery (such as hotel, restaurant, office) using **Worksheet A.2.1** for standard non-residential fee calculations. For the portion of a large winery that is used primarily for wine production and storage, wine tasting and the sale of associated merchandise, the TUMF obligation can be calculated using the methodology outlined in **Worksheet A.2.11** and described as follows will be applied to determine the gross floor area for large wineries.

1. Multiply the total gross floor area of all buildings associated with winery uses only (wine production and storage, wine tasting and the sale of associated merchandise) by 1.38.

(i.e. For an example facility with 16,000 square feet of winery uses it is $1.38 \times 16,000 = 22,080$ square feet)

2. Use the resultant value as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

5.9.2. Detailed Narrative

For the purposes of determining the TUMF obligation, wineries are categorized into small, medium and large wineries, as defined below.

Small Winery – Characterized by predominantly agricultural and industrial uses involving the cultivation of grapes and/or production of wine. Ancillary uses associated with a small winery can include a small tasting room not exceeding 700 square feet, and associated uses such as office and administration space, minor retail and/or small deli-type (packaged food) service not requiring a kitchen. The total building area for all buildings associated with a small winery cannot exceed 15,000 square feet.

Medium Winery – Winery with integrated supporting operations, such as tasting room with floor area greater than 700 square feet including outdoor tasting areas, retail, event space, and/or small sit-down restaurant with primary operating hours at lunch. The patrons of the retail shops and restaurant facilities are primarily visitors to the wine-tasting room, therefore the additional facilities are not viewed as generating additional traffic to the primary use, which is wine tasting and purchase. The total building area for all buildings associated with a medium winery cannot exceed 15,000 square feet.

Large Winery – Winery with total building area exceeding 15,000 square feet and typically including several other significant trip generating operations occurring on-site in addition to the winery operations, such as a retail, sit-down restaurant, hotel, and concert/event venue operating separately from the winery.

The Traffic Impact Analysis (TIA) conducted for the Europa Village development (Urban Crossroads, June 2008) included traffic counts at a select number of wineries in the Temecula Valley region and developed a customized trip generation rate specifically for wine-tasting facilities in this area. The facilities included in this TIA were small, medium and large wineries with various amenities. The primary trip generating variable was the size of the wine tasting room, with additional trips at the large wineries generated by other amenities such as resort, spa and overnight hotel accommodations. The number of employees was deemed insignificant to the trip generation based on this study.

Small wineries, as defined above, predominately focus on agriculture (grape cultivation) and industrial (wine production) uses but may include a small ancillary tasting room and/or office facility, are estimated to generate traffic consistent with other light industrial and agricultural facilities. The TUMF obligation for small wineries will to be calculated using the standard non-residential methodology and the adopted industrial fee rate.

Medium sized wineries, as defined previously, are unique trip generators encompassing more than industrial/agricultural activities, such that the use of the site is predominately wine tasting and the sale of wine and associated merchandise. Based on the Europa Village Trip Generation Report, **Table 5.8** details the determination of the weighted equivalent floor space for calculating the TUMF obligation of medium wineries.

Table 5.8 – Medium Winery TUMF Calculation				
<i>Land Use Type</i>	<i>Average Gross Floor Area (sqft)</i>	<i>Average Daily Vehicle Trips per 1,000 sqft*</i>	<i>Equivalent Daily Vehicle Trips per 1,000 sqft</i>	<i>TUMF Weighted Equivalent sqft *</i>
<i>Wine Tasting Room (i)</i>	1,000	83.46		
<i>Winery (all associated buildings) (i)</i>	11,350		7.35	1.38
<i>Median of All TUMF Industrial Use Types (ii)</i>		5.33		

Source: Europa Village TIA, Urban Crossroads, prepared June 2, 2008 and revised March 17, 2009 for County of Riverside

(ii) Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * TUMF weighted equivalent square feet based on the daily vehicle trips per 1,000 sqft adjusted to reflect relative trip generation per 1000 sqft between medium wineries and all TUMF Industrial Uses (consistent with TUMF Nexus Study Trip Generation Rate Comparison).

Large sized wineries, as defined previously, include various types of trip generators (such as wine tasting and associated retail, restaurant and banquet facilities, hotel accommodations and resort spa) that differ based on the uses associated with a particular large winery development. Due to the unique variations of uses associated with each specific large winery, the TUMF obligation is calculated independently for each definable major on-site trip generating use associated with the winery (such as hotel, restaurant, office). For the portion of a large winery that is used primarily for wine tasting and the sale of associated merchandise, the TUMF obligation will be calculated using the methodology described previously for medium wineries.

The gross floor area equivalency for a Medium Winery is based on the trip generation characteristic of a Medium Winery, which is quantified in the Europa Village Trip Generation Report in terms of 24-hour trips per thousand square feet of wine tasting room. Based on this information, the calculated daily trip generation rate for a winery is approximately 83.46 trips per thousand square feet of wine tasting room. To simplify the application of TUMF for a Medium Winery, the daily trip generation rate based on the wine tasting room was converted to a daily trip generation rate for the total gross floor area of all buildings associated with the winery or 7.35 trips per thousand square feet of winery total gross floor area. To account for the variation in trip generation rates between a Medium Winery and all TUMF industrial land use types, the gross floor area equivalency was weighted based on the relative trip generation between a Medium Winery and the median of all TUMF Industrial Uses as used in the TUMF Nexus Study. The weighted gross floor area equivalency for a Medium Winery is 1.38.

For the purpose of calculating the TUMF obligation for a Winery, the following methodology is used, respectively, for the three defined winery category types:

Small Winery, with a tasting room and/or other associated ancillary uses with a floor area of **less than** 700 square feet and a total gross floor area of all buildings **less than** 15,000 square feet, is considered to be an industrial use type. TUMF obligation for *small winery* will be calculated based on the gross floor area of all buildings associated with the winery including all wine production and storage areas, and ancillary associated tasting room, office and administration space, minor retail and/or deli-type (packaged food) service not requiring a kitchen, using the standard non-residential fee calculation methodology.

Medium Winery, with a tasting room and/or other associated ancillary uses with a floor area of **greater than** 700 square feet including outdoor tasting areas and a total gross floor area of all buildings **less than** 15,000 square feet, is considered to be an industrial use type. For the purpose of calculating the TUMF obligation for *medium winery*, the total gross floor area of all buildings associated with the winery including all wine production and storage areas, and ancillary associated tasting room, office and administration space, retail, event space, and/or restaurant will be multiplied by 1.38 to determine the equivalent number of square feet of floor area. The equivalent floor area will be used for the purpose of calculating the TUMF at the rate prescribed by the respective local jurisdictions TUMF Ordinance and supported by the TUMF Nexus Study. Application of this methodology will account for the higher trip generation rates observed at medium wineries, since medium wineries have associated retail and service uses that generate more trips than those associated with wine production.

Large Winery, with a total gross floor area of all buildings **greater than** 15,000 square feet, is considered to be a mixed use type due to the various types of trip generators associated with the winery development. Due to the unique variations of uses associated with each specific large winery, the TUMF obligation is calculated independently for each definable major on-site trip generating use associated with the winery (such as hotel, restaurant, office). For the portion of a large winery that is used primarily for wine production and storage, wine tasting and the sale of associated merchandise, the TUMF obligation will be calculated using the methodology described previously for *medium wineries*.

5.10. Electric Vehicle Supply Equipment Charging Stations

5.10.1. Summary

For the purpose of calculating the TUMF obligation, stand-alone businesses with the primary purpose of providing publically accessible electric vehicle supply equipment (EVSE) are designated as EVSE charging stations and will be considered retail use types. The methodology outlined in **Worksheet A.2.12** and described as follows will be applied to determine the gross floor area for calculating the TUMF obligation for all types of EVSE charging stations.

1. Multiply the total number of EVSE charging units by 14.9. The total number of EVSE charging units is equal to the maximum number of vehicles that could be connected for charging at the same time.

(i.e. for an example facility with 4 positions it is $14.9 \times 4 = 59.6$ square feet)

2. Use the resultant value as the gross floor area to calculate the TUMF obligation using **Worksheet A.2.1** for standard non-residential fee calculations.

EVSE located within a residential or non-residential use type, where the residential or non-residential use is the primary use of the site, and the EVSE is for the sole and exclusive use of residents, employees and/or customers of the same premises, are considered to be ancillary to the primary residential or non-residential use of the site. There is no additional TUMF obligation for EVSE located within a residential or non-residential use type for the sole and exclusive use of residents, employees and/or customers of the same premises.

5.10.2. Detailed Narrative

Electric vehicle supply equipment (EVSE) charging stations include all stand-alone publically accessible retail land uses where the primary business of the site is providing electrical supply equipment for connecting and charging batteries that power electric or plug-in electric/gasoline hybrid motor vehicles. In accordance with Section 6.2 and Appendix B of the Transportation Uniform Mitigation Fee Nexus Study 2016 Update Final Report (Western Riverside Council of Governments, As Adopted July 10, 2017), fuel filling stations and other fuel dealers are considered to be retail uses for the purpose of calculating the applicable TUMF obligation for newly developed facilities or expansions of existing facilities. Although EVSE charging stations are a relatively new land use that is not specifically mentioned in the North American Industrial Classification System (NAICS) codes due to the recent introduction of electric or plug-in electric/gasoline hybrid motor vehicles for sale to the general public, EVSE charging stations serve a similar purpose to fuel filling stations and for this reason are similarly treated as a retail use for the purposes of determining the TUMF obligation.

EVSE charging units may also be located within residential and non-residential land uses, where EVSE is provided as an amenity for those utilizing the primary land use of the site (for example, EVSE charging units located in the parking lot of a retail shopping mall, service office building, or residential apartment complex). Where EVSE is located within a residential or non-residential use type for the sole and exclusive use of residents, employees and/or customers of the same premises (i.e. not stand-alone businesses and/or publically accessible) are considered to be ancillary to the primary residential or non-residential use of the site and unlikely to generate additional vehicle trips specifically for the purposes of accessing the charging station. There is no additional TUMF obligation for EVSE located within a residential or non-residential use type for the sole and exclusive use of residents, employees and/or customers of the same premises.

The TUMF for retail (and all non-residential) land uses is based on the gross floor area of buildings associated with the specific land use. However, in many cases the EVSE is a pedestal or wall mount unit with very limited to no building gross floor area. Vehicle trips to and from the site can be generated by the EVSE charging positions making it

necessary to determine the gross floor area equivalency per EVSE charging position for the purpose of calculating the TUMF obligation.

The EV Project website (TheEVProject.com) provides the most comprehensive source of data available on electric vehicle charging infrastructure. The EV Project is managed by ECOTality, Inc. primarily utilizing grant funding provided by the U.S. Department of Energy and various other partner matches. Launched in October 2009, The EV Project is the largest deployment of electric vehicles and charging infrastructure with chargers being installed in major cities in no fewer than nine states, including California, and the District of Columbia. The EV Project will deploy approximately 13,000 alternating current (AC) Level 2 EVSE charging stations for residential and commercial use, as well as 200 dual-port direct current (DC) Fast Chargers (DCFC). The EV Project also collects and analyzes data on the characteristics of electric vehicle use, including trip generation and charging station utilization rates.

According to the EV Project EVSE and Vehicle Usage Report for the 2nd Quarter of 2013 (the most recent available report as of January 22, 2014), a total of 295 publically accessible charging stations have been deployed by the project in the Los Angeles metropolitan area providing for a total of 6,688 vehicle charges for the period from April 1, 2013 to June 30, 2013. The average length of time a vehicle is connected to the EVSE is 4.0 hours, while the average length of time a vehicle is drawing power is 2.3 hours. Based on the data for the 2nd Quarter of 2013, the EV Project has determined the average number of charging events started per EVSE per weekday to be 0.38, representing an average of 0.76 daily vehicle trips per EVSE per weekday. **Table 5.9** summarizes key performance measures for publically accessible Level 2 EVSE in the Los Angeles Metropolitan Area.

Table 5.9 - Publically Accessible Level 2 EVSE in the Los Angeles Metropolitan Area

<i>Quarter</i>	<i>Total EVSE Units</i>	<i>Total Weekday Charges Per Quarter</i>	<i>Average Daily Charges per EVSE Unit (weekday)</i>	<i>Average Daily Vehicle Trips per EVSE Unit (weekday)*</i>
Q1 2012	43	508	0.27	0.54
Q2 2012	98	1,275	0.31	0.62
Q3 2012	201	3,142	0.28	0.56
Q4 2012	212	3,294	0.26	0.52
Q1 2013	221	4,370	0.32	0.64
Q2 2013	295	6,688	0.38	0.76

Source: The EV Project Quarterly Reports accessed online January 22, 2014

<http://www.theevproject.com/documents.php>

Note: * - Average Daily Vehicle Trips per EVSE is a calculated value assuming one vehicle trip to the site before the charge event and a second vehicle trip away from the site after the charge event.

A comparison of 2nd Quarter 2013 data with data for prior quarters demonstrates that the average daily charges per units has been steadily increasing over time as more EVSE units are deployed and more electric and plug-in electric/gasoline hybrid vehicles

enter the vehicle fleet. For this reason, the average daily vehicle trips per EVSE unit should be reviewed on a regular basis and updated accordingly to ensure that the most representative trip generation rate is being utilized for determining the TUMF obligation.

Table 5.10 summarizes the various characteristics of EVSE units, including trip generation. The table also details the calculation of the gross floor area equivalency per EVSE unit.

The gross floor area equivalency per EVSE Unit for Electric Vehicle Supply Equipment Charging Stations is based on the trip generation characteristic of EVSE units quantified in the EV Project Quarterly Reports in terms of Average Daily Charges per ESVE Unit and a resultant calculated value for Average Daily Vehicle Trips per EVSE Unit. Based on this information, each EVSE unit generates an average of 0.76 vehicle trips per weekday. To establish a gross floor area equivalency per ESVE unit, the trip generation rates between EVSE Charging Stations and all TUMF retail land use types were compared, and a gross floor area equivalency per EVSE unit was interpolated. The weighted gross floor area equivalency per EVSE unit for Electric Vehicle Supply Equipment Charging Stations is 14.9.

Table 5.10 – Characteristics of Electric Vehicle Supply Equipment Charging Stations				
<i>Land Use Type</i>	<i>Average Daily Vehicle Trips per EVSE Unit</i>	<i>Average Daily Vehicle Trips per 1,000 sqft</i>	<i>Equivalent EVSE Units per 1,000 sqft</i>	<i>TUMF Weighted Equivalent sqft per EVSE Unit*</i>
<i>Electric Vehicle Supply Equipment Charging Unit (i)</i>	0.76		67.13	14.9
<i>Median of All TUMF Retail Use Types (ii)</i>		51.02		

Sources: (i) The EV Project, Quarter 2, 2013 Quarterly Report, ECOTality North America, 2013
(ii) Trip Generation 9th Edition, Institute of Traffic Engineers, 2012

Note: * - TUMF weighted equivalent per square feet based on equivalent square feet per EVSE unit.

For the purpose of calculating the TUMF obligation, stand-alone businesses with the primary purpose of providing publically accessible electric vehicle supply equipment (EVSE) are designated as *Electric Vehicle Supply Equipment Charging Stations*. For EVSE Charging Stations, the total number of EVSE units will be multiplied by 14.9 to determine the equivalent number of square feet of floor area, with the total number of EVSE units being equal to the maximum number of vehicles that could be connected for charging at the same time.

Appendix A

Fee Calculation Worksheets

APPENDIX A: FEE CALCULATION WORKSHEETS

This section contains individual fee calculation worksheets for standard use fee calculations, and defined uses following the specific defined use fee calculation methodology developed in **Section 4.0** and **Section 5.0**. **Section A.1** outlines worksheets for residential use types and **Section A.2** outlines worksheets for non-residential use types.

A.1 Fee Calculation Worksheets for Residential Use Types

Worksheet A.1.1 Standard Residential TUMF Calculation Worksheet

1.	 Enter Total Number of Single-Family Dwelling Units	X	 Enter TUMF Single- Family Rate Per Dwelling Unit	=		← Total A
2.	 Enter Total Number of Multi-Family Dwelling Units	X	 Enter TUMF Multi- Family Rate Per Dwelling Unit	=		← Total B
3.	 Enter Total A	+	 Enter Total B	=	\$ TUMF Obligation	

1. Residential TOD Characteristics Checklist

- ☐ **Residential use of not less than 50% of total floorspace**
Submit Site Plan with table or narrative explanation
- ☐ **Meets maximum number of parking spaces requirement**
Submit Site Plan indicating number of associated parking spaces
- ☐ **Transit station along a barrier-free walkable pathway not exceeding ½ mile**
Submit Location Map showing transit station and barrier-free walkable path from development
- ☐ **One (1) convenience retail store selling food within ½ mile**
Submit Location Map showing at least one (1) Food Retail establishment within ½ mile of development
- ☐ **Seven (7) diverse uses within ½ mile**
Submit Location Map showing at least seven (7) eligible diverse uses within ½ mile of development including at least one (1) Food Retail described previously

2. Residential TOD Fee Calculation

\$	X	0.885	=	\$
Enter Standard Residential TUMF Obligation for eligible TOD as calculated using Worksheet A.1.1				TUMF Residential TOD Obligation

1. Active Senior Living Characteristics Checklist

- ☐ **Minimum number of 20 dwelling units in community**
Submit Site Plan indicating the total number of associated dwelling units
- ☐ **Local zoning and/or governing documents**
Submit local zoning and/or governing documents characterizing development as senior citizen housing (active senior living) pursuant to Cal. Civ. Code § 51.11
- ☐ **Occupancy restriction statement**
Submit Public Report with statement of occupancy restrictions pursuant to Cal. Bus. & Prof. Code § 11010.05 [2016]

2. Active Senior Living TUMF Calculation

	X	0.53	=	
Enter Total Number of Active Senior Living Dwelling Units (both detached and attached)				Enter this value as (part of) the <u>Total Number of Multi-Family Dwelling Units</u> in Worksheet A.1.1

A.2 Fee Calculation Worksheets for Non-Residential Use Types

Worksheet A.2.1 Standard Non-Residential TUMF Calculation Worksheet

1.	Enter Total Gross Floor Area of Industrial Buildings (in square feet)	X	Enter TUMF Industrial Rate Per Square Foot	=		← Total A
2.	Enter Total Gross Floor Area of Retail Buildings (in square feet)	X	Enter TUMF Retail Rate Per Square Foot	=		← Total B
3.	Enter Total Gross Floor Area of Service Buildings (in square feet)	X	Enter TUMF Service Rate Per Square Foot	=		← Total C
4.	Enter Total A	+	Enter Total B	+	Enter Total C	= \$ TUMF Obligation

☐ 3,000 SF Deduction Awarded (Total SF: _____ ; Adjusted SF: _____)

August 7, 2017 the WRCOG Executive Committee approved a 3,000 SF deduction for all service and retail TUMF land use types.

October 1, 2018 the WRCOG Executive Committee approved a revision to the 3,000 SF reduction policy for retail and service uses to limit this reduction to projects that are less than 20,000 SF.

Worksheet A.2.2 Fuel Filling Station TUMF Calculation Worksheet

1.		x 1,403.8 =		← Total A	
	Enter Total Number of Fuel Filling Positions				
2.					← Total B
	Enter Total Gross Floor Area of Buildings (in square feet)				
3.		Enter this value as (part of) the <u>Total Gross Floor Area of Retail Buildings</u> in Worksheet A.2.1			
	Enter the greater of Total A and Total B				

Worksheet A.2.3 Congregate Care/Nursing Home TUMF Calculation Worksheet

	x 81.1 =	
Enter Total Number of Beds		Enter this value as (part of) the <u>Total Gross Floor Area of Service Buildings</u> in Worksheet A.2.1

Worksheet A.2.4 Mini-Warehouse/Rental Storage TUMF Calculation Worksheet

	x 6,647.3 =	
Enter Total Site Area in Acres		Enter this value as (part of) the <u>Total Gross Floor Area of Industrial Buildings</u> in Worksheet A.2.1

Worksheet A.2.5 Golf Course TUMF Calculation Worksheet

1.	Enter Total Number of Holes	$\times 1,057.7 =$		← Total A
2.				← Total B
				← Total B
3.				← Total B

Enter the greater of Total A and Total B

Worksheet A.2.6 Wholesale Nursery TUMF Calculation Worksheet

1.	Enter Total Site Area in Acres	$\times 488.9 =$		← Total A
2.				← Total B
				← Total B
3.				← Total B

Enter the greater of Total A and Total B

Worksheet A.2.7 Retail Nursery TUMF Calculation Worksheet

1.	Enter Total Site Area in Acres	x 2,118.8 =		← Total A
2.				← Total B
			Enter Total Gross Floor Area of Buildings (in square feet)	
3.	Enter the greater of Total A and Total B	← Enter this value as (part of) the <u>Total Gross Floor Area of Retail Buildings in Worksheet A.2.1</u>		

Worksheet A.2.8 High-Cube Warehouse/Distribution Center TUMF Calculation Worksheet

Enter Gross Floor Area of Qualifying Building(s) (in square feet)	- 200,000 =		← Total A
Enter <u>Total A</u>	x 0.32 =		← Total B
Enter <u>Total B</u>	+ 200,000 =	Enter this value as (part of) the <u>Total Gross Floor Area of Industrial Buildings in Worksheet A.2.1</u>	

Worksheet A.2.9 Winery Size TUMF Calculation Worksheet

← Total A Enter Gross Floor Area of Tasting Room and/or associated ancillary uses (in square feet)	← Total B Enter Total Gross Floor Area of All Buildings (in square feet)
• If <u>Total A</u> is less than 700 and <u>Total B</u> is less than 15,000, enter <u>Total B</u> value as (part of) the <u>Total Gross Floor Area of Industrial Buildings</u> in Worksheet A.2.1 • If <u>Total A</u> is greater than 700 and <u>Total B</u> is less than 15,000, enter <u>Total B</u> value in Worksheet A.2.10 • If <u>Total A</u> is greater than 700 and <u>Total B</u> is greater than 15,000, enter total square feet of winery uses only in Worksheet A.2.11. (Additional building square footage should be entered into A.2.1 as appropriate, i.e. hotel, restaurant, retail store, etc.)	

Worksheet A.2.10 Medium Winery TUMF Calculation Worksheet

Enter Total B from <u>Worksheet A.2.9</u>	X	1.38	=	← Total C Enter this value as (part of) the <u>Total Gross Floor Area</u> <u>of Industrial Buildings</u> in Worksheet A.2.1
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Worksheet A.2.11 Large Winery TUMF Calculation Worksheet

Enter total square feet of winery uses only	X	1.38	=	← Total C Enter this value as (part of) the <u>Total Gross Floor Area</u> <u>of Industrial Buildings</u> in Worksheet A.2.1
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**Worksheet A.2.12 Electric Vehicle Supply Equipment Charging Stations TUMF
Calculation Worksheet**

Enter <u>total number of</u> <u>publically accessible</u> <u>ESVE units</u>	X	14.9	=	Enter this value as (part of) the <u>Total Gross Floor Area</u> <u>of Retail Buildings</u> in Worksheet A.2.1	← Total C
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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: March 4, 2019

The purpose of this item is to request approval of WRCOG's 2nd Quarter Draft Budget Amendment for Fiscal Year (FY) 2018/2019. The staff report includes a summary of increases and/or decreases to both revenues and expenditures by department.

Requested Action:

1. Approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.

Administration Department

Administration Program expenditures exceeded the budgeted amount by \$7,040, primarily due to costs associated with a workers' compensation audit. These expenditures will be offset by a decrease in expenditures in event support. Administration Program revenues exceeded the budgeted amount by \$31,496. WRCOG now has its reserves in CAMP, where it is generating interest revenue.

Net Revenue increase to the Administration Department: \$31,496

Transportation & Planning Department

Transportation & Planning Department expenditures exceeded the budgeted amount by \$50,798, primarily due to costs associated with the Active Transportation Plan (ATP) and RIVTAM Programs. The ATP Program incurred its final expenses related to the ATP through CalTrans; these costs will be reimbursed by CalTrans. Additionally, expenses were incurred with the RIVTAM update and will be reimbursed back to the Agency.

Net Expenditure increase to Transportation & Planning Department: \$50,798

Energy Department

Energy Department expenditures exceeded the budgeted amount by \$28,438, primarily due to costs associated with PACE provider SAMAS Capital, in the amount of \$12,576. Additionally, costs associated with the WREP Holiday Light exchange in the amount of \$5,000 were incurred but was approved for reimbursement by the WREP Partnership. Also, loan origination fees related to the loans issued to the jurisdictions for the Streetlight Program were incurred in the amount of \$1,665.

Energy Department revenues are being reduced by \$675K. The PACE Programs have continued to experience a decline in volumes in FY 2018/2019. WRCOG anticipates a continued decrease in Program volumes and currently has budgeted \$3.6M in revenues and will reduce WRCOG HERO revenues by \$100k and CA HERO (statewide) revenues by \$750k. WRCOG has also received additional revenues through the CA HERO Program, primarily due to the selling of delinquencies, and is now processing refunds in-house for

additional revenue streams. The HERO Program revenues have corresponding expenditures based on the volumes, and WRCOG was able to balance the HERO Program's budget by a reduction of expenditures corresponding to the decreased revenues. Additionally, PACE providers PACE Funding and Greenworks exceeded their budgeted revenue amounts by \$20k and \$4k respectively.

Net Revenue increase to the Energy Department: \$238

Environmental Department

Environmental Department expenditures exceeded the budgeted amount by \$9,838, primarily due costs associated with the Used Oil Program in the amount of \$8,475. WRCOG switched advertising to a local firm and was able to realize cost savings in advertising, which allowed for the Program to purchase more supplies to be able to do more events. These expenditures will be offset by a decrease in advertising expenditures.

Net Expenditure increase to the Environment Department: \$0

Prior Actions:

- February 21, 2019 The Technical Advisory Committee recommended that the Executive Committee approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.
- February 13, 2019: The Administration & Finance Committee recommended that the Executive Committee approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.
- January 24, 2019: The Finance Directors Committee recommended that the Executive Committee approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019.

Fiscal Impact:

For the 2nd Quarter of Fiscal Year 2018/2019, there is a net total agency increase in expenditures of \$19,064 related to the ATP and RIVTAM update, which will be paid back to WRCOG.

Attachment:

1. Fiscal Year 2018/2019 2nd Quarter Draft Budget amendment.

Item 5.B

2nd Quarter Draft Budget
Amendment for Fiscal Year
2018/2019

Attachment 1

Fiscal Year 2018/2019 2nd Quarter
Draft Budget amendment

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**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: General Fund



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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Revenues

Interest Revenue	31,496	0	31,496
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Expenditures

Insurance - Gen/Business Liab/Auto	77040	70000	(7,040)
Event Support	29110	65000	7,040

Total net (increase)/decrease			31,496
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**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Planning



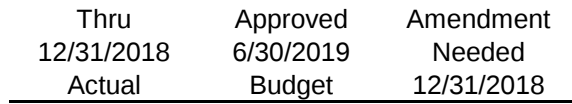
Thru 9/30/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 9/30/2018
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Expenditures

Salaries & Wages	120,738	542,280	1,120
General Legal Services	5,035	4,083	(952)
Parking Validations	560	220	(340)

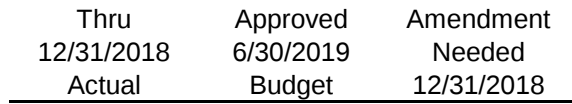
Total net (increase)/decrease (172)

Department: Government Relations (BEYOND - 4600)



BEYOND Salaries & Wages	2,373	1,510	(863)
General Legal Services	1,202	5,000	878
Parking Validations	15	-	(15)
Total net (increase)/decrease			-

Department: Government Relations (Fellowship - 4700)



Salaries & Wages	114,077	538,483	3,984
General Legal Services	5,035	4,083	(952)
Parking Validations	560	220	(340)
General Supplies	588	500	(88)
Postage	4	-	(4)
Consulting Labor	2,600	-	(2,600)

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**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Planning (Experience - 4900)



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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Expenditures

Salaries and Wages	4,288	2,287	(2,001)
Parking Validations	943	-	(943)
Meeting Support Services	243	-	(243)

Total net (increase)/decrease	(3,187)
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Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019

Department: Transportation



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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Expenditures

Computer Software	1,124	13	(1,111)
Postage	24	3	(21)
Printing Services	1,670	1,500	(170)
Other Incidentals	675	500	175
Meals	473	2,500	1,045
Parking Validations	30	1,000	500
Seminars/Conferences	350	-	(350)
Travel - Ground Transportation	53	-	(53)
Lodging	640	-	(640)
Supplies/Materials	-	1,000	625
Salaries	10,906	-	(10,906)
Fringe Benefits	4,838	-	(4,838)
Consulting Expense	35,054	-	(35,054)

Total net (increase)/decrease (50,798)

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Transportation (Transportation Planning)



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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Expenditures

Parking Validations	30	1,000	500
Postage	7	-	(7)
Seminars/Conferences	350		(350)
Travel - Ground Transportation	53	-	(53)
Lodging	640	-	(640)
Meals	75	-	(75)
Supplies/Materials	-	1,000	625

Total net (increase)/decrease		-
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**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Transportation (TUMF - 1148)



Thru 12/31/2018	Approved 6/30/2019	Amendment Needed 12/31/2018
Actual	Budget	

Expenditures

Computer Software	1,124	13	(1,111)
Postage	17	3	(14)
Printing Services	1,670	1,500	(170)
Other Incidentals	675	500	175
Meals	398	2,500	1,120

Total net (increase)/decrease -

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Transportation (ATP - 2030)



Expenditures

	Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
Salaries	10,906	-	(10,906)
Fringe Benefits	4,838	-	(4,838)
Consulting Expense	3,354	-	(3,354)
Total net (increase)/decrease			(19,098)

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Transportation (RivTam - 2039)



Expenditures

Consulting Labor

Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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31,700

-

(31,700)

Total net (increase)/decrease

(31,700)

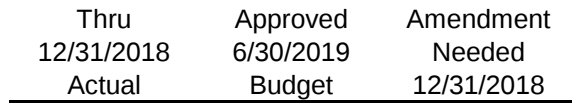
**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy



	Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
Revenues			
WRCOG HERO Sponsor Revenue	116,160	500,000	(100,000)
Pace Funding Sponsor Revenue	30,573	10,000	20,573
Greenworks Sponsor Revenue	24,078	20,000	4,078
CA HERO Other Revenue	149,833	-	149,833
CA HERO Sponsor Revenue	648,204	2,400,000	(750,000)
Expenditures			
Salaries & Wages	202,000	642,897	122,000
Fringe Benefits	107,870	256,221	31,000
PACE Residential Recording	162,192	710,000	247,000
Consulting Expense	163,045	1,071,464	293,332
Event Support	12,831	7,665	(5,166)
General Supplies	-	250	133
Parking Validations	15	-	(15)
Meeting Support Services	396	782	(66)
Bank Fees	3,378	1,713	(1,665)
Postage	157	85	(72)
Seminars/Conferences	87	-	(87)
Meals	26	6	(20)
General Legal	21,838	14,262	(10,621)
Total net (increase)/decrease			238

Department: Energy (WRCOG HERO - 2006)



WRCOG HERO Sponsor Revenue	116,160	500,000	(100,000)
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Salaries & Wages	27,380	93,743	22,000
Fringe Benefits	14,464	36,415	6,000
PACE Residential Recording	23,242	110,000	22,000
Consulting Expense	26,791	178,827	50,000

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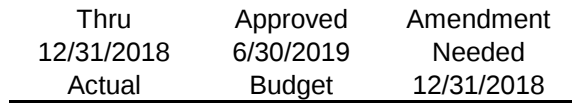
**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy (WREP - 2010)



	Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
Event Support	5,133		(5,133)
General Supplies	-	250	133
Total net (increase)/decrease			(5,000)

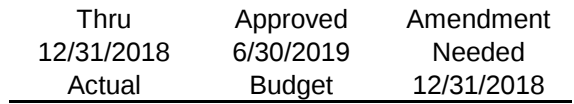
Department: Energy (Gas Co. Partnership - 2020)



Parking Validations	15	-	(15)
Event Support	7,698	7,665	(33)
Meeting Support Services	-	500	48

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Department: Energy (Streetlights - 2026)



Bank Fees	3,378	1,713	(1,665)
Postage	157	85	(72)
Seminars/Conferences	87	-	(87)
Meals	26	6	(20)
Consulting Labor	1,863	98,197	1,843
Total net (increase)/decrease			-

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy (Spruce - 2102)



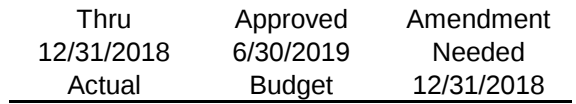
Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
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Expenditures

Consulting Labor	875	-	(875)
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Total net (increase)/decrease			(875)
--------------------------------------	--	--	--------------

Department: Energy (California First - 2103)
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General Legal	-	5,000	1,955
Consulting Labor	1,955	-	(1,955)
Total net (increase)/decrease			-

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy (PACE Funding - 2104)



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
------------------------------	---------------------------------	-----------------------------------

Revenues

Pace Funding Sponsor Revenue	30,573	10,000	20,573
------------------------------	--------	--------	--------

Expenditures

Parking Validations	45	-	(45)
Meeting Support Services	396	282	(114)
Consulting Labor	5,848	-	(5,848)

Total net (increase)/decrease	14,610
--------------------------------------	---------------

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy (Greenworks - 2105)



Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
------------------------------	---------------------------------	-----------------------------------

Revenues

Greenworks Sponsor Revenue	24,078	20,000	4,078
Total net (increase)/decrease			4,078

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2019**

Department: Energy (SAMAS - 2106)

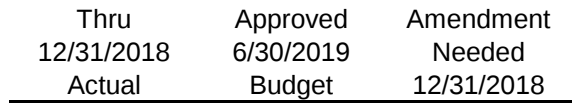


Thru 12/31/2018 Actual	Approved 6/30/2019 Budget	Amendment Needed 12/31/2018
------------------------------	---------------------------------	-----------------------------------

Revenues

General Legal Services	21,838	9,262	(12,576)
Total net (increase)/decrease			(12,576)

Department: Energy (California HERO - 5000)

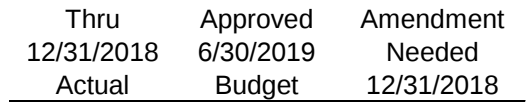


CA HERO Other Revenue	149,833	-	149,833
CA HERO Sponsor Revenue	648,204	2,400,000	(750,000)

Salaries & Wages	174,620	549,153	100,000
Fringe Benefits	93,406	219,807	25,000
PACE Residential Recording	138,950	600,000	225,000
Consulting Expense	125,714	794,440	250,167

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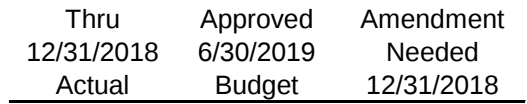
Department: Environmental



Meeting Support Services	174	100	(74)
Travel - Ground Transportation	95	-	(95)
Meals	180	-	(180)
Supplies/Materials	1,750	3,942	523
Salaries & Wages	10,370	41,144	840
Parking Validations	225	53	(172)
Event Support	31,752	23,072	(8,680)
Subscriptions/Publications	324	-	(324)
Other Expenses	286	61	(225)
Advertisement - Radio & TV	12,120	45,000	8,475
Travel - Mileage Reimbursement	188	100	(88)

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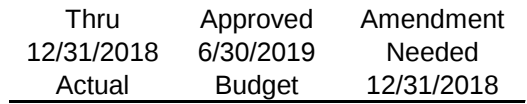
Department: Environmental (Clean Cities - 1010)



Meeting Support Services	174	100	(74)
Travel - Ground Transportation	95		(95)
Meals	180		(180)
Supplies/Materials	-	1,000	349

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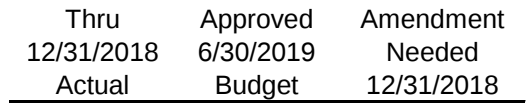
Department: Environmental (Solid Waste - 1038)



Salaries & Wages	10,370	41,144	840
Parking Validations	225	53	(172)
Event Support	133	14	(119)
Subscriptions/Publications	324		(324)
Other Expenses	286	61	(225)

168

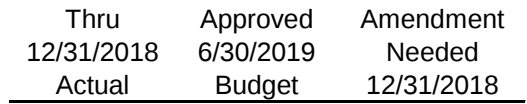
Department: Environmental (Statewide UO - 2051)



Event Support	28,475	20,000	(8,475)
Advertisement - Radio & TV	12,120	45,000	8,475

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Department: Environmental (Riverside UO - 2052)



Event Support	3,144	3,058	(86)
Travel - Mileage Reimbursement	188	100	(88)
Supplies/Materials	1,750	2,942	174

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Amendment to Professional Services Agreement for On-Call Planning Professional Services for Member Jurisdictions

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: March 4, 2019

The purpose of this item is to request approval of an Amendment to the existing Professional Services Agreement for On-Call Planning Services with Alta Planning + Design, Inc.

Requested Action:

1. Approve the Second Amendment to the Professional Services Agreement between WRCOG and Alta Planning + Design, Inc., to provide WRCOG planning support and advisory services in an amount not to exceed \$100,000, and \$200,000 in total, and to extend the term of the Agreement through June 30, 2021.

Background

In July 2017, the Administration & Finance Committee received a report on the selection of 14 qualified consulting firms / teams for WRCOG on-call planning activities. Shortly after, WRCOG executed a Professional Services Agreements with the qualified firms / teams.

The need for WRCOG on-call planning activities is evident as WRCOG continues to receive requests from member agencies for assistance on a variety of disciplines related jurisdictions' planning efforts. WRCOG identified disciplines to provide direct assistance to its member agencies. WRCOG has utilized some of the qualified firms / teams for on-call planning activities to assist member agencies and WRCOG.

Per WRCOG policy, the Executive Director has single signature authority for contracts up to \$100,000. Contracts between \$100,001 and \$200,000 are to be approved by the Administration & Finance Committee, and Contracts amounting to larger than \$200,000 are to be approved by the Executive Committee.

On-Call Planning Professional Services – Amendment to Alta Planning + Design Agreement

WRCOG entered into an Agreement for On-Call Professional Services with Alta Planning + Design in July 2017. This Agreement incorporated duties in the Grant Writing Assistance and Transportation Planning disciplines for On-Call Planning Services. WRCOG received significant interest in the Grant Writing Assistance discipline and assisted numerous member agencies with applying for a variety of grants. In December 2017, the Executive Committee approved an expansion of the Grant Writing Assistance Program, triggering a need to increase the not to exceed budget of KTUA in order for the firm to continue providing assistance. As the Grant Writing Assistance Program has expanded, Alta has provided grant writing assistance to a number of WRCOG member agencies, and will continue with this assistance, especially in the area of Active Transportation.

Alta has also provided assistance in transportation planning as it relates to active transportation planning and multi-use trails planning. Alta has provided Complete Streets workshop training to WRCOG member agencies, and WRCOG would like to continue to utilize Alta's expertise in active transportation planning.

Prior Action:

None.

Fiscal Impact:

Expenditures for On-Call Planning Services are included in the Fiscal Year 2018/2019 Agency Budget under the Transportation Department.

Attachment:

1. Second Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and Alta Planning + Design, Inc.

Item 5.C

Amendment to Professional Services
Agreement for On-Call Planning
Professional Services for Member
Jurisdictions

Attachment 1

Second Amendment to the
Professional Services Agreement
between the Western Riverside
Council of Governments and Alta
Planning + Design, Inc.

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**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
ALTA PLANNING + DESIGN, INC.**

1. PARTIES AND DATE.

This Second Amendment is made and entered into this _____ day of March 2019, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and Alta Planning + Design, Inc., a California Corporation ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Master Agreement.

WRCOG and Consultant have entered into that certain Professional Services Agreement dated July 31, 2017 ("Master Agreement").

2.2 First Amendment.

WRCOG and Consultant entered into a First Amendment of the Master Agreement for the purpose of providing additional compensation for grant writing services.

2.3 Second Amendment.

WRCOG and Consultant desire to enter into this Second Amendment for the purpose of providing additional compensation for trails planning and grant writing services ("Services").

3. TERMS.

3.1 Term.

The term of the Master Agreement shall be amended to extend the term to June 30, 2021 (the "First Extended Term"), unless earlier terminated as provided in the Master Agreement.

3.2 Additional Compensation.

The maximum compensation for Services performed under this Second Amendment shall not exceed One-Hundred Thousand Dollars (\$100,000) without written approval of WRCOG's Executive Director. Work shall be performed in manner that is consistent with the Scope of Services and Compensation set forth in Exhibits "A" and "B," respectively, to the Master Agreement. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order.

The total not-exceed-value of the Master Agreement, the First Amendment, and this Second Amendment shall be increased from One Hundred Thousand Dollars (\$100,000) to Two Hundred Thousand Dollars (\$200,000).

3.3 Continuation of Existing Provisions.

Except as amended by this Second Amendment, all provisions of the Master Agreement and the First Amendment, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this Second Amendment.

3.4 Counterparts.

This Second Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument.

[Signatures on the following page]

SIGNATURE PAGE TO
SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
ALTA PLANNING + DESIGN, INC.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Second Amendment as of the date first written above.

WRCOG

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By: _____
Rick Bishop
Executive Director

CONSULTANT

ALTA PLANNING + DESIGN, INC.
a California corporation

By: _____
Greg Maher
Vice President, as duly authorized

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Appointment of a WRCOG Representative to a SCAG Policy Committee

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: March 4, 2019

The purpose of this item is to request that the Executive Committee make its last of six appointments of a WRCOG representative to a SCAG Policy Committee.

Requested Action:

1. Appoint Joseph Tessari, City of Eastvale, to the SCAG Community, Economic & Human Development Policy Committee for a term commencing March 1, 2019, ending December 31, 2020.

At its December 2018 meeting, this Committee made five of six appointment recommendations to SCAG Policy Committees, with the intent that the sixth recommendation would be forthcoming. In January 2019, this Committee appointed a sixth representative. Since that time, it has been determined that the representative is unable to attend the SCAG Policy Committee meetings due to conflicting meeting dates and times.

Per policy, all WRCOG appointees to committees serve for a two-year term. Current terms for WRCOG appointees expire on December 31, 2020.

Current WRCOG appointees to SCAG Policy Committees are as follows:

Name	SCAG Policy Committee
Jordan Ehrenkranz (Canyon Lake)	Energy and Environment Committee
Bonnie Wright (Hemet)	Energy and Environment Committee
Mike Gardner (Riverside)	Energy and Environment Committee
Linda Krupa (Hemet)	Transportation Committee
Crystal Ruiz (San Jacinto)	Transportation Committee

The table below provides a listing of the individuals who have expressed interest in this SCAG Policy Committee position. Per Policy, Executive Committee members are to be given preference when appointments are made. Executive Committee members who have expressed interest in the position include Micheal Goodland and Joseph Tessari.

SCAG Policy Committee Interest				
Interested Member	Member Jurisdiction	CEHD	Energy and Environment	Transportation
Micheal Goodland	Jurupa Valley	Any	Any	Any
Joseph Tessari	Eastvale	Any	Any	Any
Colleen Wallace	Banning	1	-	-
David Happe	Banning	-	1	-
Linda Molina	Calimesa	-	-	1

Jeremy Smith	Canyon Lake	Any	Any	Any
Larry Smith	Calimesa	Any	Any	Any
Anthony Kelly	Jurupa Valley	-	-	-
David Marquez	Moreno Valley	1	-	-

Prior Actions:

February 13, 2019: The Administration & Finance Committee recommended that Joseph Tessari, City of Eastvale, be appointed to the SCAG Community, Economic & Human Development Policy Committee for a term commencing March 1, 2019, ending December 31, 2020.

December 3, 2018: The Executive Committee made the following SCAG Policy Committee appointments (five appointments – one vacancy to be appointed in January 2019):

- Jordan Ehrenkranz (Canyon Lake): Energy and Environment
- Bonnie Wright (Hemet): Energy and Environment
- Mike Gardner (Riverside): Energy and Environment
- Linda Krupa (Hemet): Transportation
- Crystal Ruiz (San Jacinto): Transportation

Fiscal Impact:

None; SCAG provides a stipend of \$120 per meeting for its Policy Committee representatives.

Attachment:

None.



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: March 4, 2019

The purpose of this item is to provide an update on the Fiscal Year (FY) 2017/2018 Agency Audit, Annual TUMF review, and the Agency Financial Report summary through December 2018.

Requested Action:

1. Receive and File.

FY 2017/2018 Agency Audit

Financial auditors from Rogers, Anderson, Malody, and Scott (RAMS) have completed the financials of the Comprehensive Annual Financial Report (CAFR). The CAFR was issued the week of November 26, 2018, and the Finance Directors Committee received a report on the audit and financial statements at its January 24, 2019, meeting. The report, which is included under agenda item 5.J, was presented to the Administration & Finance Committee at its February meeting.

Annual TUMF Review of Participating Agencies

Each year, WRCOG meets with participating members to review TUMF Program fee collections and disbursements to ensure compliance with Program requirements. The FY 2017/2018 reviews began in November 2019. To date, staff has received information related to TUMF accounting, credits issued, and exemptions awarded from each member agency except for the City of San Jacinto. Staff is following up with that City to receive the necessary information and expects to complete the City's review by March 2019. All information from member agencies have been submitted electronically. However, staff is available to review documentation at the City to reduce City staff time in preparing the information electronically.

The overpayment of TUMF on a development project with a valid Credit Agreement (which should not pay TUMF) has resulted in more than \$1 million in TUMF refunds for FY 2017/2018. To reduce the amount of refunds being processed, staff has been requesting information from jurisdictional staff regarding the tracking of credits to ensure a development project with a valid Credit Agreement has not paid TUMF. Information regarding Credit Agreements has been requested of each TUMF participating agency. For FY 2017/2018 staff has identified some inconsistencies in monthly TUMF remittance reports, such as the reporting of TUMF exemptions and the under collection of TUMF for utilizing old fee rates. In these instances, staff is working with the specific member agency to remedy these issues.

Letters to each member agency regarding its review are being finalized and will be distributed by the end of February 2019. For member agencies that will maintain the current TUMF collection process, these annual reviews will continue.

Financial Report Summary through December 2018

The Agency Financial Report summary through December 2018, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Actions:

February 21, 2019: The Technical Advisory Committee received and filed.

February 13, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – December 2018.

Item 5.E

Finance Department Activities
Update

Attachment 1

Financial Report summary –
December 2018

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**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending December 31, 2018**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 12/31/2018	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	560,000	159,597	400,403
WRELP Phase 2 Revenue	86,750	35,278	51,472
Statewide HERO Revenue	2,400,000	648,204	1,751,796
Gas Co. Prtnrshp Revenue	86,676	41,599	45,077
PACE Commercial Revenue	25,000	24,075	925
WRCOG HERO-Recording Revenue	122,500	82,987	39,513
PACE Commercial Recording Revenue	2,500	445	2,055
Statewide Recording Revenue	600,000	408,640	191,360
Regional Streetlights Revenue	300,000	261,500	38,500
Solid Waste	107,313	107,313	-
Used Oil Grants	228,820	203,820	25,000
NW Clean Cities - Air Quality	132,500	132,500	-
LTF Revenue	675,000	775,500	(100,500)
General Assembly Revenue	300,000	11,750	288,250
Commerical/Service	110,645	29,807	80,838
Retail	130,094	65,347	64,747
Industrial	272,663	343,972	(71,309)
Residential/Multi/Single	1,144,551	563,171	581,380
Multi-Family	142,045	127,426	14,619
Interest Revenue - Other	-	80,066	(80,066)
HERO - Other Revenue	-	149,833	(149,833)
Commercial/Service - Non-Admin Portion	2,655,491	745,175	1,910,316
Retail - Non-Admin Portion	3,122,265	1,633,675	1,488,590
Industrial - Non-Admin Portion	6,543,923	8,599,300	(2,055,377)
Residential/Multi/Single - Non-Admin Portion	27,469,233	14,079,275	13,389,958
Multi-Family - Non-Admin Portion	3,409,088	3,185,650	223,438
FY 17/18 Carryover Funds Transfer in	945,845	945,845	-
Carryover Funds Transfer in	4,268,757	4,268,757	-
Overhead Transfer in	2,084,260	868,441	1,215,819
Total Revenues and Carryover Funds	58,937,742	39,158,743	19,788,812
Expenditures			
Wages and Benefits			
Salaries & Wages	2,987,699	1,188,273	1,799,426
Fringe Benefits	929,898	427,347	502,551
Overhead Allocation	2,084,260	1,042,598	1,041,662
Total Wages, Benefits and Overhead	6,001,857	2,658,218	3,343,639
General Legal Services	615,000	297,268	317,732
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	25,480	2,020
Bank Fees	19,000	18,100	900

Commissioners Per Diem	62,500	34,500	28,000
Office Lease	400,000	200,889	199,111
WRCOG Auto Fuels Expenses	1,250	734	516
WRCOG Auto Maintenance Expense	84	84	-
Parking Validations	27,550	8,800	18,750
Staff Recognition	800	248	552
Coffee and Supplies	3,000	399	2,601
Event Support	129,926	112,632	17,294
Program/Office Supplies	24,150	10,437	13,713
Computer Equipment/Supplies	8,000	51	7,949
Computer Software	30,000	2,999	27,001
Rent/Lease Equipment	30,000	7,817	22,183
Membership Dues	33,000	19,337	13,663
Subscription/Publications	1,124	1,025	99
Meeting Support Services	9,681	1,703	7,978
Postage	6,015	2,233	3,782
Other Household Exp	750	286	464
COG HERO Share Expenses	15,000	1,672	13,328
Storage	16,000	3,812	12,188
Printing Services	4,607	1,670	2,937
Computer Hardware	14,100	2,664	11,436
Communications - Regular Phone	15,000	7,182	7,818
Communications - Cellular Phones	21,000	4,882	16,118
Communications - Computer Services	57,500	19,973	37,527
Communications - Web Site	8,000	6,932	1,068
Equipment Maintenance - General	10,000	4,450	5,550
Equipment Maintenance - Comp/Software	21,000	17,776	3,224
Insurance - Gen/Busi Liab/Auto	79,850	97,802	(17,952)
PACE Residential Recording	727,500	164,870	562,630
Seminars/Conferences	13,150	2,049	11,101
General Assembly Expenses	300,000	23,305	276,695
Travel - Mileage Reimbursement	23,600	5,883	17,717
Travel - Ground Transportation	4,800	1,489	3,311
Travel - Airfare	11,500	6,654	4,846
Lodging	8,750	3,838	4,912
Meals	8,150	1,566	6,584
Other Incidentals	9,950	4,544	5,406
Training	9,250	298	8,952
Supplies/Materials	34,168	3,541	30,627
Advertisement Radio & TV Ads	49,500	13,870	35,630
Consulting Labor	3,102,373	1,110,011	1,992,362
TUMF Project Reimbursement	38,000,000	20,786,737	17,213,263
BEYOND Program REIMB	2,799,015	325,014	2,474,001
Computer Equipment/Software	3,500	1,880	1,620
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	47,676,204	23,524,448	24,180,521
Total Expenditures and Overhead	53,678,061	26,182,666	27,524,160



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: March 4, 2019

The purpose of this item is to provide updates on noteworthy actions and discussions held in recent standing Committee meetings, and to provide general project updates.

Requested Action:

1. Receive and file.

Attached are summary of actions and activities from recent WRCOG standing Committee meetings that have taken place for meetings which have occurred during the month of February.

Prior Action:

None.

Fiscal Impact:

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

Attachments:

1. WRCOG February Committees Activities Matrix (Action items only).
2. Summary recaps from February Committee meetings.

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Item 5.F

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG February Committees
Activities Matrix (Action items only)

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<u>WRCOG Committees</u> <u>Activities Matrix</u> <u>(Action Items Only)</u>	<u>Executive Committee</u>	<u>Administration & Finance</u> <u>Committee</u>	<u>Technical Advisory Committee</u>	<u>Planning</u> <u>Directors</u> <u>Committee</u>	<u>Public Works</u> <u>Committee</u>	<u>Finance Directors</u> <u>Committee</u>	<u>Solid Waste</u> <u>Committee</u>
Date of Meeting:	2/4/19	2/13/19	2/21/19	2/14/19	2/14/19	Did not meet	Did not meet
Current Programs / Initiatives:							
Regional Streetlights Program	Received and filed.	n/a	Received and filed.	n/a	n/a		
Property Assessed Clean Energy (PACE) Programs	Accepted the Cities of Santa Barbara and Alameda as Associate Members of the Western Riverside Council of Governments; 2) adopted WRCOG Resolution Number 02-19; 3) authorized staff to implement a \$15,000.00 deposit for all new Commercial PACE Providers to work within the WRCOG Program; 4) supported the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital, LLC, under WRCOG's statewide PACE umbrella; 5) supported the Ad Hoc Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Twain Financial Partners Holding, LLC, under WRCOG's PACE umbrella;	Considered the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's Commercial PACE umbrella.	Received and filed.	n/a	n/a		
Community Choice Aggregation (CCA) / Western Community Energy	n/a	n/a	Received and filed.	n/a	n/a		
TUMF	Received and filed.	n/a	Received and filed.	n/a	Recommended that the Executive Committee approve the proposed revisions to the TUMF Fee Calculation Handbook to include clarification language on the 3,000 square foot deduction policy for retail and service uses; 2) discussed and provided input on proposed clarification to the issuance of credit for existing uses for the exemption outlined in the TUMF Administrative Plan;		
Fellowship	Directed staff to implement the following changes to the Fellowship Program: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school in, or are from the region and meet other minimum qualifications; 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year, and 5) admit Fellows to serve in either a part-time or full-time capacity.	n/a	n/a	Received and filed.	n/a		
New Programs / Initiatives:							
EXPERIENCE	n/a	n/a	n/a	n/a	n/a		

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Item 5.F

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from February
Committee meetings

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**Western Riverside Council of Governments
Executive Committee
Meeting Recap
February 4, 2019**

Following is a summary of key items discussed at the last Executive Committee meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

New Representatives Welcomed

- The Executive Committee approved the appointment of Kevin Bash, City of Norco, as 2nd Vice-Chair for the remainder of the fiscal year.
- The Committee welcomed three new representatives from member jurisdictions including: Daniela Andrade (Banning), Victoria Baca (Moreno Valley) and James “Stew” Stewart (Temecula).

PACE Programs Activities Update

- The Committee approved the institution of a \$15,000 application deposit for commercial PACE providers to cover costs associated with onboarding.
- The Committee approved the addition of two new PACE commercial providers: Twain Financial Partners Holding and Lord Capital, both to operate within the WRCOG statewide “footprint”.

Report from Southern California Association of Governments

- The Honorable Alan Wapner, City of Ontario Council Member and SCAG President, shared that SCAG is in the midst of working on two key initiatives: the Regional Housing Needs Assessment (RHNA) and Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS).
- The RHNA is a plan to address the housing needs of the future population while the RTP/SCS addresses the transportation needs of the future population without adversely impacting the environment. WRCOG will work with members to determine if the subregion should assume responsibility for allocating the RHNA to local jurisdictions instead of SCAG.

Update on the Development of a Sustainability Indicators Report

- WRCOG’s Economic Development and Sustainability Framework, which serves to guide the Agency, included approximately 40+ indicators with data on the subregion’s performance in the six goal areas of the Framework: Economic Development, Energy, Education, Health, Transportation and Water.
- WRCOG has updated a selection of 15 indicators to better understand what areas we are performing well in and where there is room for improvement. For example, the updated indicators revealed that water use per capita has dropped considerably, while the number of those who commute out of the subregion for work, essentially stayed the same at 62%, and the inflation adjusted income has decreased.
- As next steps, WRCOG will compile and share all data, available at the City level upon request, and track these metrics on a regular basis. WRCOG’s semi-annual Future of Cities event, scheduled for late April 2019, will be organized to address some of the key findings of the indicators.

Public Service Fellowship Activities Update

- WRCOG’s Public Service Fellowship Program is designed to support the development of emerging professionals and encourage them to work in the public sector here in the WRCOG subregion.
- The Committee approved several changes aimed at enhancing the Program and instituting greater sustainability. Of note, the Committee approved the adoption of a policy placing Fellows in member agencies every-other-year to help stretch the Program budget and ensure only top tier candidates are admitted.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, March 4, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



**Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
February 13, 2019**

Following is a summary of key items discussed at the last Administration & Finance Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

PACE Activities Update

- Commercial PACE financing is projected to become a viable tool for the development community to comply with energy efficiency mandates with cost effective financing. WRCOG has on boarded three commercial PACE providers (Greenworks, CleanFund, and Ygrene) to maximize this opportunity.
- The Administration & Finance Committee recommended that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's Commercial PACE umbrella.
- Lever Energy Capital has over a century of combined real estate finance, underwriting and securitization experience and has originated more than \$30 million in Commercial PACE financing.

Appointment of a WRCOG Representative to a SCAG Policy Committee

- The Committee recommended City of Eastvale Councilmember Joseph Tessari for appointment to SCAG's Community, Economic & Human Development Committee (CEHD).

Fiscal Year 2017/2018 Comprehensive Annual Financial Report (CAFR)

- The Fiscal Year (FY) 2017/2018 CAFR determined that WRCOG's Financial Statements are in conformity with US Generally Accepted Auditing Standards. WRCOG's auditors are providing an unmodified opinion on the FY 2017/2018 CAFR, which is the highest form of assurance an auditing firm can provide to its client.

28th Annual General Assembly & Leadership Address Update

- The 28th annual General Assembly & Leadership Address will be held Thursday, June 20, 2019, at Pechanga Resort and Casino featuring keynote speaker Josh Earnest, former White House Press Secretary (2014-2017).

General Announcements

- The WRCOG Public Service Fellowship Program is now accepting applications for the 2019-2020 year. Applications will close on March 30, 2019. Interested candidates can find more information at wrcog.us/169/Fellowship.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, March 13, 2019, at 12:00 p.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Technical Advisory Committee
Meeting Recap
February 21, 2019**

Following is a summary of key items discussed at the last Technical Advisory Committee meeting. To review the full agenda and staff reports for all items, please click [here](#). To review the meeting PowerPoint presentations, please click [here](#).

2020 Census Update

- The County of Riverside and the UCR Center for Social Innovation have partnered together to develop a framework to facilitate the 2020 Decennial Census process.
- Population data from the Census will play a key role in critical issues, such as Congressional redistricting and the allocation of federal grants and other funds.
- One of the major challenges of the Census is reaching hard to count (HTC) populations. Examples of these populations include students, renters, immigrants, and seniors.
- The County and UCR have developed collaborative strategies to streamline efforts across partnerships to reach HTC populations. One advantage of this year's Census is that, for the first-time participants can respond online.

County of Riverside Efforts to Address Homelessness

- Homelessness is a critical issue for Riverside County that requires significant coordination between organizations. Natalie Profant Komuro, Deputy County Executive Officer for the County of Riverside, has been tasked to oversee the issue of homelessness within the County.
- Ms. Komuro provided a detailed account of the work of various County departments to address homelessness and discussed some of the challenges to a comprehensive solution and the vision for the County's involvement moving forward.
- Ms. Komuro will be invited to return to the TAC to provide members with regular updates.

Potential WRCOG Assistance for Regional Housing Needs Assessment (RHNA) Update

- The state-wide housing crisis is creating challenges locally in housing the subregion's growing population, complying with changing legislation, meeting RHNA targets, and avoiding growing risks of non-compliance.
- WRCOG has identified three options for assisting local agencies in navigating the 6th Cycle RHNA:
 1. Informational capacity
 2. Provide assistance in reviewing SCAG data
 3. Subregional delegation
- Staff is evaluating the pros and cons of subregional delegation, at the request of member agencies, but TAC members noted a strong aversion to taking on subregional delegation, noting the high cost and potential for conflict between WRCOG and member agencies as primary reasons not to pursue the option.
- Staff will return with an update on all options within the coming months. A final decision regarding subregional delegation must be made by the end of June 2019.

High-Cube Warehouse Trip Generation Study

- Based on the results of the Trip Generation Study and recommendation from the subcommittee (comprised of the Cities of Eastvale, Jurupa Valley, Moreno Valley, Perris, and Riverside), staff recommended an adjustment to the current High-Cube Warehouse TUMF Calculation to better accommodate the higher number of trips generated by large fulfillment centers.
- Per committee recommendation, staff will conduct additional research regarding trips created by large fulfillment centers and report back to the Committee for further discussion

General Announcements

- WRCOG's 28th Annual General Assembly & Leadership Conference will be held on Thursday, June 20, at Pechanga Resort and Casino. This year's event will include a full-day Conference beginning with a State of the Region and panel conference in the morning and afternoon, followed by the General Assembly in the evening, featuring Keynote Speaker Josh Earnest, former White House Press Secretary (2014-2017).

Next Meeting

The next meeting of the Technical Advisory Committee is scheduled for Thursday, March 21, 2019, at 9:30 a.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
February 14, 2019**

Following is a summary of key items discussed at the last Planning Directors Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Housing Workshop Discussion

- The state-wide housing shortage has led to an onslaught of new legislation in recent years with the aim of fostering increased housing production. Despite this, production still lags and WRCOG member agencies are experiencing/anticipating significant challenges complying with the new laws.
- Committee members engaged in a thoughtful discussion aimed at clarifying the local challenges to developing more housing and identifying potential solutions.
- Among the issues discussed, members present reported that, while a significant number of sites are entitled in most jurisdictions for projects similar to what is being built, but permit rates lag. Various challenges were discussed including:
 - There is no silver bullet to increasing housing production, all barriers will need to be reduced.
 - Construction costs remain high and state solar regulations have increased costs by approximately \$25,000 per home.
 - Riverside County has a shortage of construction workers, and companies are diverting the resources available to more profitable regions, such as Orange County.
 - CEQA typically extends a project timeline by 12-18 months.
 - Outside agencies, such as water districts, that are beyond control of the city or county, hold significant power in the construction process and can prohibit development.
- Accompanying this meeting summary is a list of questions pertaining to housing development. WRCOG asks that each member agency respond to these questions to help WRCOG better understand the barriers and potential solutions to building more housing in the subregion.

Fee Comparison Analysis

- WRCOG is in the process of finalizing an update to the 2016 WRCOG fee comparison analysis, which examined fees required of development projects, the effect of other development costs, and the economic benefits of transportation investment.
- The study found that, with the exception of retail, fees on land uses increased at or below the rate of inflation (6.5%)
- Since 2016, the TUMF program instituted a fee reduction for retail, accounting for an overall reduction in total fees for retail uses from \$24.11 to \$23.63 per square foot.
- The TUMF fee collected is usually the 3rd largest fee.
- As a percentage, school fees increased more than any other fee category (10%).

Resilient IE Update

- The project team is now working to develop a comprehensive, city-level inventory of Hazard and Evacuation Maps.
- PDC members are asked to please share any existing evacuation maps and/or preferred routes by Thursday, February 28, 2019, by emailing ahoward@wrcog.us.
- The consultant team will develop recommended routes for all jurisdictions needing additional/all routes/maps.

CAPtivate 2.0 Consultant Selected

- Six proposals were received in response to the RFP to update CAPtivate 2.0 and, after holding interviews, Environmental Science Associates (ESA) was the selected to lead the update.
- Grant funds will cover updates to the transportation and land use measures only; WRCOG is looking for additional funds to cover the costs of updating the water, waste, and energy measures to conduct a comprehensive update.
- The project is anticipated to commence in early March 2019 and be completed in February 2021.
- If there is sufficient interest in conducting a program Environmental Impact Report (EIR) to make a CEQA qualified CAP, WRCOG would likely explore cost-sharing measures with interested member agencies. Staff will return with additional details regarding EIR options at future meetings.

Announcements

- WRCOG is currently exploring the pros and cons of subregional delegation, to assume responsibility for preparing the subregional housing needs allocation in place of SCAG for the sixth cycle of RHNA. Staff will be researching the process and bringing the option forward for consideration by the WRCOG committee structure over the next few months. A final decision must be made by June 28, 2019.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, March 14, 2019 at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
February 14, 2019**

Following is a summary of key items discussed at the last Public Works Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Riverside Transit Agency Activities Update

- Rohan Kuruppu, Riverside Transit Agency (RTA), Director of Planning, provided an update on activities underway and recently completed with TUMF funding contributions.

Fee Comparison Analysis Update

- Staff presented preliminary findings from the Fee Comparison Analysis Study currently underway to update the results of a similar study completed in 2016. The purpose of the study was to understand the fees required of development projects in and around the WRCOG subregion, the effects of other development costs, and the economic benefits of transportation investment.
- Staff anticipate the final results of the study will be presented at the March Public Works Committee meeting.

Fiscal Year 2019/2020 SB 821 – Bicycle and Pedestrian Facilities Program Call for Projects

- Riverside County Transportation Commission (RCTC) staff announced that the call for projects was released on February 4, 2019 and that proposals are due on April 25, 2019 by 5 p.m. at the RCTC office.
- RCTC staff encourage interested jurisdictions to schedule 1:1 coordination sessions with RCTC to offer insight and assistance prior to the deadline.

High-Cube Warehouse Calculation

- Staff presented the proposed adjustment to the High-Cube Warehouse component of the TUMF Calculation Handbook based on the results of the TUMF High-Cube Warehouse Trip Generation Study completed in January 2019.
- The adjustment to the High-Cube Warehouse TUMF calculation would account for the higher number of observed trips generated by large fulfillment centers and would recognize fulfillment centers as a subset of the general High-Cube Warehouse fee calculation category.
- The Committee recommended that the Executive Committee approve the adjustment to the High-Cube Warehouse component of the TUMF Calculation Handbook.

TUMF Calculation Handbook Revisions

- Staff presented several proposed minor revisions to the TUMF Calculation Handbook to clarify implementation of the 3,000 square foot deduction policy for retail and service uses and the credit for existing uses exemption outlined in the TUMF Administrative Plan.

- The Committee recommended that the Executive Committee approve the proposed revisions to the TUMF Calculation Handbook related to the 3,000 SF deduction policy.
- The Committee indicated that credits for existing uses should be determined based on the current policies and rates in effect at the time a project is requesting credit.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, March 14, 2019, at 2:00 p.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Community Energy Activities Update

Contact: Barbara Spoonhour, Deputy Executive Director – Operations, bspoonhour@wrcog.us, (951) 405-6760

Date: March 4, 2019

The purpose of this item is to provide an update on the status of implementing Western Community Energy (WCE), a Community Choice Aggregation, for participating jurisdictions in the subregion.

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. A CCA provides a choice for the community, which it does not currently have (unless their community is served by a separate public utility). Under a CCA, residents and businesses can choose from new rates and power sources (which are often more renewable) offered by the CCA, or they can choose to stay with SCE. Local jurisdictions, by participating in a CCA, allow for their businesses and residents to voluntarily make these choices. Importantly, a CCA also provides local control over rate setting and programs by locally elected city councilmembers. Rates and programs would be designed and implemented at the local level, at local public meetings, where members of the public who are living within the CCA boundaries can readily participate.

Background

Over the past six months, the WCE Board of Directors has been meeting to adopt policies and provide staff and its consultants direction on various data inputs (i.e., energy mixture, rate savings goals, etc.) needed for an April 2020 launch. To date, all assumptions regarding a savings off the bottom line of SCE's utility bills remains intact.

Current WCE member jurisdictions are expected to save its residents and businesses over \$6 million per year.

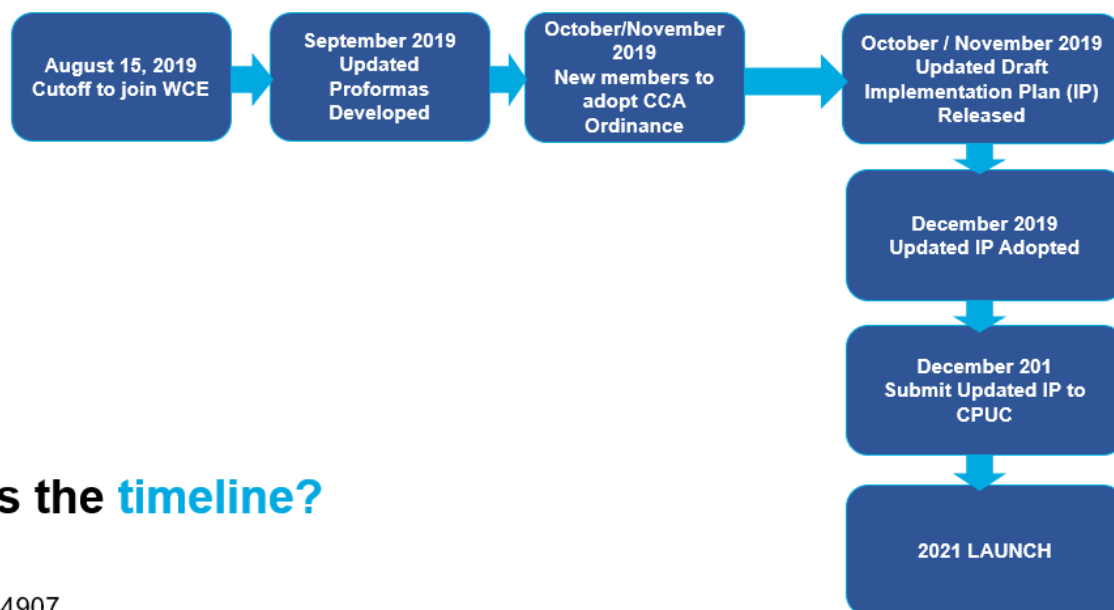
Update

The Board of Directors remains interested in having other jurisdictions (whether members of WRCOG or outside the subregion) join our efforts. Please contact WRCOG staff if your jurisdiction is interested in joining Western Community Energy.

Any jurisdiction that joins in 2019 will not be able to begin service until 2021 (compared to April 2020 for the current members) but it would be able to participate in the many policy decisions that will take place between now and that subsequent launch period.

The below graph outlines the timeline to a 2021 launch.

Timeline to a **2021** Launch



What drives the **timeline**?

ANSWER

CPUC Resolution E-4907

- Jurisdictions must submit an Implementation Plan or Revised Implementation Plan by January 1st in order to have the ability to launch the year following (i.e., 2021).

Prior Action:

February 21, 2019: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Daniel Soltero, Staff Analyst, dsoltero@wrcoq.us, (951) 405-6738

Date: March 4, 2019

The purpose of this item is to provide an update on the Western Riverside County streetlight acquisition and transition, and on jurisdictions who have acquired its streetlights and are now starting the retrofit project.

Requested Action:

1. Receive and file.

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. A major objective of the Program is to provide cost savings to participating member jurisdictions.

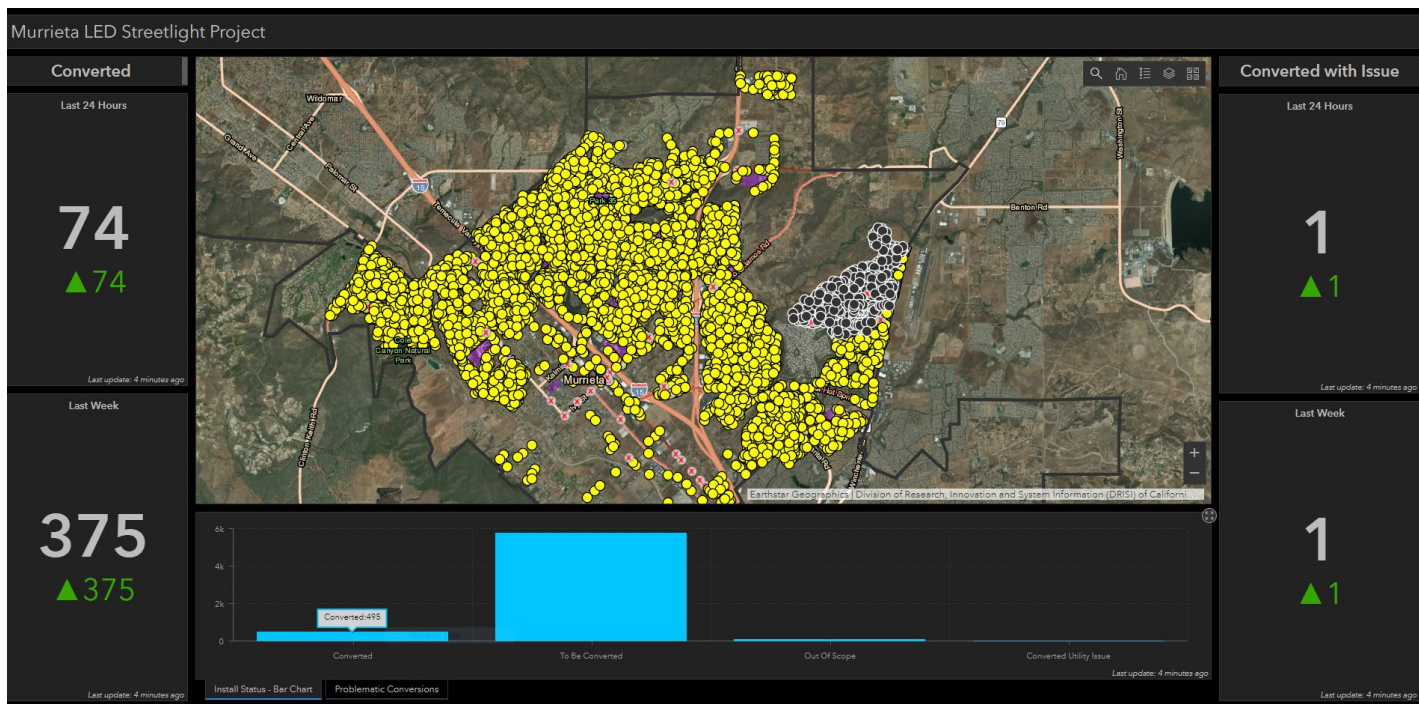
Background

At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program allowing jurisdictions (and Community Service Districts) to purchase streetlights within their boundaries that are currently owned and operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs and reduced energy use).

Murrieta Streetlight Retrofit Update

On February 11, 2019, the City of Murrieta became the one of the first cities to begin retrofitting its streetlights; the retrofit is anticipated to be completed by summer. As a participating jurisdiction in the Program, the City is utilizing Siemens Industry to retrofit the old lamps to LED fixtures and provide routine operations and maintenance to the streetlight systems. The City's selection of GE LED fixtures will significantly lower energy consumption and reduce electric utility costs for street lighting.

As an additional part of the Program's services, WRCOG is providing GIS support which includes a mobile and online application allowing for organized field work, verification of pole information, project tracking, and real-time retrofit updates to a project dashboard. The project dashboard pictured below is showing 375 streetlights which have been successfully retrofitted in one week, which accounts to 495 streetlights retrofitted in the first two weeks of the project. The yellow dots represent lights "to be retrofitted" and the black dots represent lights that "have been retrofitted without issue." The blue bars in the lower, middle portion of the dashboard represents the number of lights that have been retrofitted, the number of lights converted with issue, out of scope lights, and the number of streetlights remaining in the retrofit queue.



Moreno Valley Update

In November 2018, the City of Moreno Valley acquired approximately 3,400 streetlights from SCE in the first of three acquisition phases. Due to the large number of streetlights within the City, a coordinated, phased-in approach for transitioning the streetlights from SCE to local control will occur. Utilizing ENCO Utility Services, the City's electric utility contractor, the City started the retrofit of its streetlights on December 18, 2018, and will continue installing GE LED fixtures through 2019. GE was selected to provide fixtures through WRCOG's regional Request for Quotation (RFQ) process last year, from which the City selected a medium wattage residential fixture and a higher wattage fixture for larger roadways. Once the retrofit is completed with the current lighting selection, the City is anticipating lower costs for energy consumption, operations and maintenance, and improved roadway visibility throughout the City.

Prior Actions:

February 21, 2019: The Technical Advisory Committee received and filed.

February 13, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2018/2019 Budget in the Energy Department.

Attachment:

None.



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Fiscal Year 2017/2018 Comprehensive Annual Financial Report (CAFR)

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: March 4, 2019

The purpose of this item is to provide WRCOG's Fiscal Year (FY) 2017/2018 financial audit and Comprehensive Annual Financial Report (CAFR).

Requested Action:

1. Receive and file.

WRCOG engaged Rogers, Anderson, Malody & Scott (RAMS) to conduct WRCOG's annual financial audit. The contract with RAMS is for three years with an option for two, one-year extensions. RAMS is assisting WRCOG with the creation of Agency financial statements and the CAFR which meets all standards of the Governmental Accounting Standards Board.

WRCOG received the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association for four consecutive years and all signs indicate that the FY 2017/2018 Report will also produce this distinguished award. The award recognizes that the Agency is transparent, has provided full disclosure of the financial statements, and that the users of the CAFR have all the information needed to draw a financial conclusion of the Agency.

WRCOG's auditors are providing an unmodified opinion on the FY 2017/2018 CAFR. 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's total net position increased by 609%, or \$26.4 million, during FY 2017/2018 compared to the prior year's decrease of \$31.6 million. The increase in net position was mostly due to an increase in cash due to the TUMF revenue collections. Total liabilities decreased 14%, or \$11.2 million, during FY 2017/2018 compared to the prior year, mostly due to the increase in TUMF revenues over what was anticipated. TUMF project liabilities are programmed according to the anticipated revenue on the Transportation Improvement Program (TIP). As such, the TIP assumed less projects to be programmed in the current fiscal year.

Current assets increased from \$83.6 million in FY 2016/2017 to \$99.4 million, or 19%. This increase in current assets is attributable to the difference in TUMF revenues received over projects completed and paid out.

Net investment in Capital Assets represents 1.3%, or \$413,000 of WRCOG's total net position for FY 2017/2018 compared to 2.2%, or \$94,000, for FY 2016/2017. The increase is attributable to the purchase of new capitalized items, including the office move construction, computers, and other equipment.

Restricted net position accounts for 72.2%, or \$22.2 million, of WRCOG's total net position for FY 2017/2018 compared to 0.3%, or \$11,700 for FY 2016/2017. 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. All of the restricted net position applies to TUMF, as the Program's Administration Plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the TIP. The jurisdiction located within that particular Zone must demonstrate it has expended its own funds, is requesting reimbursement, and has provided the appropriate supporting documentation.

Unrestricted net position accounts for 26.4%, or \$8.1 million, of WRCOG's total net position for FY 2017/2018 compared to 97.6% or \$4.2 million for FY 2016/2017. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

For any questions related to the audit, Terry Shea, RAMS Auditing Partner, can be reached at (909) 889-0871 or terry@ramscpa.net.

Prior Actions:

February 21, 2019: The Technical Advisory Committee received and filed.

February 13, 2019: The Administration & Finance Committee received and filed.

January 24, 2019: The Finance Directors Committee received and filed.

Fiscal Impact:

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

Attachments:

1. FY 2017/2018 Comprehensive Annual Financial Report.
2. FY 2017/2018 Statement on Auditing Standards 114 Report.
3. FY 2017/2018 Internal Standards Report.

Item 5.I

Fiscal Year 2017/2018
Comprehensive Annual Financial
Report (CAFR)

Attachment 1

FY 2017/2018 Comprehensive
Annual Financial Report

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Fiscal Year 2017 / 2018

Comprehensive Annual Financial Report

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2018

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Submitted by:
Fiscal Department
Western Riverside Council of Governments

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

**JUNE 30, 2018
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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

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Introductory Section

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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 • Morongo Band of Mission
Indians • Riverside County Superintendent of Schools



INLAND NEWS GROUP

November 5, 2018

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

Letter of Transmittal

The Comprehensive Annual Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2018 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.

Rogers, Anderson, Malody & Scott, LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2018. 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 CAFR for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 17 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools and the Morongo Band of Mission Indians 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 does not create additional congestion on regional highways. 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 will improve more than 3,000 lane miles, improve 47 interchanges, construct 39 bridges and 10 railroad grade separations, provide more than \$43 million for regional transit improvements, and nearly \$92 million for acquisition of sensitive habitat.

To date, WRCOG has received more than \$780 million in TUMF revenue since program inception in 2003. 98 TUMF-funded projects have been completed; 58 projects are currently underway and are receiving TUMF funding, including 4 bridges, 5 grade separations, 14 interchanges, 24 roadway improvements, and 11 transit projects. The TUMF Program has funded and delivered more than \$320 million in transportation projects since it began in 2003.

Property Assessed Clean Energy (PACE) Program: In 2011, WRCOG launched the 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. The Program is the largest of its kind in the U.S.; for the fiscal year 2017/2018, more than \$1.2 billion in applications was approved and over 13,500 residential projects, representing nearly \$318 million in funding, were completed. Over the lifetime of the products, these projects are estimated to save over 2 billion kwh of electricity, more than 1 billion gallons of water, and remove an estimated 554,000 tons of greenhouse gas (GHG) emissions. Since implementation of the program, more than \$9 billion in applications was approved and over 86,000 residential projects, representing nearly \$1.8 billion in funding, were completed. Over the lifetime of the products, these projects are estimated to save over 12 billion kwh of electricity, more than 7 billion gallons of water, and remove an estimated 3.2 million tons of greenhouse gas (GHG) emissions.

Program participants simply 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. The Program is a win-win at numerous levels. 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 PACE Program has been so successful that it has now expanded statewide; over 380 jurisdictions throughout California have joined the Program as of the end of the fiscal year.

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.

Western Riverside Energy Partnership (WREP): This Partnership originally consisted of WRCOG, Southern California Edison, and 12 member jurisdictions. In 2013, Southern California Gas Company joined the Partnership. The Partnership is designed to optimize opportunities for participating jurisdictions to achieve both short- and long-term sustainable energy savings, reduce utility bills, and enhance the level of comfort by retrofitting municipal buildings and facilities. A public outreach program encouraging residents in Western Riverside County to conserve energy is also part of the Partnership.

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 development of alternative fuel infrastructure, technologies and education. The Coalition hosts a number of educational forums and conferences, including an annual Environmental Youth Conference which brings together more than 200 middle school students to discuss and learn about sustainable lifestyles.

Solid Waste Cooperative: Under the leadership of the California Department of Resources Recycling and Recovery (CalRecycle), the state is nearly two-thirds of the way towards achieving ambitious waste diversion goals set forth by the Legislature. Since 1990, the partnership of the State, local governments, the waste industry, businesses, environmental groups, and millions of committed Californians has diverted more than 100 million tons of materials from landfills, and nearly 60 cities and counties have already met or exceeded the mandate to cut their trash in half.

Streetlight Program: At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase streetlights within their boundaries that are currently owned and operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of the streetlight system provides jurisdictions with opportunities for future revenue generation such as digital-ready networks, and telecommunications and information technology strategies.

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 working with participating jurisdictions to move through the acquisition process, develop financing recommendations, develop and update regional and community-specific streetlight standards, and implement a regional operations & maintenance (O&M) agreement that will enhance the level of service currently provided by SCE.

Sustainability Framework: WRCOG's Sustainability Framework provides the foundation for a healthy communities planning movement in Western Riverside County. Implementation of ideas in the Framework can yield positive co-benefits in health and move the region towards a better quality of life. For example, recently, twelve cities in Western Riverside County joined together to develop a Subregional Climate Action Plan (CAP). The CAP goals include promoting

economic development and job growth, energy and cost savings for residents and business owners, water efficiency and conservation, reduction in solid waste, improved air quality, and the promotion of active and healthy communities. The CAP strategies can be uniformly applied, or tailored as needed, for adoption by individual jurisdictions.

Beyond Program: At the end of Fiscal Year 2014/2015, WRCOG created a new program titled, “Beyond.” For Fiscal Year 2016/2017, WRCOG allocated \$2.3 million for use by WRCOG member agencies through its “BEYOND” initiative. BEYOND is an economic development and sustainability local assistance funding program intended to help member agencies develop and implement projects that can improve the quality of life in Western Riverside County by addressing critical growth components such as economy, water, education, environment, health, and transportation.

The cornerstone of BEYOND is WRCOG's Economic Development and Sustainability Framework. The Framework was approved by WRCOG's Executive Committee in 2012, and can be accessed on WRCOG's website at <http://www.wrcog.ca.us/community/sustainability>. It serves, as the title implies, as a framework or guide that members can draw from in developing approaches to improve their communities. The premise of the Framework is that economic development, at its core, is tied to quality of life. While defining “quality of life” may be difficult, there is little debate that major contributing factors include critical components such as education, water, health, transportation, energy, and environment. When attention is given to each of these components, undoubtedly the subregion's quality of life improves, and as such economic desirability improves as well.

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 graduating from UCR and CBU 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. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience. A representative from each University serves as an “advisor” to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

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 function level. It is displayed as follows: general government, transportation, energy, and environment. With the exception of the general government, each function 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 of 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.

The creation of the budget entries is part of the internal control process. One member of the Fiscal staff is to enter the journal, while another member approves. WRCOG's IT consulting firm is the only member of WRCOG that is allowed to assign functions within the accounting system. 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 comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fifth 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 comprehensive annual

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 comprehensive annual 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 blue ink, appearing to read 'AR', with a stylized flourish extending from the end.

Andrew Ruiz
Interim Chief Financial Officer



Western Riverside Council of Governments Organizational Chart 2018



Western Riverside Council of Governments

List of Principal Officials As of June 30, 2018

Executive Committee Members

Name and Position	Title	Agency
Chuck Washington	Chair	County of Riverside, District 3
Bonnie Wright	Vice Chair	City of Hemet
Laura Roughton	2 nd Vice Chair	City of Jurupa Valley
Debbie Franklin	Member	City of Banning
Jeff Hewitt	Member	City of Calimesa
Jordan Ehrenkranz	Member	City of Canyon Lake
Eugene Montanez	Member	City of Corona
Adam Rush	Member	City of Eastvale
Brian Tisdale	Member	City of Lake Elsinore
John Denver	Member	City of Menifee
Yxstian Gutierrez	Member	City of Moreno Valley
Kelly Seyarto	Member	City of Murrieta
Kevin Bash	Member	City of Norco
Rita Rogers	Member	City of Perris
Rusty Bailey	Member	City of Riverside
Crystal Ruiz	Member	City of San Jacinto
Maryann Edwards	Member	City of Temecula
Ben Benoit	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
John Tavaglione	Member	County of Riverside, District 2
Marion Ashley	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water Dist.
David Slawson	Member	Eastern Municipal Water Dist.
Judy White	Member	Riverside County Superintendent of Schools
Robert Martin	Member	Morongo Band of Mission Indians

Management Staff

Rick Bishop, Executive Director
Casey Dailey, Director of Energy and Environmental Programs
Chris Gray, Director of Transportation
Andrew Ruiz, Interim Chief Financial Officer
Barbara Spoonhour, Director of Community Choice Aggregation Development



Government Finance Officers Association

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Presented to

**Western Riverside Council
of Governments, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO



Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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INDEPENDENT AUDITOR'S REPORT

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Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA

Executive Committee
Western Riverside Council of Governments
Riverside, California

Report on the Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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California Society of
Certified Public Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of WRCOG as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 1 of the financial statements, the Western Riverside Council of Governments adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual general 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, and schedule of other postemployment benefits plan contributions be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WRCOG's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2018, 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 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 5, 2018

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

This section of the Western Riverside Council of Governments (WRCOG) Comprehensive Annual Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2018. 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
- 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 Other Postemployment Benefits Plan Contributions

The following supplemental information has been included in this report:

- Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds
- 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 of 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, 2018

Fund Financial Statements only utilizes 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 government-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 two 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.

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.

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was \$30.7 million and consisted of net investment in capital assets of \$413 thousand, restricted net position of \$22.2 million, and unrestricted net position of \$8.1 million.
- At June 30, 2018, WRCOG's assets of \$99.4 million plus deferred outflows of resources of \$1.4 million exceeded its liability of \$69.1 million and deferred inflows of resources of \$1 million resulting in a net position of \$30.7 million.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 positive net position, with total assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$30.7 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2017 was \$2.3 million and increased to \$2.7 million at June 30, 2018.

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, 2018, as compared to the prior year:

Statement of Net Position
As of June 30

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 99,035,034	\$ 83,485,828
Capital assets being depreciated	<u>413,343</u>	<u>93,875</u>
 Total Assets	 <u>99,448,377</u>	 <u>83,579,703</u>
 Deferred Outflows of Resources	 <u>1,428,977</u>	 <u>1,197,115</u>
 Current and other liabilities	49,598,809	60,958,537
Long-term obligations	<u>19,506,926</u>	<u>19,370,537</u>
Total Liabilities	<u>69,105,735</u>	<u>80,329,074</u>
 Total Deferred Inflows or Resources	 <u>1,015,899</u>	 <u>109,364</u>
 Net Position:		
Net investment in capital assets	413,343	93,875
Restricted	22,211,582	11,702
Unrestricted	<u>8,130,795</u>	<u>4,232,803</u>
 Total Net Position	 <u><u>\$ 30,755,720</u></u>	 <u><u>\$ 4,338,380</u></u>

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

WRCOG's total net position increased by 609%, or \$26.4 million, during fiscal year 2017-2018 compared to the prior year's decrease of \$31.6 million. The increase in net position was mostly due to an increase in cash due to the TUMF revenue collections. Total liabilities decreased 14%, or \$11.2 million, during fiscal year 2017-2018 compared to the prior year, mostly due to the increase in TUMF revenues over what was anticipated. TUMF project liabilities are programmed according to the anticipated revenue on the Transportation Improvement Plan (TIP). As such, the TIP assumed less projects to be programmed in the current fiscal year. Current assets increased from \$83.6 million in FY 2016/2017 to \$99.4 million, or 19%. This increase in current assets is attributable to the difference in TUMF revenues received over projects completed and paid out. Below are the three components of net position and their respective fiscal year-end balances:

- **Net Investment in Capital Assets** represents 1.3%, or \$413 thousand of WRCOG's total net position for fiscal year 2017-2018 compared to 2.2%, or \$94 thousand, for fiscal year 2016-2017. The decrease is attributable to the depreciation of existing capital assets.
- **Restricted net position** accounts for 72.2%, or \$22.2 million, of WRCOG's total net position for fiscal year 2017-2018 compared to 0.3%, or \$11.7 thousand, for fiscal year 2016-2017. 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. All of the restricted net position applies to TUMF as the administration plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the Transportation Improvement Process (TIP). The jurisdiction located within that particular zone must demonstrate it has expended its own funds and is requesting reimbursement and has provided the appropriate supporting documentation.
- **Unrestricted net position** accounts for 26.4%, or \$8.1 million, of WRCOG's total net position for fiscal year 2017-2018 compared to 97.6% or \$4.2 million for fiscal year 2016-2017. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

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 \$(13) thousand to \$274 thousand due to an improving economy and increased interest rate yields.
- Charges for services are revenues received related to the sponsorship of the PACE Program. WRCOG receives 1.463% of the amount financed for its participation in the program. In addition, the PACE Program recording fees are included in the revenue balance.

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

- Operating grants and contributions increased by \$24.8 million, or 56.6%, from \$43.7 million in fiscal year 2016-2017 to \$68.6 million in the current fiscal year. This increase was due to more TUMF revenues collected during the Fiscal Year. Total expenses decreased from \$84.7 million to \$47.3 million due to a decreased amount of PACE expenses and TUMF project reimbursements paid out.
- 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. TUMF revenue is the largest governmental activities program revenue with \$51.3 million recognized during the year, as compared to \$42.2 million for fiscal year 2016-2017, which represents an increase of 21% or \$9 million.

Expenses: Total program expenses for governmental activities were \$47.3 million for the current fiscal year, a decrease of 44.2%, or \$37.4 million compared to prior fiscal year of \$84.7 million. The decrease in expenses is mostly attributable to a lesser amount of TUMF Projects that were reimbursed during the fiscal year, as well as a decrease in PACE related expenses.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2017-2018, as compared to the prior year:

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

	2018	Percent of Total	2017	Increase (Decrease) From 2017	Percent Increase (Decrease)
Revenues					
Program revenues:					
Charges for services	\$ 6,003,534	8.0%	\$ 9,316,452	\$ (3,312,918)	-35.6%
Operating grants and contributions	68,566,122	91.6%	43,773,262	24,792,860	56.6%
General revenues:					
Other revenues	-	0.0%	-	-	0.0%
Investment earnings	273,559	0.4%	(12,645)	286,204	-2263.4%
Total revenues	<u>74,843,215</u>	<u>100.0%</u>	<u>53,077,069</u>	<u>21,766,146</u>	41.0%
Expenses					
General government	5,416,418	11.5%	4,028,482	\$ 1,387,936	34.5%
Transportation	34,971,790	73.9%	74,542,061	(39,570,271)	-53.1%
Energy	6,333,946	13.4%	5,622,980	710,966	12.6%
Environmental	570,687	1.2%	513,137	57,550	11.2%
Total expenses	<u>47,292,841</u>	<u>100.0%</u>	<u>84,706,660</u>	<u>(37,413,819)</u>	-44.2%
Change in Net Position	27,550,374		(31,629,591)	59,179,965	
Net Position, Beginning of Year	<u>3,205,346</u>		<u>35,967,971</u>	<u>(32,762,625)</u>	
Net Position, End of Year	<u>\$ 30,755,720</u>		<u>\$ 4,338,380</u>	<u>\$ 26,417,340</u>	608.9%

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

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. 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 \$11.3 million, as compared to \$12.6 million for the prior fiscal year. The decrease of \$1.3 million, or (10%), was mostly a result of the decreased revenues in the PACE programs. The PACE Programs have experienced a decline in revenues and volumes in FY 2017/2018 due to market saturation and other PACE providers entering the market. WRCOG is also funding its Streetlight Program and CCA Program out of its General Fund, which is expected to be paid back once the programs become self-sustaining. 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 \$44 thousand; the assigned portion was \$3,048,598, which included the BEYOND Program of \$2,533,866 and the Fellowship Program of \$514,732, and the unassigned portion at \$8.2 million. The current year's unassigned fund balance is 72% of the total general fund expenditures of \$11.4 million, as compared to 89% of the total general fund expenditures for fiscal year 2016-2017. The total fund balance of the General fund for the current year is 101% of the total general fund expenditures as compared to 125% for the prior year.

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

GENERAL FUND FINANCIAL ANALYSIS

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

	2018	Percent of Total	2017	Increase (Decrease) From 2017	Percent Increase (Decrease)
Revenues					
Intergovernmental	\$ 931,500	9.2%	\$ 1,145,570	\$ (214,070)	-18.7%
TUMF mitigation fees	2,056,285	20.3%	1,689,574	366,711	21.7%
PACE fees	5,684,817	56.0%	9,028,003	(3,343,186)	-37.0%
Other revenues	1,448,287	14.3%	894,488	553,799	61.9%
Investment income	22,819	0.2%	261	22,558	8642.9%
Total revenues	<u>\$ 10,143,708</u>	<u>100%</u>	<u>\$ 12,757,896</u>	<u>\$ (2,614,188)</u>	<u>-20.5%</u>

The decrease in intergovernmental revenue was mainly due to a decrease in funds received from WRCOG's Used Oil Program. TUMF mitigation fees were higher because more permits were issued during the fiscal year resulting in an increased amount of revenue from the TUMF program. PACE fees decreased significantly due to market saturation and other PACE providers entering the market. Lastly, investment income increased in the general fund due to an improving economy and increased interest rate return.

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

	2018	Percent of Total	2017	Increase (Decrease) From 2017	Percent Increase (Decrease)
Expenditures					
General government	\$ 4,493,570	39.4%	\$ 3,965,880	\$ 527,690	13.3%
Energy	6,336,292	55.6%	5,632,488	703,804	12.5%
Environmental	570,687	5.0%	513,137	57,550	11.2%
Total expenditures	<u>\$ 11,400,549</u>	<u>100.0%</u>	<u>\$ 10,111,505</u>	<u>\$ 1,289,044</u>	<u>12.7%</u>

The increase in expenditures in the General Government was due to the increase in payroll related costs such as benefits to both current and retired employees and the rising cost of pensions. Expenditures in Energy increased primarily due to increased funding of projects such as the Streetlight Program and Community Choice Aggregation (CCA) Program. In addition, the PACE program expenditures increased since the program has gone statewide, but have since dropped during the fiscal year due to market saturation. Lastly, The Environmental Program experienced an increase in expenditures mostly due to an increase in employees for this department.

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for 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 \$9.9 million; however, the actual amount was only \$10.1 million, leaving a variance of \$238 thousand.

On the expenditure side for the General Fund, it was anticipated expenditures would be \$18.1 million; however, actual expenditures were only \$11.4 million, leaving a variance of \$6.7 million. This was mostly due to the WRCOG BEYOND Program grant, which does not match up with WRCOG's Fiscal Year. The grant year causes expenditures to be carried forward into the next Fiscal Year.

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

As of June 30, 2018, WRCOG had capital assets of \$413,343, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles.

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

Long-term liabilities have increased from \$20 million in FY 2016/2017, to \$19.5 million in FY 2017/2018, or an increase of 0.66%. The increase in long-term liabilities can mostly be attributed to an increase in pension liabilities.

Additional information to WRCOG's long-term liabilities can be found on Note 5 to the financial statements

ECONOMIC FACTORS AND OTHER FACTORS

On June 22, 2018 WRCOG adopted the fiscal year 2018/2019 budget. The budget is presented by function, which includes: Administration, Transportation, Energy, and Environmental. Expenditures have shifted in that now the majority of budgeted expenditures are now in the Energy category because of the need for consulting services, payroll, and recording fees. The TUMF program, saw an increase in revenues of 21.7% in Fiscal Year 2017/2018. Leading economic indicators suggest that the housing market has stabilized, which has helped balance the WRCOG budget.

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

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 Interim Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 450, Riverside, California 92501.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 92,386,043
Receivables:	
Grants	880,095
Interest	4,707
Mitigation fees receivable	5,718,550
Due from other governments	1,780
Prepaid items	43,859
Capital assets, net of accumulated depreciation	413,343
Total Assets	<u>99,448,377</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,192,341
Deferred amounts related to OPEB	236,636
Total Deferred Outflows of Resources	<u>1,428,977</u>
LIABILITIES	
Accounts payable	2,954,909
Due to other governments	46,333,735
Accrued wages and benefits	89,286
Unearned revenue	220,879
Non-current liabilities:	
Due within one year	25,240
Due in more than one year:	
Compensated absences	227,162
TUMF liabilities	15,898,755
Net pension liability	2,689,185
Net OPEB liability	666,584
Total Liabilities	<u>69,105,735</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	83,799
Deferred amounts related to OPEB	932,100
Total Deferred Inflows of Resources	<u>1,015,899</u>
NET POSITION	
Net investment in capital assets	413,343
Restricted for:	
Transportation Uniform Mitigation Fee Program	22,199,849
Foundation	11,733
Unrestricted	<u>8,130,795</u>
Total Net Position	<u><u>\$ 30,755,720</u></u>

The accompanying notes are an integral part of these financial statements

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

**Statement of Activities
For the Fiscal Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
Governmental activities:				
General government	\$ 5,416,418	\$ -	\$ 567,640	\$ (4,848,778)
Transportation	34,971,790	-	67,483,341	32,511,551
Energy	6,333,946	6,003,534	-	(330,412)
Environmental	570,687	-	515,141	(55,546)
Total Governmental Activities	<u>\$ 47,292,841</u>	<u>\$ 6,003,534</u>	<u>\$ 68,566,122</u>	<u>\$ 27,276,815</u>
General Revenues:				
Investment income				<u>273,559</u>
Total General Revenues				<u>273,559</u>
Change in Net Position				27,550,374
Net Position, Beginning of Year, as restated (Note 16)				<u>3,205,346</u>
Net Position, End of Year				<u>\$ 30,755,720</u>

The accompanying notes are an integral part of these financial statements

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

**Balance Sheet – Governmental Funds
June 30, 2018**

	Major Funds		Non Major Fund WRCOG Foundation	Total Governmental Funds
	General Fund	Special Revenue TUMF		
ASSETS				
Cash and investments	\$ 12,695,327	\$ 79,678,983	\$ 11,733	\$ 92,386,043
Receivables:				
Grants	880,095	-	-	880,095
Interest	9	4,698	-	4,707
Mitigation fees receivable	-	5,718,550	-	5,718,550
Due from other governments	1,780	-	-	1,780
Prepaid items	43,859	-	-	43,859
Advances to other funds	-	777,687	-	777,687
Total Assets	<u>\$ 13,621,070</u>	<u>\$ 86,179,918</u>	<u>\$ 11,733</u>	<u>\$ 99,812,721</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,207,330	\$ 1,747,579	\$ -	\$ 2,954,909
Due to other governments	-	46,333,735	-	46,333,735
Accrued wages and benefits	89,286	-	-	89,286
Unearned revenue	220,879	-	-	220,879
Advances from other funds	777,687	-	-	777,687
Total Liabilities	<u>2,295,182</u>	<u>48,081,314</u>	<u>-</u>	<u>50,376,496</u>
Fund Balances				
Nonspendable:				
Prepaid items	43,859	-	-	43,859
Restricted:				
Transportation projects	-	38,098,604	-	38,098,604
Foundation	-	-	11,733	11,733
Assigned:				
BEYOND Program	2,533,866	-	-	2,533,866
Fellowship Program	514,732	-	-	514,732
Unassigned	8,233,431	-	-	8,233,431
Total Fund Balances	<u>11,325,888</u>	<u>38,098,604</u>	<u>11,733</u>	<u>49,436,225</u>
Total Liabilities and Fund Balances	<u>\$ 13,621,070</u>	<u>\$ 86,179,918</u>	<u>\$ 11,733</u>	<u>\$ 99,812,721</u>

The accompanying notes are an integral part of these financial statements

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

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2018**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - Governmental Funds	\$ 49,436,225
Capital assets, net of accumulated depreciation used in governmental activities, are not current financial resources and therefore are not reported in the funds.	413,343
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(252,402)
TUMF liabilities	(15,898,755)
Net pension liability	(2,689,185)
Net OPEB liability	(666,584)
Deferred outflows and inflows of resources are not reported in the governmental funds:	
Deferred amounts related to pensions	1,108,542
Deferred amounts related to OPEB	<u>(695,464)</u>
Net Position of Governmental Activities	<u><u>\$ 30,755,720</u></u>

The accompanying notes are an integral part of these financial statements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Major Funds		Non Major Fund WRCOG Foundation	Total Governmental Funds
	General Fund	Special Revenue TUMF		
REVENUES				
Intergovernmental	\$ 931,500	\$ -	\$ -	\$ 931,500
TUMF mitigation fees	2,056,285	49,248,746	-	51,305,031
PACE fees	5,684,817	-	-	5,684,817
Other revenues	1,448,287	15,200,000	20	16,648,307
Investment income (loss)	22,819	250,730	11	273,560
Total Revenues	<u>10,143,708</u>	<u>64,699,476</u>	<u>31</u>	<u>74,843,215</u>
EXPENDITURES				
Current:				
General government	4,493,570	-	-	4,493,570
Transportation	-	35,974,673	-	35,974,673
Energy	6,336,292	-	-	6,336,292
Environmental	570,687	-	-	570,687
Total Expenditures	<u>11,400,549</u>	<u>35,974,673</u>	<u>-</u>	<u>47,375,222</u>
Net Change in Fund Balances	(1,256,841)	28,724,803	31	27,467,993
Fund Balances, Beginning of Year	<u>12,582,729</u>	<u>9,373,801</u>	<u>11,702</u>	<u>21,968,232</u>
Fund Balances, End of Year	<u>\$ 11,325,888</u>	<u>\$ 38,098,604</u>	<u>\$ 11,733</u>	<u>\$ 49,436,225</u>

The accompanying notes are an integral part of these financial statements

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

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018**

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

Net change in fund balances - total governmental funds	\$ 27,467,993
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This activity is reconciled as follows:

Cost of assets capitalized, at net book value	406,618
Depreciation expense	(87,150)

The payment of amounts pursuant to long-term TUMF agreements is recorded as an expenditure in the governmental funds. This transaction does not have an effect on the net position in the government-wide financial statements.	1,000,000
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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.

Net change in compensated absences	(77,668)
Increase in net OPEB liability	(788,073)
Pension expense net adjustment	<u>(371,346)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 27,550,374</u></u>
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The accompanying notes are an integral part of these financial statements

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

**Statement of Fiduciary Net Position
June 30, 2018**

	<u>Agency Fund</u>
ASSETS	
Cash and investments	<u>\$ 1,833,961</u>
LIABILITIES	
Deposits payable	<u>\$ 1,833,961</u>

The accompanying notes are an integral part of these financial statements

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation, Continued

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.

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

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.

D. 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.

Transportation Uniform Mitigation Fees (TUMF) Special Revenue Fund. This fund is used to account for the proceeds of Transportation Uniform Mitigation Fees which are legally restricted to expenditures for specified purposes.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Classifications, Continued

Additionally, WRCOG reports the following fiduciary fund:

Agency Fund. WRCOG's agency fund is used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of revenues and expenses.

E. Financial Statement Elements

(1) 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.

(2) Interfund Balances and Transfers

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

(3) 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 \$1,000 and an estimated useful life of more than one year. 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.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(4) 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 in excess of 240 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.

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

(5) 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.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(5) Fund Balance – Governmental Funds, Continued

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.

(6) Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from those estimates.

(7) Pensions

Information about the fiduciary net position of WRCOG's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions in the Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. This includes the measurement of pension expense and the net pension liability and deferred outflows/inflows of resources related to pensions. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(8) Other Post-Employment Benefit (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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2017

Measurement Date: June 30, 2017

Measurement Period: June 30, 2016 to June 30, 2017

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(9) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category: deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents 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. The government has only one type of item of this: deferred amounts related to pensions. For the fund level statements, deferred inflows of resources represent unavailable resources.

(10) Implementation of New Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2018, are classified in the accompanying financial statements as follows:

Cash and investments as of June 30, 2018, consist of the following:

Deposits and petty cash	\$ 17,879,443
Investments	76,340,561
Total Cash and Investments	<u>\$ 94,220,004</u>

A. Authorized Investments

The following investments are authorized under California Government Code and, where more restrictive, WRCOG's Investment Policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	100%	None
State of California Obligations	5 years	15%	None
Local Agency Obligations	5 years	15%	None
Repurchase Agreements	7 days	25%	20%
Commercial Paper	270 days	25%	10%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Time Certificates of Deposit	5 years	2%	None
Negotiable Certificates of Deposit	5 years	25%	None
Money Market Mutual Funds	N/A	20%	10%
Riverside County Treasurer's Pooled Investment	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million **

** Limit set by LAIF governing Board, not California Government Code

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

B. 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.

Investment Type	Total	Remaining Maturity		
		12 months or less	13 to 24 months	25 to 36 months
LAIF	\$ 801,348	\$ 801,348	\$ -	\$ -
Supranational	2,159,417	-	421,452	1,737,965
Local Agency Obligations	531,464	531,464	-	-
Medium Term Notes	9,816,924	502,129	5,310,035	4,004,760
U.S. Treasury Obligations	240,421	-	-	240,421
U.S. Agency Securities	15,134,450	492,666	4,415,936	10,225,848
Negotiable CDs	5,054,095	190,083	3,252,250	1,611,762
Commercial Paper	2,679,193	2,679,193	-	-
CAMP	39,801,653	39,801,653	-	-
Money Market Account	121,596	121,596	-	-
Total	<u>\$ 76,340,561</u>	<u>\$ 45,120,132</u>	<u>\$ 13,399,673</u>	<u>\$ 17,820,756</u>

C. Fair Value Classifications

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 categorized as Level 2 are valued using market approach using quoted market prices.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS, (Continued)

C. Fair Value Classifications, Continued

Fair value measurements for investments are as follows as of June 30, 2018:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 240,421	\$ -	\$ 240,421	\$ -
U.S. Agency Securities	15,134,450	-	15,134,450	-
Local Agency Obligations	531,464	-	531,464	-
Supranational	2,159,417		2,159,417	
Negotiable CDs	5,054,095		5,054,095	
Commercial Paper	2,679,193	-	2,679,193	-
Medium Term Notes	9,816,924	-	9,816,924	-
Total Leveled Investments	35,615,964	<u>\$ -</u>	<u>\$ 35,615,964</u>	<u>\$ -</u>

Investments not Subject to Hierarchy:

LAIF	801,348
CAMP	39,801,653
Money Market Account	121,596
	<u>\$ 76,340,561</u>

Deposits and withdrawals to/from LAIF are made on the basis of \$1 and not fair value. As such, the measurement of fair value is uncategorized and not defined as a Level 1, Level 2 or Level 3 input. The balance of the money market account is considered a cash equivalent.

D. 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.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	AA	AA-	A+	A	A-	A-1	Not Rated
LAIF	\$ 801,348	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 801,348
Supranational	2,159,416	N/A	2,159,416	-	-	-	-	-	-	-	-
Local Agency Obligations	531,464	N/A	-	-	531,464	-	-	-	-	-	-
U.S. Treasury Obligations	240,421	N/A	-	240,421	-	-	-	-	-	-	-
U.S. Agency Securities	15,134,451	N/A	5,472,435	9,662,016	-	-	-	-	-	-	-
Negotiable CDs	5,054,095	N/A	-	-	-	1,969,863	1,817,364	1,076,785	-	190,083	-
Commercial Paper	2,679,193	N/A	-	-	-	-	-	-	-	2,679,193	-
Medium Term Notes	9,816,924	A	-	689,150	352,705	1,072,286	3,058,995	3,502,932	1,140,856	-	-
CAMP	39,801,653	N/A	-	-	-	-	-	-	-	-	39,801,653
Money Market Account	121,596	N/A	-	-	-	-	-	-	-	-	121,596
	<u>\$ 76,340,561</u>		<u>\$ 7,631,851</u>	<u>\$ 10,591,587</u>	<u>\$ 884,169</u>	<u>\$ 3,042,149</u>	<u>\$ 4,876,359</u>	<u>\$ 4,579,717</u>	<u>\$ 1,140,856</u>	<u>\$ 2,869,276</u>	<u>\$ 40,724,597</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

E. Concentration of Credit Risk

At June 30, 2018 there were no investments in any one issuer that represented five percent or more of the total WRCOG investments (other than external investment pools).

F. 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.

Of WRCOG's deposits with financial institutions, \$18,471,985 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the WRCOG's deposits as noted above.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

G. 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 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.

H. 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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Advances to Other Funds

WRCOG's interfund receivables and payables represent amounts advanced from the TUMF Fund to the General Fund for OPEB costs. The advance is anticipated to be repaid over a ten year period which began in fiscal year 2014-15 with equal annual payments.

The composition of interfund balance as of June 30, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
TUMF	General	\$ 777,687

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2018, is shown below:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and Computer Equipment	\$ 422,785	\$ 406,618	-	\$ 829,403
Other Capital Assets	33,037	-	-	33,037
Total Depreciable Capital Assets	<u>455,822</u>	<u>406,618</u>	<u>-</u>	<u>862,440</u>
Less Accumulated Depreciation for:				
Furniture and Computer Equipment	(355,340)	(87,150)		(442,490)
Other Capital Assets	(6,607)	-	-	(6,607)
Total Accumulated Depreciation	<u>(361,947)</u>	<u>(87,150)</u>	<u>-</u>	<u>(449,097)</u>
Capital Assets net of Accumulated Depreciation	<u>\$ 93,875</u>	<u>\$ 319,468</u>	<u>\$ -</u>	<u>\$ 413,343</u>

Depreciation expense of \$87,150 was charged to the general government function of the governmental activities.

NOTE 5 – LONG-TERM LIABILITIES

A schedule of changes in the long-term liabilities for the year ended June 30, 2018, is shown below:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 174,734	\$ 159,960	\$ (82,292)	\$ 252,402	\$ 25,240
Refund Liability	8,745,255	-	-	8,745,255	-
City of Moreno Valley Agreement	6,493,500	-	(1,000,000)	5,493,500	-
City of Riverside Agreement	1,660,000	-	-	1,660,000	-
Net Pension Liability	2,297,048	715,337	(323,200)	2,689,185	-
OPEB Obligation	659,580	7,004	-	666,584	-
Total Long-term Liabilities	<u>\$ 20,030,117</u>	<u>\$ 882,301</u>	<u>\$ (1,405,492)</u>	<u>\$ 19,506,926</u>	<u>\$ 25,240</u>

Compensated absences will be liquidated primarily from the General Fund.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 5 – LONG-TERM LIABILITIES, (Continued)

A. 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 Plan (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 Fund.

B. 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, 2018, the remaining amount to be reimbursed to the City is \$5,493,500. The liability will be liquidated from the TUMF Fund.

C. City of Riverside Agreement

In 2007, WRCOG entered into an agreement with the City of Riverside to fund the Magnolia Avenue/Union Pacific Grade Separation 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 \$15,660,000. As of June 30, 2018, the remaining amount to be reimbursed to the City is \$1,660,000. The liability will be liquidated from the TUMF Fund.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES

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.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES, (Continued)

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 2018, 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.

NOTE 7 – EMPLOYEE BENEFITS

California Public Employees' Retirement System (CalPERS)

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) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). 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 GASB Statement No. 68. 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.

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.

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**Notes to the Financial Statements
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NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees’ Retirement System (CalPERS), Continued

Benefits Provided, Continued

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, 2018, are summarized as follows:

	Miscellaneous	
	Classic	New Members
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.70%	2.00%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	12.81%	7.36%

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2018, were \$345,428. The actual employer payments of \$323,200 made to CalPERS by the WRCOG during the measurement period ended June 30, 2017, differed from the WRCOG’s proportionate share of the employer’s contributions of \$294,580 by \$28,620, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Net Pension Liability

WRCOG's net pension liability for the cost-sharing plan covered by miscellaneous risk pools is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post Retirement Rate Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Change in Assumptions

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represent the unamortized portion of this assumption change.

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) 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 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 rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	Current Target Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	80.00%	2.27%
Inflation Sensitive	6%	60.00%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-40%	-90%
Total	100%		

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2016 (VD)	\$ 8,945,076	\$ 6,648,028	\$ 2,297,048
Balance at: 6/30/2017 (MD)	\$ 10,474,822	\$ 7,785,637	\$ 2,689,185
Net changes during 2016-2017	\$ 1,529,746	\$ 1,137,609	\$ 392,137

Valuation Date (VD), Measurement Date (MD)

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, 2017, 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, 2016, rolled forward to June 30, 2017, using standard update procedures. WRCOG's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Proportionate Share of Net Pension Liability, Continued

WRCOG's proportionate share of the net pension liability for the Plan as of the June 30, 2016 and 2017 measurement dates was as follows:

Proportion - June 30, 2016	0.0265%
Proportion - June 30, 2017	0.0271%
Change - Increase	<u>0.0006%</u>

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 of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 4,129,964	\$ 2,689,185	\$ 1,495,905

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to -0-. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2016), WRCOG's net pension liability was \$2,297,048. For the measurement period ending June 30, 2017 (the measurement date), WRCOG incurred a pension expense of \$716,086.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

At June 30, 2018, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,523	\$ 50,470
Changes in assumptions	437,092	33,329
Differences between projected and actual investment	98,852	-
Differences between employer's contributions and proportionate share of contributions	64,378	-
Change in employers proportion	243,068	-
Pension contributions subsequent to the measurement date	345,428	-
	<u>\$ 1,192,341</u>	<u>\$ 83,799</u>

The amount of \$345,428 reported as deferred outflows of resources resulting from WRCOG's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2019	\$ 304,072
2020	320,902
2022	196,830
2023	(58,690)
	<u>\$ 763,114</u>

Payable to the Pension Plan

At June 30, 2018, WRCOG reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

WRCOG provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

<u>Tier</u>	<u>Date of Hire</u>	<u>Benefit</u>
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% of weighted average of 4 top plans + 40% of weighted average for 1 dep. for 4 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

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	37
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u><u>40</u></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.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Net OPEB Liability

WRCOG'S net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method dated June 30, 2016 that was rolled forward to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2017 Measurement Date
Actuarial Valuation Date	June 30, 2017
Contribution Policy	WRCOG contributes full ADC
Discount Rate	6.25%
General Inflation	2.75%
Mortality, Retirement, Disability, Termination	RP2000 Group Annuity Mortality Table with Scale AA for future mortality improvement to 2004. Blended tables for males and females (50% / 50%).
Salary increases	3.00%
Medical Trend	4.0% for 2018, decreasing to an ultimate rate of 5.0% in 2022 and later years

Discount Rate

A discount rate of 6.25% was used in the valuation. This discount rate assumes the WRCOG continues to fully fund for its retiree health benefits

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Changes in the OPEB Liability (Asset)

The changes in the net OPEB liability (asset) for the Plan are as follows:

	(a)	(b)	(a) - (b) = (c)
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (6/30/16 measurement date)	\$ 2,443,082	\$ 1,783,502	\$ 659,580
Changes recognized for the measurement period:			
Service cost	108,879	-	108,879
Interest	159,498	-	159,498
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	-	-
Net investment income	-	104,450	(104,450)
Benefit payments	(113,278)	(85,605)	(27,673)
Administrative expense	-	(7,361)	7,361
Transfers	-	(20,311)	20,311
Actuarial Losses for 2017/18	(156,922)	-	(156,922)
Net changes	(1,823)	(8,827)	7,004
Balance at June 30, 2018 (6/30/17 measurement date)	\$ 2,441,259	\$ 1,774,675	\$ 666,584

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 813,300	\$ 666,584	\$ 546,600

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 566,600	\$ 666,584	\$ 793,200

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.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the WRCOG recognized OPEB expense of \$345,292. As of fiscal year ended June 30, 2018, the WRCOG reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 51,561	\$ 932,100
Contributions to OPEB plan subsequent to the measurement date	185,075	-
Total	<u>\$ 236,636</u>	<u>\$ 932,100</u>

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The \$185,075 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability (asset) during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ (62,807)
2020	(62,807)
2021	(62,807)
2022	(62,807)
2023	(62,807)
Thereafter	(566,504)
	<u>\$ (880,539)</u>

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.

NOTE 9 – 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.

NOTE 10 – RELATED PARTY TRANSACTIONS

WRCOG purchased services during the current year from the County of Riverside, which is also a member of WRCOG, rent, communication and IT, which amounted to \$135,409 and are included as expenditures in the General Fund.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 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; nearly 150 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 the year, WRCOG received 1.463% of the amount financed, for each assessment, in the residential program. A program management fee of \$55 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$40 annual administrative fee, per assessment, used to levy on county tax rolls.

For the commercial program, WRCOG received 1.15% of the amount financed, for each assessment, in the program. A program management fee of \$95 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$390 annual administrative fee, per assessment, used to levy on county tax rolls.

PACE revenues are broken out by two types: Program and Recording. For FY 17/18, Program revenue totaled \$4,666,279, while Recording revenue totaled \$1,108,745. Recording revenues are recouped from each bond assessment and charged to recover the amount paid to each County for recording, essentially offsetting the fees paid.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 12 – BEYOND PROGRAM

In June 2015, WRCOG launched the BEYOND Framework Fund Program (BEYOND), to provide local assistance funding to help its member agencies develop and implement plans and programs that can help improve the quality of life in Western Riverside County. BEYOND projects address critical growth components such as economic development, water, education, environment, energy, health, and transportation.

The BEYOND Program is funded by net PACE program revenues. Funds are required to be expended pursuant to program guidelines. Funds are provided to member agencies on a reimbursement basis. During the year, reimbursements to various member agencies for projects approved by WRCOG totaled \$593,223 from BEYOND Round I funding, and \$186,330 for Round II were reimbursed. The remaining \$2,533,866 is assigned within the General Fund for the BEYOND program.

NOTE 13 – 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. 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 is funded by net PACE program revenues. In the fiscal year ending June 30, 2018, a total of \$1.1 million was allocated to the Fellowship Program. During the year, reimbursements to various member agencies for hired interns approved by WRCOG totaled \$585,268. The remaining \$514,732 is assigned within the General Fund for the Fellowship Program.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 14 – 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, 2018, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to \$1,000,000 per occurrence and \$100,000 personal property.
- 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.

In each of the past three fiscal years, WRCOG had no settlements that exceeded insurance coverage.

NOTE 15 – SUBSEQUENT EVENTS

WRCOG has collected approximately \$15 million related to Settlement between WRCOG and the City of Beaumont. WRCOG anticipates that they may collect additional funds within the next three to five years. The amount of any additional collections is unknown at this time.

WRCOG will be dispersing these funds to its member agencies and partner agencies, based on direction from the Executive Committee. The Settlement Agreement also allows WRCOG to use funds recovered via this process to reimburse itself for legal costs related to their collection. As such, WRCOG will be seeking reimbursement from these funds for legal costs associated with their collection.

NOTE 16 – PRIOR PERIOD RESTATEMENT

Change in Accounting Principle

As discussed in Note 1, WRCOG implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. WRCOG's net OPEB liability was not previously recorded on the statement of net position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements.

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

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018**

NOTE 16 – PRIOR PERIOD RESTATEMENT, (Continued)

The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement as follows:

Government-Wide Statements

Statement of Activities - Governmental Activities

Net position, beginning of year, prior to restatement	\$ 4,338,380
Elimination of OPEB asset as calculated under GASB 45	(559,059)
Recording of initial OPEB liability as calculated under GASB 75	(659,580)
Recording of initial OPEB related deferred amounts as calculated under GASB 75	85,605
Restatement due to change in accounting principle	<u>(1,133,034)</u>
Net position, beginning of year, as restated	<u><u>\$ 3,205,346</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 886,600	\$ 886,600	\$ 931,500	\$ 44,900
TUMF mitigation fees	1,644,663	1,644,663	2,056,285	411,622
PACE fees	10,524,077	5,712,131	5,684,817	(27,314)
Other revenues	1,708,145	1,662,463	1,448,287	(214,176)
Investment income	-	-	22,819	22,819
Total revenues	<u>14,763,485</u>	<u>9,905,857</u>	<u>10,143,708</u>	<u>237,851</u>
Expenditures:				
Current:				
General government	10,878,209	10,906,529	4,493,570	6,412,959
Energy	7,570,120	6,563,317	6,336,292	227,025
Environmental	635,262	632,284	570,687	61,597
Total Expenditures	<u>19,083,591</u>	<u>18,102,130</u>	<u>11,400,549</u>	<u>6,701,581</u>
Net change in fund balance	<u>\$ (4,320,106)</u>	<u>\$ (8,196,273)</u>	<u>(1,256,841)</u>	<u>\$ 6,939,432</u>
Fund balance:				
Balance, beginning of year,			12,582,729	
Balance, end of year			<u>\$ 11,325,888</u>	

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

**Schedule of the WRCOG's Proportionate Share
of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*
As of the Year Ended June 30, 2018**

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability¹</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.0229%	\$ 1,421,911	\$ 1,422,424	99.96%	79.82%
6/30/2015	0.0263%	1,808,565	1,616,828	111.86%	78.40%
6/30/2016	0.0265%	2,297,048	1,760,643	130.47%	78.40%
6/30/2017	0.0271%	2,689,185	2,062,647	130.38%	74.33%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

* Historical information is required only for measurement period for which GASB 68 & 71 were applicable. Future years' information will be displayed up to 10 years as information becomes available.

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

**Schedule of Plan Contributions
Last Ten Years*
As of the Year Ended June 30, 2018**

<u>Fiscal Year</u>	<u>Contractually Determined Contributions</u>	<u>Contributions in Relation to the Contractually Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014-15	\$ 294,471	\$ (294,471)	\$ -	\$ 1,616,828	18.21%
2015-16	305,212	(305,212)	-	1,760,643	17.34%
2016-17	323,200	(323,200)	-	2,062,647	15.67%
2017-18	345,428	(345,428)	-	2,413,255	14.31%

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: For measurement date 6/30/2017, the discount rate was changed from 7.65 percent (net of administrative expenses) to 7.15 percent. For measurement date 6/30/2015, the discount rate was changed from 7.5 percent (net of administrative expenses) to 7.65 percent.

* Historical information is required only for measurement period for which GASB 68 & 71 were applicable. Future years' information will be displayed up to 10 years as information becomes available.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

Fiscal Year Measurement Period	<u>2017-18</u> <u>2016-17</u>
Total OPEB Liability	
Service cost	\$ 108,879
Interest	159,498
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(113,278)
Actuarial Losses for 2017/18	(156,922)
Net change in total OPEB liability	(1,823)
Total OPEB liability - beginning	2,443,082
Total OPEB liability - ending (a)	<u>2,441,259</u>
Plan Fiduciary Net Position	
Contributions – employer	-
Net investment income	104,450
Benefit payments	(85,605)
Transfers	(20,311)
Administrative expense	(7,361)
Net change in plan fiduciary net position	(8,827)
Plan fiduciary net position - beginning	1,783,502
Plan fiduciary net position - ending (b)	<u>1,774,675</u>
 Net OPEB liability - ending (a) - (b)	 <u><u>\$ 666,584</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 72.7%
 Covered-employee payroll	 \$ 2,211,299
 Net OPEB liability as a percentage of covered payroll	 30.1%

Notes to Schedule:

Changes in assumptions: none

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Fiscal Year 2017-18 was the first year of implementation.

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

**Schedule of OPEB Plan Contributions – Last Ten Years*
For the Year Ended June 30, 2018**

Fiscal Year	<u>2017-18</u>
Contractually Determined Contribution (CDC)	\$ 185,075
Contributions in relation to the CDC	<u>(185,075)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 2,211,299
Contributions as a percentage of covered-employee payroll	8.4%

Methods and Assumptions for 2017-18 Actuarially Determined Contribution	
Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal.
Amortization Methodology	Level percentage of payroll, open
Asset Valuation Method	Market value
Discount Rate	6.25%
General Inflation	2.75%
Medical Trend	4.0% for 2018, decreasing to an ultimate rate of 5.0% in 2022 and later years
Mortality	RP2000 Group Annuity Mortality Table with Scale AA for future mortality improvement to 2004. Blended tables for males and females (50% / 50%).

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

**Notes to the Required Supplementary Information
For the Year Ended June 30, 2018**

NOTE 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 2018, 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.

The TUMF Fund does not have an adopted budget that is approved by the WRCOG General Assembly, therefore, the TUMF Fund does not present a budget to actual comparison.

SUPPLEMENTARY INFORMATION

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

**Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and investments	\$ 506,005	\$ 32,098,819	\$ 30,770,863	\$ 1,833,961
Total assets	<u>\$ 506,005</u>	<u>\$ 32,098,819</u>	<u>\$ 30,770,863</u>	<u>\$ 1,833,961</u>
Liabilities				
Deposits	\$ 506,005	\$ 32,507,905	\$ 31,179,949	\$ 1,833,961
Total liabilities	<u>\$ 506,005</u>	<u>\$ 32,507,905</u>	<u>\$ 31,179,949</u>	<u>\$ 1,833,961</u>

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Statistical Section

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

**Statistical Section Overview
For the Fiscal Year Ended June 30, 2018**

This section of the Western Riverside Council of Government's Comprehensive Annual 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.

Financial Trends: These schedules contain trend information to assist readers in understanding and assessing how WRCOG's financial position has changed over time.

*Net Position by Component
Changes in Net Position
Fund Balances of Governmental Funds
Changes in Fund Balances in Governmental Funds*

Revenue Capacity: These schedules contain information to help the reader assess WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.

WRCOG Revenues

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.

*Demographic and Economic Statistics for Riverside County
Principal Employers of Riverside County*

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.

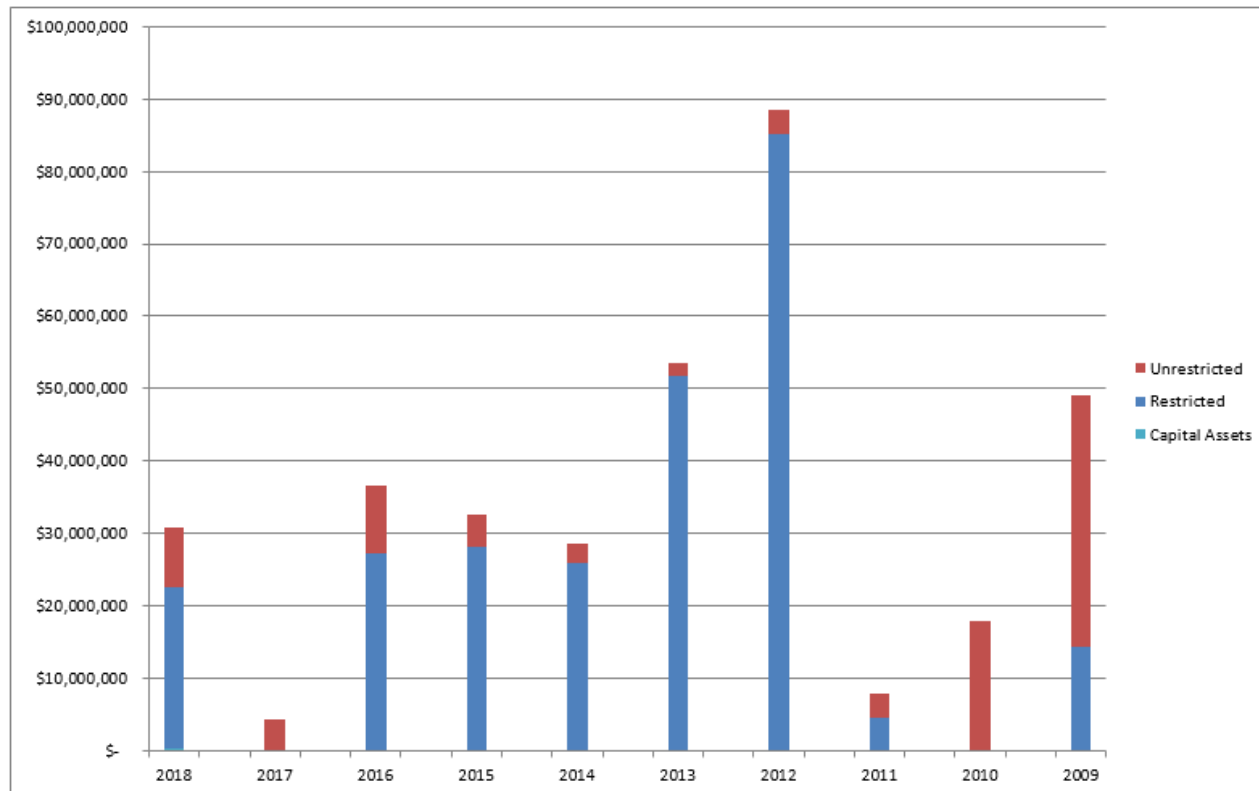
Full-time Equivalent Employees by Function/Program

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

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in										
Capital Assets	\$ 413,343	\$ 93,875	\$ 100,296	\$ 54,038	\$ 30,021	\$ 20,735	\$ 32,918	\$ 47,304	\$ 60,690	\$ 62,883
Restricted	22,211,582	11,702	27,079,334	28,033,173	25,869,263	51,733,864	85,054,212	4,632,048	-	14,389,308
Unrestricted	8,130,795	4,232,803	9,385,943	4,556,290	2,632,813	1,880,401	3,361,861	3,279,968	17,953,134	34,711,008
Total governmental activities net position	<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>	<u>\$ 53,635,000</u>	<u>\$ 88,448,991</u>	<u>\$ 7,959,320</u>	<u>\$ 18,013,824</u>	<u>\$ 49,163,199</u>

Source: Finance Department



**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses										
Governmental activities:										
General government	\$ 5,416,418	\$ 4,028,482	\$ 2,520,688	\$ 2,031,313	\$ 2,245,634	\$ 2,401,116	\$ 3,392,955	\$ 1,974,339	\$ 1,987,220	\$ 2,021,169
Transportation	34,971,790	74,542,061	41,631,788	33,114,224	54,779,449	50,187,717	21,194,918	18,983,962	43,206,326	35,250,572
Energy	6,333,946	5,622,980	5,629,560	4,926,278	2,445,533	1,608,694	476,844	20,033	22,812	25,522
Environmental	570,687	513,137	423,667	531,945	647,781	576,600	520,748	-	-	-
Total primary government expenses	<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>	<u>54,774,127</u>	<u>25,585,465</u>	<u>20,978,334</u>	<u>45,216,358</u>	<u>37,297,263</u>
Program Revenues										
Governmental activities:										
General government	567,640	512,876	513,188	349,268	420,810	528,756	63,102	1,515,581	1,495,290	1,256,051
Transportation	67,483,341	42,731,611	43,508,888	37,430,113	24,905,073	25,966,400	14,122,996	8,121,757	10,832,988	13,145,887
Energy	6,003,534	9,316,452	9,779,134	7,473,816	3,198,814	1,482,940	190,142	-	-	-
Environmental	515,141	528,775	464,885	620,836	618,415	619,388	712,040	-	-	-
Total primary government program revenues	<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>28,597,484</u>	<u>15,088,280</u>	<u>9,637,338</u>	<u>12,328,278</u>	<u>14,401,938</u>
Net (Expense)/Revenue										
Total primary government net expense	<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>	<u>(26,176,643)</u>	<u>(10,497,185)</u>	<u>(11,340,996)</u>	<u>(32,888,080)</u>	<u>(22,895,325)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Other revenues	-	-	36,112	241,763	259,349	308,294	852,752	647,701	428,092	516,688
Investment income	273,559	(12,645)	509,228	552,021	706,876	(285,642)	806,546	638,791	1,310,611	4,798,161
Special Item	-	-	-	-	-	-	-	-	-	73,713,976
Total primary government	<u>273,559</u>	<u>(12,645)</u>	<u>545,340</u>	<u>793,784</u>	<u>966,225</u>	<u>22,652</u>	<u>1,659,298</u>	<u>1,286,492</u>	<u>1,738,703</u>	<u>79,028,825</u>
Changes in Net Position										
Total primary government	<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>	<u>\$ (26,153,991)</u>	<u>\$ (8,837,887)</u>	<u>\$ (10,054,504)</u>	<u>\$ (31,149,377)</u>	<u>\$ 56,133,500</u>

Source: Finance Department

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

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

		Fiscal Year									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>GENERAL FUND</u>											
General fund:											
	Nonspendable										
	Prepaid Expenses	\$ 43,859	\$ 167,212	\$ 90,762	\$ 82,987	\$ 70,111	\$ 67,357	\$ 36,386	\$ 52,047		
	Restricted										
	LTF	-	-	-	-	581,358	578,909	591,273	650,397		
	Assigned	-	11,702	-	-	-	-	-	-		
	BEYOND Program	2,533,866	3,305,419	1,556,763	-	-	-	-	-		
	Fellowship Program	514,732	121,272	400,000	-	-	-	-	-		
	Unassigned	8,233,431	8,988,826	7,888,825	5,415,947	1,275,895	456,939	392,965	76,440		
Total general fund		<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>	<u>\$ 1,103,205</u>	<u>\$ 1,020,624</u>	<u>\$ 778,884</u>		
General fund:											
	Reserved									\$ -	\$ -
	Designated									3,077,075	3,882,403
	Undesignated									1,042,934	1,390,576
										<u>\$ 4,120,009</u>	<u>\$ 5,272,979</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>											
All other governmental funds:											
	Committed										
	TUMF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,530,712		
	Restricted										
	Transportation	38,098,604	9,373,801	51,540,293	53,379,614	49,094,887	65,104,205	95,670,753	-		
	Foundation	11,733	-	11,690	11,695	11,604	20,550	11,370	48,346		
	Assigned										
	TUMF	-	-	-	-	-	-	-	31,175,659		
Total all other governmental funds		<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>	<u>\$ 65,124,755</u>	<u>\$ 95,682,123</u>	<u>\$ 103,754,717</u>		
All other governmental funds:											
	Reserved									\$ 92,968,382	\$ 126,416,225
	Undesignated									30,555,061	29,287,019
Total all other governmental funds										<u>\$ 123,523,443</u>	<u>\$ 155,703,244</u>

Source: Finance Department

In FY 2011 WRCOG implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Prior year amounts in this presentation have not been revised to reflect this change.

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues										
Intergovernmental, net	\$ 931,500	\$ 1,145,570	\$ 1,058,265	\$ 1,461,999	\$ 1,350,596	\$ 1,830,454	\$ 1,216,550	\$ 1,515,581	\$ 1,495,290	\$ 1,256,051
TUMF Mitigation fees	51,305,031	42,239,340	42,615,158	36,507,739	24,306,973	25,361,053	13,871,730	8,165,385	10,708,454	12,787,664
HERO fees	5,684,817	9,028,003	9,562,139	7,159,144	2,197,585	-	-	-	-	-
Other revenues	16,648,307	894,488	848,957	986,914	1,547,307	1,714,271	852,752	647,701	428,092	516,688
Investment income (loss)	273,560	(12,645)	509,229	552,021	420,526	(285,642)	806,546	638,791	1,310,611	4,798,161
Total revenues	<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>	<u>28,620,136</u>	<u>16,747,578</u>	<u>10,967,458</u>	<u>13,942,447</u>	<u>19,358,564</u>
Expenditures										
Current:										
General Government	4,493,570	3,965,880	2,681,489	2,070,885	2,191,112	2,321,713	3,969,631	3,650,185	3,832,989	3,638,627
Programs:										
Transportation	35,974,673	82,703,352	44,125,019	30,998,608	44,901,088	52,612,593	23,624,407	28,039,139	43,421,151	33,605,661
Energy	6,336,292	5,632,488	5,647,563	4,929,398	2,431,687	1,589,887	675,950	-	-	-
Environmental	570,687	513,137	435,670	534,027	638,549	564,061	653,485	-	-	-
Debt service	-	-	-	-	-	1,500,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	6,647	20,617	6,893
Total expenditures	<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>58,588,254</u>	<u>28,923,473</u>	<u>31,695,971</u>	<u>47,274,757</u>	<u>37,251,181</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(29,968,118)</u>	<u>(12,175,895)</u>	<u>(20,728,513)</u>	<u>(33,332,310)</u>	<u>(17,892,617)</u>
Other financing sources (uses):										
Loan proceeds	-	-	-	-	-	1,500,000	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,500,000	-	-	-	-
Net change in fund balances	<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>	<u>\$ (28,468,118)</u>	<u>\$ (12,175,895)</u>	<u>\$ (20,728,513)</u>	<u>\$ (33,332,310)</u>	<u>\$ (17,892,617)</u>
Debt service as a percentage of noncapital expenditures	<u>0.0%</u>									

Source: Finance Department

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

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

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL FUND:										
Member dues:										
Banning	\$ 3,941	\$ 3,941	\$ 3,941	\$ 3,957	\$ 3,957	\$ 3,957	\$ 3,957	\$ 3,957	\$ 3,957	\$ 5,361
Beaumont	-	-	-	5,255	5,255	5,255	5,255	5,255	5,255	2,486
Calimesa	1,049	1,049	1,049	1,102	1,102	1,102	1,102	1,102	1,102	1,739
Canyon Lake	1,406	1,406	1,406	2,256	2,256	2,256	2,256	2,256	2,256	3,410
Corona	20,290	20,290	20,290	25,886	25,886	25,886	25,886	25,886	25,886	35,226
Eastvale	7,171	7,171	7,171	-	-	-	-	-	-	-
Hemet	9,797	9,797	9,797	10,386	10,386	10,386	10,386	10,386	10,386	13,158
Jurupa Valley	12,710	12,710	12,710	-	-	-	-	-	-	-
Lake Elsinore	6,933	6,933	6,933	7,904	7,904	7,904	7,904	7,904	7,904	7,160
Menifee	10,491	10,491	10,491	10,147	10,147	10,147	10,147	10,147	10,147	-
Moreno Valley	25,780	25,780	25,780	25,413	25,413	25,413	25,413	25,413	25,413	30,749
Murrieta	13,794	13,794	13,794	17,954	17,954	17,954	17,954	17,954	17,954	12,880
Norco	3,573	3,573	3,573	4,482	4,482	4,482	4,482	4,482	4,482	6,058
Perris	9,215	9,215	9,215	8,173	8,173	8,173	8,173	8,173	8,173	7,624
Riverside	40,512	40,512	40,512	42,894	42,894	42,894	42,894	42,894	42,894	62,876
San Jacinto	5,889	5,889	5,889	5,504	5,504	5,504	5,504	5,504	5,504	5,111
Temecula	13,424	13,424	13,424	18,714	18,714	18,714	18,714	18,714	18,714	17,854
Wildomar	4,298	4,298	4,298	4,863	4,863	4,863	4,863	4,863	4,863	-
County of Riverside	48,136	48,136	48,136	43,520	43,520	43,520	43,520	43,520	43,520	68,788
County of Riverside - Office of Superintendent	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	20,000
Western Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	20,000
Morongo Band of Mission Indians	17,000	17,000	9,500	10,000	10,000	-	-	-	-	-
Total Member dues	\$ 306,410	\$ 306,410	\$ 298,910	\$ 299,410	\$ 299,410	\$ 289,410	\$ 289,410	\$ 272,410	\$ 272,410	\$ 320,480
ALL OTHER GOVERNMENTAL FUNDS										
Transportation Uniform Mitigation Fee (TUMF):										
Banning	\$ 16,040	\$ 40,930	\$ 6,326	\$ 54,738	\$ 4,116	\$ -	\$ 89,603	\$ 2,057	\$ 36,319	\$ 12,606
Beaumont	514,351	-	-	-	-	-	-	-	-	-
Calimesa	4,055	103,835	10,359	133,217	65,387	1,310	1,144	22,963	154,051	-
Canyon Lake	38,832	18,525	20,583	27,055	22,642	4,117	1,028	6,169	2,259	2,313
Corona	140,921	1,153,262	2,743,488	1,989,728	114,644	104,773	1,272,328	215,876	109,292	422,457
Eastvale	1,735,201	1,249,621	1,705,338	1,241,685	1,438,152	1,478,348	665,522	434,531	-	-
Hemet	217,626	52,392	351,010	545,597	736,612	531,470	194,078	145,284	1,026,097	536,448
Jurupa Valley	995,072	2,400,109	2,302,649	1,738,387	242,216	112,044	32,901	-	-	-
Lake Elsinore	56,629	800,725	969,533	898,098	868,004	646,241	259,098	263,885	115,607	392,960
March JPA	1,668,406	765,627	222,482	239,874	-	227,695	-	-	156	-
Menifee	1,944,365	1,374,603	1,203,549	909,230	1,665,304	821,673	628,138	1,108,611	1,136,869	4,430,855
Moreno Valley	300,521	883,562	1,356,327	2,343,895	1,138,394	693,588	29,612	425,411	413,086	641,423
Murrieta	2,585,547	884,391	1,452,155	1,496,315	70,944	81,192	64,386	702,612	360,959	152,991
Norco	1,867,070	304,411	100,355	101,444	11,288	8,232	-	65,000	5,764	83,055
Perris	918,236	1,235,325	1,167,113	1,069,887	1,498,823	320,608	124,896	187,814	107,272	412,229
Riverside	1,484,544	3,113,205	1,852,839	1,461,429	594,363	1,365,025	955,549	837,989	299,033	1,000,099
San Jacinto	3,212,024	843,818	698,893	259,021	200,630	70,674	90,480	123,462	235,158	355,874
Temecula	1,448,548	810,938	809,664	679,386	227,028	1,772,534	944,090	1,288,039	940,530	1,746,599
Wildomar	87,114	826,659	384,865	83,178	219,722	1,032,017	16,451	30,063	310,670	4,625
County - Northwest	272,790	569,203	414,258	216,343	183,616	189,161	248,635	685,058	1,545,271	2,352,587
County - Southwest	1,643,915	863,473	636,493	1,529,926	1,288,379	1,622,276	598,885	367,429	639,407	2,575,582
County - Central	1,125,077	911,716	1,040,489	593,671	46,173	434,159	37,570	127,594	144,747	833,937
County - Pass	815,242	12,349	20,581	16,502	4,116	431,198	2,181	3,347	23,962	31,344
County - Hemet/San Jacinto	538,808	376,151	299,821	91,090	82,324	30,103	15,701	6,316	33,120	169,059
Regional Transit Authority	1,203,022	692,725	698,889	314,621	367,630	423,339	194,423	185,257	341,681	563,184
Riverside County Transportation Commission	23,630,935	19,594,830	19,769,172	17,480,991	10,899,357	11,978,440	5,494,327	5,438,916	6,603,169	10,548,866
WRCOG	2,056,290	1,689,574	1,704,607	2,076,008	974,049	1,027,871	505,866	544,408	663,267	2,453,241
MSHCP	783,850	667,382	673,319	602,662	369,011	407,929	191,743	194,668	223,217	358,564
Total TUMF	\$ 51,305,031	\$ 42,239,340	\$ 42,615,159	\$ 38,193,977	\$ 23,332,924	\$ 25,816,019	\$ 12,658,634	\$ 13,412,759	\$ 15,470,963	\$ 30,080,898

Source: Fiscal Department

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

**Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u> <u>(thousands)</u>	<u>Per Capita Personal</u> <u>Income</u>	<u>Unemployment Rate</u>
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%
2012	2,239,620	67,024,780	29,927	13.20%
2011	2,189,641	63,900,000	29,035	14.70%
2010	2,125,440	63,228,086	29,748	13.40%
2009	2,077,183	64,503,728	31,053	8.50%

Sources: California State Department of Finance as of January 1
U.S. Department of Commerce Bureau of Economic Analysis
Riverside County Economic Development Agency

Represents most recent data available
Data not available solely for Western Riverside County

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

**Employment Statistics by Industry for Riverside County
Calendar Years 2017 and Nine Calendar Years**

Industry Type	2017	% of Total Employment	2008	% of Total Employment
Agricultural service, forestry, fishing and other	133,200	18.0%	115,100	19.4%
Mining	400	0.1%	500	0.1%
Construction	64,400	8.7%	47,800	8.1%
Manufacturing	42,700	5.8%	44,200	7.5%
Transportation, warehousing, and public utilities	45,800	6.2%	20,900	3.5%
Wholesale trade	24,700	3.3%	19,800	3.3%
Retail trade	98,300	13.3%	87,200	14.7%
Professional & business services	69,700	9.4%	56,400	9.5%
Education & health services	109,500	14.8%	70,900	12.0%
Other services	23,000	3.1%	17,800	3.0%
Federal government, civilian	7,200	1.0%	6,800	1.1%
State government	19,300	2.6%	16,000	2.7%
Local government	101,600	13.7%	88,400	14.9%
Total	739,800	100.0%	591,800	100.0%

Source: State of California Economic Development Department

Represents most recent data available

Data not available solely for Western Riverside County

<http://www.labormarketinfo.edd.ca.gov/county/river.html>

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

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	As of June 30									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Management services and administration	7.0	9.0	7.8	7.2	5.5	5.9	6.0	6.5	7.3	5.1
Transportation	4.0	3.5	5.5	4.9	4.9	5.8	5.0	6.3	6.5	7.7
Energy	14.0	15.3	8.3	7.2	4.6	3.1	2.2	3.2	3.2	3.2
Environmental	4.5	2.3	1.3	3.4	3.0	3.0	2.0	3.0	3.0	3.0
Total full time equivalents	29.5	30.1	22.8	22.7	18.0	17.8	15.2	19.0	20.0	19.0

Source: Fiscal Department

Item 5.I

Fiscal Year 2017/2018
Comprehensive Annual Financial
Report (CAFR)

Attachment 2

FY 2017/2018 Statement on Auditing
Standards 114 Report

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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

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
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Jay H. Zercher, CPA (Partner Emeritus)
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Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA

Independent Auditor's Report

To the 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 Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements, and have issued our report thereon dated November 05, 2018.

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) to determine the 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.



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Quality Center

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, and 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 WRCOG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malachy & Scott, LLP.

San Bernardino, California
November 05, 2018

Item 5.I

Fiscal Year 2017/2018
Comprehensive Annual Financial
Report (CAFR)

Attachment 3

FY 2017/2018 Internal Standards
Report

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To the Executive Committee
Western Riverside Council of Governments

We have audited the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2018, and have issued our report thereon dated November 05, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 9, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of WRCOG's solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by WRCOG is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, WRCOG changed its method of accounting for Other Postemployment Benefits (OPEB) by adopting Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the fair value of investments is based on observable market inputs and information from WRCOG's safekeeping custodian banks. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the net pension liability/net OPEB liability and related deferred inflows and deferred outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting WRCOG's financial statements relate to:

The disclosure of fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of net pension liability in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the net OPEB liability and related deferred inflows and deferred outflows in Note 8 to the financial statements is based on actuarial assumptions. Actual future liabilities/assets may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to WRCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 05, 2018.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with WRCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Western Riverside Council of Government's auditors.

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB liability, schedule of OPEB plan contributions and the General Fund budgetary comparison schedules, 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 not engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Executive Committee, and management of WRCOG and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malachy & Scott, LLP.

San Bernardino, California
November 05, 2018



November 05, 2018



INLAND NEWS GROUP

Rogers, Anderson, Malody and Scott, LLP
735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of Western Riverside Council of Governments (WRCOG) as of June 30, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of WRCOG in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 05, 2018.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 9, 2018 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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 fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.

- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We *are* not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- WRCOG has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
- WRCOG has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Changes in the Net Other Post-Employment Benefits Liability, Schedule of Other Post-Employment Benefit Plan Contributions, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Rick Bishop
Executive Director



Andrew Ruiz
Interim Chief Financial Officer

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Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Environmental Department Activities Update

Contact: Kyle Rodriguez, Staff Analyst, krodriguez@wrcog.us, (951) 405-6721

Date: March 4, 2019

The purpose of this item is to provide an update of the Solid Waste Cooperative, updates to the Used Oil Program, and the status of the Clean Cities Coalition.

Requested Action:

1. Receive and file.

Background

WRCOG's Environment Department assists member jurisdictions with addressing state mandates which requires education and outreach programs that reduce greenhouse gas emissions. The Environment Department houses three programs to meet California's goals: 1) a Solid Waste Cooperative, which assists in strategies of reduction of short-lived climate pollutants; 2) a regional Used Oil Recycling Program, designed to promote the proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW); and 3) the Clean Cities Coalition, which aims to cut petroleum use in the transportation sector through integration of alternative fuels and technology.

Solid Waste Cooperative

WRCOG's Solid Waste Cooperative is formed of 18 WRCOG member agencies, local waste haulers, the California Department of Resources Recycling and Recovery (CalRecycle), and other guests of interest. The Cooperative was formed to help the subregion discuss issues of importance and learn challenges and successes of recycling programs invoked.

In October 2018, staff held one-on-one meetings with members of the Cooperative and was asked to focus on recently-chaptered legislation SB 1383, Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reduction. SB 1383 aims to achieve a 50% reduction in statewide greenhouse gas emissions from organic waste disposal by the year 2020.

On February 20, 2019, WRCOG hosted a workshop on SB 1383. Local representation included audience members from across Riverside County from the Cities of Banning, Calimesa, Corona, Desert Hot Springs, Eastvale, Hemet, Indio, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Palm Springs, Riverside, San Jacinto, and Temecula, the Morongo Band of Mission Indians, the Riverside County Department of Environmental Health, the Riverside County Department of Waste Resources, and many more. The workshop also hosted a live webinar for those interested individuals who could not attend in-person.

CalRecycle presented general information on the legislation and requirements of the jurisdictions. HF&H Consultant's focused on the decisions that jurisdictions will need to make surrounding implementation and

compliance for the law. A panel discussion was held for questions and concerns. Attached is a copy of the PowerPoint presentation from the workshop.

Used Oil and Filter Exchange Events

The Used Oil Program is paid for by a grant from CalRecycle which funds jurisdictions to provide outreach and education on recycling of used motor oil, oil filters, and HHW. Used oil and filter exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. WRCOG provides this outreach on behalf of the 18 member jurisdictions that participate in the Program. The primary objective is to teach “Do It Yourself” (DIY) individuals who change their oil how to properly dispose of their used oil and oil filters; therefore, an auto parts store is an excellent venue for events. During oil events, every individual that brings in their used oil filter will be provided with a brand new, equal or lesser price filter, at no cost. In addition to promoting used oil and oil filter recycling, staff provides information about future County-wide HHW Collection Programs, which allows residents to drop-off other automotive and hazardous household products for free. WRCOG staff utilizes an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. In 2019, the first two events advertised on social media reached 97,000 users through Facebook promotion alone.

The following is a list of “completed” Used Oil Outreach and Filter Exchange Events:

Date	Event	Location	Oil Filters
1/12/2019	Oil & Filter Event	Hemet	26
1/26/2019	Oil & Filter Event	Riverside	127
2/2/2019	Oil & Filter Event	Eastvale	75
2/16/2019	Oil & Filter Event	Riverside	108
2/23/2019	Oil & Filter Event	Murrieta	20

The following is a list of “upcoming” Used Oil Outreach and Oil Filter Exchange Events:

Date	Event	Location	Time
3/23/2019	Oil & Filter Event	Lake Elsinore	9:00 a.m. – 12:00 p.m.
3/30/2019	Community Event	Perris	8:00 a.m. – 12:00 p.m.
4/6/2019	Oil & Filter Event	Riverside	9:00 a.m. – 1:00 p.m.
4/6/2019	Community Event	Canyon Lake	9:00 a.m. – 12:00 p.m.
4/27/2019	Oil & Filter Event	Temecula	9:00 a.m. – 12:00 p.m.
5/4/2019	Community Event	Wildomar	9:00 a.m. – 12:00 p.m.

Clean Cities Coalition

The WRCOG Clean Cities Coalition seeks to integrate technology with alternative fuels and infrastructure. Clean Cities Coalitions work with the U.S. Department of Energy (DOE) to improve efficiency, increase domestic energy security, and improve operating costs for consumers and business. Transportation is a large part of our energy economy; 70% of total U.S. petroleum usage is for transportation. The Clean Cities National Network tracks and reports fuel pricing, openings and closings of fuel stations, and vehicle and station equipment costs to the DOE to provide a picture of Alternative Fuel Vehicles (AFV) technology adoption, petroleum fuel use reductions, and air quality improvement to the subregion. Through Coalitions, the DOE funds additional activities designed to help advance the AFV market in the subregion.

WRCOG will undertake the following four activities:

- Fuel and technology feedback listening sessions
 - *The Coalition will organize and facilitate fuel and technology-specific listening sessions with fleets and other stakeholders to identify technology gaps and critical research needs to improve vehicle / infrastructure performance and usability in the subregion.*
- AFV infrastructure development and corridor planning
 - *The Coalition will organize and facilitate alternative fuel infrastructure planning activities, alternative fuel corridor development (including support of the FAST Act Section 1413, Alternative Fuel Corridor Designation initiative activities), research and preparation of alternative fueling readiness plans, and planning for future fueling infrastructure development where current corridor gaps exist in the subregion.*
 - *The Coalition will continue development and build out of its GIS planning tool and will work to nominate State Route 91 corridor as a FAST-ACT corridor for electric vehicle charging.*
- Fuel / technology outreach and demonstration events
 - *The Coalition will organize and facilitate fuel and technology specific end-user workshops and outreach event(s) including (but not limited to) hands-on ride & drives, demonstrations, educational showcases of alternative fuel and advanced technology vehicles, and refueling / charging systems. The Coalition will be assisting with the planning of an AltCar Expo being held within the Inland Empire area.*
- Targeted coaching and technical assistance
 - *The Coalition will continue to provide direct technical assistance and coaching to its member's fleets, end-users, and other appropriate stakeholders. Examples include assisting with project planning, aggregate purchasing initiatives, reviewing equipment specifications, coordinating performance testing of new fueling stations, orientation training for end-users receiving new AFVs or fueling equipment, problem-solving, etc.*

Prior Action:

February 21, 2019: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

1. SB 1383 Workshop PowerPoint.

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Item 5.J

Environmental Department Activities
Update

Attachment 1

SB 1383 Workshop PowerPoint

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WRCOG SB 1383 Workshop February 20, 2019



SB 1383 Workshop
February 20, 2019

1

SB 1383 Reducing Short-Lived Climate Pollutants in California



SB 1383 Workshop
February 20, 2019

2

SB 1383

Reducing Short-Lived Climate Pollutants in California

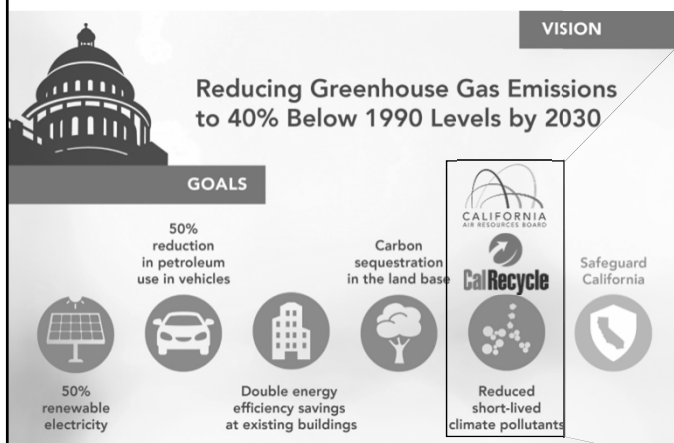
Western Riverside Council of
Governments Solid Waste
Committee Meeting
February 20, 2019

Marshall Graham
Senior Environmental Scientist, Supervisor
marshall.graham@calrecycle.ca.gov
(916) 223-3358

An Overview of SB 1383's Organic Waste Reduction Requirements

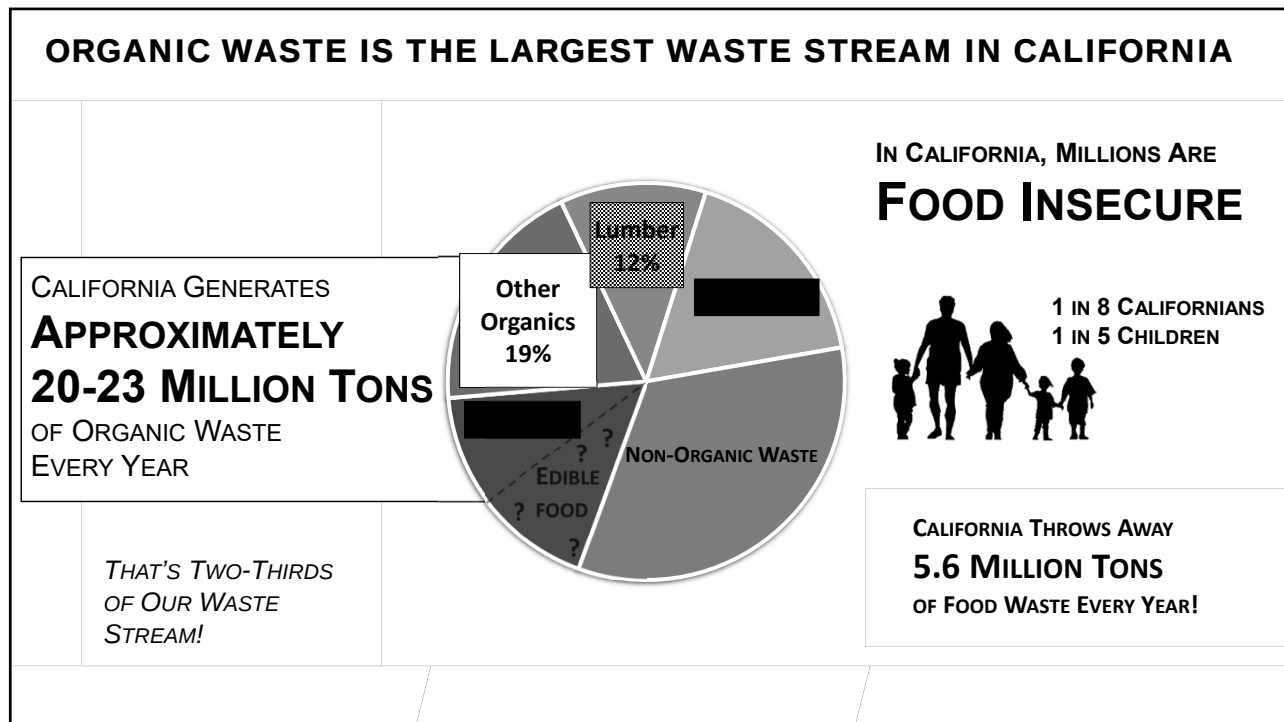


CALIFORNIA'S CLIMATE STRATEGY



ORGANIC WASTE REDUCTIONS

- Reduce Organic Waste Disposal
- Recover Edible Food from Waste Stream
- Reduce Methane Emissions

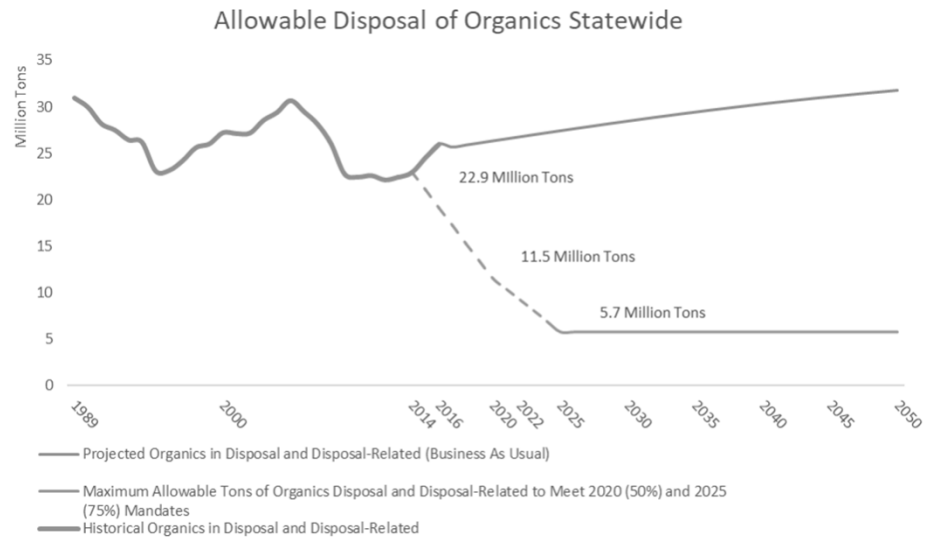


SB 1383 REQUIREMENTS	
2020	50 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (11.5 Million Tons Allowed Organic Waste Disposal)
2022	REGULATIONS TAKE EFFECT
2025	75 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (5.7 Million Tons Allowed Organic Waste Disposal)
2025	20 PERCENT INCREASE IN RECOVERY OF CURRENTLY DISPOSED EDIBLE FOOD

ORGANIC WASTE REDUCTION TARGETS

By 2020
10 Million TPY

2025 →
20+ Million TPY



ORGANIC WASTE RECYCLING INFRASTRUCTURE



SB 1383 Requires 50-100
New or Expanded
Organic Waste Recycling Facilities

STRATEGIES AND REGULATED ENTITIES

Many strategies will be necessary
to redirect manure and organic
waste toward more productive
uses that reduce emissions and
stimulate our economy...



JURISDICTION RESPONSIBILITIES

**Provide Organics
Collection Services to All
Residents and Businesses**



**Conduct Education
and Outreach to
Community**



**Secure Access to
Recycling Capacity**



**Establish Edible
Food Recovery
Program**



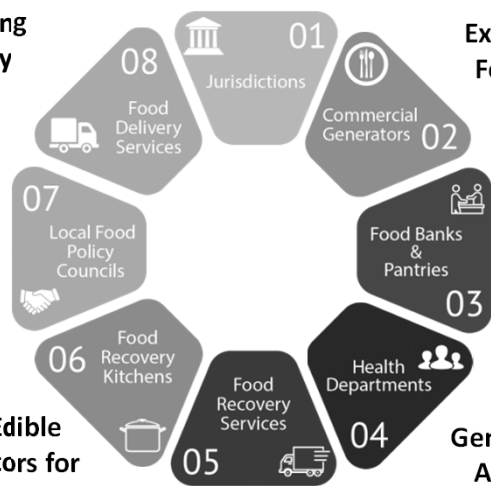
**Procure Recyclable
and Recovered
Organic Products**



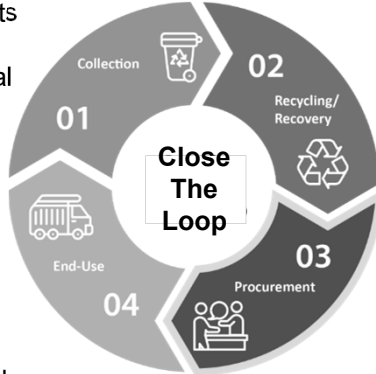
**Monitor Compliance
and Conduct
Enforcement**



SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Provide Organics Collection Services to all Residents and Businesses	ORGANIC WASTE COLLECTION SERVICES Three-Container “source separated” Collection Service • Organics prohibited from gray container • All organic waste segregated for collection and recycling Two-Container Collection Service • One container for collection of segregated organic waste • One container for collection of mixed waste (subject to 75% organic content recovery standard) One-Container Collection Service • One container for collection of mixed waste (subject to 75% organic content recovery standard) • Minimum contamination monitoring and reduction requirements • Collection waivers authorized for certain documented circumstances
--	--

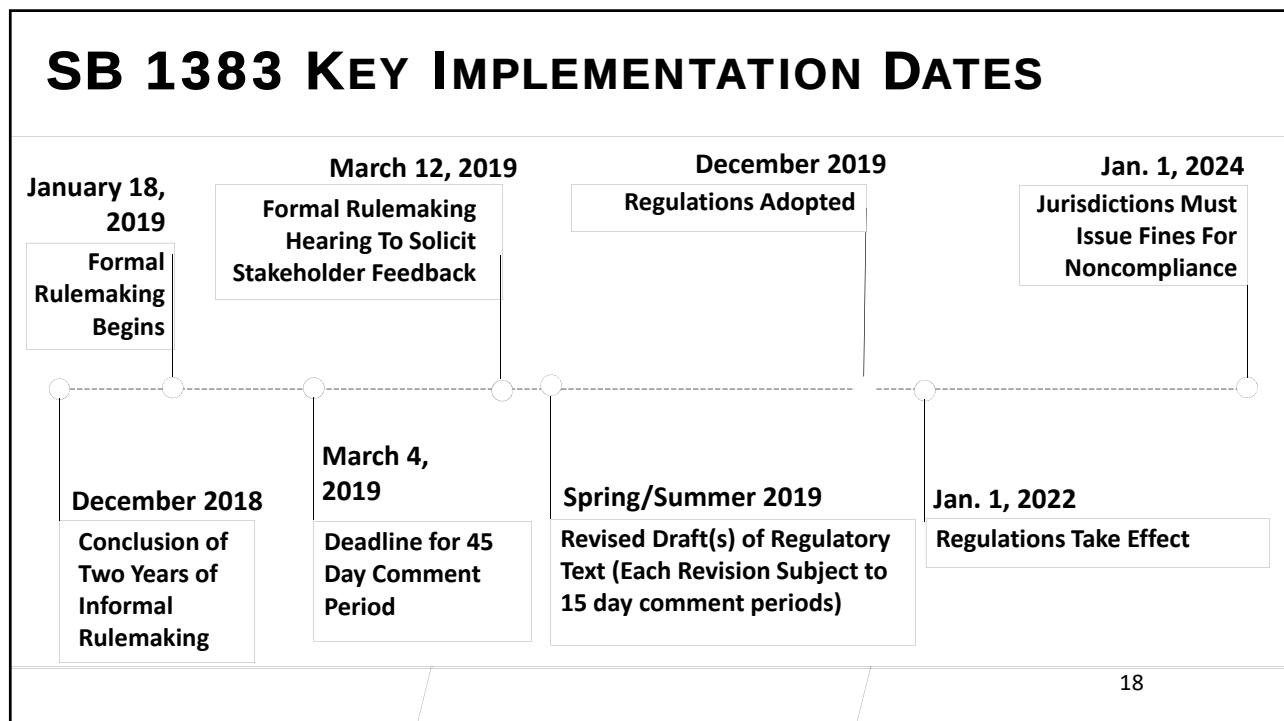
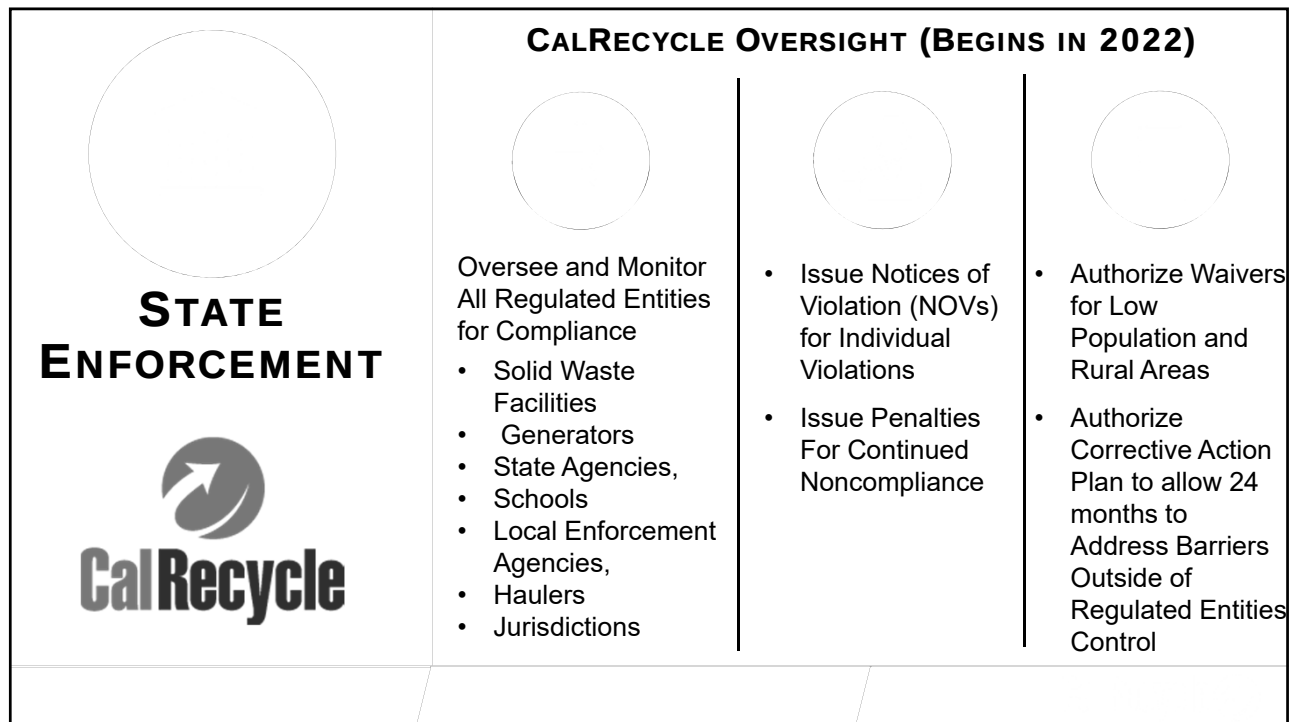
SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Establish Edible Food Recovery Program	EDIBLE FOOD RECOVERY PROGRAM Identify Existing Food Recovery Capacity Monitor Commercial Edible Food Generators for Compliance Expand Existing Food Recovery Capacity (if needed) Ensure Commercial Edible Food Generators Have Access to Food Recovery Services 
--	---

SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Conduct Education and Outreach to Community	EDUCATION REQUIREMENTS Annually educate all organic waste generators, commercial edible food generators, and self-haulers about relevant requirements Print Electronic Direct Contact Appropriate educational material must be provided to linguistically isolated households
---	---

SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Procure Recycled and Recovered Organic Products	PROCUREMENT REQUIREMENTS COMPOST & RNG Each jurisdiction must procure minimum amounts of compost or renewable natural gas MINIMUM CONTENT Paper products must be 30% recycled content QUANTITY Procurement levels are based on population RECYCLABILITY All procured paper products must be recyclable 
---	--

SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Monitor Compliance and Conduct Enforcement	INSPECTION AND ENFORCEMENT REQUIREMENTS <table><tr><th>Ordinance</th><th>Compliance Monitoring</th><th>Document Actions</th></tr><tr><td> Adopt an Ordinance or Similar Mechanism that Is Consistent with the Regulations, and Includes Enforcement </td><td> Annual Compliance Reviews, Route Reviews and/or Inspections Complaint Based Inspections </td><td> Document and record: complaints, violations, and enforcement actions </td></tr></table> Remedying Violations <table><tr><td>2022 Inform Regulated Entities of Noncompliance</td><td>2024 Conduct Enforcement, and Issue Penalties for Continued Noncompliance</td></tr></table>	Ordinance	Compliance Monitoring	Document Actions	Adopt an Ordinance or Similar Mechanism that Is Consistent with the Regulations, and Includes Enforcement	Annual Compliance Reviews, Route Reviews and/or Inspections Complaint Based Inspections	Document and record: complaints, violations, and enforcement actions	2022 Inform Regulated Entities of Noncompliance	2024 Conduct Enforcement, and Issue Penalties for Continued Noncompliance
Ordinance	Compliance Monitoring	Document Actions							
Adopt an Ordinance or Similar Mechanism that Is Consistent with the Regulations, and Includes Enforcement	Annual Compliance Reviews, Route Reviews and/or Inspections Complaint Based Inspections	Document and record: complaints, violations, and enforcement actions							
2022 Inform Regulated Entities of Noncompliance	2024 Conduct Enforcement, and Issue Penalties for Continued Noncompliance								

SB 1383 IN ACTION JURISDICTION REQUIREMENTS  Maintain Records and Report to CalRecycle	Recordkeeping Requirements: Organic Collection Services Hauler Program Contamination Minimization Waivers Education & Outreach Edible Food Recovery Program Recycled Organic Waste Procurement Recycled Paper Procurement Commercial Edible Food Generators Jurisdiction Inspection & Enforcement
--	--



HOW TO COMMENT ON THE PROPOSED REGULATION

45 DAY FORMAL COMMENT PERIOD

1/18/19 - 3/4/19

Comments Must Be Submitted by:

5:00 PM March 4th 2019

SLCP.Organics@calrecycle.ca.gov
FAX: (916) 319-7146

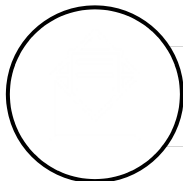
FORMAL HEARING

March 12th 2019

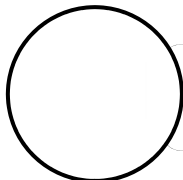
Cal EPA Building, Coastal Hearing Room
1001 I Street, 2nd Floor
Sacramento, CA 95814

Gwen Huff
P.O. Box 4025
Sacramento, CA 95812

Comments submitted in the formal comment period, or made at the formal hearing will receive a response in the final rulemaking package



<http://www.calrecycle.ca.gov/Listservs/Subscribe.aspx?ListID=152>



<http://www.calrecycle.ca.gov/Climate/SLCP>



Marshall Graham
Senior Environmental Scientist, Supervisor
Marshall.graham@calrecycle.ca.gov
916-341-6270

Ten Minute Break

- Stretch
- Restroom Code 1234#
- Snack and Refreshments Available



SB 1383 Workshop
February 20, 2019

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The Impacts of SB 1383 Draft Regulations



Philip Mainolfi
HF-H Consultants



SB 1383 Workshop
February 20, 2019

22

The Impacts of SB 1383 Draft Regulations

Presentation For the Western Riverside Council of Governments

SB 1383 Highlights



Jurisdiction Compliance



Funding Options



Next Steps

Philip Mainolfi
Pmainolfi@hfh-consultants.com
 (949) 251-0231



February 20, 2018

SB 1383 Timeline



2018 – Early 2019

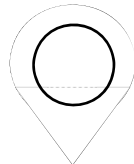
CalRecycle initiated formal rulemaking in 2018

Regulations to be adopted in early 2019



January 1, 2020

State to achieve 50% reduction of organics disposal (2014 baseline)

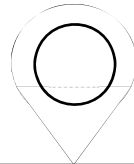


January 1, 2022

Jurisdictions must have organics recycling programs in place

Enforceable regulations take effect

Jurisdictions must implement an ordinance or ordinances



January 1, 2024

Jurisdictions must take progressive enforcement actions against non-compliant regulated entities:

- Generators
- Haulers
- Processors



January 1, 2025

State to achieve 75% reduction in organics disposal (2014 baseline)

State to recover a minimum of 20% of disposed edible food for human consumption

Jurisdiction Compliance Requirements



2

Jurisdiction Compliance Requirements



3

Organics Collection Program “Options”



Unsegregated Single-Container



2-Container Collection System



3-Container Collection System



Additional Separation Options

4

Organics Collection Program Implementation

Description	2019		2020		2021	
Design and Implement Organics Collection Program						
	Planning		Implementation		On-Going	

Beginning February 2019

- Notify Council of legislation and pending changes
- Evaluate current franchise agreement(s) and ordinance(s)
- Determine necessary modifications and path to completion

Beginning January 2020

- Update agreement(s) through procurement, amendment or negotiation
- Draft ordinance(s)
- Notify residents/businesses of SB 1383 and upcoming changes

Beginning July 2021

- Roll-out and fine tune program

5

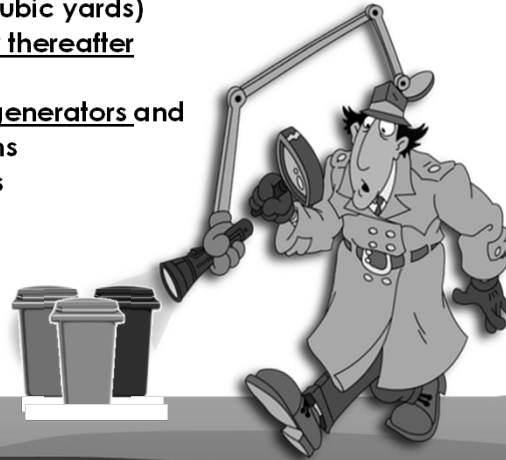
Inspections & Enforcement

After January 2022

- Compliance reviews of commercial solid waste accounts (2+ cubic yards)
By 1/31/2022 and annually thereafter
- Quarterly route reviews
- Inspection of edible food generators and food recovery organizations
- Investigation of complaints

After January 1, 2024

- Notice of Violation (NOVs) and fines issued to non-compliant generators by the jurisdiction



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Design and Implement Inspection/Enforcement Program

Description	2019		2020		2021	
Design and Implement Inspection/Enforcement Program						
	Planning		Implementation		On-Going	

Beginning January 1, 2019

- While designing your collection program consider who will be responsible for the various inspection/enforcement requirements

Beginning January 1, 2020

- Plan resources and develop procedures/training

Beginning July 1, 2021

- Hire (potential) and train staff
- Inspections of generators (due February 1, 2022)

7

Jurisdiction Procurement Requirements

Beginning January 1, 2022

1. Jurisdiction must procure a quantity of organic waste products (either compost or renewable natural gas) based on population
2. At least 75% of annual purchases of paper products and printing/writing paper must be recycled content paper



8

3

Procurement of Recovered Organic Waste Products

Description	2019		2020		2021	
Procurement of Recovered Organic Waste Products						
	Planning		Implementation		On-Going	

Beginning January 1, 2019

- While designing your collection program consider who will be responsible for procuring and supplying recovered organic waste products and what products will be procured
- Plan resources and develop procedures/training

Beginning July 1, 2020

- Develop procurement policy and targets

Beginning July 1, 2021

- Begin procuring recovered organic waste products

9

Required Ordinances and Policies

By January 1, 2022

- Recycling/organics ordinance for all generators
- Self-haul/back-haul reporting ordinance
- Edible food recovery ordinance
- CALGreen building standards ordinance
- Enforcement ordinance
- Hauler regulation ordinance
- Procurement policies for organic waste products
- Potential amendment of existing ordinances, policies, or procedures to remove restrictions prohibited by SB 1383 for some organics-related locally-adopted standards and policies



10

Funding Options

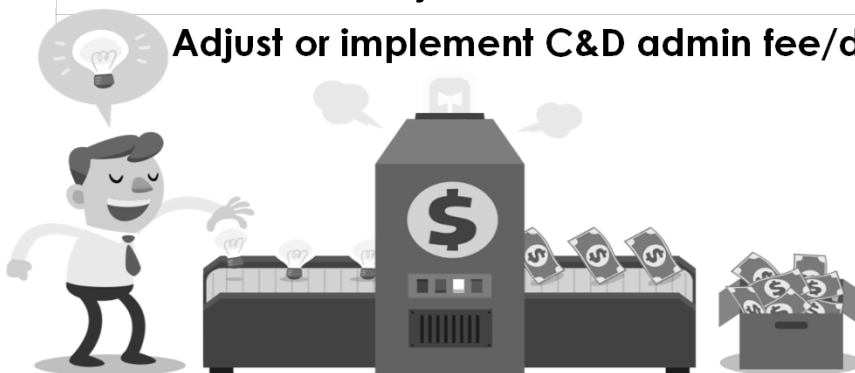
Increase rates, charge for organics

Restructure trash, recycling, & organics rates

Implement new SB 1383 fee

Adjust franchise fees

Adjust or implement C&D admin fee/deposits



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Organics Rate Structures Overview

Discounted Organics Rates

Bundled Rates

Equalized Organics Rates

Independent Organics Rates

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Rate Structures Analysis - SoCal

Public Agency	County	Food Waste Tons Diverted as % of Total Commercial Tonnage	Organics Rate Structure
1	Los Angeles	4.76%	Bundled
2	Orange	2.11%	Discounted
3	Orange	1.32%	Discounted
4	Orange	0.70%	Discounted
5	Orange	0.59%	Bundled
6	Orange	0.52%	Independent
7	Orange	0.39%	Independent
8	Orange	0.30%	Equalized
9	Orange	0.27%	Independent
10	Los Angeles	0.20%	Independent
11	Orange	0.13%	Discounted
12	Los Angeles	0.02%	Equalized
13	Los Angeles	0.01%	Bundled

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Rate Structures Analysis – SoCal Participation

Public Agency	Size	County	Total Customers with Food Waste Programs as % of Total Commercial Sector	Organics Rate Structure
1	Medium	Orange	39%	Discounted
2	Small	Orange	28%	Discounted
3	Small	Orange	9%	Discounted
4	Small	Orange	7%	Bundled
5	Medium	Los Angeles	6%	Discounted
6	Medium	Orange	5%	Discounted
7	Large	Orange	4%	Open Market
8	Large	Orange	3%	Equalized
9	Medium	Orange	3%	Independent
10	Medium	Los Angeles	2%	Equalized
11	Small	Orange	1%	Discounted
12	Large	Orange	1%	Independent
13	Large	Los Angeles	1%	Independent
14	Large	Los Angeles	Less than 1%	Equalized
15	Small	Los Angeles	Less than 1%	Bundled
16	Small	Los Angeles	Less than 1%	Independent

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Rate Structures Analysis - NorCal

Public Agency	County	Food Waste Tons Diverted as % of Total Commercial Tonnage	Organics Rate Structure
1	Monterey	21%	Discounted
2	Alameda	20%	Discounted
3	Monterey	12%	Discounted
4	Monterey	11%	Discounted
5	Monterey	11%	Discounted
6	Contra Costa	11%	Bundled
7	Monterey	5%	Discounted
8	Monterey	3%	Discounted
9	Monterey	2%	Discounted

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Rate Structures Analysis – NorCal Participation

Public Agency	County	Total Customers with Food Waste Programs as % of Total Commercial Sector	Organics Rate Structure
1	Alameda	43%	Discount
2	Contra Costa	20%	Bundled
3	Santa Cruz	18%	Discount
4	Monterey	14%	Discount
5	Monterey	8%	Discount
6	Monterey	8%	Discount
7	Alameda	6%	Discount
8	Monterey	4%	Discount
9	Monterey	4%	Discount
10	Monterey	3%	Discount
11	Monterey	3%	Discount

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Next Steps

- 🍃 Define needs and start planning
- 🍃 Identify and secure, or develop organics capacity
- 🍃 Plan/negotiate/procure services
- 🍃 Analyze funding and set rates
- 🍃 Modify ordinances



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Panel Discussion



SB 1383 Workshop
February 20, 2019

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5. Next Meeting

The next Solid Waste Committee meeting is scheduled for:

Wednesday, May 15, 2019

1:00 p.m.

WRCOG Office

3390 University Avenue, Suite 450, Riverside.

6. Adjournment



SB 1383 Workshop
February 20, 2019

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Programs Activities Update: General Activities Update and Addition of New Providers

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: March 4, 2019

The purpose of this item is to provide a general PACE Program update, hold a public hearing for the Cities of Alameda and Santa Barbara with the intention to confirm them as associate members to WRCOG's PACE Program, and to consider the addition of Lever Energy Capital under WRCOG's Commercial PACE Program.

Requested Actions:

1. Adopt WRCOG Resolution Number 03-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.
2. Direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's statewide PACE umbrella.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and was expanded in 2014 (an effort called "California HERO") to allow jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers HERO, CaliforniaFIRST, PACE Funding, and Ygrene as residential PACE providers and Greenworks, CleanFund, and Ygrene as commercial PACE providers.

Overall PACE Program Update

The following table provides a summary of residential projects that have been completed under the residential WRCOG PACE Programs through February 15, 2019:

PACE Program	Date Program Launched	Projects Completed Last Month	Project Value Last Month	Projects Completed to Date	Total Project Value
WRCOG HERO	Dec 2011	47	\$980,564	26,779	\$563,486,375
California HERO	Dec 2013	278	\$6,402,481	63,230	\$1,457,339,624
CaliforniaFIRST	May 2017	6	\$179,251	198	\$5,736,025
PACE Funding	Nov 2017	24	\$588,895	277	\$6,593,679
Total:		355	\$8,151,191	89,845	\$2,033,155,703

The following table provides a summary to date of the types of projects being completed in the WRCOG PACE Programs:

Solar	31.20%
HVAC	28.40%
Windows/Doors	14.00%
Roofing	12.10%
Landscape	5.80%

The following table provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California HERO Programs to date:

Estimated Economic and Environmental Impacts	
KW Hours Saved – Annually	1,101 GWh
GHG Reductions – Annually	222,221 tons
Gallons Saved – Annually	555 Million
\$ Saved – Annually	\$117 Million
Projected Economic Impact	\$ 3.4 Billion
Projected Job Creation/Retention	20,225 Jobs

Public Hearing and Related Resolution

Recently, the Cities of Alameda and Santa Barbara took action to become Associate Members of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the “Program Area”) to include the jurisdictions of such Associate Members.

On February 4, 2019, the Executive Committee adopted its Resolution Number 02-19 setting a public hearing to be held on March 4, 2019, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code (“Chapter 29”), to consider the modification of the Program Report to increase the Program Area to include the jurisdictional boundaries of such additional Associate Members.

For the March 4, 2019, Executive Committee meeting, staff is presenting the revised Appendix B “Boundary Map” from the Program Report for consideration and potential approval; the Executive Committee will hold a public hearing to consider increasing the Program Area to include the Cities of Alameda and Santa Barbara and, following the closing of the public hearing, will be asked to consider the adoption of Resolution Number 19-03 (Attachment 1), approving the revised Appendix B “Boundary Map” from the Program Report (Attachment 2).

New Commercial PACE Provider – Lever Energy Capital

On June 6, 2016, the Executive Committee established the Additional PACE Provider Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE Providers under the WRCOG PACE Program. The Ad Hoc Committee consists of representation from the Cities of Murrieta, Perris, Lake Elsinore, and Wildomar with assistance from WRCOG staff and WRCOG’s Bond Counsel (Best Best & Krieger).

On January 10, 2019, staff conducted a site visit and received a presentation on Lever Energy Capital’s PACE Program development and operations. On January 29, 2019, the PACE Ad Hoc Committee met and received a presentation from Lever. The Ad Hoc Committee unanimously endorsed Lever, forwarding a recommendation of approval to the Administration & Finance Committee. On February 13, 2019, the

Administration & Finance Committee recommended that the Ad Hoc Committee's recommendation be forwarded to the Executive Committee for approval.

Staff is recommending that the Executive Committee direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's statewide PACE umbrella.

Prior Actions:

February 21, 2019: The Technical Advisory Committee received and filed.

February 13, 2019: The Administration & Finance Committee recommended that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's Commercial PACE umbrella.

February 4, 2019: The Executive Committee 1) accepted the Cities of Santa Barbara and Alameda as Associate Members of the Western Riverside Council of Governments; 2) adopted WRCOG Resolution Number 02-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon; 3) authorized staff to implement a \$15,000.00 deposit for all new Commercial PACE Providers to work within the WRCOG Program; 4) supported the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital, LLC, under WRCOG's statewide PACE umbrella; and 5) supported the Ad Hoc Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Twain Financial Partners Holding, LLC, under WRCOG's PACE umbrella.

Fiscal Impact:

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

Attachments:

1. WRCOG Resolution Number 03-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.
2. Appendix B "Boundary Map" from the Program Report.

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Item 6.A

PACE Programs Activities Update:
General Activities Update and
Addition of New Providers

Attachment 1

WRCOG Resolution Number 03-19;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Confirming
Modification of the California HERO
Program Report so as to Expand the
Program Area within Which
Contractual Assessments May be
Offered

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RESOLUTION NUMBER 03-19

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONFIRMING MODIFICATION OF THE CALIFORNIA HERO PROGRAM REPORT SO AS TO EXPAND THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously undertook proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of property assessed clean energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings, ordered the preparation of a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, held a public hearing on June 3, 2013, on the proposed PACE program and the Program Report and did, by the adoption of its Resolution Number 10-13 on such date (the "Resolution Confirming the Program Report") following such public hearing, approve and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the City of Alameda and the City of Santa Barbara have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdictions of such new Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 02-19 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the City of Alameda and the City of Santa Barbara, and ordered a public hearing to be held on March 4, 2019, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the City of Alameda and the City of Santa Barbara was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the Cities of Alameda and Santa Barbara in the California HERO Program is hereby approved and confirmed.

Section 3. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on March 4, 2019.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 6.A

PACE Programs Activities Update:
General Activities Update and
Addition of New Providers

Attachment 2

Appendix B “Boundary Map” from the
Program Report

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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, PALMSPRINGS, 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, THERESA, 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, WINDSOR, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, YREKA, AND YUBA

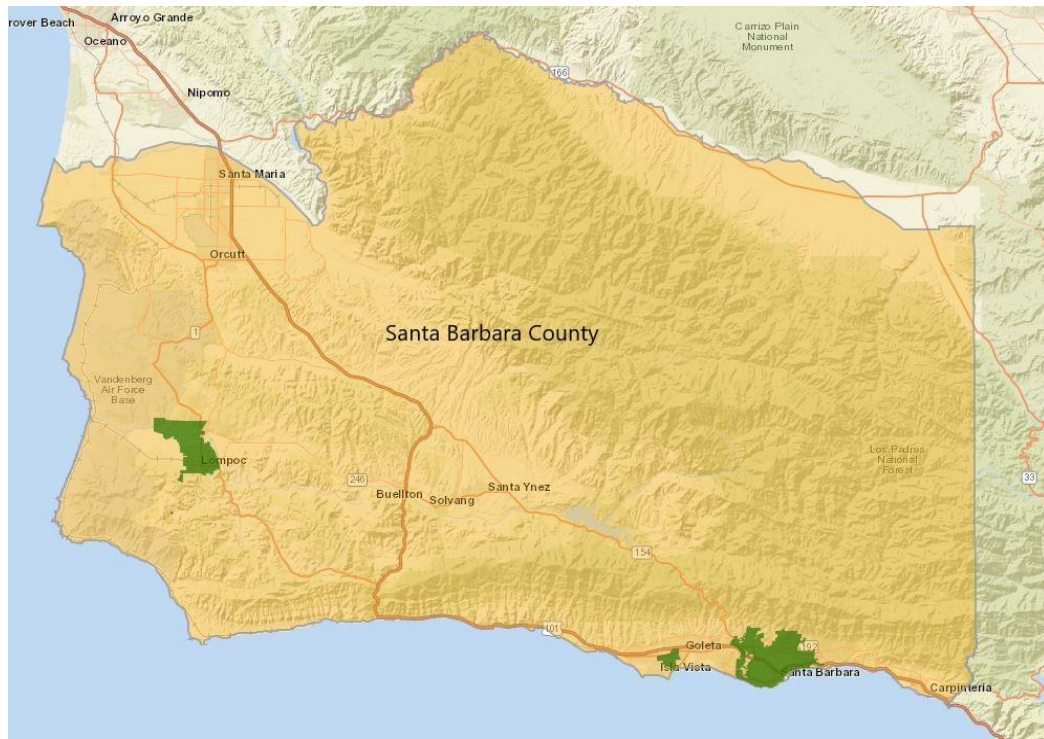
THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN 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

Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, Pleasanton, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



City of Lompoc, located in Santa Barbara County, California





Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities,
esasse@cacities.org, (951) 321-0771

Date: March 4, 2019

The purpose of this item is to provide an update of activities undertaken by the League of California Cities.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior Action:

February 21, 2019: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Options for Potential WRCOG Assistance for Regional Housing Needs Assessment Update

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcoq.us, (951) 405-6710

Date: March 4, 2019

The purpose of this item is to provide an update on potential approaches to assist WRCOG member jurisdictions for the upcoming development of the Sixth Cycle Regional Housing Needs Assessment (RHNA).

Requested Action:

1. Discuss and provide input.

Background

The state-wide housing crisis is creating challenges locally in housing the subregion's growing population, complying with changing legislation, meeting RHNA targets, and avoiding growing risks of non-compliance. New bills are likely to continue to emerge in a variety of areas aimed at increasing housing production. For example, greater attention is being given at the state-level to impact fees, perhaps indicating interest in imposing a cap on fees. There have also been discussions within the legislature regarding the withholding of gas tax funds or other transportation funds from agencies which are not meeting their RHNA targets.

Newly elected Governor Gavin Newsom's campaign platform centered on a plan to solve California's housing crisis and a proposal to construct 3.5 million new units across the State in the next six years. Consistent with this plan, the Governor's 2019-2020 Budget provides significant funding for Housing. Governor Newsom recently took a bold stance behind this platform by bringing a lawsuit against the City of Huntington Beach, accusing the City of deliberately blocking affordable housing.

The new legislation and the Governor's actions may be contributing to an adversarial relationship between the State and local cities, though cities likely recognize the great need to address the housing crisis. A report, [The Cost of Not Housing](#), synthesizes some of the most pertinent issues that stem from the housing shortage, and makes it clear that many local jurisdictions would likely agree that housing is a top priority, though there is significant disagreement in how to best provide housing needs on a regional basis. Additionally, much of the efforts at the statewide level are oriented towards the imposition of "one size fits all requirements" rather than developing incentive-based programs or developing more nuanced solutions.

WRCOG's Planning Directors Committee met on February 14, 2019 and discussed potential solutions and long-term changes to the RHNA process. Based on a request from multiple member agencies, staff is currently developing a White Paper regarding housing issues in the WRCOG subregion, the White Paper will also touch on potential changes to RHNA. However, it is unlikely that there will be any significant changes to RHNA in time to substantively impact the next RHNA cycle.

At the February meeting of the Technical Advisory Committee (TAC), some TAC members expressed reservations with Option 3 (discussed below), taking on Subregional Delegation, citing the potentially high out-

of-pocket cost, the likelihood of negatively impacting WRCOG's relationship with member agencies, and the loss of the ability to dispute growth assignments with jurisdictions outside of the WRCOG subregion as primary draw backs. WRCOG staff notified TAC members that two member agencies have asked WRCOG to explore whether there would be regional benefit to pursuing Subregional Delegation. In response, staff is performing due diligence to evaluate each of the above options and will return in March / April with a recommendation for consideration and approval by the Committee structure.

RHNA Cycle 6 Assistance Options

Information provided by SCAG indicates that the next cycle of RHNA updates will commence in the fall of 2019 for incorporation into the SCAG 2020 RTP/SCS. Staff expects that this cycle will proceed using a similar process to previous updates, in which local agencies will be provided with their targets. As in previous cycles, local agencies will have opportunities to review and comment on their targets. Staff has identified three potential options for how WRCOG can best assist member agencies during the upcoming RHNA process.

First, as with many issues, WRCOG could facilitate information sharing within its member agencies. This process might include scheduling presentations by SCAG staff, facilitating discussions, etc. This approach is one which WRCOG has taken during previous RHNA update cycles. This approach would likely use WRCOG's existing staff and Committee structure to implement and would not likely require additional funds.

As a second option, WRCOG and its consultants could provide technical assistance to member agencies to facilitate their review of RHNA data. In the fall of 2018, WRCOG offered this type of assistance to members to review SCAG's initial growth projections. Seven member agencies requested this assistance. Providing more direct technical assistance would likely require some level of cost sharing with member agencies.

The third and final option involves more direct assistance through the Subregional Delegation process. Under the Subregional Delegation Process, WRCOG would utilize consultant services to allocate the SCAG assigned housing targets in participating member agencies, rather than the traditional practice of SCAG leading the allocation. SCAG has allocated \$2,500 per jurisdiction which elects to participate in the Subregional Delegation process, which is likely insufficient to cover all associated costs, meaning that some type of cost sharing process would be required for any agency wishing to participate in this process. Both the City of Riverside and the County of Riverside have requested that staff consider the SCAG RHNA Delegation process. Staff is currently reviewing the draft guidelines for Subregional Delegation and seeking additional information from others who have exercised this option in the past. There are significant questions regarding the likely cost of an effort and legal implications that need to be addressed. WRCOG will need to formally notify SCAG of any decision regarding the Subregional Delegation process by June 2019.

Prior Actions:

February 21, 2019: The Technical Advisory Committee received and filed.

February 14, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: 2019/2020 Legislative Platform

Contact: Cynthia Mejia, Staff Analyst, cmejia@wrcoq.us, (951) 405-6752

Date: March 4, 2019

The purpose of this item is to share the draft 2019/2020 Legislative Platform for review and consideration by Committee members.

Requested Action:

1. Adopt the 2019/2020 Legislative Platform.

The WRCOG 2019/2020 Legislative Platform is designed to provide guidance to WRCOG and its member jurisdictions on legislation that focuses on issues of mutual concern.

Background

At the start of each legislative session, WRCOG adopts a set of priorities in its Legislative Platform that serve to guide staff on actions related to monitoring, tracking, and recommending Agency positions on various legislation. Typically, items of legislative interest are brought to staff's attention by WRCOG's member agencies, who from time to time desire to have the Agency take a position in order to demonstrate a subregional position on a particular issue. By adopting this Platform, the Executive Committee provides guidance to staff in expressing its members' interests to State and Federal legislators. Attached is the Draft WRCOG 2019/2020 Legislative Platform for consideration by the Executive Committee members.

Legislative Platform Components

In 2010, WRCOG established the following Agency priorities: economic development, education, energy and environment, health, transportation, water, and legislative advocacy. The Platform builds upon these established goals and guides WRCOG's role in addressing these and other issues at the subregional level. Working in coordination with its member jurisdictions, and within the regional context of inland southern California, WRCOG will pursue the following general advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of life in the Inland Empire region.

In addition to the general advocacy goals, the Platform identifies Housing as a Priority Issue Area, recognizing the acute impact of the state-wide housing shortage to the WRCOG subregion. For this Priority Issue Area, to the extent possible, staff will engage in more targeted lobbying efforts, by, for example, working with WRCOG

leadership to coordinate targeted engagement with elected leaders at the State level who represent the subregion and/or sit on relevant Senate and Assembly subcommittees, and/or engage with state agency staff, such as the California Department of Housing and Community Development. At this time, there are no plans to hire a professional lobbyist to aid with the implementation of WRCOG's Legislative Platform.

Platform Review

The attached Draft was shared with stakeholders in each of the industries affected by the Platform components, including the Building Industry Association, Public Health, member water districts, Riverside County Transportation Commission, and others. In addition, the Draft was shared with members of the Technical Advisory and Planning Directors Committees. WRCOG asked that interested stakeholders submit any feedback regarding the Draft Platform by Friday, March 1, 2019; any substantive comments received by that date will be brought to the attention of the Executive Committee at the March 4, 2019 meeting.

Prior Action:

None.

Fiscal Impact:

Staff activities related to monitoring, tracking, and adopting Agency positions on legislation are programmed in the Fiscal Year 2018/2019 Agency Budget under the Transportation & Planning Department Budget.

Attachment:

1. Draft 2019/2020 WRCOG Legislative Platform.

Item 6.D

2019/2020 Legislative Platform

Attachment 1

Draft 2019/2020 WRCOG
Legislative Platform

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS 2019/2020 LEGISLATIVE PLATFORM

INTRODUCTION

The 2019/2020 WRCOG Legislative Platform (Platform) is designed to provide guidance to WRCOG and its member agencies on legislation that focuses on issues of mutual concern. Positions adopted by the WRCOG Executive Committee will be forwarded to Sacramento, Washington, D.C., and interested parties as appropriate. By adopting this Platform, the Executive Committee provides guidance to WRCOG staff in expressing its member interests to State and Federal legislators. The Platform is adopted by WRCOG at the start of the State's two-year legislative season.

Typically, items of legislative interest are brought to WRCOG's attention by WRCOG's member agencies, who desire to have the Agency take a position in order to demonstrate a subregional commitment to a particular issue. WRCOG does not currently employ full time legislative staff or lobbyists, therefore has limited ability to commit significant time to legislative activities. For the *General Platform Components*, staff will, to the extent possible, monitor legislation that falls within the scope of the adopted Platform and use the Platform as a guide to respond to issues and/or requests raised by WRCOG's member agencies. Staff will strive to also provide information on the impacts of such legislation to member agencies through WRCOG's existing Committee structure.

In 2010 WRCOG established the following Agency priorities, which are listed under *General Platform Components*: economic development, education, energy and environment, health, transportation, water, and legislative advocacy. The Platform will build upon these established goals and guide WRCOG's role in addressing these and other issues at the subregional level.

In addition to the *General Platform Components*, a *Priority Issue Area* is identified herein which is intended to recognize the acute housing crisis that is impacting the WRCOG subregion. For this *Priority Issue Area*, to the extent possible, staff will engage in more targeted lobbying efforts, by, for example, working with WRCOG leadership to coordinate targeted engagement with elected leaders at the State level, who represent the subregion and/or sit on relevant Senate and House subcommittees, and/or engage with state agency staff, such as the California Department of Housing and Community Development (HCD).

If urgent action is needed, the WRCOG Executive Director and/or the Executive Committee Chair may submit position letters and/or undertake other tasks that may be necessary on legislative matters that are consistent with all areas identified in this Platform. These actions will be reported at subsequent meetings of the WRCOG Committees.

PLATFORM PRIORITY ISSUE AREA

The following *Platform Priority Issue Area* is anticipated to acutely impact WRCOG and its member agencies over the two-year legislative cycle, and has therefore been identified as a specific priority area for WRCOG to engage with over the legislative cycle.

Housing

Background: California faces a significant housing affordability crisis spurred by a mounting supply shortage. State housing officials estimate that approximately 180,000 homes need to be



built annually to keep pace with the growing population. Over the past decade, the rate of housing construction has not kept pace with demand because of the rising cost of construction materials, loss of redevelopment dollars, excessive regulation, and infrastructure financing challenges. In addition, a growing number of the population is struggling to afford the cost of housing. A recent update of key indicators for WRCOG's Economic Development and Sustainability Framework revealed that many households currently spend a significant portion of their income on housing expenses, meaning that even if one were to increase the supply of housing, there may not be enough potential homebuyers or renters to occupy those homes.

Issue: In an effort to address this housing shortage, the State has passed a series of housing-related bills in the past few years, beginning with 15 passed in 2017 alone, which largely fall into three main categories: funding, streamlining and local accountability. Additional legislation is anticipated under newly elected Governor Gavin Newsom, who's campaign platform centered around a plan to solve California's housing crisis. While the legislation is intended to alleviate some of the underlying issues related to housing, many of the new policies fail to support their intended goals when applied to Western Riverside County due to demographic and regional differences. As local municipalities plan for the expected growth in population over the coming decade, they have been faced with the challenge of complying with changing legislation and attempting to meet their RHNA targets, while avoiding the growing risk of non-compliance.

Action:

- Support an incentive-based effort to expedite the development of market-rate and affordable housing.
- Support collaborative efforts that involve the building industry, regulators, non-profits, and other parties to develop housing that is affordable to residents in Western Riverside County.
- Oppose legislation that creates additional restrictions on local control of land use and development.
- Support legislation that provides ongoing state funding for mandated planning projects such as the Regional Housing Needs Assessment, Sustainable Communities Strategy (SCS), General Plan Housing Element updates, and other planning initiatives under AB 32 and SB 375.
- Support initiatives that further streamline CEQA requirements for projects included in approved housing elements.
- Support initiatives that provide funding to reduce homelessness, expand availability of permanent, supportive, and transitional housing, as well as coordinated re-entry services to assist individuals and families experiencing homelessness.
- Support legislation that would institute an equitable geographic distribution of state funding for the development of programs that would improve the subregion.
- Support legislation that would establish a funding program to fill the void created by the dissolution of Redevelopment.
- Support legislation that incentivizes training for skilled and unskilled trades that work in the construction industry to reduce the cost of housing.
- Oppose legislation that reduces state funding for local activities but still requires local governments to maintain existing service levels and responsibilities.
- Oppose legislation that calls for additional state and/or federal mandates absent funding.
- Oppose legislation that penalize cities for not meeting state housing goals by threatening to withhold transportation infrastructure funding.



- Oppose legislation that would increase tariffs and regulatory barriers for construction materials like steel and wood.

PLATFORM ISSUE AREAS

1. General Advocacy

The purpose of WRCOG is to unify Western Riverside County so that it can speak with a collective voice on issues of mutual concern that cross jurisdictional lines. The goal of the Agency is to respect local control while providing regional perspective. Working in coordination with its member jurisdictions and within the regional context of inland southern California, WRCOG will pursue the following advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of life in the inland southern California region.

2. Economic Development

Western Riverside County is a subregion rich in diversity, resources, and labor. Key legislative priorities for WRCOG support establishing a common vision and brand identity for the subregion and enhancing the subregion's ability to attract new investment by improving the overall quality of life in the subregion.

- Support legislation that encourages technology to assist jurisdictions and the education system in attracting potential businesses and educating future workers (e.g., wireless internet access).
- Support legislative action that streamlines the California Environmental Quality Act (CEQA) process and modernizes CEQA law.
- Support legislation that would encourage employers to open satellite facilities for residents that work outside of Western Riverside County or commute long distances within the region for employment, implement telecommuting, and other transportation demand management strategies.
- Support legislation that expands marketability of the subregion, and provides opportunities to "brand" Western Riverside County as a destination location and a desirable place to live, work, and play.
- Support legislation that facilitates collaboration between local government, education, and business.
- Support legislation that would maintain and/or allocate grant funding for coordinated local and regional economic development efforts.
- Support legislation that would lead to job creation in the WRCOG subregion, especially permanent, living-wage jobs.
- Support legislation that encourages the creation of jobs near housing to improve the jobs / housing balance.



- Oppose legislation that would encourage or incentivize businesses to leave Western Riverside County.

3. Education

Education plays a pivotal role in the future of Western Riverside County. WRCOG supports legislative efforts that encourage collaboration between jurisdictions and education leaders to facilitate educational opportunities in Western Riverside County. An educated workforce will attract a broader level of employers and increase the earning capabilities of residents. Expanding higher education and skilled labor training opportunities available to residents in Western Riverside County is vital.

- Support legislation that would improve the quality of, and access to, education for all students.
- Support legislation that encourages public / private partnerships to increase the number of students who are college-ready, enroll and graduate from college, and who achieve degrees that are in demand in Western Riverside County.
- Support legislation that provides funding to retrain individuals for workforce re-entrance.
- Support the development of curriculum geared towards preparing students for sustainable “green collar” and clean technology jobs.
- Support legislation that would allow for the joint use of high school facilities for post-secondary education to expand access to and enrollment in college.
- Support legislation that facilitates access to Career Technical Education to fulfill the growing need of skilled labor.
- Oppose legislation that redirects funding from the K-12 and post-secondary education system in Western Riverside County.

4. Energy and Environment

WRCOG is committed to the conservation of natural resources and the advancement of alternative energy sources to promote ongoing sustainability of the subregion. Energy conservation and efficiency can help residents, businesses, and jurisdictions save money, improve air quality, and protect the environment. WRCOG supports legislative efforts which support innovative “green” technologies, facilitate energy conservation and efficiency, and promote alternative energy activities to extend the benefits of these actions throughout the subregion while meeting the demands of the growing population.

- Support legislation that removes barriers for and provides funding to expand WRCOG’s Property Assessed Clean Energy (PACE) Programs.
- Support legislation that provides incentives for the private sector and local governments to voluntarily implement energy saving measures.
- Support legislation that establishes and preserves the role of local government in energy decisions, particularly for activities pertaining to electricity generation, supply, demand, and conservation to ensure adequate supply and reasonable costs for residents and businesses.
- Support legislation that encourages or provides incentives for the production and use of clean alternative energy sources.
- Support legislation that encourages greenhouse gas (GHG) emissions reductions from sources under federal control (e.g., caused by planes, trains, and ships) and increased emissions monitoring methods.



- Support the continuation of air quality management at the air basin level rather than at the statewide or individual county level.
- Support legislation that extends federal alternative fuel and vehicle tax credits and incentives.
- Support legislation that would encourage the development of alternative fuel facilities.
- Support legislation that encourages the expansion of solid waste conversion technologies.
- Support legislation that increases markets for recyclable or compostable materials.
- Support legislation to enable efficient recycling of organic material.
- Support legislation that implements programs to reduce litter and illegal dumping.
- Support the increase of fines and/or confiscation of vehicles for individuals and companies caught in the act of illegal dumping.
- Support state loans, grants, and loan guarantees for businesses implementing source reduction programs and utilizing post-consumer recycled materials in the manufacture of new products.
- Support legislation that encourages the proper disposal of hazardous waste.
- Support legislation that implements Extended Producer Responsibility principles aimed at removing the cost burden for disposal of products from local jurisdictions and agencies.
- Oppose waste management requirements that would put local jurisdictions at risk of not meeting AB 939 requirements, or create excessive costs absent funding.

5. Health

Health outcomes influence educational attainment, economic opportunity, and similar factors critical to a high quality of life. Riverside County has a poor state and national ranking in several key health indicators. Contributing factors including a lack of clinical care (e.g., access to health care facilities, insurance, and professionals), social and economic conditions (e.g., income, education, jobs, and safety), and environmental quality (e.g., park access and air quality). WRCOG supports legislative activities that increase awareness of health challenges impacting Western Riverside County; foster a natural, social, and economic environment conducive to optimal health; and empower the subregion to address these challenges in a collaborative, sustainable manner through the provision of requisite tools and resources.

- Support legislation that reduces state regulatory barriers that impede the provision of health services in Western Riverside County.
- Support legislation that facilitates regional collaboration in addressing health and healthcare problems.
- Support legislation aimed at increasing institutions that offer training and residency opportunities for healthcare professionals in exchange for contractual services.
- Support legislation and legislative actions aimed at increasing the number of hospital beds in the region.
- Support legislation that increases local government authority to oversee location of community care facilities and transportation options to the care facilities.
- Support legislation that supports continued financing of the University of California, Riverside, School of Medicine to attract and retain healthcare professionals in the region.
- Support legislation that provides funding and other assistance for the development of a Youth Master Plan that contains plans and programs for children with special needs (i.e., parks, recreational needs, and housing opportunities).



- Support legislation that creates an information exchange, or information network, where residents can access available support services and data on specific issues.
- Support legislation that facilitates Office of Statewide Health Planning and Development (OSHPD) and California Environmental Quality Act (CEQA) streamlining for efficient hospital construction.
- Support legislation that promotes the development of walkable communities.
- Support legislation that coordinates health goals with economic development actions.
- Support legislation that seeks to improve the level of physical activity among adults and children.
- Support legislation that seeks to improve access to affordable, healthy foods.
- Oppose legislation that could potentially establish unnecessary barriers to the creation and construction of healthcare facilities.

6. Transportation

In order to meet the needs of Western Riverside County's current population and sustainably accommodate future growth, the subregion must expand the capacity and efficiency of its transportation network. WRCOG supports legislative efforts to direct investment towards transportation infrastructure, not only for roads and highways, but for transit, goods movement, and non-motorized transportation. WRCOG also supports collaboration with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the inland southern California region.

- Support Federal and State efforts to provide sustainable and stable funding for the transportation system.
- Support efforts to ensure that communities in Western Riverside County receive fair and equitable allocations of transportation funding at the Federal, State, and regional level.
- Support legislation that gives priority to self-help and "super" self-help counties when allocating bond funding and other transportation funding mechanisms.
- Support legislation to improve access and funding to public transportation.
- Support legislation and funding mechanisms that support and encourage the use of transit and non-motorized transportation, including active transportation.
- Support legislation that enhances the safety of city streets and arterials for vehicular, bicycle, and pedestrian traffic.
- Support legislation that will reduce traffic congestion and support regional transportation programs.
- Support legislation that provides funding for goods movement-related projects and studies.
- Support legislation that would create funding opportunities for upgrades and/or separations for at-grade crossings.
- Support legislation that provides increased funding for non-motorized planning and projects.
- Support legislation that increases local flexibility in the allocation of transportation capital funds.
- Support increased funding for transportation projects based on regional performance metrics.
- Oppose legislation to eliminate or restrict the use of Riverside County State Improvement Transportation Funds, federal transportation funding, Measure A, or Gas Tax funding for local transportation projects.



7. Water

Western Riverside County's economic well-being and quality of life depend on securing a reliable supply of water to meet the existing and future demands of the subregion. WRCOG supports continued conservation efforts that can reduce water use, strengthen and improve the Sacramento-San Joaquin Bay Delta levees and ecosystem, and support the identification and construction of alternative means for conveying water to southern California residents and businesses.

- Support legislation and legislative actions that promote alternative water resource development such as recycled water, storm water reclamation, and groundwater desalination.
- Support efforts that preserve local control in addressing and mitigating the impacts of drought.
- Support legislation that examines a variety of water storage methods.
- Support legislation that provides funding to local governments for water quality and conservation-related programs.
- Support legislation to improve the state's water infrastructure and delivery mechanisms without causing excessive financial burdens or delivery delays to southern California.
- Oppose legislation that would delay implementation of the California WaterFix and California EcoRestore.
- Oppose legislation that shifts or re-aligns local ad valorem property tax revenues approved by local voters for vital water and wastewater infrastructure.

8. Other Local Government Issues

The active presence and vitality of local government continues to sustain the subregion. WRCOG supports legislative initiatives that preserve and expand local jurisdictional control. Further, recognizing that well-designed land use and planning decisions are vital to the successful growth and development of the subregion, WRCOG supports legislative efforts that promote strategic land use and development practices that maintain and/or increase local control. Finally, to promote the safety and well-being of all residents in the subregion, WRCOG supports legislative proposals that broaden access to timely public safety assistance and to the justice system.

- Support legislation that requires additional transparency and communication in State and Federal legislative and commission activities.
- Support legislation and legislative actions that require the Governor and the Legislature to pass an on-time budget that does not rely on borrowing or taking from local governments.
- Support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.
- Support legislation that would offer funding and assistance to enable jurisdictions to continue redevelopment activities.
- Support legislation that facilitates remittance of sales tax dollars on e-commerce purchases.
- Oppose legislation that prevents a local government from entering into or negotiating a franchise agreement with a local service provider.



- Oppose legislation that seeks to take away local control and give more control to the State.

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