Western Riverside Council of Governments
Executive Committee

AGENDA

Monday, May 6, 2019
2:00 p.m.

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

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 agendized 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 April 1, 2019, Executive Committee Meeting are Available for Consideration. **P. 1**

Requested Action: *1. Approve the Summary Minutes from the April 1, 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 item:

A. Adoption of Salary Schedule to meet CalPERS' Requirements — ***Andrew Ruiz*** — **P. 9**

Requested Action: *1. Adopt WRCOG Resolution Number 07-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Years 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019 publicly available salary schedules effective July 1, 2012, with revisions through April 1, 2019, as required by the California Public Employee's Retirement System.*

Information items:

B. Finance Department Activities Update — ***Andrew Ruiz*** — **P. 23**

Requested Action: *1. Receive and file.*

C. WRCOG Committees and Agency Activities Update — ***Rick Bishop*** — **P. 29**

Requested Action: *1. Receive and file.*

D. Regional Streetlight Program Activities Update — ***Daniel Soltero*** — **P. 47**

Requested Action: *1. Receive and file.*

E. Environmental Department Programs Activities Update — ***Kyle Rodriguez*** — **P. 55**

Requested Action: *1. Receive and file.*

F. PACE Programs Activities Update: General Activities Update — ***Casey Dailey*** — **P. 81**

Requested Action: *1. Receive and file.*

G. Report out of WRCOG Representatives on Various Committees — ***Rick Bishop*** — **P. 83**

Requested Action: *1. Receive and file.*

H.	**Single Signature Authority Report**	***Andrew Ruiz***	**P. 85**

Requested Action: 1. *Receive and file.*

I.	**TUMF Program Activities Update: TUMF Calculation and Collection Process Update**	***Christopher Gray***	**P. 87**

Requested Action: 1. *Receive and file.*

6. REPORTS / DISCUSSION

A.	**Report from the League of California Cities**	***Erin Sasse, League of California Cities***	**P. 91**

Requested Action: 1. *Receive and file.*

B.	**Presentation from Inland Empire Economic Partnership on Middle Class Jobs for a Fast-Growing Region: A Summary of the IEGO Report**	***Paul Granillo, IEEP***	**P. 99**

Requested Action: 1. *Receive and file.*

C.	**Preliminary Draft Fiscal Year 2019/2020 Agency Budget**	***Andrew Ruiz, WRCOG***	**P. 115**

Requested Actions:
1. *Receive and file the draft preliminary Fiscal Year 2019/2020 Agency Budget.*
2. *Authorize the Executive Director, in consultation with the Chair and legal counsel, to negotiate and execute a sublease for a portion of WRCOG's office space.*

D.	**Regional Energy Network Development Activities Update**	***Anthony Segura, WRCOG***	**P. 131**

Requested Action: 1. *Authorize the Executive Director to enter into a contract agreement with Frontier Energy for Regional Energy Network Development.*

E.	**28th Annual General Assembly & Leadership Conference: Selection of Recipients for Outstanding Community Services Awards**	***Cynthia Mejia, WRCOG***	**P. 161**

Requested Action: 1. *Approve the nominees for the 2019 Award for Outstanding Community Service to be presented at the 28th Annual General Assembly & Leadership Conference on June 20, 2019.*

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
SAWPA OWOW Committee, Rusty Bailey
SANDAG Borders Committee, Crystal Ruiz

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. NEXT MEETING:

The next Executive Committee meeting is scheduled for Monday, June 3, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

Western Riverside Council of Governments 4.A

Regular Meeting

~ Minutes ~

Monday, April 1, 2019 **2:00 PM** **County Administrative Center**

1. CALL TO ORDER

The meeting was called to order by Chair Chuck Washington at 2:00 p.m. on April 1, 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	Randy Bonner	Present	1:55 PM
City of Corona		Absent	
City of Eastvale	Brandon Plott	Present	1:55 PM
City of Hemet	Bonnie Wright	Present	1:55 PM
City of Jurupa Valley	Micheal Goodland	Present	2:03 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	1:55 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	1:55 PM
City of San Jacinto	Russ Utz	Present	1:55 PM
City of Temecula	James Stewart	Present	1:55 PM
City of Wildomar	Ben Benoit	Present	1:55 PM
District 1	Kevin Jeffries	Present	1:55 PM / 2:26 PM
District 2	Karen Spiegel	Present	1:55 PM
District 3	Chuck Washington	Present	1:55 PM
District 5	Jeff Hewitt	Present	1:55 PM
EMWD	David Slawson	Present	1:55 PM / 2:32 PM
WMWD	Brenda Dennstedt	Present	1:55 PM
Morongo Band of Mission Indians	Robert Martin	Present	1:55 PM
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

Committee member Rita Rogers led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

Arnold San Miguel, Southern California Association of Governments (SCAG), announced that registration is now open for the 54th annual SCAG Regional Conference and General Assembly being held May 1 – 3, 2019, at the JW Marriott in Palm Desert. This year's them is *Beyond Boundaries.*

4. MINUTES

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

A. Summary Minutes from the March 4, 2019, Executive Committee Meeting are Available for Consideration

<u>Action</u>: *1. Approved the Summary Minutes from the March 4, 2019, Executive Committee meeting.*

5. CONSENT CALENDAR

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

A. Adoption of Salary Schedule to meet CalPERS' Requirements

<u>Action</u>: *1. Adopted WRCOG Resolution Number 04-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Years 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017 publicly available salary schedules as required by CalPERS.*

B. Environmental Department Application for CalRecycle HHW Small Projects Program Grant

<u>Action</u>: *1. Adopted WRCOG Resolution Number 06-19; A Resolution of the*

Executive Committee of the Western Riverside Council of Governments authorizing submittal of application(s) for all CalRecycle grants for which the Western Riverside Council of Governments is eligible.

C. Finance Department Activities Update

Action: *1. Received and Filed.*

D. WRCOG Committees and Agency Activities Update

Action: *1. Received and Filed.*

E. Regional Streetlight Program Activities Update

Action: *1. Received and Filed.*

F. Western Riverside Energy Partnership Activities Update

Action: *1. Received and Filed.*

G. PACE Programs Financial Update

Action: *1. Received and Filed.*

H. Report out of WRCOG Representatives on Various Committees

Action: *1. Received and Filed.*

6. REPORTS / DISCUSSION

A. PACE Programs Activities Update: General Activities Update, Approval of a New Provider, and Changes to Commercial Program Guidelines

Mike Wasgatt, WRCOG Program Manager, reported that the residential Program completed just over 250 projects last month at a total project value of just of $5.6M. One project was completed in the commercial Program last month with a project value of just over $148k.

After today's action, Twain Financial Partners will be participating under the WRCOG umbrella and is an active commercial PACE provider based out of St. Louis, Missouri, and operates in nine states and the District of Columbia.

Staff is seeking authorization to refinance commercial PACE projects. If approved, refinancing can occur on previously installed, eligible equipment. State law does allow for refinancing; however, WRCOG's Program Report is silent on the matter. Every other commercial PACE Program throughout the state allows for refinancing.

The commercial Program currently allows financing terms of up to 25 years, while a typical development loan is for 30 years and contains a Replacement Reserve Contingency. This Reserve contains funds to replace items that generally expire within those 30 years, such as carpet. Staff is requesting financing terms be extended to 30 years, applicable to new construction only.

Actions: *1. Adopted WRCOG Resolution Number 05-19; A Resolution of the*

Executive Committee of the Western Riverside Council of Governments authorizing Twain Financial Partners Holding, LLC, to administer and finance authorized improvements to be installed on commercial properties, and in connection with such authorization, approving amendments to the Program Report for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the form of a commercial handbook, agreement to pay assessment and finance improvements, administration agreement, indenture authorizing the issuance of bonds pursuant to such indenture and subsequent indentures in similar form secured by assessments levied on commercial properties to finance the installation of authorized improvements on such commercial properties and approving other actions in connection thereto.

2. *Approved the Administration & Finance Committee's recommendation to allow refinancing on Commercial PACE projects.*
3. *Approved the Administration & Finance Committee's recommendation to allow a 30-year term for Commercial PACE projects that have met certain conditions.*

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

B. Report from the League of California Cities

Erin Sasse, League of California Cities Representative, was unable to attend.

<u>Action</u>: *1. None.*

C. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update: Approval of the Draft 2019 Central Zone Transportation Improvement Program (TIP) and TUMF Network Administrative Amendment

Christopher Gray, WRCOG Director of Transportation & Planning, reported that there is a very strong level of development activity occurring in the Central Zone (Cities of Menifee, Moreno Valley, and Perris, the March JPA and the County), and WRCOG has been collecting additional revenues within that Zone. Staff met with City Managers and Public Works Directors of each Zone jurisdiction to discuss funding for projects. Those projects were then presented to the Zone Committee, the elected officials of each Zone jurisdiction, for approval. The Transportation Improvement Program for the Central Zone is being presented today for final approval.

Staff have been making changes to the TUMF Network, as is permissible during non-Nexus Study update years. The Pass Zone is comprised of the Cities of Banning, Beaumont, and Calimesa. It was determined that there was a lack of regional projects in the Pass Zone. Based upon a request by the Pass Zone, staff was asked to formally amend the Network to designate the Highland Springs Avenue Interchange, Cherry Valley Boulevard Interchange, and I-10

Bypass project as backbone projects to the Network. These projects would then be able to compete for funding from the Riverside County Transportation Commission. The addition of these projects to the Network is a minor administrative change and does not affect the TUMF fee; it merely changes the project type from secondary to backbone.

Staff is in the process of developing an online TUMF payment portal for those entities which delegated TUMF collection to WRCOG. The project is due to begin later this week and is anticipated to be completed by July / August 2019. Developers will be allowed to submit their TUMF assessments and payments electronically.

Actions: *1. Approved the 2019 Central Zone TIP.*
2. Approved the 2019 TUMF Network Administrative Amendment.

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

(The Morongo Band of Mission Indians and Water Districts do not vote on TUMF matters)

D. Fee Comparison Analysis – Final Report

Christopher Tzeng, WRCOG Program Manager, reported that in 2016 WRCOG conducted a study analyzing fees that various jurisdictions and agencies charge on new development. Fees for each of WRCOG's member jurisdictions, as well as neighboring jurisdictions in the Coachella Valley and San Bernardino County were analyzed for comparison. The results of the study were presented to this Committee in 2017. Based upon the positive feedback, WRCOG indicated that it would update the study every two years.

For the current study, the same methodology was used as was in the previous study, with the exception of revising the water and sewage assumptions based upon feedback provided by the water districts.

Five different development types were analyzed, including single-family residential; multi-family residential; retail; office; and industrial.

Because fees and fee structures differ in each jurisdiction, the project team itemized the fees into different categories. There is a regional transportation fee, water / sewer connection fee, other city fees, school fees, and other regional fees.

For residential uses, TUMF makes up approximately 20% of the total Development Impact Fee (DIF); water / sewer is approximately 35%, other city fees are approximately 22%, school fees are approximately 18%, and approximately 5% for other regional fees.

The average retail DIF in the subregion is approximately $24 per square foot; industrial is approximately $5.20 per square foot; and office is approximately $14 per square foot. TUMF makes up for nearly 32% of the total retail DIF, but approximately 15% of the total office DIF.

WRCOG residential DIF averages for both single- and multi-family residential are lower than those in San Bernardino County, but higher than Coachella Valley. The San

Bernardino County transportation fee is actually low because it does not have a County-wide fee program. What is not charged at the regional level is accounted for at the city level.

The one land use in which WRCOG's DIF is higher than in San Bernardino County is retail; the average retail DIF for Coachella Valley is also higher than that in San Bernardino County.

TUMF makes up approximately 1% - 2% of total development costs.

Mr. Tzeng shared a single-family fee comparison for WRCOG member jurisdictions. In total there are 12 jurisdictions below the subregion's average. Of note is that some jurisdictions lie within multiple water districts or school districts.

There are 11 jurisdictions which are below the subregion's average for multi-family DIF. There are 13 jurisdictions which are below the subregion's average for industrial land use. There are 13 jurisdictions which are below the subregion's average for retail land use. There are 9 jurisdictions which are below the subregion's average for Class A or B office land use.

Action: *1. Received and filed.*

E. Western Riverside County Clean Cities Coalition Activities Update

Kyle Rodriguez, WRCOG Staff Analyst, reported that the Clean Cities Coalition is a partnership with the United States Department of Energy (DOE) that promotes the use of alternative fuel vehicles and energy efficient transportation. Clean Cities Coalitions have saved more than 8.5B gallons of gasoline since the Program was established in 1993. The Western Riverside County Clean Cities Coalition became a designated Coalition in 1997 and has saved more than 9.6M gallons of gasoline.

There are over 85 coalitions throughout the U.S., which serve as the foundation of Clean Cities. Coalitions are designed to advance energy, economic, and environmental security of the U.S. by supporting advanced technology vehicle use.

The Western Riverside County Clean Cities Coalition are backed by both public and private stakeholders. Coordinators, such as Mr. Rodriguez, meet with local stakeholders to assist in implementing alternative and renewable fuels, encourage idle reductions, and guide emerging transportation technology.

As Coalition members look in to replacing older vehicles, the Coalition helps to determine which vehicle best fits for purchase, educate members on alternative vehicles, and provide technical assistance to evaluate needs.

The Western Riverside County Clean Cities Coalition has helped members plan new infrastructure, as well as research grants for funding.

The Western Riverside County Clean Cities Coalition online tool accomplishes three objectives: 1) lists current alternative fueling stations within Western Riverside County; 2) identifies gaps and opportunities in alternative fueling infrastructure deployment; and 3) identifies tools to address gaps and opportunities.
The Western Riverside County Clean Cities Coalition will be facilitating the 2019 AltCar Expo on October 16, 2019, at the Riverside Convention Center. The mission of the Expo is

to provide an accessible and comprehensive setting to discover existing alternatives to the way energy and transportation are currently being used.

Action: *1. Received and filed.*

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chair had no report to provide.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Brian Tisdale, California Association of Councils of Government (CALCOG) representative, reported that at the recent annul conference there were a lot of conversations on the Governor's plan for affordable housing. There is $250M available in planning funds and $125M for regional planning. CALCOG is now tracking and taking positions on bills. East Sacramento is experimenting with micro transit, similar to Uber, in which riders request, via smartphone, for travel on shuttle buses or vans.

Crystal Ruiz, San Diego Association of Governments' Borders Committee representative, reported that the Committee discussed a 2018 Commuter Behavior Survey and are looking at different travel opportunities from this region down into San Diego, and how commuters travel in general.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop, WRCOG Executive Director, had nothing to report.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

There were no general announcements.

12. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, May 6, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

The meeting adjourned at 2:33 p.m.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Adoption of Salary Schedule for CalPERS' Requirement Compliance**

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

Date: **May 6, 2019**

***The purpose of this item is to** adopt prior salary schedules to meet compliance with CalPERS' requirements of having a Board-approved salary schedule.*

Requested Action:

1. Adopt WRCOG Resolution Number 07-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Years 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019 publicly available salary schedules effective July 1, 2012, with revisions through April 1, 2019, as required by the California Public Employee's Retirement System.

On February 12, 2018, CalPERS conducted an audit of WRCOG's pension records and found that WRCOG does not having a salary schedule adopted by its Executive Committee. Per California Code of Regulations (CCR) Section 570.5, a public agency must have its salary schedules approved by its Board, or highest governing body.

To address this finding, on June 22, 2018, staff brought forward a requested action to the Executive Committee to approve the current 2018/2019 salary schedule. The requested action did not include approving the salary schedule by way of a resolution. Upon legal counsel's advisement, salary schedules should be approved by the Executive Committee adopting a resolution.

On April 1, 2019, the Executive Committee adopted Resolution Number 04-19, which listed prior years' salary schedules but excluded Fiscal Years 2017/2018 and 2018/2019. Per CalPERS findings, WRCOG needs to have all salary schedules from prior fiscal years to the current fiscal year be approved by adoption of a resolution; therefore, staff is bringing forward Resolution 07-19, which includes all prior and current salary schedules.

Prior Action:

April 1, 2019: The Executive Committee adopted WRCOG Resolution Number 04-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Years 2012/2013, 2013/2014; 2014/2015, 2015/2016 and 2016/2017 publicly available salary schedules as required by CalPERS.

Fiscal Impact:

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

<u>Attachment</u>:

1. A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting the Fiscal Years 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018 and 2018/2019 Publicly Available Salary Schedules Effective July 1, 2012, with Revisions Through April 1, 2019, as Required by the California Public Employees' Retirement System.

Item 5.A

Adoption of Salary Schedule to meet CalPERS' Requirements

Attachment 1

A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting the Fiscal Years 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018 and 2018/2019 Publicly Available Salary Schedules Effective July 1, 2012, with Revisions Through April 1, 2019, as Required by the California Public Employees' Retirement System

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RESOLUTION NUMBER 07-19

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ADOPTING THE FISCAL YEARS 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018 AND 2018/2019 PUBLICLY AVAILABLE SALARY SCHEDULES EFFECTIVE JULY 1, 2012, WITH REVISIONS THROUGH APRIL 1, 2019, AS REQUIRED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

WHEREAS, Western Riverside Council of Governments (WRCOG) is a participant in the California Public Employees' Retirement System (CalPERS); and

WHEREAS, as defined in the California Code of Regulations Section 570.5, pay schedules must indicate the time base and must be approved and adopted by the Agency's governing body in accordance with requirements of applicable public meetings laws; and

WHEREAS, to ensure compliance with the California Code of Regulations Section 570.5, salary schedules for Fiscal Years 2012/2013 through 2018/2019, effective July 1, 2012, with revisions through April 1, 2019, must be approved and adopted by WRCOG's governing body.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Executive Committee of the Western Riverside Council of Governments hereby adopts the Fiscal Years 2012/2013, 2013/2014; 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019 salary schedules for WRCOG employees, attached hereto as Exhibit A, and incorporated herein by this reference, with an effective date of July 1 of the applicable fiscal year.
2. That Resolution Number 04-19 is hereby rescinded.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on May 6, 2019.

____
Chuck Washington, Chair
WRCOG Executive Committee

____
Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

____
Steven DeBaun
WRCOG Legal Counsel

AYES: _______ NAYS: _______ ABSENT: _______ ABSTAIN: _______

EXHIBIT A

SALARY SCHEDULES FOR FISCAL YEARS 2012/2013, 2013/2014; 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019

[ATTACHED]

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2018
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	202,673
Director*	107,482	202,673
Program Manager*	65,458	123,427
Administrative Services Manager*	65,458	123,427
Senior Analyst / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 264,513

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2017
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	202,673
Director*	107,482	202,673
Program Manager*	65,458	123,427
Administrative Services Manager*	65,458	123,427
Senior Analyst / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 245,294

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2016
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	158,808
Director*	107,482	158,808
Program Manager*	65,458	123,427
Staff Analyst II / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 245,294

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2015
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	158,808
Director*	107,482	158,808
Program Manager*	65,458	123,427
Staff Analyst II / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 233,605

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2014
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	ANNUAL SALARY RANGE Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	158,808
Director*	107,482	158,808
Program Manager*	65,458	123,427
Staff Analyst II / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 233,605

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2013
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	158,808
Director*	107,482	158,808
Program Manager*	65,458	123,427
Staff Analyst II / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 222,476

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

Western Riverside Council of Governments
Staff Salary Structure
As of July 1, 2012
Revised Date of April 1, 2019

CLASSIFICATION	ANNUAL SALARY RANGE Bottom	Top
Deputy Executive Director*	$ 109,720	$ 206,898
Chief Financial Officer*	107,482	158,808
Director*	107,482	158,808
Program Manager*	65,458	123,427
Staff Analyst II / Executive Assistant II**	46,446	87,589
Staff Analyst / Executive Assistant I**	42,162	83,450
Administrative Assistant / Staff Technician I**	31,096	58,635
Intern**	26,000	31,200

	Annual Salary
Executive Director*	$ 207,396

*Salaried Position
**Hourly Position
Employees are paid bi-weekly

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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: **May 6, 2019**

The purpose of this item is to *provide an update on the draft budget (more fully discussed under item* ***6.C)*** *and the Agency Financial Report summary through February 2019.*

Requested Action:

1. Receive and file.

Fiscal Year 2019/2020 Agency Budget Development Process

Staff has begun the process of creating the Fiscal Year 2019/2020 Agency Budget and began presentations to the various committees in April. Additional details on WRCOG's preliminary draft Budget can be found in the Staff Report for Item 6.C.

Financial Report Summary through February 2019

The Agency Financial Report summary through February 2019, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Actions:

April 25, 2019: The Finance Directors Committee received and filed.

April 18, 2019: The Technical Advisory Committee received and filed.

April 10, 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 – February 2019.

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Item 5.B

Finance Department Activities Update

Attachment 1

Financial Report summary – February 2019

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending February 28, 2019

Total Agency			
Revenues	**Approved Budget 6/30/2019**	**Thru Actual 2/28/2019**	**Remaining Budget 6/30/2019**
Member Dues	311,410	311,410	-
PACE Residential Revenue	480,573	196,864	283,709
WRELP Phase 2 Revenue	86,750	75,123	11,627
Statewide HERO Revenue	1,650,000	833,097	816,903
Gas Co. Prtnrshp Revenue	86,676	56,941	29,735
PACE Commercial Revenue	29,078	30,844	(1,766)
WRCOG HERO-Recording Revenue	122,500	108,905	13,595
PACE Commercial Recording Revenue	2,500	445	2,055
Statewide Recording Revenue	600,000	520,365	79,635
Regional Streetlights Revenue	300,000	261,500	38,500
Solid Waste	107,313	122,248	(14,935)
Used Oil Grants	228,820	203,820	25,000
NW Clean Cities - Air Quality	132,500	140,500	(8,000)
LTF Revenue	675,000	775,500	(100,500)
RivTAM Revenue	150,000	112,500	37,500
General Assembly Revenue	300,000	1,300	298,700
Commerical/Service	110,645	33,242	77,403
Retail	130,094	77,114	52,980
Industrial	272,663	353,126	(80,463)
Residential/Multi/Single	1,144,551	788,576	355,975
Multi-Family	142,045	139,956	2,089
Interest Revenue - Other	31,496	80,066	(48,570)
HERO - Other Revenue	149,833	150,373	(540)
Commercial/Service - Non-Admin Portion	2,655,491	831,050	1,824,441
Retail - Non-Admin Portion	3,122,265	1,927,850	1,194,415
Industrial - Non-Admin Portion	6,543,923	8,828,150	(2,284,227)
Residential/Multi/Single - Non-Admin Portion	27,469,233	19,714,400	7,754,833
Multi-Family - Non-Admin Portion	3,409,088	3,498,900	(89,812)
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	1,215,818	868,442
Total Revenues and Carryover Funds	**58,937,742**	**46,872,970**	**11,430,565**

Expenditures	**Approved 6/30/2019**	**Actual 2/28/2019**	**Remaining Budget**
Wages and Benefits			
Salaries & Wages	2,874,645	1,709,575	1,165,070
Fringe Benefits	903,736	561,360	342,376
Overhead Allocation	2,084,260	1,383,774	700,486
Total Wages, Benefits and Overhead	**6,001,857**	**3,654,709**	**2,207,932**
General Legal Services	626,573	386,692	239,881
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	25,480	2,020

Bank Fees	20,665	28,869	(8,204)
Commissioners Per Diem	62,500	38,264	24,236
Office Lease	400,000	269,836	130,164
WRCOG Auto Fuels Expenses	1,250	925	325
WRCOG Auto Maintenance Expense	84	84	-
Parking Validations	27,577	11,276	16,301
Staff Recognition	800	261	539
Coffee and Supplies	3,000	794	2,206
Event Support	136,732	145,610	(8,878)
Program/Office Supplies	24,017	12,869	11,148
Computer Equipment/Supplies	8,000	1,327	6,673
Computer Software	31,111	3,127	27,984
Rent/Lease Equipment	30,000	9,940	20,060
Membership Dues	33,000	21,322	11,678
Subscription/Publications	1,448	1,025	423
Meeting Support Services	9,821	1,875	7,946
Postage	6,108	2,714	3,394
Other Household Exp	975	463	512
COG HERO Share Expenses	15,000	3,444	11,556
Storage	16,000	5,251	10,749
Printing Services	4,777	1,670	3,107
Computer Hardware	14,100	2,664	11,436
Communications - Regular Phone	15,000	12,672	2,328
Communications - Cellular Phones	21,000	6,313	14,687
Communications - Computer Services	57,500	26,559	30,941
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	86,890	100,126	(13,236)
PACE Residential Recording	480,500	224,467	256,033
Seminars/Conferences	13,587	2,153	11,434
General Assembly Expenses	300,000	69,584	230,416
Travel - Mileage Reimbursement	23,688	8,610	15,078
Travel - Ground Transportation	4,948	2,119	2,829
Travel - Airfare	11,500	8,626	2,874
Lodging	9,390	6,875	2,515
Meals	7,305	2,975	4,330
Other Incidentals	9,775	6,287	3,488
Training	9,250	419	8,831
Supplies/Materials	33,020	3,546	29,474
Advertisement Radio & TV Ads	41,025	20,420	20,605
Consulting Labor	2,844,095	1,503,252	1,340,843
TUMF Project Reimbursement	38,000,000	24,967,713	13,032,287
BEYOND Program REIMB	2,799,015	444,716	2,354,299
Computer Equipment/Software	3,500	1,880	1,620
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	**47,676,204**	**28,579,314**	**18,640,088**
Total Expenditures and Overhead	**53,678,061**	**32,234,023**	**20,848,020**

Item 5.C

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: May 6, 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 April.

Prior Actions:

April 18, 2019: The Technical Advisory Committee received and filed.

April 11, 2019: The Public Works Committee received and filed.

April 11, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

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

Attachments:

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

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Item 5.C

WRCOG Committees and Agency Activities Update

Attachment 1

WRCOG April Committees Activities Matrix (Action items only)

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WRCOG Committees Activities Matrix (Action Items Only)	Executive Committee	Administration & Finance Committee	Technical Advisory Committee	Planning Directors Committee	Public Works Committee	Finance Directors Committee	Solid Waste Committee
Date of Meeting:	**4/1/19**	**4/10/19**	**4/18/19**	**4/11/19**	**4/11/19**	**4/25/19**	**Did not meet**
Current Programs / Initiatives:							
Regional Streetlights Program	Received and filed.	n/a	Recommended that the Exectuvie Committee adopt a "Support" position for Congressional Bill H.R 530 (Eshoo) and authorized the Executive Director to transmit a letter on behalf of WRCOG indicatin WRCOG's support for H.R 530.	n/a	n/a	n/a	
Property Assessed Clean Energy (PACE) Programs	1) Adopted WRCOG Resolution Number 05-19; 2) approved the Administration & Finance Committee's recommendation to allow refinancing on Commercial PACE projects; and 3) approved the Administration & Finance Committee's recommendation to allow a 30-year term for Commercial PACE projects that have met certain conditions.	n/a	n/a	n/a	n/a	n/a	
TUMF	1) Approved the 2019 Central Zone TIP; 2) approved the 2019 TUMF Netweork Administrative Amendment.	Received and filed.	n/a	n/a	n/a	Received and filed.	
Fellowship	n/a	n/a	Received and filed.	n/a	n/a	n/a	
New Programs / Initiatives:							
EXPERIENCE	n/a	n/a	n/a	n/a	n/a	n/a	

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Item 5.C

WRCOG Committees and Agency Activities Update

Attachment 2

Summary recaps from April Committee meetings

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Western Riverside Council of Governments
Executive Committee
Meeting Recap
April 1, 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, please click here. To review the meetings PowerPoint presentation, please click here.

Environmental Department Application for Cal Recycle HHW Small Projects Program Grant

- The California Department of Resources Recycling and Recovery (CalRecycle) opened its 33rd round of Household Hazardous Waste (HHW) Small Projects Program Grant application.
- The Committee authorized the submittal of the HHW Small Projects Program Grant application for WRCOG's environmental department to expand the reach of current environmental programs.

PACE Program Update

- The Committee approved the finalized agreements to accept Twain Financial Partners Holding, LLC into WRCOG's Commercial PACE Program.
- The Committee moved to allow refinancing for Commercial PACE projects so long as there is demonstrated savings to the owner and that the financing term does not outlast the estimated useful life of the product.
- In an effort to mirror typical development financing terms, the Committee also approved the option for a 30-year financing term for Commercial PACE projects, increasing the previous maximum financing term for Commercial PACE by five years.

TUMF Program Activities Update

- The Committee approved the 2019 Central Zone Transportation Improvement Program with support from each of the agencies in the Central Zone Committee (the Cities of Moreno Valley, Perris, and Menifee, and the County of Riverside).
- The TUMF Network is the list of projects that can be funded with TUMF funds, broken into two general categories: backbone and secondary projects. Backbone projects typically carry higher levels of traffic between zones and are therefore eligible for additional funding administered through RCTC. The Committee approved the TUMF Network Administrative Amendment to allow for additional backbone projects in the Pass Zone.
- The online TUMF Collection Portal will be completed between July and August of this year, which will allow developers to pay fees online.

Fee Comparison Analysis – Final Report

- WRCOG recently completed an update to the 2016 Fee Comparison Analysis utilizing similar methodology and further analyzed fees in neighboring jurisdictions in San Bernardino and the Coachella Valley.
- The Report can be found here: http://wrcog.us/DocumentCenter/View/5901/Fee-Comparison-Analysis-2018
- The Analysis was conducted across five types of development: single-family residential, multifamily residential, retail, office, and industrial.

- Overall, the average development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities, except for retail development impact fees. Average development fees for a single-family home in the subregion is $47,470, and $29,706 for a multifamily home.

Western Riverside County's Clean Cities Coalition Activities Update

- The Western Riverside County's Clean Cities Coalition, administered by WRCOG, focuses on educating the public on air quality, advanced technology, alternative fuels, and other air quality-related issues. It historically has also helped jurisdictions purchase alternative fuel vehicles and assisted with seeking funds for implementation of alternative fuel vehicle fueling and charging stations.
- Since the inception of the Coalition, over five thousand alternative fleet vehicles have come to the subregion, yielding over 9 million gallons of gasoline conserved.
- The Coalition will host an AltCar Expo on October 16, 2019, which will facilitate fuel and technology workshops showcasing advanced technology vehicles and refueling or charging stations.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, May 6, 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
April 10, 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]().

Regional Energy Network (REN) Development Activities Update

- WRCOG, in partnership with the Coachella Valley Association of Governments (CVAG) and San Bernardino Council of Governments (SBCOG), is aiming to create a REN that would advance the subregion's energy efficiency capabilities and result in broader energy savings across communities.
- The Committee recommended that the Executive Committee authorize contract negotiations between WRCOG and Frontier Energy to develop a Business Plan for the REN, the cost of which would be shared between the three COGs.

Preliminary Draft Fiscal Year 2019/2020 Agency Budget

- WRCOG's 2019/2020 annual budget is vetted through its Committee structure and adopted by the General Assembly in June. The preliminary Draft Budget is divided into four departments including Administration, Energy, Transportation & Planning, and Environment. Each of the four departments exhibits a balanced budget for the 2019/2020 Fiscal Year.
- WRCOG is pursuing three fiscal goals to decrease expenditures and increase revenues: 1) to reduce PERS unfunded liability, 2) to sublease approximately 2,000 square feet of existing office space, and 3) to expand the PACE Program commercial footprint.

28th Annual General Assembly & Leadership Conference: Nominations for Outstanding Community Service Award

- In preparation for the 28th annual WRCOG General Assembly and Leadership Conference on June 20, 2019, the Committee discussed nominations for the 2019 Award for Outstanding Community Service.
- To better honor the variety of efforts undertaken by community members, the Committee moved to create three categories within the Outstanding Community Service Award: 1) individual, 2) governmental agency, and 3) non-profit organization.
- The candidates being recommended to the Executive Committee for final approval are: Tom Evans (individual); the City of Lake Elsinore (government agency); and SWAG (non-profit organization).

TUMF Fee Calculation Handbook Updates: High Cube Warehouse Calculations and Administrative Updates

- In response to questions raised by member agencies, staff conducted research to investigate whether fulfillment and distribution centers generate more traffic than high cube warehouses, and if this difference constitutes a new category in WRCOG's TUMF Fee Calculation Handbook.
- Research indicates that distribution centers do generate more regional traffic than high-cube warehouses, however, it was determined that the difference is better addressed by a new calculation number rather than the creation of a new category in the TUMF Fee Calculation Handbook.

Options for Potential WRCOG Assistance for Regional Housing Needs Assessment Subregional Delegation

- The 6th RHNA cycle is projected to begin in Fall 2019. SCAG typically calculates and assigns RHNA numbers to cities; however, subregional delegation is an option for interested jurisdictions.

- The advantages of subregional delegation include a distribution methodology created specifically for the subregion and greater local control and transparency.
- Among the potential challenges associated with subregional delegation, most notable are the high costs, legal risks, and potential friction between WRCOG and its member jurisdictions.
- WRCOG's research indicates that taking on subregional delegation would not likely yield a change in the total housing units to be distributed within the subregion, and the distribution between member jurisdictions may not substantively differ from a SCAG-led allocation.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, May 8, 2019, at 12:00 p.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
April 11, 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.

Senate Bill 2 Planning Grant Overview

- Senate Bill 2, included in the 2017 Housing Package, created a planning grant program with the goal of making funding available to all local governments in California for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production.
- An overview presentation was given by a consulting firm PlaceWorks, who have been contracted through the state to assist with applications and identification of eligible activities.
- Eligible applicants are incorporated cities/towns and counties. The maximum funding amount is dependent on population size
    - Population < 60k grant amount = $160,0000
    - Population = 60k-200k, grant amount = $310,000
    - Population > 200k, grant amount = $625,000
- Priority Policy Areas (PPA's) are eligible high impact activities that will be streamlined for approval and include rezoning to permit by-right, objective design and development standards, expedited processing and innovative housing finances, to name a few.
- Applications are available now and funding is available on a non-competitive basis. Of important note, jurisdictions will only be permitted to submit one application, and are encouraged to ask for their full allocation in that application.

Resilient IE Activities Update

- Resilient IE, a Caltrans grant-funded project jointly led by WRCOG and SBCTA, is developing a toolkit of resources to make the region's transportation infrastructure more resilient to climate-related hazards. Included in the toolkit is the development of a network of city-level hazard and evacuation maps, Accessible through ArcGIS at http://arcg.is/1y10em.
- Committee members are asked to review and provide input regarding the roadways selected for the jurisdiction and provide input on any needed modifications including the addition or removal of a roadway and/or the need to add a roadway to create a redundancy for any reason. Input should be submitted to ahoward@wrcog.us by Friday, April 19, 2019.

RHNA Subregional Delegation

- The 6th RHNA cycle is projected to begin in Fall 2019. SCAG typically calculates and assigns RHNA numbers to cities; however, subregional delegation is an option for interested jurisdictions.
- The advantages of subregional delegation include a distribution methodology created specifically for the subregion and greater local control and transparency.
- Among the potential challenges associated with subregional delegation, most notable are the high costs, legal risks, and potential friction between WRCOG and its member jurisdictions.
- WRCOG's research indicates that taking on subregional delegation would not yield a change in the total housing units to be distributed within the subregion, and the distribution between member jurisdictions may not substantively differ from a SCAG-led allocation.

Legislative Platform Policy Area Activities Update: Housing

- In accordance with WRCOG's 2019-2020 Legislative Platform, WRCOG has begun meeting with regional elected officials to provide a voice for Western Riverside County regarding housing and RHNA.
- In addition, WRCOG has drafted a RHNA White Paper which offers a solutions-based roadmap for improving the RHNA process. The Outline was included as an attachment to the staff report on this item and staff are seeking input from member agencies and stakeholders on recommended additions and/or modifications to the White Paper content.
- Additionally, members are encouraged to share any information on their experiences planning for and developing housing, including stories and anecdotal information, which WRCOG could use as talking points when discussing housing with lawmakers.
- Staff ask that comments on the White Paper Draft and/or other stories be submitted by April 30, 2019 to ahoward@wrcog.us.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, May 9, 2019, at 9:00 a.m. at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Public Works Committee
Meeting Recap
April 11, 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.

Small Cell Deployment Activities Update

- HR Green staff provided a presentation on the impacts of new technologies to local agencies and what local agencies can do to prepare for small cell deployment in the region.
- The presentation focused on potential policies that local agencies can adopt to accommodate the new technology while providing local control.

UrbanLeap Innovation Platform

- UrbanLeap staff provided a presentation on its platform which was developed to assist agencies discover, test and share best practices and innovative solutions.
- A demonstration of the platform utilized by the City of Las Vegas was provided to the Committee.
- UrbanLeap staff discussed potential application to the WRCOG subregion on the platform, which offers a low-risk method to test ideas and solutions prior to larger-scale implementation.

2019 TUMF Construction Cost Index Adjustment

- Staff provided an update on the Construction Cost Index adjustment to the TUMF schedule, which will be presented to the Committee in May for a recommendation.
- The Construction Cost Index is an administrative element of the TUMF Program, which is intended to keep the dollar value of the TUMF whole.

TUMF Regional Arterial Program

- Riverside County Transportation Commission (RCTC) staff provided a presentation on initial discussions for a TUMF Regional Arterial Program, Cycle 2. The initial cycle of the TUMF Regional Arterial Program commenced in the mid-2000's and is nearing completion.
- Staff will distribute a survey to the Committee to gauge the number of projects in the TUMF Program that are nearing construction readiness for potential funding.
- Staff would note that RCTC has not determined the selection criteria or timeline for Cycle 2, though construction readiness will be emphasized.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, May 9, 2019, at 2:00 p.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Technical Advisory Committee
Meeting Recap
April 18, 2019

Following is a summary of key items discussed at the last Technical Advisory Committee meeting. To review the full agenda and staff reports, please click here. To review the meeting PowerPoint presentation, please click here.

Preliminary Draft Fiscal Year 2019/2020 Agency Budget

- WRCOG's 2019/2020 annual budget is under development and will be reviewed by its Committee structure prior to scheduled adoption by the General Assembly on June 20. The preliminary Draft Budget is divided into four departments including Administration, Energy, Transportation & Planning, and Environment. Each of the four departments exhibits a balanced budget for the 2019/2020 Fiscal Year.
- WRCOG is pursuing three fiscal goals to decrease expenditures and increase revenues: 1) to reduce PERS unfunded liability, 2) to sublease approximately 2,000 square feet of existing office space, and 3) to expand the PACE Program commercial footprint.

Fee Comparison Analysis – Final Report

- WRCOG recently completed an update to the 2016 Fee Comparison Analysis utilizing similar methodology and further analyzed fees in neighboring jurisdictions in San Bernardino and the Coachella Valley.
- Analysis was conducted across five types of development: single-family residential, multifamily residential, retail, office, and industrial.
- Overall, the average development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities, except for retail development impact fees. Average development fees for a single-family home in the subregion is $47,470, and $29,706 for a multifamily home.
- The Report can be found here: http://wrcog.us/DocumentCenter/View/5901/Fee-Comparison-Analysis-2018

RHNA Subregional Delegation

- The 6th RHNA cycle is projected to begin in Fall 2019. SCAG typically calculates and assigns RHNA numbers to jurisdictions; however, subregional delegation is an option for interested jurisdictions.
- Potential advantages of subregional delegation include a distribution methodology created specifically for the subregion and greater local control and transparency.
- Potential challenges associated with subregional delegation include costs that likely would not be reimbursed, legal risks, and potential friction between WRCOG and its member jurisdictions.
- WRCOG's examination into this indicates that taking on subregional delegation would not likely yield a significant change in the total housing units to be distributed within the subregion, and the distribution between member jurisdictions may not substantively differ from a SCAG-led allocation.

Development of a Regional Energy Network (REN) to Replace the Western Riverside Energy Partnership

- WRCOG, in partnership with the Coachella Valley Association of Governments (CVAG) and San Bernardino Council of Governments (SBCOG), is examining the creation of a Regional Energy Network that would advance the subregion’s energy efficiency capabilities, result in broader energy savings across communities, and provide more funding for accomplishing these objectives compared to that currently received through the Western Riverside Energy Partnership.

- The TAC recommended that the Executive Committee authorize contract negotiations between WRCOG and a consultant to develop a Business Plan for the REN, the cost of which would be shared between the three COGs.

Public Service Fellowship Activities Update

- Since the inception of the Program in 2016, 49 Public Service Fellows have been placed throughout member agencies.
- A number of graduating Round III Fellows presented to the TAC on their experience in the Program; afterward staff hosted a Completion Mixer to highlight Fellows searching for full-time employment opportunities.

Next Meeting

The next Technical Advisory Committee meeting is scheduled for Thursday, May 16, 2019, at 9:30 a.m. in WRCOG’s office, located at 3390 University Avenue, Suite 450, Riverside.

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Item 5.D

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Streetlight Program Activities Update**

Contact: **Daniel Soltero, Staff Analyst, dsoltero@wrcog.us, (951) 405-6738**

Date: **May 6, 2019**

The purpose of this item is to *provide an update on the acquisition of streetlights by the City of San Jacinto and City of Wildomar, and the City of Murrieta retrofit progress.*

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).

San Jacinto and Wildomar Acquire Streetlights

In April 2019, the Cities of San Jacinto and Wildomar became the 5th and 6th jurisdictions in the Program to acquire streetlights from SCE. The City of San Jacinto received confirmation of ownership for 1,860 streetlights on April 2, 2019. Two days later, on April 4, 2019, the City of Wildomar received confirmation on a successful acquisition of 1,405 streetlights in the city.

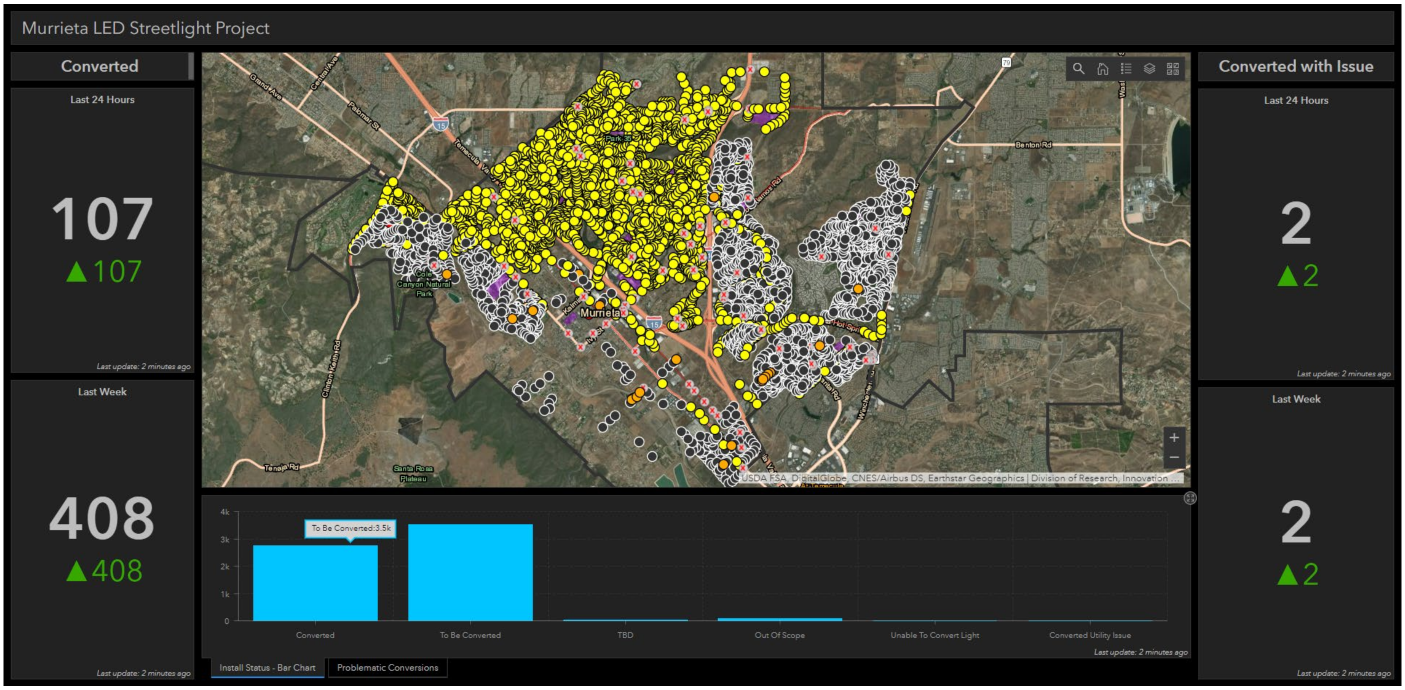
The Cities of San Jacinto and Wildomar join Eastvale, Moreno Valley, Murrieta and the Jurupa Community Services District (JCSD) as jurisdictions that have acquired their Streetlights systems from SCE. Altogether, these six jurisdictions amount to roughly 25,000 streetlights.

As participating jurisdictions in the Program, the Cities and JCSD are utilizing Siemens Industry to retrofit old lamps to LED fixtures and provide routine operations and maintenance to the streetlight systems. Additionally, the selection of GE LED fixtures will significantly lower energy consumption and reduce electric utility costs for street lighting.

Murrieta Streetlight Retrofit Update

The City of Murrieta started retrofitting its streetlights on February 11, 2019. As of April 23, 2019, the project dashboard pictured below is showing over 2,700 streetlights retrofitted, identified by the black dots. More than

400 streetlights have been retrofitted in the last week alone.



<u>Federal Small Cell Regulation to Repeal FCC's Ruling (H.R. 530)</u>

In October 2018, the Federal Communications Commission (FCC) issued a Declaratory Ruling to streamline a local government's wireless infrastructure siting review process to facilitate the deployment of next-generation wireless facilities, also known as 5G small cells. The ruling, titled "Accelerating Wireless and Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment," officially took effect on January 14, 2019. Specifically, the FCC limited administrative fee levels that local governments can charge to a small cell provider, established 60- and 90-day "shot clocks" for local jurisdictions to approve or deny siting applications, and standardized state and local considerations of aesthetic concerns that affect the deployment of Small Wireless Facilities.

Within the same day of the FCC's ruling taking effect, U.S. Representatives Anna Eshoo (D-CA 18th District) and Jackie Speier (D-CA 14th District) introduced a bill, H.R. 530, to repeal the FCC's ruling. This bill, if passed, will return local control to state and local governments over the siting review process, timeframes for approving or denying applications, and the fee schedule for small cell installations. Currently, the League of California Cities has developed a draft letter of support for H.R. 530 and is urging interested jurisdictions to join in support of H.R. 530. In March 2019, WRCOG transmitted a letter of support (attached) for H.R 530 as it aligns with the following sections of WRCOG's 2019/2020 legislative platform:

- General Advocacy: Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions

- Other Local Government Issues: Support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.

<u>Prior Action</u>:

<u>April 18, 2019</u>: The Technical Advisory Committee received the report.

<u>Fiscal Impact</u>:

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

Attachment:

1. Congressional Bill H.R. 530 Analysis and WRCOG Legislative Platform.

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Item 5.D

Regional Streetlight Program Activities Update

Attachment 1

Congressional Bill H.R. 530 Analysis and WRCOG Legislative Platform

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This paper analyses the Congressional Bill H.R. 530 (Eshoo) "Accelerating Broadband Development by Empowering Local Communities Act of 2019" with the WRCOG Legislative Platform

Last year, the Federal Communications Commission (FCC) adopted regulations limiting the authority of cities and states to regulate small cell sites (e.g., attachments to street light and utility poles) needed for the deployment of 5G. The title of the adopted FCC regulation is "Accelerating Wireless and Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment" and the Declaratory Ruling is titled "Third Report and Order and Declaratory Ruling". The FCC's regulations sharply limit the type and amount of fees cities and states may charge for profit-generating use of public property, set "shot clocks" as low as 60 days for cities and states to conduct all necessary inspections and authorize proposals, and drastically limit non-fee requirements cities and states may institute. The regulations began taking effect on January 14, 2019. The League, along with a broad coalition of California cities, local governments and utility companies across the country have joined in suing the FCC over these regulations.

The FCC allowed industry to write these regulations without sufficient input from local leaders. This has led to regulations that restrict cities from requiring carriers to meet the needs of communities in which they want to operate. The FCC's order unnecessarily complicates existing agreements and negotiations between cities and wireless providers by imposing a one-size-fits-all preemption of existing state and local policies. The FCC's limits on fees for use of publicly owned property by private companies is an extreme overreach by the federal government, forcing cities to subsidize development at the cost of other critical local services.

In January 2019, U.S. Representatives Anna Eshoo (D-CA 18th District) and Jackie Speier (D-CA 14th District) introduced a bill, H.R. 530, to repeal the FCC's adopted regulations on 5G deployment. This bill, if passed, will return local control to state and local governments over the siting review process, timeframes for approving or denying applications, and the fee schedule for small cell installations.

Furthermore, the Congressional Bill H.R. 530 aligns with two sections of WRCOG's Legislative Platform. First, in the "General Advocacy" section it states that WRCOG is to oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions falls perfectly in line with the Congressional Bill. Second, "Other Local Government Issues" states that WRCOG is to support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Environmental Department Programs Activities Update**

Contact: **Kyle Rodriguez, Staff Analyst, krodriguez@wrcog.us, (951) 405-6721**

Date: **May 6, 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.

WRCOG's Environmental Department assists member jurisdictions with addressing state mandates which require education and outreach programs that reduce greenhouse gas emissions. The Environmental 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 comprised of 18 WRCOG member agencies, local waste haulers, the California Department of Resources Recycling and Recovery (CalRecycle), and other stakeholders of interest. The Cooperative was formed to help the subregion discuss issues of importance and learn the 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 throughout 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 Consultants 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 the recycling of used motor oil, oil filters, and HWW. 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 used oil events, every individual that brings in their used oil filter is provided with a brand new filter, of equal or lesser price, 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
3/23/2019	Oil & Filter Event	Lake Elsinore	32
4/6/2019	Oil & Filter Event	Riverside	114
4/13/2019	Community Event	Lake Elsinore	N/A
4/27/2019	Community Event	Menifee	N/A
4/27/2019	Oil & Filter Event	Temecula	40

The following is a list of "upcoming" Used Oil Outreach and Oil Filter Exchange Events:

Date	Event	Location	Time
5/11/2019	Oil & Filter Event	San Jacinto	9:00 a.m. – 12:00 p.m.
5/18/2019	Oil & Filter Event	Corona	9:00 a.m. – 12:00 p.m.
6/1/2019	Oil & Filter Event	Riverside	9:00 a.m. – 1:00 p.m.
6/7/2019	Used Oil Night	Lake Elsinore	7:00 p.m. - Fireworks
6/22/2019	Oil & Filter Event	Calimesa	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:

1. Fuel and technology feedback listening sessions
   a. *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.*

2. AFV infrastructure development and corridor planning
    a. *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.*
    b. *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.*
3. Fuel / technology outreach and demonstration events
    a. *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 on October 16, 2019, at the Riverside Convention Center.*
4. Targeted coaching and technical assistance
    a. *The Coalition will continue to provide direct technical assistance and coaching to its members' 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:

April 18, 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.E

Environmental Department Activities Update

Attachment 1

SB 1383 Workshop PowerPoint

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WRCOG SB 1383 Workshop
February 20, 2019

SB 1383 Reducing Short-Lived Climate Pollutants in California

SB 1383

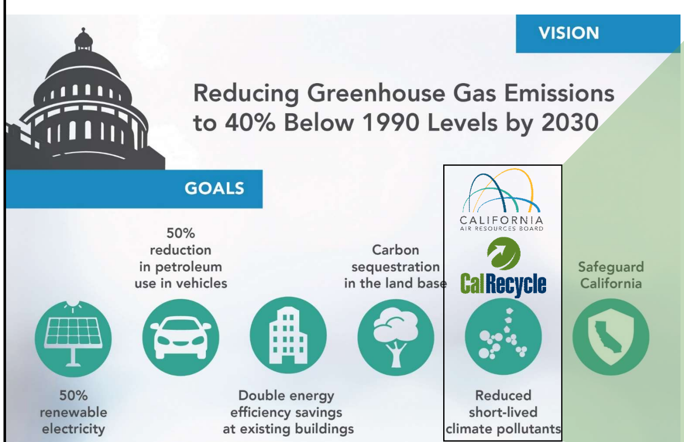
Reducing Short-Lived Climate Pollutants in California

Western Riverside Council of Governments Solid Waste Committee Meeting
February 20, 2019

Marshalle Graham
Senior Environmental Scientist, Supervisor
marshalle.graham@calrecycle.ca.gov
(916) 223-3358

An Overview of SB 1383's Organic Waste Reduction Requirements

California's Climate Strategy



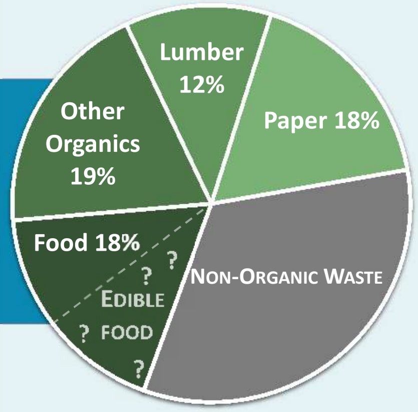
Organic Waste Reductions

- Reduce Organic Waste Disposal
- Recover Edible Food from Waste Stream
- Reduce Methane Emissions

ORGANIC WASTE IS THE LARGEST WASTE STREAM IN CALIFORNIA

CALIFORNIA GENERATES
APPROXIMATELY
20-23 MILLION TONS
OF ORGANIC WASTE
EVERY YEAR

THAT'S TWO-THIRDS OF OUR WASTE STREAM!



IN CALIFORNIA, MILLIONS ARE
FOOD INSECURE

1 IN 8 CALIFORNIANS
1 IN 5 CHILDREN

CALIFORNIA THROWS AWAY
5.6 MILLION TONS
OF FOOD WASTE EVERY YEAR!

CalRecycle

SB 1383 REQUIREMENTS

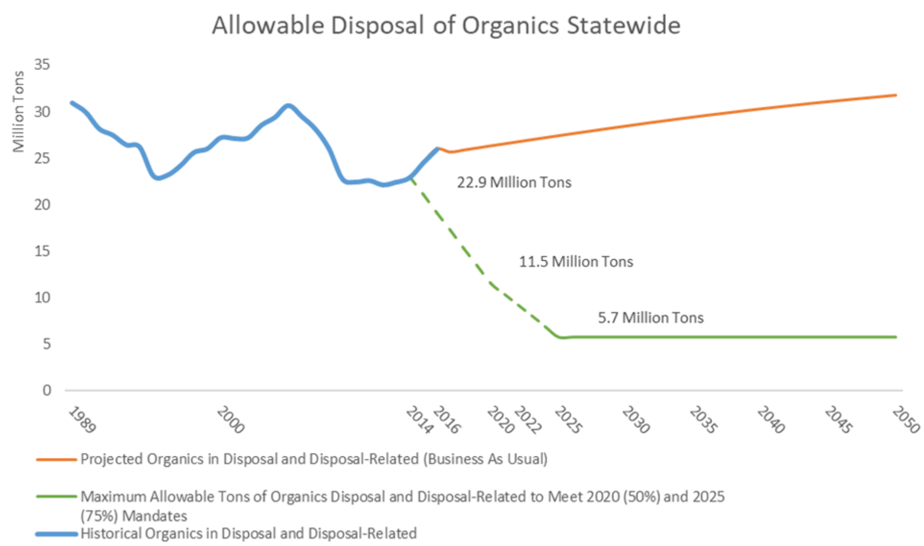
2020	50 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (11.5 Million Tons Allowed Organic Waste Disposal)
2022	REGULATIONS TAKE EFFECT
2025	75 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (5.7 Million Tons Allowed Organic Waste Disposal)
2025	20 PERCENT INCREASE IN RECOVERY OF CURRENTLY DISPOSED EDIBLE FOOD

CalRecycle

Organic Waste Reduction Targets

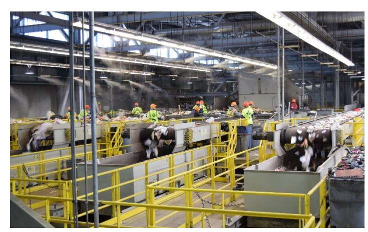
By 2020
10 Million TPY

2025 →
20+ Million TPY



CalRecycle

Organic Waste Recycling Infrastructure



SB 1383 Requires 50-100
New or Expanded
Organic Waste Recycling Facilities

8

CalRecycle

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…

CalRecycle

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

CalRecycle

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

CalRecycle

SB 1383 in Action

Jurisdiction Requirements

Establish Edible Food Recovery Program

EDIBLE FOOD RECOVERY PROGRAM

Identify Existing Food Recovery Capacity

Expand Existing Food Recovery Capacity (if needed)

Monitor Commercial Edible Food Generators for Compliance

Ensure Commercial Edible Food Generators Have Access to Food Recovery Services

CalRecycle

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

CalRecycle

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

RECYLABILITY
All procured paper products must be recyclable

CalRecycle

SB 1383 in Action

Jurisdiction Requirements

Monitor Compliance and Conduct Enforcement

Inspection and Enforcement Requirements

Ordinance

Adopt an Ordinance or Similar Mechanism that Is Consistent with the Regulations, and Includes Enforcement

Compliance Monitoring

Annual Compliance Reviews, Route Reviews and/or Inspections Complaint Based Inspections

Document Actions

Document and record: complaints, violations, and enforcement actions

Remedying Violations

2022 | Inform Regulated Entities of Noncompliance

2024 | Conduct Enforcement, and Issue Penalties for Continued Noncompliance

CalRecycle

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

CalRecycle

State Enforcement

CalRecycle

CalRecycle Oversight (Begins in 2022)

Oversee and Monitor All Regulated Entities for Compliance

- Solid Waste Facilities
- Generators
- State Agencies,
- Schools
- Local Enforcement Agencies,
- Haulers
- Jurisdictions

- Issue Notices of Violation (NOVs) for Individual Violations
- Issue Penalties For Continued Noncompliance

- Authorize Waivers for Low Population and Rural Areas
- Authorize Corrective Action Plan to allow 24 months to Address Barriers Outside of Regulated Entities Control

CalRecycle

SB 1383 Key Implementation Dates

December 2018
Conclusion of Two Years of Informal Rulemaking

January 18, 2019
Formal Rulemaking Begins

March 4, 2019
Deadline for 45 Day Comment Period

March 12, 2019
Formal Rulemaking Hearing To Solicit Stakeholder Feedback

Spring/Summer 2019
Revised Draft(s) of Regulatory Text (Each Revision Subject to 15 day comment periods)

December 2019
Regulations Adopted

Jan. 1, 2022
Regulations Take Effect

Jan. 1, 2024
Jurisdictions Must Issue Fines For Noncompliance

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CalRecycle

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

FORMAL HEARING
March 12th 2019
Cal EPA Building, Coastal Hearing Room
1001 I Street, 2nd Floor
Sacramento, CA 95814

SLCP.Organics@calrecycle.ca.gov
FAX: (916) 319-7146

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

CalRecycle

STAY ENGAGED

http://www.calrecycle.ca.gov/Listservs/Subscribe.aspx?ListID=152

http://www.calrecycle.ca.gov/Climate/SLCP

Marshalle Graham
Senior Environmental Scientist, Supervisor
Marshalle.graham@calrecycle.ca.gov
916-341-6270

The Impacts of SB 1383 Draft Regulations

Presentation For the Western Riverside Council of Governments

SB 1383 Highlights

Jurisdiction Compliance

Funding Options

Rate Structures

Next Steps

Philip Mainolfi
Pmainolfi@hfh-consultants.com
(949) 251-0231

HF&H

February 20, 2018

SB 1383 Timeline

2018 – Early 2019	January 1, 2020	January 1, 2022	January 1, 2024	January 1, 2025
CalRecycle initiated formal rulemaking in 2018 Regulations to be adopted in early 2019	State to achieve 50% reduction of organics disposal (2014 baseline)	Jurisdictions must have organics recycling programs in place Enforceable regulations take effect Jurisdictions must implement an ordinance or ordinances	Jurisdictions must take progressive enforcement actions against non-compliant regulated entities: -Generators -Haulers -Processors	State to achieve 75% reduction in organics disposal (2014 baseline) State to recover a minimum of 20% of disposed edible food for human consumption

CalRecycle

1

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	

<u>Beginning February 2019</u>
- Notify Council of legislation and pending changes
- Evaluate current franchise agreement(s) and ordinance(s)
- Determine necessary modifications and path to completion

<u>Beginning January 2020</u>
- Update agreement(s) through procurement, amendment or negotiation
- Draft ordinance(s)
- Notify residents/businesses of SB 1383 and upcoming changes

<u>Beginning July 2021</u>
- 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

6

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

Procurement of Recovered Organic Waste Products

Description	2019		2020		2021	
Procurement of Recovered Organic Waste Products						

Planning Implementation On-Going

<u>Beginning January 1, 2019</u>

- 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

<u>Beginning July 1, 2020</u>

- Develop procurement policy and targets

<u>Beginning July 1, 2021</u>

- Begin procuring recovered organic waste products

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

11

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

16

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

17

Panel Discussion

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

Item 5.F

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: PACE Programs Activities Update: General Activities Update

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: May 6, 2019

The purpose of this item is to *provide a general PACE Program update.*

Requested Action:

1. Receive and file.

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 Program was initiated in December 2011 and was expanded in 2014 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, Twain and Ygrene as commercial PACE providers.

Overall PACE Program Update

The below table provides a summary of projects that have been completed under the WRCOG PACE Programs through April 15, 2019:

Residential	Date Program Launched	Projects Completed Last Month	Project Value Last Month	Projects Completed to Date	Total Project Value
WRCOG HERO	Dec 2011	35	$830,384	26,870	$564,761,751
California HERO	Dec 2013	206	$4,730,383	63,551	$1,466,795,944
CaliforniaFIRST	May 2017	11	$234,821	217	$6,125,115
PACE Funding	Nov 2017	10	$291,903	299	$7,229,338
Total:		**262**	**$6,087,491**	**90,937**	**$2,044,912,148**

Commercial	Date Program Launched	Projects Completed Last Month	Project Value Last Month	Projects Completed To Date	Total Project Value To Date
Greenworks	Feb 2018	2	$341,112	10	$7,605,175
CleanFund	Dec 2018	0	0	0	0

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	$118 Million
Projected Economic Impact	$ 3.5 Billon
Projected Job Creation/Retention	20,278 Jobs

Prior Action:

April 1, 2019: The Executive Committee adopted WRCOG Resolution Number 05-19; 2) approved the Administration & Finance Committee's recommendation to allow refinancing on Commercial PACE projects; and 3) approved the Administration & Finance Committee's recommendation to allow a 30-year term for Commercial PACE projects that have met certain conditions.

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: Report out of WRCOG Representatives on Various Committees

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

Date: May 6, 2019

The purpose of this item is to *inform the Committee of activities occurring on the various Committees in which WRCOG has an appointed representative.*

Requested Action:

1. Receive and file.

This item is held as a placeholder for WRCOG representatives' use in providing materials pertaining to meetings of the Committee they have been appointed to.

SANDAG Borders Committee (Crystal Ruiz)

There has not been a meeting since the last report of this item on April 1, 2019. The next meeting of the Borders Committee is scheduled for Friday, May 24, 2019, at 12:30 p.m.

SAWPA OWOW Steering Committee (Rusty Bailey)

There has not been a meeting since the last report of this item on April 1, 2019. The next meeting of the SAWPA OWOW Committee is scheduled for Friday, May 23, 2019, at 11:00 a.m.

CALCOG (Brian Tisdale)

There has not been a meeting since the last report of this item on April 1, 2019. The next meeting of the CALCOG Board of Directors is scheduled for Friday, May 29, 2019, at 11:00 a.m.

Prior Action:

April 1, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Single Signature Authority Report**

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

Date: **May 6, 2019**

***The purpose of this item is to** notify the Committee of contracts recently signed under the Single Signature Authority of the Executive Director.*

Requested Action:

1. Receive and file.

The Executive Director has Single Signature Authority for contracts up to $100,000. For the months of October 2018 through March 2019, three contracts were signed by the Executive Director.

1. In November 2018, a contract in the amount of $17,500 was signed with Evari GIS Consulting, Inc. The purpose of this agreement is to develop and implement GIS software related to the Regional Streetlight Program.
2. In January 2019, a contract in the amount of $75,000 was signed with Best Best and Krieger. The purpose of this agreement is to work with BBK's legislative advocacy services division to help draft a proposed bill and actively work with State lawmakers to find an author and develop support to for legislation that could allow utilization of PACE financing in new construction.
3. In February 2019, a contract in the amount of $17,545 was signed with Chico Community Publishing. The purpose of this agreement is to develop content and information for a publication on the benefits of electric vehicles (EVs). Chico Community Publishing will develop articles on the experience of EV ownership from actual EV owners, facts on the benefits of EVs, and funding available. The content will be developed into an article that can be printed, but the content can also be utilized on other WRCOG collateral.

Prior Actions:

April 18, 2019: The Technical Advisory Committee received and filed.

April 10, 2019: The Administration & Finance 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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Item 5.I

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **TUMF Program Activities Update: TUMF Calculation and Collection Process Update**

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

Date: **May 6, 2019**

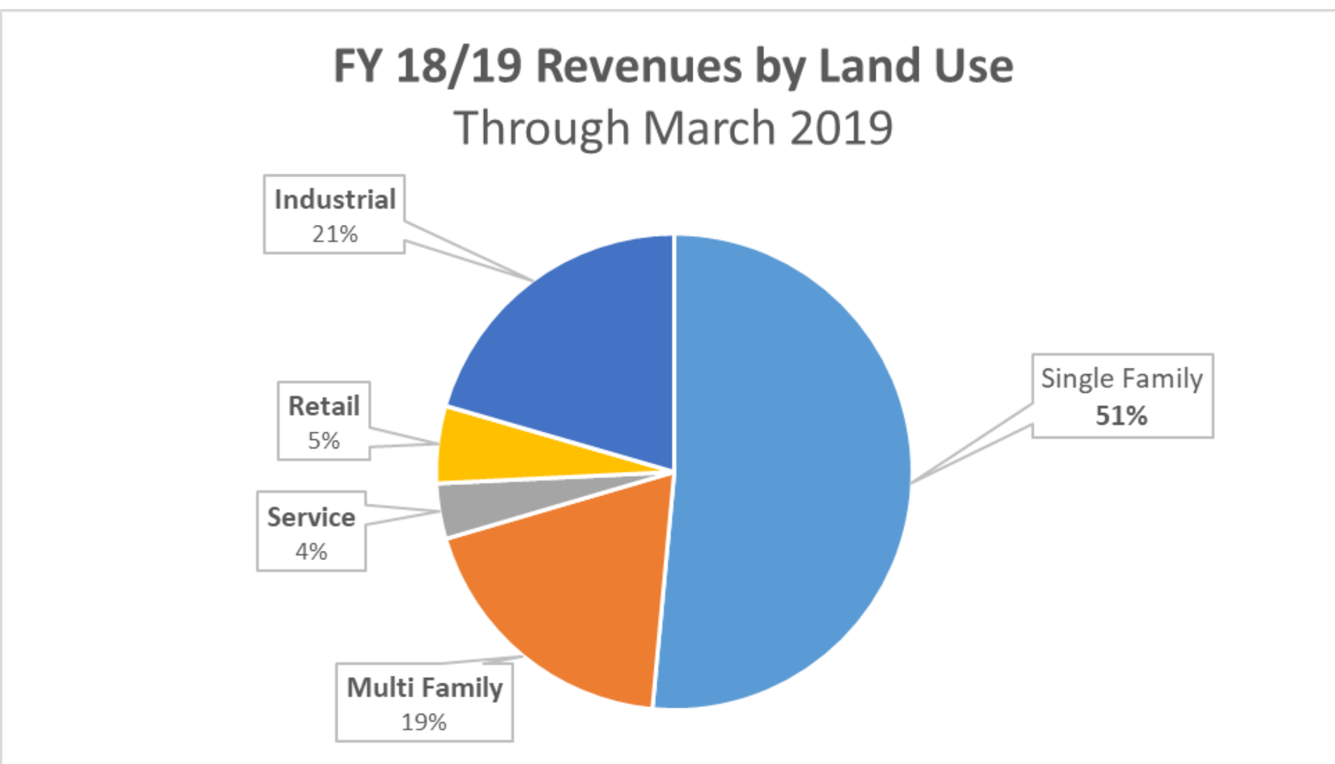
The purpose of this item is to *provide an update on TUMF revenues collected and implementation of the revision to the TUMF calculation process.*

Requested Action:

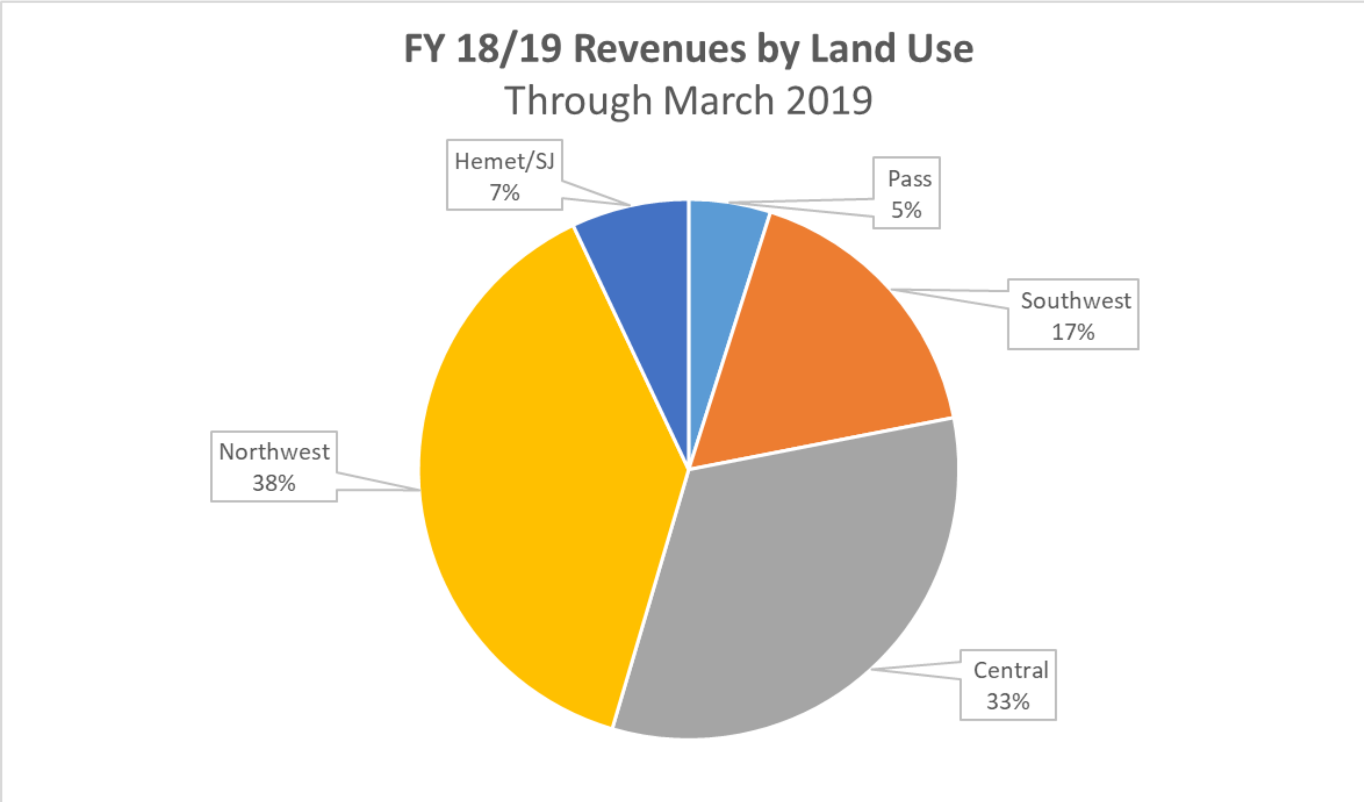
1. Receive and file.

March 2019 TUMF Revenue

For the month of March 2019, the TUMF Program collected $4.5 million. As shown in the following chart, of the $45M collected this fiscal year to date, approximately 53%, or $23M, has been from single-family residential projects, followed by approximately 21%, or $9M, from industrial projects. Through March 2019, multi-family residential development for Fiscal Year 2018/2019 ($8.5M) has exceeded multi-family development collections for Fiscal Year 2017/2018, which was $3.5M.



Through the month of March 2019, the Northwest and Central Zones have collected approximately 71% of all TUMF collections. Pass Zone TUMF collections for Fiscal Year 2018/2019 have exceeded Fiscal Year 2017/2018 collections by approximately $2.1M.



TUMF Calculation and Collection Policy Revision

In October 2018, the Executive Committee approved an update to the TUMF calculation and collection process to allow an option for member agencies to shift the responsibility for TUMF calculation and collection to WRCOG. The option to delegate TUMF calculation and collection to WRCOG will only become effective for a member agency with action by the elected body of the agency to approve the TUMF Ordinance Amendment. Sixteen-member agencies have indicated to WRCOG their intention to shift responsibility for fee calculation and collection to WRCOG and have presented or are planning to present the amended TUMF Ordinance for approval. Implementation of the new TUMF calculation and collection process began on March 1, 2019, in several cities and will occur on a rolling basis because implementation is contingent on TUMF participating agencies approving a TUMF Ordinance Amendment.

Developers currently have the option to pay TUMF electronically to WRCOG through wire transfers or checks delivered to the WRCOG office. Based on the first two months of TUMF collections by WRCOG, most payments have been made electronically. WRCOG is also working with a vendor to develop an online fee portal to provide a second electronic option for developers to make TUMF payments. The online fee portal will provide TUMF participating agency staff the option to prepare reports of fee payments that have been made in their specific agency.

As TUMF is collected by WRCOG in each of the 16 TUMF participating agencies that have opted to delegate the fee collection to WRCOG, staff will provide each agency with a detailed report of the TUMF fee assessments and collections for new development projects.

The Cities of Beaumont, Lake Elsinore, and Perris and the County of Riverside have indicated that they will not be opting-in to the process at this time. The following table provides an update for each TUMF Program participating agency:

Agency	Opt-In	Estimated Effective Date
County of Riverside	No	
Northwest		
Riverside	In	5/1/2019
Corona	In	3/1/2019
Norco	In	5/1/2019
March JPA	In	5/1/2019
Eastvale	In	4/1/2019
Jurupa Valley	In	5/1/2019
Southwest		
Canyon Lake	In	Summer 2019
Temecula	In	4/1/2019
Lake Elsinore	No	
Murrieta	In	4/1/2019
Wildomar	In	5/1/2019
Central		
Moreno Valley	In	5/1/2019
Menifee	In	4/1/2019
Perris	No	
Pass		
Banning	In	Summer 2019
Beaumont	No	
Calimesa	In	5/1/2019
Hemet / San Jacinto		
Hemet	In	5/1/2019
San Jacinto	In	Summer 2019

Prior Action:

April 25, 2019: The Finance Directors Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Item 6.A

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: **May 6, 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.

Budget Trailer Bill
Establishes the Safe and Affordable Drinking Water Fund.
This fund provides grants and loans to disadvantaged or contaminated water systems to provide clean and affordable drinking water. Places a tax on drinking water, dairies, and fertilizer to fund the fund. This bill is a reintroduction of Senator Monning's SB 623 and subsequent trailer bill from 2018.
Position: Oppose Unless Amended

AB 217 (E. Garcia) Safe Drinking Water for All Act.
Establishes the Safe Drinking Water for All Act and the Safe and Affordable Drinking Water Fund. Imposes several fees on agricultural activities and public water systems and creates a trust fund using investments from the state General Fund that together would provide the source of revenue to the Fund.
Position: Pending

SB 45 (Allen) Wildfire, Drought, and Flood Protection Bond Act of 2020.
Proposes placing a $4.3 billion bond for Wildfire, Drought, and Flood Protection on the 2020 ballot. Includes grant funds for local and state agencies. Major funding categories are: restoration funds for areas effected by wildfire, drought, and flooding; reduction of risk to in high wildfire threat areas; protecting, restoring, and improving forest quality and habitat; reduction of the impacts of climate change on urban areas; and protecting water supply and water quality.
Position: Pending

SB 54 (Allen) and AB 1080 (Gonzalez) California Circular Economy and Plastic Pollution Reduction Act.
Seeks to reduce 75% of single use plastic packaging and products sold in California by 2030 and require all single use plastics and packaging sold in the state to be recyclable or compostable by 2030. The bill also requires CalRecycle to develop a scoping plan to achieve this goal.
Position: Pending Support

SB 200 (Monning) Safe and Affordable Drinking Water Fund.
Establishes the Safe and Affordable Drinking Water Fund to provide a stable source of funding for clean drinking water for all Californians. The bill is very similar to the proposed budget safe drinking water trailer bill but does not identify a funding source.
Position: Watch

SB 209 (Dodd) Wildfire. California Wildfire Warning Center. Weather Monitoring.
Establishes the California Wildfire Warning Center, to oversee the development and deployment of a statewide network of automated weather and environmental stations to monitor weather conditions that contribute to high wildfire risk.
Position: Support

SB 332 (Hertzberg) Wastewater Treatment. Recycled Water.
Mandates wastewater treatment agencies that discharge treated water to the ocean to reduce their discharges by 50% of baseline volume by January 1, 2030, and by 95% of baseline volume by January 1, 2040. Also declares that discharge from ocean outfalls is a "waste and unreasonable use" of water and imposes penalties of $2,000/acre-foot of water discharged above the reduction requirement.
Position: Oppose

SB 667 (Hueso) Greenhouse Gases. Recycling Infrastructure and Facilities.
Requires CalRecycle to develop, on or before January 1, 2021, a five-year investment strategy to drive innovation, support technological development and infrastructure, in order to meet the state's 2025 organic waste reduction target. The bill also seeks to identify priorities and strategies for financial incentive mechanisms for recycling markets.
Position: Support

HOT SB 669 (Caballero) Water Quality. Safe Drinking Water Fund.
Establishes the Safe Drinking Water trust fund to assist community water systems in disadvantaged communities that are chronically noncompliant to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards. The bill also creates a trust that would be funded through the General Fund in budget surplus years rather than placing a tax on water.
Position: Support

GOVERNANCE, TRANSPARENCY, & LABOR RELATIONS

HOT AB 33 (Bonta) CalPERS Divestment Measure. Private Prisons.
Requires the CalPERS and CalSTRS pension funds to divest all holdings in the private prison industry.
Position: Oppose

HOT AB 849 (Bonta) Elections. Local Redistricting.
Completely overhauls the districting and redistricting process for counties, cities, special districts, and all school boards—including every factor currently used to draw districts. Requires up to six different public hearings in different locations around the jurisdiction. Requires up to three meetings being held on the weekends and up to three meetings being held after 6:00 p.m. Requires the jurisdiction to provide live translation services for all applicable languages at each public hearing, among other things.
Position: Oppose

AB 1320 (Nazarian) Divestment Measure. The Republic of Turkey.
Requires the CalPERS and CalSTRS fund to divest its holdings from the Republic of Turkey until such time as the U.S. Government acknowledges the Armenian genocide between the years 1914-1923.
Position: Oppose

HOT AB 1332 (Bonta) Sanctuary State Investment Act.
Significantly limits state and local agencies ability to contract out for a variety of vital public services. Mandates that agencies create an ever-evolving restricted list of private vendors. Constructs an elaborate investigation

and vetting process that agencies must adhere to before contracting for services. Creates new avenues for protracted criminal and civil litigation against cities. Would impact operations for virtually every department including police, fire, finance, legal, public works, etc.
Position: Oppose

AB 1400 (Kamlager Dove) Workers' Compensation. Fire Service Personnel.
Provides all presumptions within the Workers Compensation system currently authorized for active duty firefighters to "all fire service personnel." Will apply broadly to all non-sworn fire personnel.
Position: Oppose

SB 266 (Leyva) Public Employees' Retirement System. Disallowed Compensation. Benefit Adjustments.
Requires a public agency to pay from its General Fund any shortfall of a benefit should CalPERS determine that a retiree has received disallowed compensation. This would constitute a gift of public funds violating Section 6, Article 16 of the California Constitution.
Position: Oppose

HOT SB 542 (Stern) Workers' Compensation. Presumption.
Creates a new presumption for post-traumatic stress disorder within the workers' compensation system for police and fire personnel. Applies retroactivity provisions to January 1, 2017.
Position: Oppose

HOUSING, COMMUNITY, & ECONOMIC DEVELOPMENT

Budget Trailer Bill: Allocates $250 million for local housing planning and $500 million in incentives to local governments. The League has shared numerous concerns with the Administration with the initial language. The bill language and proposal is under revision.
Position: Pending

AB 11 (Chiu) Community Redevelopment Law of 2019.
Seeks to reestablish a community redevelopment tool, similar to redevelopment.
Position: Support in Concept

AB 53 (Jones-Sawyer) Rental Housing Discrimination.
Prohibits landlords from asking about certain information, including criminal history.
Position: Pending-Support if Amended

AB 68 (Ting) Accessory Dwelling Units.
Significantly amends the statewide standards that apply to locally-adopted ordinances concerning accessory dwelling units (ADUs). Changes include: prohibits minimum lot size requirements, requires at least 800 sq.ft. per ADU, requires approval within 60 days, and prohibits owner occupancy requirements.
Position: Oppose Unless Amended

AB 881 (Bloom) Accessory Dwelling Units.
Prohibits a local jurisdiction from requiring a property owner live in the main house or one of the accessory structures.
Position: Oppose Unless Amended

AB 1110 (Friedman) Rent Increases. Noticing.
Expands existing notice requirements to 120 days if the rent increase is more than 15%.
Position: Pending-Support

AB 1259 (Luz Rivas) California New Markets Tax Credit.
Seeks to establish a California New Markets Tax Credit with the goal of attracting additional investments from the federal program to the state.
Position: Pending-Support

AB 1279 (Bloom) High Resource Areas.
Requires HCD to determine "high-resource areas", areas of high opportunity and low residential density not experiencing displacement or gentrification. At the request of a developer, requires by-right approval for up to 100 units and 55 ft. if the project meets affordability requirements and site limitations.
Position: Pending

AB 1568 (Bloom) Housing Law Compliance. Prohibition on Applying for State Grants.
Prohibits, on or before January 1, 2025, a city or county found to be in violation of state housing laws from applying for a state grant, unless the eligibility of the city or county to apply for fund source of the state grant is constitutionally required or the state grant funds, if awarded to the city or county, would assist the city or county in complying with the Housing Element Law.
Position: Pending

HOT AB 1763 (Chiu) Density Bonus. Affordable Housing.
Greatly expands existing Density Bonus Law by requiring, at the request of a developer, for 100 percent affordable housing projects, a city or county must award an 80 percent density bonus and four incentives and concessions. For 100 percent affordable housing projects within one-half mile of a major transit stop or high quality bus corridor, a city or county would be required to allow unlimited density, four incentives and concessions, and up to three additional stories.
Position: Oppose Unless Amended

HOT SB 5 (Beall/McGuire) Affordable Housing and Community Development Investment Program.
Creates a local-state partnership to provide up to $2 billion annually to fund state-approved affordable housing, infrastructure, and economic development projects that also support state policies to reduce greenhouse gas emissions, expand transit oriented development (TOD), address poverty, and revitalize neighborhoods. This measure restores RDA-type ongoing financing for these important projects.
Position: Support

HOT SB 13 (Wieckowski) Accessory Dwelling Units.
Prohibits local jurisdictions from imposing any impact fees on ADUs less than 750 square feet and limit the charge on accessory dwelling units (ADUs) over 750 square feet to 25 percent of the fees otherwise charged for a new single-family dwelling on the same lot. Prohibits replacement parking when a garage, carport, or covered parking structure is demolished or converted into an ADU. Prohibits owner occupancy requirements.
Position: Oppose Unless Amended

SB 18 (Skinner) Keep Californians Housed Act.
Requires the Department of Housing and Community Development (HCD) to develop and publish a guide to all state laws pertaining to landlords and the landlord-tenant relationship. Requires HCD to survey each city to determine which cities provide resources or programs to inform landlords of their legal rights and obligations. Allocates funds to the California Emergency Solutions and Housing Program. Funds available to local governments and nonprofit organizations for actives including rental assistance and housing relocation and stabilization.
Position: Pending Support

HOT SB 50 (Wiener) More HOMES Act (Housing, Opportunity, Mobility, and Stability).
Allows developers of certain types of housing projects to override locally developed and adopted height limitations, housing densities, parking requirements, and limits design review standards.
Position: Oppose Unless Amended

SB 128 (Beall) Enhanced Infrastructure Financing Districts. Bonds. Issuance.
Removes the existing 55 percent vote requirement from EIFD's to issue bonds.
Position: Support

SB 182 (Jackson) Planning and Zoning. Wildfires.
Imposes additional planning responsibilities on local governments, requires cities and counties to make specified findings prior to permitting development in very high fire hazard severity zones (VHFHSZ) and other

areas designated as the Wildland-Urban Interface (WUI).
Position: Pending

SB 329 (Mitchell) Discrimination. Housing. Source of Income.
Expands "source of income" definition to include state, federal, or local funds, and housing vouchers.
Position: Pending Support

HOT SB 330 (Skinner) Housing Crisis Act of 2019.
Declares a statewide housing crisis and for a ten-year period, prohibits a city from imposing parking requirements, adjusting impact fees, imposing impact fees on affordable housing projects, and limiting new design standards based on cost.
Position: Oppose

HOT ACA 1 (Aguiar-Curry) Local Government Financing: Affordable Housing And Public Infrastructure. Voter Approval.
Reduces the local vote threshold for local bonds and taxes to invest in infrastructure and affordable housing from 2/3rds to 55 percent.
Position: Support

PUBLIC SAFETY

AB 257 (Nielsen) Firearms. Prohibited Persons.
Requires the state Department of Justice to notify local law enforcement upon discovering that a person in the Armed Prohibited Persons (APPS) database has attempted to acquire a firearm.
Position: Pending Support

AB 266 (Choi) Tax Credit. Attic Vent Closures.
Offers to homeowners a tax credit, up to $500, to offset the purchase and installation of attic vent closures for their homes, with the intent of preventing the spread of residential fires.
Position: Support

AB 291 (Chu) Emergency Preparedness.
Establishes a $500 million on-going statewide Local Emergency Preparedness and Hazard Mitigation Fund to support staffing, planning, and other emergency mitigation priorities to help local governments meet emergency preparedness goals and boost local emergency preparedness programs throughout the state that remain underfunded or neglected.
Position: Support

HOT AB 392 (Weber) Peace Officers. Deadly Force.
Limits the use of deadly force by a peace officer to those situations where it is necessary to defend against a threat of imminent serious bodily injury or death to the officer or to another person. Defines the terms "necessary" to mean that given the totality of the circumstances, an objectively reasonable peace officer in the same situation would conclude that there was no reasonable alternative to the use of deadly force that would prevent death or serious bodily injury to the peace officer or to another person.
Position: Oppose

HOT AB 1190 (Irwin) Unmanned Aircraft. State and Local Regulation.
Prohibits a state or local agency from adopting any law or regulation that bans the operation of an unmanned aircraft system. The bill includes the operation of small unmanned aircraft systems within the definition of hazardous recreational activity for purposes of public entity liability. Authorizes a local agency to adopt regulations to enforce a requirement that a small unmanned aircraft system be properly registered under existing federal regulations.
Position: Support

AB 1288 (Cooley) Cannabis. Track and Trace.
Requires the track and trace program for cannabis supply chain tracking to include both the date of retail sale

to a customer and whether the sale is on the retail premises or by delivery. No later than July 1, 2020, requires that the California Department of Food and Agriculture, in consultation with the Bureau of Cannabis Control, ensures that the track and trace program is fully integrated with DOJ's California Law Enforcement Telecommunications System (CLETS).
Position: Support

AB 1297 (McCarty) Firearms. Concealed Carry Licenses.
Requires, rather than authorizes, a local licensing authority to charge a fee that is equal to the reasonable costs associated with processing a concealed carry weapon (CCW) license application, issuing a CCW license, and enforcing the license. The bill would also remove the current prohibition on charging more than $100 for the fee.
Position: Pending Oppose Unless Amended

HOT AB 1356 (Ting) Cannabis. Local Jurisdictions. Retail Commercial Cannabis Activity.
Requires all local jurisdictions whose voters supported Proposition 64 to issue a minimum number of local licenses for cannabis retail shops. Requires the minimum number of these local licenses issued per jurisdiction to be 25% of the number of liquor licenses. If the ratio is greater than one local retail cannabis license per 10,000 residents of the local jurisdiction, the bill instead requires the minimum number of local licenses to be determined by dividing the number of residents in the local jurisdiction by 10,000 and rounding down to the nearest whole number.
Position: Oppose

AB 1417 (Rubio) Cannabis Advertisement and Marketing. Unfair Business Practice. Public Nuisance.
Provides that advertisement of cannabis goods that do not contain an active state license number is an unfair business practice, subject to a civil action by any person; creates a civil penalty enforceable by a public attorney or through a private right of action for violations of existing requirements regarding advertisements of cannabis products; requires digital advertising platforms specializing in cannabis to publish a notice regarding the risks of purchasing cannabis products from unlicensed entities; and states that advertisements not containing an active state license number constitute a public nuisance.
Position: Pending Support

SB 23 (Wiener) Unlawful Entry of a Vehicle.
Clarifies that the unlawful entry of a vehicle with the intent to commit theft establishes the crime of auto burglary.
Position: Support

HOT SB 230 (Caballero) Peace Officers. Deadly Force.
Updates California's requirements for employing deadly force when confronting a fleeing felon to meet the standards set by the U.S. Supreme Court in Graham v. Connor and Tennessee v. Garner. Requires all law enforcement agencies in the state to maintain a policy on Use of Force and requires the policy to include provisions that provide comprehensive and clear guidelines.
Position: Support

SB 438 (Hertzberg) Emergency Medical Services. Dispatch.
Prohibits a public agency from delegating, assigning, or contracting for "911" emergency call processing or notification duties regarding the dispatch of emergency response resources unless the delegation or assignment is to, or the contract is with, another public agency or made pursuant to a joint powers agreement or cooperative agreement.
Position: Pending

SB 658 (Bradford) Cannabis Retail Business Emblem: Track and Trace.
Requires, by December 31, 2019, the Bureau of Cannabis Control to establish a cannabis retail business emblem and would require, beginning on January 1, 2020, the Bureau to issue an emblem to each retail licensee, microbusiness licensee, and nonprofit licensee, including provisional licensees, as provided, upon issuance of the license. The bill would, among other things, require a licensee issued an emblem to post the

emblem in a specified location that is clearly visible to the general public and to patrons entering the facility and would require specified employees to carry the emblem when delivering cannabis or cannabis products.
Position: Support

REVENUE & TAXATION

HOT AB 147 (Burke) Use Tax Collection.
Implements the US Supreme Court Wayfair decision, which will result in the collection in more than $400 million in state and local sales and use tax from internet sales.
Position: Support

HOT AB 213 (Reyes) Annexation Financing.
Restores funding to 140 cities that lost funds following the annexation of inhabited territory; reestablishes previous fiscal incentives for cities that annex inhabited territory.
Position: Support

AB 485 (Medina) Warehouses. Economic Development Subsidies.
Imposes an extensive and onerous list of conditions that would effectively prohibit a local agency from offering economic incentives (with their own funds) to locate a warehouse.
Position: Pending Oppose

AB 818 (Cooley) City Incorporations.
Reestablishes a financing mechanism previously used to support future city incorporation efforts.
Position: Support

AB 1637 (Smith) Unclaimed Property Law.
Authorizes the State Controller to automatically allocate to a state or local agency, without the requirement for an agency to file a claim, any unclaimed property in that agency's name received as part of the Controller's unclaimed property database.
Position: Support

SB 162 (Galgiani) California Alternative Energy And Advanced Transportation Financing Authority. Sales And Use Taxes: Exclusions and AB 176 (Cervantes).
Extends a state sales tax exemption program for 10 years, resulting in a loss of over $500 million in city and county funds.
Position: Pending Oppose

SB 531 (Glazer) Sales Tax Agreements
Prohibits future sales tax agreements between local agencies and retailers with a warehouse, sales office, or fulfillment center that results in a shift of sales taxes from other jurisdictions.
Position: Support

TRANSPORTATION, COMMUNICATION, & PUBLIC WORKS

AB 41 (Gallagher) Disaster Relief. Camp Fire.
Requires the state to cover the local portion of the cleanup and repair costs associated with the Camp Fire.
Position: Support

AB 297 (Gallagher) Emergency Average Daily Attendance.
Requires the Superintendent of Public Instruction (SPI) to extend average daily attendance relief to school districts and charter schools where no less than 5 percent of the residences within the district were destroyed by the November 2018 wildfires.
Position: Support

HOT AB 234 (Nazarian) Income Taxes. Credit. Seismic Retrofits.
Provides up to a 30 percent tax credit for locally certified seismic retrofitting projects completed within taxable

years 2020 – 2025. Requires an eligible building to be certified as a seismically at-risk property prior to project start and then again upon project completion.
Position: Support

HOT AB 429 (Nazarian) Seismically Vulnerable Buildings. Inventory.
Requires the Alfred E. Alquist Seismic Safety Commission (SSC) to identify funding and develop a bidding process for hiring a third-party contractor to create an inventory of potentially vulnerable buildings.
Position: Support

AB 659 (Mullin) Transportation. Emerging Transportation Technologies. California Smart City Challenge Grant Program.
Establishes the California Smart City Challenge Grant Program to compete for grant funding for emerging transportation technologies.
Position: Support

HOT AB 1112 (Friedman) Motorized Scooters. Regulation.
Eliminates the ability for cities to fully regulate corporations that offer shared motorized scooters.
Position: Oppose

HOT AB 1286 (Muratsuchi) Shared Mobility Devices. Agreements.
Requires scooter share corporations to enter into an agreement with or obtain a permit from the city or county before deploying their devices into the jurisdiction and require companies to have a minimum of $5 million for each occurrence of bodily injury. Also requires scooter share companies to comply with all operation, parking, maintenance, and safety rules imposed by the city or county with jurisdiction as well as prior authorization to operate from the city or county.
Position: Pending Support

SB 46 (Jackson) Emergency Services. Telecommunications.
Allows cities to access its residents' contact information from the local public utility, social services department, or its own records, for the purpose of enrolling residents into a city and/or county operated public emergency warning system.
Position: Support

SB 211 (Beall) State Highways. Leases.
Would authorize Caltrans to enter into lease agreements with a local agency for emergency shelters or feeding programs.
Position: Support

SB 670 (McGuire) Telecommunications. Outages Affecting Public Safety.
Requires telecommunications providers to notify the California Office of Emergency Services (CalOES) of 911 service of emergency warning outages and also notify local first responder agencies.
Position: Support

Prior Action:

April 18, 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.

Item 6.B

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Presentation from Inland Empire Economic Partnership on Middle Class Jobs for a Fast-Growing Region: A Summary of the IEGO Report**

Contact: **Paul Granillo, President and CEO, Inland Empire Economic Partnership, pgranillo@ieep.com, (909) 944-2200**

Date: **May 6, 2019**

The purpose of this item is to *provide an update on the results of the Inland Economic Growth & Opportunity study.*

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the Inland Empire Economic Partnership CEO, Paul Granillo, on the recently completed report titled "Inland Economic Growth & Opportunity." The Report was completed in conjunction with the Brookings Institute.

The Report examines the presence of "good jobs" across industries and occupations in California's Inland Empire region, encompassing Riverside and San Bernardino Counties. The Report inventories "good" jobs that provide middle class wages, benefits, and stable employment, particularly for the 1.3 million prime-age workers in the region who do not hold a bachelor's degree. Importantly, the Report also identifies "promising jobs" that provide stepping stones to the middle class over time.

Despite years of exceptionally fast job creation, the report finds that a persistently high portion of the Inland Empire's workers and families still struggle to make ends meet, and its middle class remains smaller today than prior to the Great Recession. Behind these trends, the report shows that the region has generated growth in industries that provide too few "good jobs" or opportunities for career advancement. Of the region's nearly 1.45 million jobs, only 31% (445,000) qualify as good or promising for sub-baccalaureate workers, and another 15% (215,000) are held by high-skill workers with at least a bachelor's degree. The remaining 54% (784,000) of the region's jobs are neither good nor promising for workers of any level educational. Roughly 347,500 workers that hold these "other" jobs need a good or promising job in order to earn a family-sustaining wage – a jobs deficit that will not be closed if the region continues on its current economic trajectory.

Key findings include:

<u>Investing in "Opportunity Industries" can increase the Inland Empire's stock of good jobs</u>. A select set of well-established industries that are central drivers of the Inland Empire's economy also concentrate good and promising jobs, particularly logistics and advanced manufacturing. However, to ensure sustainability and to benefit workers, those sectors can be better supported in adopting innovations and moving up the value chain. The region can focus economic development efforts on emerging specializations that disproportionately generate good jobs – such as those related to technology in energy and emissions, information, and professional and business services.

Providing education and workforce supports can improve workers' mobility toward good jobs. On the path to obtaining a good job, over 70% of the region's workers without a bachelor's degree will switch between completely different types of occupations. This type of significant career change is critical to economic mobility, but requires a different set of creativity, reasoning, and communication skills not typically taught in high school or technical training programs.

Addressing racial and gender disparities explicitly is crucial to the Inland Empire's future growth and prosperity. Compared to all other workers in the region, black and Hispanic workers are 84% and 65% as likely to hold a good or promising job, respectively. These disparities exist even among workers with the same level of education. For example, among workers with a high school diploma, 42% of black men hold a good or promising job while 56% of non-Hispanic men of all other races hold a good or promising job. These disparities pose a threat to the region's future economic security, given that a majority of its workforce and vast majority of youth are people of color.

Based on these findings, the Report suggests a three-part framework for Inland Empire leaders to focus and coordinate economic and workforce development action toward Opportunity Industries:

1. Advance the competitiveness of existing industries that already serve as key drivers of the region's economy and concentrate its good jobs, to both build on those sector assets and ensure they continue to offer opportunity despite rapid change.
2. Diversify the region's economy by prioritizing efforts toward developing the emerging industry specializations that show greatest potential for creating good and promising jobs.
3. Connect workers more effectively with industries that provide the greatest opportunity by expanding innovative training and experiential learning initiatives, emphasizing non-technical skills, and proactively engaging women and communities of color.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Inland Economic Growth & Opportunity: Middle Class Jobs for A Fast-Growing Region.

Item 6.B

Presentation from Inland Empire Economic Partnership on Middle Class Jobs for a Fast-Growing Region: A Summary of the IEGO Report

Attachment 1

Inland Economic Growth & Opportunity: Middle Class Jobs for A Fast-Growing Region

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IEGO
Inland Economic Growth & Opportunity

MIDDLE-CLASS JOBS FOR A FAST-GROWING REGION

APRIL 2019

Letter to Inland Empire Leaders

Riverside and San Bernardino Counties play a pivotal role in the California economy. Our two-county region is a driving force in industries such as manufacturing, logistics and healthcare. While there is plenty of potential for future growth and regional innovation, as evidenced by significant corporate interest and investment in the area, much of what we have seen so far has not been inclusive. Cost of living has increased significantly in Southern California, and our two-county region is no exception. At the same time, average wages for jobs (new and existing) have not kept pace.

How can we develop actionable strategies and tactics, along with commitments for implementation, focused on growing more middle-skill/middle-income jobs, and ensure access to them? How have other regions tackled this challenge? An assessment of those markets revealed several themes: cooperation between stakeholders, a supportive fiscal and regulatory environment, and investments in educational and training programs.

In partnership with The Brookings Institution's Metropolitan Policy Program and with extensive research and consultation with Inland Empire business, educational, government and community leaders, the Inland Economic Growth and Opportunity (IEGO) campaign has uncovered several promising ways forward.

First, we can make the region a global hub for innovation in logistics, trade and e-commerce. This means fostering coordinated and strategic investments, establishing clear and effective policies, and, perhaps most importantly, scaling up training that leads to good industry jobs. Second, we can strengthen the competitiveness of the region's advanced manufacturers. While we already have investment in this industry, we need to build a stronger entrepreneurial network, support and grow workforce training initiatives, and help small and mid-sized firms take advantage of international markets. Third, we need to consider accelerating the growth of promising emerging industries in areas with the potential to grow higher-wage jobs for those with mid-level skills. This can be done via a cluster approach that connects industry and educational institutions, aligning needs with skills. Finally, we must work to distinguish our two-county region as a national leader in the adoption of work-based career and technical education. There are models—in this region and outside—that underscore the importance of community-employer engagement, customized and accelerated training, and workforce development systems alignment.

We invite you to consider the strategies presented in this report and how they may be applied. We also invite you to consider how you can help support this endeavor as it requires significant commitments that cross jurisdictional lines and spans sectors.

Our two-county region has not yet fully explored the possibilities for inclusive growth. We need to develop innovative ways to build technical expertise, capacity and experience under a consistent strategic vision. We hope this publication will start a conversation about how we can build up an ecosystem that fosters middle-income job growth and expanded opportunity. By promoting innovation in logistics, strengthening the competitiveness of the region's advanced manufacturing, nurturing the growth of promising emerging industries and creating an educational and training pipeline, we can ensure economic opportunity for all and make our region a more appealing place to live, work and do business. ■

Alfred J. Arguello
Inland Empire Market President
Bank of America

Paulette Brown-Hinds
Founder, Voice Media Ventures
Board Member, The James Irvine Foundation

Executive Summary

The Inland Economic Growth & Opportunity (IEGO) campaign unites a diverse set of community leaders from the combined metropolitan area of Riverside County and San Bernardino County, a 4.5 million-resident region also known as the "Inland Empire" or "Inland Southern California." Leaders in the region are steadfast in their commitment to expanding access to full-time jobs that enable working families to make ends meet.

Part of the solution is increasing access to higher education, and efforts are already well underway to increase the level of four-year college attainment in the region. Just as important, the region needs to support the growth of sectors and firms that provide economic mobility via skills training and career pathways, and increase access to those jobs for all residents, reflecting the diversity of the region.[1]

Extensive research, including original work by The Brookings Institution, and the active engagement of dozens of leaders from business, education, government, and civic groups focused on identifying Opportunity Industries – those that generate more solid middle-skill jobs and hold the potential to create greater economic opportunity for more people in the region.

The resulting strategy addresses that goal through four major components:

1 Increase the number of quality jobs available in the region. This includes making the region a global hub for innovation in logistics, leveraging the industry's strong presence with support for technology development that will grow value for workers. This means fostering coordinated and strategic investments between public and private sectors, establishing clear and effective policies, and scaling up training for good industry jobs.

2 Expand advanced manufacturing in the region by strengthening the competitiveness of existing firms and ecosystems. While manufacturing has declined throughout the U.S., the region maintains a solid foundation in advanced manufacturing, which holds promise for generating more good jobs.

3 Accelerate the growth of promising emerging industries (such as IT and cybersecurity, emissions technology, solar energy and battery storage) with the potential to grow higher-wage jobs for those with mid-level skills.

"Leaders in the region are steadfast in their commitment to expanding access to full-time jobs that enable working families to make ends meet."

4 Connect more residents to quality jobs by distinguishing the region as a national leader in the adoption of work-based career and technical education.

A formal and sustained commitment to long-term collaboration among key partners is important for successful implementation of these strategies. This is particularly true for an area the scale of the Inland Empire, where economic development responsibilities are fragmented. Over the last few years, the region has made significant strides in developing the capacity for equitable innovation through collaboration, across counties and across sectors. Implementing these strategies, to significantly grow middle-class jobs and boost the region's economic competitiveness, will further unify the region in its quest for inclusive and equitable development. ■

Introduction

The metropolitan area of Riverside and San Bernardino counties spans more than 27,000 square miles, larger than ten states in the country. The region is also one of the most populous in California, with 4.5 million residents accounting for about one in 9 state residents. The Inland Empire is projected to reach over 7 million in 2045, making the region one of the top ten largest metro areas in the United States by 2046.[2]

For many years, the Inland Empire has maintained a spot in the top ranks of U.S. regions for economic growth, and that trend is projected to continue. Despite this extraordinary growth, Riverside and San Bernardino Counties are falling behind in the creation of high-quality jobs that pay good wages for vast numbers of residents. In fact, 41 percent of the region's residents are part of working families that struggle to make ends meet.

The region need not resign itself to the conclusion that four-year college degrees are the only pathways to jobs with middle-class wages, predictable hours, and benefits. The Inland Economic Growth and Opportunity (IEGO) campaign aims to increase viable pathways to the middle class for the bulk of residents in the region, whose highest levels of educational attainment is a high-school degree, associate degree, or technical education.

Increasing access to middle-class jobs in the region requires development strategies that recognize key features of the region's labor force. The region exhibits relatively low levels of four-year college attainment; almost half of all Inland Empire adults have no post-secondary education.[3] According to recent data from the College Futures Foundation, for every thousand high school freshmen in the region today, only 230 will complete an undergraduate degree.[4] Additionally, a majority of workers in the region are people of color,[5] making the issue of inclusive economic growth particularly salient.

One key strategy to improve inclusive economic growth in the region is to boost the college graduation rates of its future workforce. The region is already well underway in implementing Growing Inland Achievement, a collective effort to boost the attendance and graduation at four-year colleges.[6] Just as important, however, is increasing middle-class job opportunities that are accessible to those without four-year college degrees.[7]

The IEGO campaign specifically targets Opportunity Industries – i.e., those that generate middle skill jobs and have the potential to create economic opportunity for more of the region's residents, including the 46 percent of adults in the labor force with a high school diploma but not four-year college degrees.

Anchored in regional strengths and assets, the IEGO strategy is aimed towards better integrating economic development and workforce development activities, and scaling up those investments to achieve large impact. A key aspect of the strategy is that post-secondary education credentials are essential for career development at the individual level, and inclusive and adaptable economic development at the regional level.

"...the IEGO strategy is aimed towards better integrating economic development and workforce development activities, and scaling up those investments..."

The IEGO campaign focuses intentionally on traded sectors, those that do business outside the region, exporting to national and international markets. Traded sectors tend to have higher productivity, pay higher wages, and bring new resources into the region rather than just serving local markets.[8] The strategic approach is also based on the theory of "cluster strategies," where public policy and investment foster the geographic concentration of competing firms and complementary activities that generate greater economic value and larger talent pools to access higher-wage jobs.

The research and recommendations in this report are built on 16 months of data gathering, stakeholder input, and deep analysis by The Brookings Institution and over 100 leaders from business, government, labor, civic groups, advocacy groups, the academy, and philanthropy. That process produced a detailed assessment of market conditions, an inventory of existing program activities and promising practices, and an understanding of the civic climate and culture that guides development in the region.

The region then moved from research to strategy development. Dozens of community leaders participated in a day-long "design thinking session" that laid the foundation for strategy development. Next, working groups of leaders from across the region spent several months digging deeper into the key drivers of economic growth in the region and fleshing out ambitious yet viable strategies that dramatically increase access to good jobs in the region. ■

Economic Trends in the Region

Advancing economic opportunity for more workers and families is a challenge for cities and regions in the United States, including Riverside and San Bernardino counties. The Inland Empire is vast, populous, and diverse. It has evolved from farming communities, into a center of defense contracting, and then into a global logistics hub. Over time, it has become more connected with adjacent regions in Southern California.

This progression has taken a toll on the region's prosperity. The decline of the region's defense industries following the Cold War claimed many of its middle-class jobs. Although logistics has taken over as the region's dominant base industry and added tens of thousands of new jobs, the pay and benefits are not comparable to prior jobs in defense and manufacturing. Meanwhile, the Great Recession undid many of the region's prior economic gains.

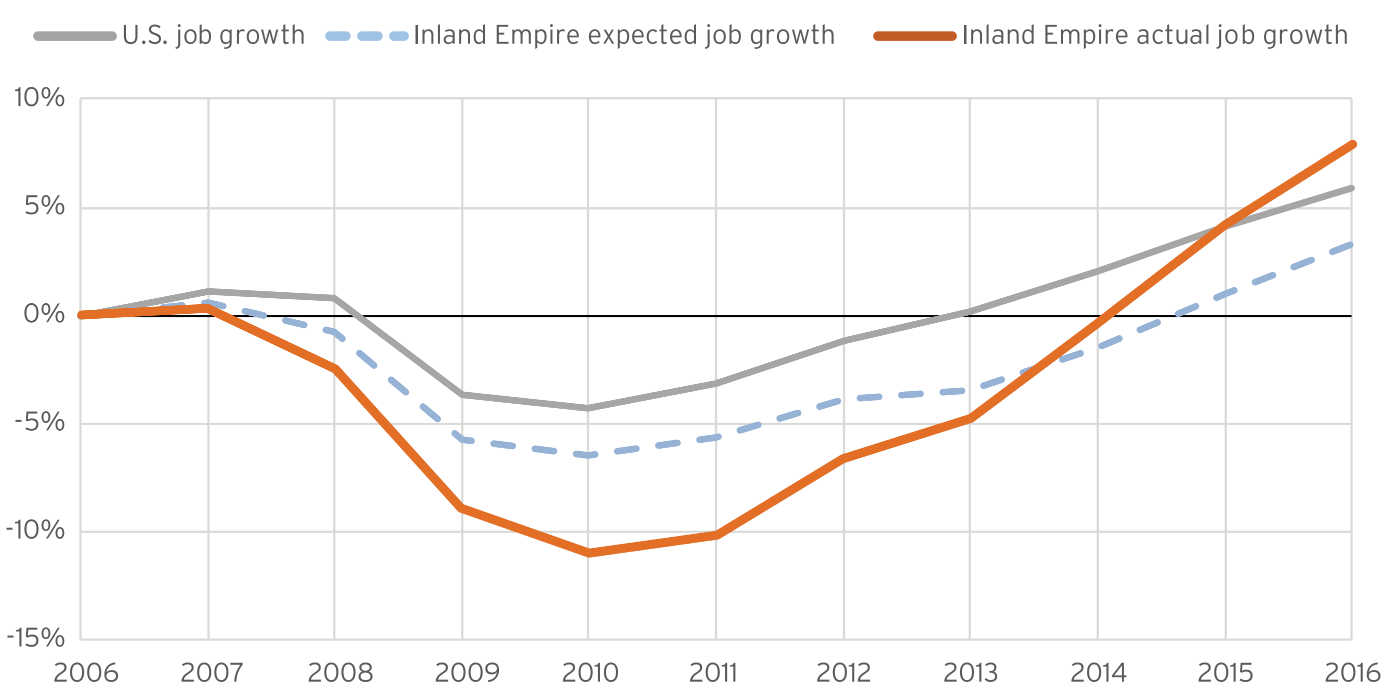
This section summarizes key patterns and trends in regional job growth from a market assessment conducted by The Brookings Institution,[9] paying particular attention to differences by sector and measures of inclusion and equity with respect to access to good jobs.

Trends in Growth and Prosperity

The region's jobs recovery exceeded expectations

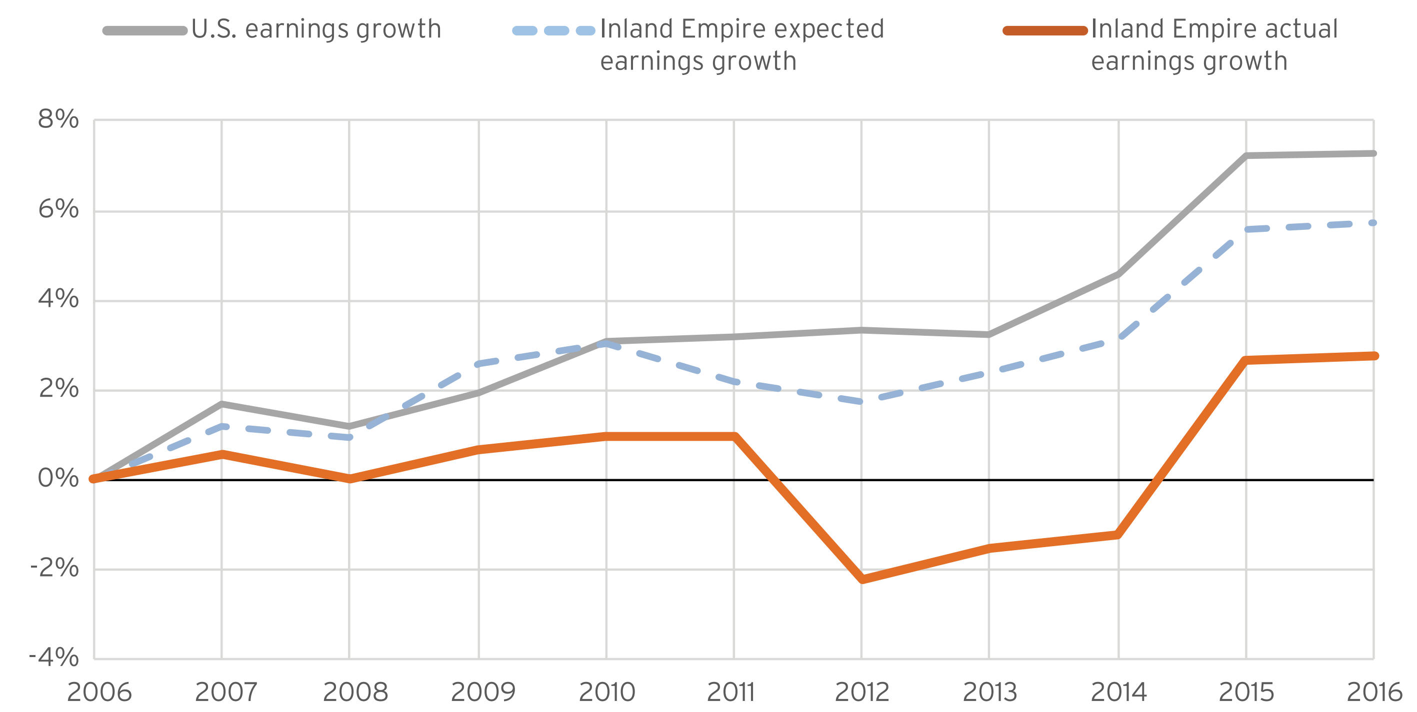
The ten years from 2006 to 2016 were turbulent for the region, with a steep recession followed by a gradual recovery (Figure 1). The recovery has been significant and prolonged enough that cumulative job growth from recession to recovery has exceeded the nation's. Yet the region's growth has also left it particularly vulnerable to severe job losses in future recessions. Transportation and warehousing, wholesale trade, and construction have fueled much of the job growth since 2006, leaving the regional economy less diversified and more reliant on a handful of industries than before.

Figure 1. Inland Empire job growth compared to the nation's since 2006



Source: Shearer, Shah, and Gootman (Brookings Metropolitan Policy Program, 2019)

Figure 2. Inland Empire average annual earnings growth compared to the nation's since 2006



Source: Shearer, Shah, and Gootman (Brookings Metropolitan Policy Program, 2019)

The region's earnings growth has lagged the nation's

Although the region's job growth in recent years has been noteworthy, earnings have not risen comparably. Nationwide, average annual earnings increased 7.3 percent in real terms from 2006 to 2016, to $65,700 per job.[10] By contrast, the Inland Empire's average annual earnings grew by just 2.8 percent, to $56,200 (Figure 2). Notably, other metropolitan areas in California, including San Diego, Bakersfield, and El Centro, have seen faster increases in annual earnings.

More workers and families now struggle to make ends meet

Although the region's economic recovery restored its job base to pre-recession levels, increasing numbers of workers have trouble finding a job that pays a family-sustaining wage, and it appears that younger workers have a harder time finding opportunities that allow them to advance their careers.

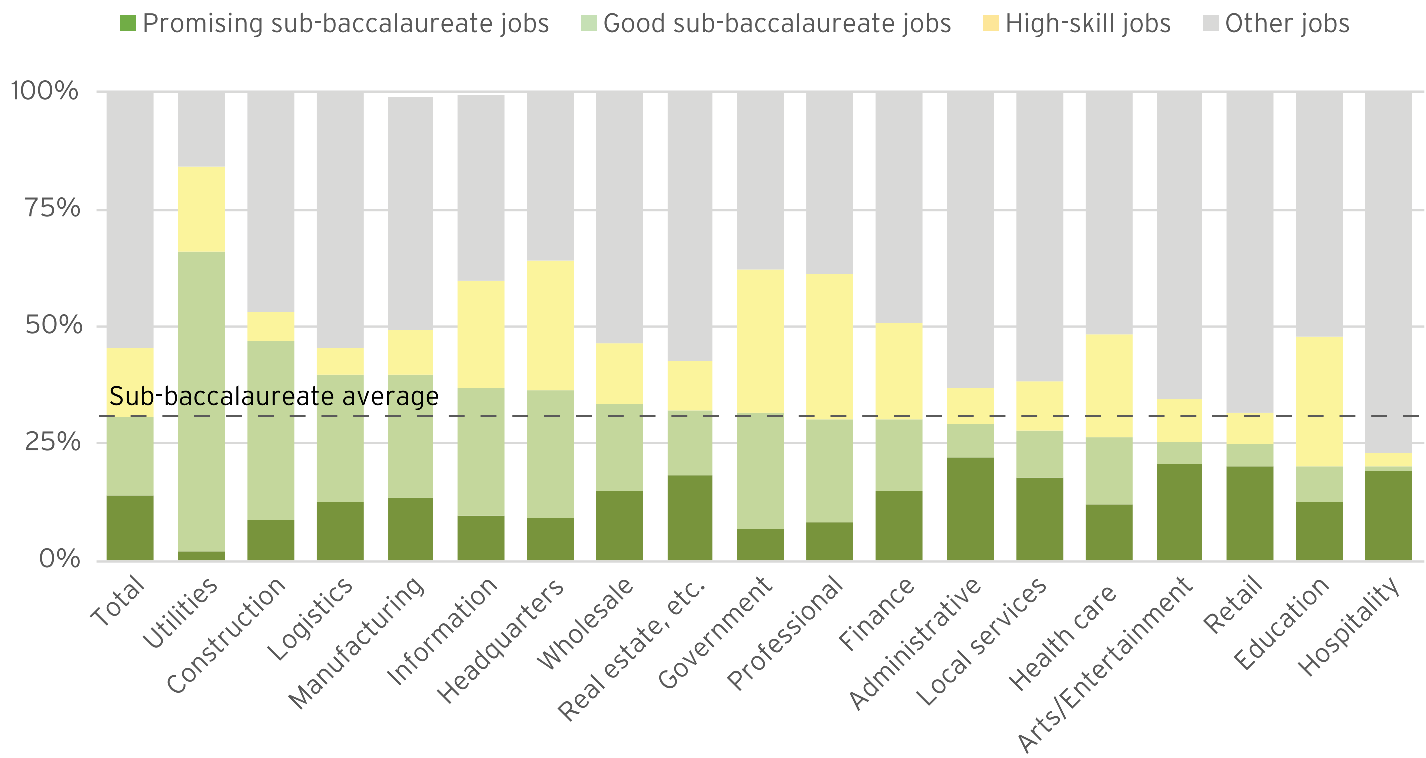
Just prior to the recession, nearly 1.3 million residents, or 36 percent of the population, belonged to families that struggled to make ends meet. This number increased by an additional 560,000 individuals over the course of the recession, reaching a peak of nearly 1.9 million people or 47 percent of the population by 2012. Since then, few workers and families have realized the economic security of the middle class. Nearly 1.7 million people, or 41 percent of the region's population, belonged to struggling families in 2016.

The region must also contend with disruptive external forces

A series of disruptive external forces continues to reshape the region's economy and the opportunity provided. Intensifying international trade competition, disruptive technologies, and changing work arrangements have shaken up regional labor markets throughout the nation in recent years, and the Inland Empire is no exception.

As in other regions, these forces cut in different ways. Whereas globalization has accelerated declines in manufacturing, it has also fueled the growth of logistics industries. While automation will entail increasing losses in particular types of jobs, the region's assets (such as job training and apprenticeship programs, anchor educational institutions and a growing research and development ecosystem) enable viable strategies for growing new jobs that ensure economic competitiveness and shared prosperity.

Figure 3. Concentration of good and promising jobs by industry sector, 2017



Source: Shearer, Shah, and Gootman (Brookings Metropolitan Policy Program, 2019)

Opportunity Industry Findings

The region needs more good and promising jobs than it currently provides

Brookings research identifies good jobs as full-time jobs of at least 35 hours a week that pay at least $18 an hour with employer benefits.[11] "Promising jobs" are those occupations with the potential—based on the evidence of actual career pathways taken by thousands of workers—to lead to good jobs over a ten-year period.

Based on these definitions, the Inland Empire currently provides about 246,000 good jobs and about 199,000 promising jobs.[12] While numerous, these jobs are not enough, accounting for only 17 percent and 14 percent, respectively, of the region's total 1.4 million jobs, and only 45 percent of jobs for those without a bachelor's degree. Growing more of these jobs remains a critical challenge for the region.

Opportunity industries concentrate the region's good and promising jobs

Regional leaders can advance economic opportunity for the region's workers by investing in strategies that strengthen and grow its Opportunity Industries. These are sectors where good and promising jobs for sub-baccalaureate workers exceed the regional average (Figure 3).

In the Inland Empire, industries that fuel the region's trade with other regions, including logistics, wholesale, and manufacturing, together account for 23 percent of the region's good and promising jobs. Locally-serving industries such as retail, hospitality, and administrative services have higher-than average shares of promising jobs, but relatively low shares of good jobs.

Pathways to the region's good jobs involve moves between occupations

The region's Opportunity Industries encompass jobs in many different types of occupations, from production occupations like machinists and welders to administrative occupations like secretaries. Brookings analysis[13] of the types of occupations that make up the region's good and promising jobs reveals that:

1 Good and promising jobs for sub-baccalaureate workers are concentrated in traditional blue-collar occupations such as installation, maintenance and repair, construction trades, production occupations in manufacturing, and transportation occupations in logistics;

2 The vast majority of sub-baccalaureate workers in promising jobs will make a major career switch to obtain a good job; and

3 Earnings growth will be closely tied to the ability of all workers to learn not only specialized skills but also the ability to reason, communicate, and engage in complex problem-solving.

Serious disparities by race and gender mark access to good and promising jobs

Workers face different odds of obtaining a good job based on several factors, including not only their educational attainment, but also their race and gender. Women are far less likely than men to hold jobs in opportunity industries. Women also hold the majority of jobs in occupations such as food service, healthcare support, maintenance, and personal care where 70 percent of jobs do not provide a family-sustaining wage of $18 an hour. Finally, Black and Hispanic/Latino workers, who account for 6 percent and 48 percent, respectively, of the region's workforce, are much less likely to work in good jobs and promising jobs than Asian or White workers who account for 7 percent and 37 percent, respectively, of the region's workforce.[14]

Overall, the Brookings market assessment shows the need to increase the number of good and promising jobs, to reduce racial and gender disparities in access to those jobs, and to increase opportunities to grow jobs those sectors where the region is strong. ■

Key Strategy Findings

Extensive research and analysis over the last two years generated a set of conclusions about how the region needs to change its growth trajectory.

This work identified a compelling need for:

1 a long-term Inland Empire economic strategy focused on Opportunity Industries in traded sectors to generate more middle-skill, middle-income jobs, and enable access to them; and

2 deeply engaged business leadership invested in shaping the course of the region, elevating the role of civic leadership and the private sector.

Working groups of leaders from across the region spent several months digging deeper into the drivers of economic growth and opportunity in the region and to flesh out an ambitious strategy designed to accelerate growth in the region's opportunity industries

A detailed exploration of the region's civic culture—the networks of relationships and interactions among leaders across the public and private sector—found promising signs of collaboration across sectors and between the two counties. The region is clearly moving past prior histories of fragmentation and zero-sum frameworks of competition.

Two sectors with a major footprint in the Inland Empire (logistics and advanced manufacturing) represent foundational industries for expanding good jobs. The region defines foundational industries as those involving trade in global markets, bringing new resources into the region and a significant number of jobs.

Several smaller but emerging tech sectors also hold promise for new growth and middle-skill opportunities, if the region adopts a targeting strategy to focus its resources on clusters of related firms concentrated in specific areas.

Finally, the Inland Empire is at the forefront of state efforts to pioneer new approaches to career and technical education—in which the region already has some notable assets—particularly to expand accelerated certification programs and hands-on learning in workplace settings through models such as apprenticeships.

Building on these areas of strength in economic and workforce development, four key findings inform IEGO's strategies for inclusive economic growth.

Key Finding #1: Automation presents opportunities as well as threats for logistics

With waves of digitization and automation disrupting the logistics industry, the Inland Empire must focus on improving the productivity and competitiveness of the sector to generate better quality jobs and leverage its strengths into new commercial opportunities.

Both in automation and in artificial intelligence, the prospect of change represents both an offensive and a defensive move—because as waves of automation move through the industry, higher-wage jobs will cluster in regions that distinguish themselves as leaders in this field. Other regions with a major logistics presence have already adopted such a course, including Atlanta, Georgia, Indianapolis, Indiana, and Louisville, Kentucky.

Taking advantage of the opportunity for better jobs in logistics will require proactive and strategic partnerships between government and industry, even more so than in the past. This can drive an agenda for change designed to serve both the industry and the region, with the main goal of securing higher-quality jobs.

In other regions pursuing such a strategy, targeted efforts have connected industry leaders with university-driven research and technology to make the logistics sector more productive and competitive. These efforts serve a dual purpose: advancing the industry to make it sustainable and ensuring that the good jobs related to logistics technology stay in the regional home. They have also expanded on goods movement infrastructure for growth in related industries such as information technology and advanced manufacturing.

"...the Inland Empire is at the forefront of state efforts to pioneer new approaches to career and technical education..."

Because of the dominance of the logistics sector in job creation and economic activity, goods movement has long been identified as a regional priority in transportation and infrastructure planning. For example, the idea of creating an "inland port," with the intersection of air, rail, and trucking facilities near Ontario International Airport has garnered some interest, with the goal of streamlining goods movement in the region.

The region has made some progress in connecting workforce development efforts with innovations in logistics and supply chain management. For example, Norco College in Riverside County has built a national center to train workers in supply chain automation, with over $4 million in support from the National Science Foundation and partnerships with colleges in 19 states with the greatest concentrations of supply chain activity and employment.[15] Norco College also prepares workers for middle management jobs in this sector by offering certificates and Associate of Science degrees in logistics management. These workforce development efforts need to be spread to other community colleges in the region, scaled up with more industry partnerships and investments, and better integrated with fledgling efforts in transportation and supply chain research and development at California State University, San Bernardino and the University of California, Riverside.

Key Finding #2: The region has important assets and initiatives that can grow advanced manufacturing

While the manufacturing footprint in the Inland Empire has declined – as it has across the United States – advanced manufacturing remains a significant force in the region's economic vitality, offering a disproportionate number of middle-income job opportunities for middle-skill workers.

Recognizing those assets and the importance of manufacturing as a generator of good jobs, the region can take deliberate steps to nurture the industry's growth and expansion by supporting entrepreneurial activity, along with career education programs designed to make manufacturing more attractive as a career choice for young workers.

Manufacturing employers in the region have demonstrated their commitment to building the region's workforce through the Chaffey College Industrial Technical (InTech) Learning Center, a nationally recognized model of employer-supported training. Through a public-private partnership with California Steel, the Center is housed in the company's Fontana campus. Its manufacturing emphases include machining, automation and robotics, metal fabrication and welding. There are also important partnerships between industry and higher education through two-year associate degree programs, accelerated certificate programs, and large-scale apprenticeship networks.

There are also promising signs of manufacturing revitalization in the form of job growth and firm growth. The number of manufacturing firms in Riverside County has grown from 1,389 firms employing 38,000 workers in 2011 to 1,591 firms employing 43,000 workers in 2017. During the same period, San Bernardino County has seen the number of manufacturing firms grow from 1,772 to 1,896 and employment grow from 46,000 to 55,000. Still, manufacturing employment in the Inland Empire remains at about 24,000 jobs below 2006 levels.[16] Efforts to organize the industry through the Manufacturers' Council of the Inland Empire (MCIE) and strategic investments in economic development by county governments will be important to ensure future growth and vitality in this sector.

Key Finding #3: Emerging sectors offer opportunities for economic diversification and middle-class growth

Small but promising innovation or technology-oriented sectors have gained a foothold in the region and have the potential to generate middle-skill, middle-income jobs. Several emerging industries—ranging from life sciences and agricultural technology, to aviation-related fields and advanced business services—show promise.

Over the last several years, the region has built a network of incubators and other supports for innovation and entrepreneurial activity, but those efforts have not focused on the ability to generate good jobs for those without a four-year college degree.

The decision by the California Air Resources Board (CARB) to relocate its Southern California research headquarters to Riverside presents an opportunity to build an innovation cluster related to environmental controls, emissions technology and other "green jobs," leveraging the University of California, Riverside's nationally recognized programs in air quality and transportation.

Leveraging the economic impact of the CARB relocation will require development of a full cluster strategy, including exploration of the potential for growth in adjacent fields such as clean energy and other environmental technology fields. UC Riverside has partnered with both Riverside County and the City of Riverside to create the Entrepreneurial, Proof of concept, and Innovation Center (EPIC) and ExCITE—initiatives to accelerate the growth of innovation-based jobs in the region. Coordination and support is needed to grow and scale these initiatives and others focused on building the pipeline of high-growth companies that will attract investment into the region.

The IEGO campaign also identified information technology and cybersecurity as areas for promising investment to grow middle-class jobs in tradable sectors. CSU San Bernardino already has a nationally recognized program training students in cybersecurity, and its Inland Empire Center for Entrepreneurship is working to grow and support startups in the fields of information technology and cybersecurity.

Finally, the region has the opportunity to build on the already significant concentration of firms involved in solar panel manufacturing and deployment. A California mandate that all new homes have solar panels by 2020 is an opportunity to develop a manufacturing/installation plan, with new focus on developing technologies to reduce the cost of solar installation and energy storage.

The IEGO campaign identified other areas of growth in emerging industries: 1) aviation technology and servicing connected to the region's airports; 2) agricultural technology that leverages partnerships and talent in higher education and industry alike; and 3) a growing ecosystem of research in life sciences and biotechnology among higher education incubated by Loma Linda University, University of California, Riverside, California Baptist University, and others.

These emerging sectors would benefit from stronger connections to venture capital in Southern California and beyond, and need to develop strategies to grow large numbers of middle-skills jobs in manufacturing and servicing that complement the growth of high-skills jobs in these sectors.

Key Finding #4: Workforce development efforts in the region are promising, and need to be scaled up and better connected across the region.

Similar to elsewhere in the country, career pathway programs have emerged as important models for workforce development. These programs are tailored to meet regional workforce demands, and provide a “step model” that enables workers to obtain successively higher credentials in well-defined pathways to better jobs with higher earnings. Career pathways offer important alternatives to career development outside of four-year college and graduate degree attainment, and they allow individuals and regions to be resilient and adaptive to the changing dynamics of economic development and industrial specialization.

"the challenge in workforce development is building the scale and reach of programs to make them accessible to lower-skilled workers across the vast two-county region. Efforts already underway indicate that achieving that goal is attainable..."

Career pathway work in the Inland Empire involves considerable cross-county and cross-sectoral collaboration. Indeed, the two county workforce development boards operate jointly through the Inland Empire Regional Collaborative, part of a growing trend of cross-county collaboration in a region previously marked by deep county divisions.[17] In addition, the Inland Empire/Desert Regional Consortium coordinates the career and technical education work of the region’s 12 community colleges,[18] providing financial and other support to expand some of the region’s most effective new models of Career and Technical education throughout the community college system in order to reach more students.

Industry partners are key to the success of workforce development programs. The region has seen significant involvement by industry partners in workforce development boards and in the implementation of innovative and highly successful programs such as the InTech Learning Center at Chaffey College (see page 13) and the Local Apprenticeship Uniting a Network of Colleges & High Schools (LAUNCH) program at Norco College.

InTech was initially funded as part of a $14.9 million regional award from a U.S. Department of Labor Trade Adjustment Assistance Community College and Career Training grant. California Steel also played a critical role in the Center’s development, with financial contributions, use of its 33,000 square-foot facility, and partnership on curricular development and employer engagement.

As a public/private partnership, InTech Center combines a particular focus on manufacturing and an eye towards making a larger-scale regional impact on improving access to good jobs. Currently, it has five areas of emphasis: pre-engineering/engineering technology, industrial electrical and mechanical, machining, automation and robotics, metal fabrication and welding. The Center also focuses on soft skills development and has a specialist who facilitates job placement and long-term career development. Within three years of launching in February 2016, InTech was up-skilling over 500 incumbent workers and re-skilling 240 students annually, and had a 88 percent career placement rate for its graduates.[19]

Norco College has invested in similar programs over the last several years. For several years, Norco College ran the Accelerated Certificate & Employment (ACE) program, which enabled students to obtain a technical certificate with over 700 hours of training within a seven-month period. The program offered an industry-driven curriculum with training in facility maintenance, machine operations, business information systems, and industrial operations. As of 2017, ACE had served over 100 students in the region, with a 100 percent placement rate and with wages ranging from $18-$34 an hour.[20]

Like so many exceptional programs, the challenge in workforce development is building the scale and reach of programs to make them accessible to lower-skilled workers across the vast two-county region. Efforts already underway indicate that achieving that goal is attainable – but requires ramping up employer engagement, deep involvement of the region’s full network of community colleges, and elevating the perceived value of career and technical education to secure good jobs.

There are promising steps forward in this regard. Building on the success of ACE, Norco College is now leading the Local Apprenticeships Uniting a Network of Colleges and High schools (LAUNCH) regional initiative, which partners with the California Apprenticeship Initiative and positions the state and region for sustained growth in apprenticeship programs in professional pathways outside the building trades.[21] In addition, the two county workforce development boards are implementing strategic partnerships involving industry partners and educational institutions under the California Slingshot Initiative, with a focus on manufacturing and health care jobs.[22]

The region has taken significant steps to come together to address its historic low levels of educational attainment, forming Growing Inland Achievement, a consortium of primary, secondary, and post-secondary education institutions. Now it has the opportunity to deploy its considerable workforce development assets—and high-performing institutional networks—to expand its drive for united action to the challenge of 21st Century Career and Technical Education.

Four Strategies for Inclusive Growth

The Inland Economic Growth and Opportunity (IEGO) campaign calls on the region to take bold steps to generate more middle-skill jobs that earn middle-income wages and to make them more accessible to the majority of workers in the region.

1 Make the region a home of global innovation in the logistics industry

➤ Establish a Consortium of Excellence focused on innovations and technologies including participation from universities and the business community for research, management-level education, commercialization, and adoption.

➤ Establish a logistics training collaborative focused on securing access for workers to good industry jobs.

➤ Establish clear and effective policies on land use, infrastructure, and permitting to address private and public needs and expectations.

➤ Secure investments to establish the region as a model for advanced transportation infrastructure and innovation, through development of multi-modal goods movement alternatives and technology applications that enable economic growth and improve quality of life in the region.

2 Strengthen the competitiveness of the region's advanced manufacturers

➤ Build a stronger network of advanced manufacturing entrepreneurial start-up programs and assets.

➤ Scale up educational partnerships and communications efforts designed to generate interest in manufacturing careers.

➤ Develop education programs that support small and mid-sized firms to control utility costs through energy efficiency.

➤ Strengthen programs for small and mid-sized advanced manufacturing firms to take advantage of export potential and target regional efforts to attract more foreign investment in the sector.

3 Accelerate the development of promising emerging industries in areas with the potential to grow more middle-skill/higher-wage jobs

➤ **Emissions Control:** Create a robust innovation cluster around air quality/sustainability that leverages the region's expertise and track record, utilizing the presence of CARB for growth and attraction of firms in emissions-related technology.

➤ **Solar energy/storage:** Build on the existing footprint in solar installation/maintenance by developing a manufacturing/installation plan to capitalize on the California mandate that all new homes have solar panels by 2020; develop technologies and methods to accelerate the cost reduction of solar installation and energy storage.

➤ **Information Technology and Cybersecurity:** Establish formal industry collaboratives to drive entrepreneurship and small business development; identify needed skills and align them with curriculum and training.

4 Distinguish the Inland Empire as a national leader and innovator in the adoption of work-based career and technical education, with a particular focus on attracting women and communities of color.

➤ Establish a Center for Work-Based Learning as a "one stop" hub serving all regional businesses that promotes employer engagement with community colleges, expedites state and federal approvals, and grows enrollment of students in both established and non-traditional programs.

➤ Expand customized and accelerated training, replicating ACE and InTech models in other sectors and occupations with a priority focus on middle-skill/middle-wage jobs in Opportunity Industries.

➤ Expand the mission and membership of Growing Inland Achievement to focus on systems alignment throughout the network of entities and institutions involved in workforce development (workforce investment/development boards, industry groups, and secondary and post-secondary educational institutions). ■

Implementation: Potential Pathways

Taking note of key assets in the region and opportunities for innovation and collective action, the IEGO campaign has identified both short- and long-term implementation goals, with operational frameworks to ensure sustainable results.

Logistics and advanced manufacturing

The region already boasts various centers and programs preparing workers for the changing technological landscape of logistics and advanced manufacturing. Economic developments efforts are limited, however, as they are almost entirely county-led, requiring greater participation and ownership by the region's industry groups, and better coordination across research institutions.

The Consortium of Excellence in Logistics can be built on existing centers at higher education institutions in the short term. The longer-term success of the Consortium, however, will depend on significant commitments and investments by industry leaders in logistics and supply chain management, particularly those who are part of the Southern California Logistics Council. Similarly, the Manufacturers' Council of the Inland Empire could play a bigger role in promoting economic development, connecting workforce development efforts in high schools and community colleges with entrepreneurial support programs and engineering programs involving the region's four-year colleges and universities.

Emerging industries

Implementation strategies for the emerging industries identified in this campaign will vary according to sector. The region already has one of the nation's best cybersecurity training programs at CSU San Bernardino, but most graduates leave the region and find lucrative employment across the country. More coordinated public and private investments would help establish a vibrant ecosystem of small businesses that can subsequently attract or grow larger cybersecurity firms. In emissions technology, a public-private partnership can play a critical role in supporting small business development prior to the opening of the California Air Resources Board (CARB) facility in 2020, and supporting various types of firms once the emissions ecosystem develops more fully. Finally, improved regional planning could help solar and battery storage facilities achieve a much bigger scale in the region.

Workforce development

The region has already made significant progress on workforce development, with notable signs of cross-county collaboration and partnership with educational institutions and industry partners. These partners can ensure improved outcomes in the short term by: 1) improving marketing and outreach to increase awareness about innovative career pathway programs, particularly among women and communities of color; 2) replicating and standardizing career pathway programs that meet industry needs and certification requirements across sub-regions in the vast two-county area; and 3) improving tracking and evaluation across programs, with a focus on increasing the degree and scale of impact. Longer term advancements include substantially increasing the scale of philanthropic and corporate investments in workforce development, and better connecting workforce development with college attainment efforts and economic development efforts in the region.

Implementation frameworks

Public-private partnerships on economic development spanning both counties can take on various forms. The region could adopt a distributed implementation model sector by sector, adapting its successful workforce development collaboration models to economic development. This framework may be more realistic, but the efforts could be inconsistent and fragmented.

Alternatively, the region could take an ambitious step towards investing in an economic development corporation, with significant support from both counties and a variety of industries. This framework offers greater coordination and accountability than a piecemeal approach, but currently lacks the requisite political capital and economic investment necessary to succeed.

Finally, a middle ground may achieve the best of both frameworks, with a community foundation and a handful of partners incubating a public-private project promoting inclusive economic development in the short term that can prove itself before growing into a more robust economic development corporation in the long run.

Regardless of the framework chosen, it is vital that leadership in these efforts be broadly inclusive, reflecting the geographic and demographic diversity of the region and including representation from private, public, and civic sectors. It is also essential that implementation partners are able to demonstrate trustworthiness and capacity for sustained collective action. ■

Call to Action

The Inland Empire has seen tremendous employment gains since the Great Recession, exceeding growth rates nationally and statewide. We now have the opportunity to ensure that future economic growth means greater prosperity for everyone in the region.

The Inland Economic Growth & Opportunity (IEGO) campaign has identified strategies for inclusive economic development that have broad support across the region. These strategies build on areas of existing strength in logistics and advanced manufacturing, and call for strategic investments in emerging sectors that will diversify the region's economic base. Importantly, these economic development strategies will be paired with workforce development strategies that are already strong in the region, and are poised to grow in size and scope.

The IEGO campaign is ambitious, and will require committed, sustained support by various stakeholders. The region cannot rest on its laurels; incremental changes will leave the region ill-prepared for the next economic downturn and unable to address ongoing challenges associated with job automation.

Over the last few years, the region has made significant strides in developing the capacity for equitable innovation through collaboration. The time is ripe for bold, coordinated action that can leverage these efforts into something even bigger, putting the region on a sustainable growth path that provides ladders of economic mobility for all. ■

Endnotes

1 See also: Shearer, Chad and Isa Shah. Dec 2018. Opportunity Industries: Exploring the industries that concentrate good and promising jobs in metropolitan America. The Brookings Institution Metropolitan Policy Program. Source: https://www.brookings.edu/research/opportunity-industries/ Accessed: December 18, 2018.

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3 Toward a Shared Vision: Educational Achievement & Economic Success in the Inland Empire. GIA Infographic. Source: http://inlandempiregia.org/wp-content/uploads/2018/08/GIA-Infographic-6.pdf Accessed: December 17, 2018.

4 Johnson, Hans, Kevin Cook, and Marisol Cuellar Mejia. June 2017. Meeting California's Need for College Graduates: A Regional Perspective. Public Policy Institute of California. Source: https://www.ppic.org/content/pubs/report/r_0617hjr.pdf Accessed: December 18, 2018.

5 Center for Social Innovation. Nov 2018. State of Work in the Inland Empire. Riverside: University of California, Riverside.

6 As of 2018, GIA had awarded six Innovation Awards, ranging in scope from high school math interventions, to parent/student workshops geared toward transitioning to high school and keeping on track through to college applications, to supporting community college students through completion and promoting transfer to 4-year institutions. Source: http://inlandempiregia.org/awards/2018-innovation-award-funded-proposals/ Accessed Dec 17, 2018.

7 Shearer and Shah, op. cit.

8 Rui Mano and Marola Castillo, "The Level of Productivity in Traded and Non-Traded Sectors for a Large Panel of Countries," IMF Working Paper WP/15/48, retrieved Nov 13, 2018 from https://www.imf.org/external/pubs/ft/wp/2015/wp1548.pdf

9 Shearer, Chad, Isha Shah, and Marek Gootman. Feb 2019. Advancing Opportunity in California's Inland Empire. The Brookings Institution Metropolitan Policy Program. See also: Shearer and Shah, op. cit.

10 The Brookings Institution analysis of EMSI data

11 The $18/hour threshold is based on research at the University of Washington, and widely adopted, that benchmarks wages to the ability to meet essential household expenses including housing, food, and transportation.

12 Shearer, Shah, and Gootman, op. cit.

13 Ibid.

14 Center for Social Innovation, op. cit.; Shearer, Shah, and Gootman, op. cit.

15 National Science Foundation. 2017. National Center for Supply Chain Automation. Source: https://www.nsf.gov/awardsearch/showAward?AWD_ID=1601452 Accessed: December 23, 2018.

16 State of California Employment Development Department. 2018. Quarterly Census of Employment and Wages.

17 Other instances of cross-county collaboration include Growing Inland Achievement (see page 15), work on Census 2020 outreach, and the investment, governance, and work involved with this Inland Economic Growth and Opportunity campaign.

18 The Inland Empire/Desert Regional Consortium consists of 12 community colleges and serves as a regional framework to communicate, coordinate, collaborate, promote and plan career and technical education and workforce and economic development in the Inland Empire/Desert Region. Priority and Emerging Sectors include: advanced manufacturing; advanced transportation & logistics; business and entrepreneurship; energy, construction & utilities; healthcare; and information communication technology/digital media. For more information see: http://www.desertcolleges.org/index.php

19 Communication with Sandra Sisco, director of economic development, Chaffey College INTECH Center.

20 Norco College. 2017. "Norco College's ACE Program Receives $50k Gift." Source: https://www.norcocollege.edu/news/Pages/Norco-College-ACE-Program-Receives-50K-Gift.aspx

21 Norco College. 2018. "LAUNCH, the Inland Empire's Apprenticeship Network Receives Significant Grant to Strengthen the Workforce." Source: https://www.norcocollege.edu/news/Pages/LAUNCH.aspx

22 Center for Social Innovation, op. cit.

IEGO

Inland Economic Growth & Opportunity

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Toni Lawrence+	*UC Riverside*
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Ching Liu+	*SolarMax*
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Ron Loveridge**	*University of California Riverside*
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Gary McBride*	*County of San Bernardino*
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** Members of the Executive Committee * Members of the Steering Committee + Members of Working Groups ++ Co-chairs of Working Groups
^ Members of the Research Committee ~Members of the IEGO Staff

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Preliminary Draft Fiscal Year 2019/2020 Agency Budget**

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

Date: **May 6, 2019**

The purpose of this item is to *present the Agency's preliminary draft Budget for Fiscal Year 2019/2020 and seek input from Committee members.*

Requested Actions:

1. Receive and file the draft preliminary Fiscal Year 2019/2020 Agency Budget.
2. Authorize the Executive Director, in consultation with the Chair and legal counsel, to negotiate and execute a sublease for a portion of WRCOG's office space.

WRCOG's annual Budget is adopted every June by its General Assembly. Before adoption, the Budget is vetted through WRCOG's Committees for comment and direction. The Budget is assembled by the Agency Departments: Administration, Energy, Environment, and Transportation & Planning. The General Fund is comprised of the Administration, Energy, and Environment Departments, while TUMF is part of the Special Revenue Fund. Each Department contains its own programs and has its own source of funds. Once the Budget has been vetted through the Committees, it is presented to the General Assembly as an "Agency-wide" Budget for adoption.

Budget Review and Adoption Schedule

The preliminary draft Budget for Fiscal Year (FY) 2019/2020 will be presented according to the following schedule:

- April 10, 2019: Administration & Finance Committee (first review)
- April 18, 2019: Technical Advisory Committee (first review)
- April 25, 2019: Finance Directors Committee (first review)
- May 6, 2019: Executive Committee (first review)
- May 8, 2019: Administration & Finance Committee (second review and recommendation)
- May 16, 2019: Technical Advisory Committee (second review and recommendation)
- June 3, 2019: Executive Committee (second review and recommendation)
- June 20, 2019: General Assembly (action)

FY 2019/2020 Preliminary Draft Budget

The preliminary draft FY 2019/2020 Budget (Attachment 1) is presented by Departments (Administration, Energy, Environment, and Transportation & Planning) with each department displaying its own programs.

The "Administration Total" tab includes the default Administration Program. The majority of the revenues for the Administration Program is generated from member dues. Budgeted expenditures include salaries and benefits of Administration employees, including the Executive Director and the staff in the Government Relations, Administrative Services, and Fiscal divisions. The Administration Program also includes WRCOG's lease and audit, bank, legal, IT, and consulting fees. Expenditures have historically exceeded revenues in this Program so the Agency charges overhead to the remaining Departments to balance the budget. The overhead is determined during the creation of the Budget and is simply the amount necessary to have revenues equal expenditures. Departments will show the amount of overhead they are paying in the General Operations line item. The amount provided by the various Departments will then be transferred out to the Administration Program to balance its budget.

The Energy Department includes the following Programs: PACE Residential; PACE Commercial; Western Riverside Energy Partnership (WREP); SoCal Gas Partnership; and the Regional Streetlight Program.

The HERO PACE residential Program has continued to decline in revenues and volumes in FY 2018/2019. WRCOG anticipates a continued decrease in the HERO residential Program and has budgeted for a 50% decrease in revenues in FY 2019/2020. In prior years, WRCOG has experienced excess revenues from the PACE Programs, specifically the CA HERO Program, which have been used to build Agency reserves and fund other Agency and member activities (such as BEYOND, Fellowship, Grant Writing, EXPERIENCE, Streetlights, CCA development, etc.). At the end of FY 2018/2019, WRCOG anticipates minimal carryover revenues, which will be used to fund the development of a Regional Energy Network (REN) and to build PACE reserves. For FY 2019/2020, WRCOG's PACE Programs will have a balanced budget with no excess revenues. With the addition of commercial PACE providers to the Program during the last year or so, staff anticipates growth in the PACE commercial market in FY 2019/2020, which could potentially bring more revenues to the Agency.

The WREP partnerships will continue to focus on supporting municipal facilities with energy efficiency retrofits and providing sustainable best practices to the community. The WREP budget was approved in early 2019, and both Southern California Edison and SoCal Gas will continue to support the Partnership on its energy initiatives for the calendar year.

The Regional Streetlight Program continues to move forward and will be self-sustaining in FY 2019/2020 through the Operations & Maintenance fee built into the purchasing of the streetlights.

The Community Choice Aggregation Program also continues to move forward and anticipates being self-sustaining and generating revenues in the coming years, which will pay back WRCOG's General Fund for the upfront costs expended toward this Program development.

The Environment Department includes the Solid Waste, Clean Cities, and Used Oil Programs, which receive federal and state funding to provide services to WRCOG's member agencies.

The Transportation & Planning Department includes the following Programs: Transportation Uniform Mitigation Fee (TUMF); the Grant Writing Program, which is funded by the Agency's Carryover Funds; Transportation Planning (LTF), CAP Grant, and Adaptation Grant. The Planning Department will continue to administer the Fellowship and Experience Programs with previously allocated carryover funds from excess PACE revenues. The majority of revenues received in the Transportation Department come from the TUMF Program, which WRCOG anticipates receiving approximately $50M in revenues from development impact fees in FY 2019/2020.

The Agency's FY 2019/2020 total Budget will present a higher total amount of revenues and expenditures than in previous years as staff will continue to include total TUMF revenue and total project expenditures in the Budget. In past years, the only portion included for TUMF was the administration fee WRCOG received from the Program. The revenue and expenditures will continue to include 100% of the TUMF Program's total revenue and expenditures. Because of this additional amount for TUMF, total Agency revenue for FY 2019/2020, plus transfers from other departments for overhead, is projected to be $57,728,828 against total Agency expenditures of $55,208,828.

FY 2019/2020 Fiscal Goals

WRCOG has set three fiscal-related goals going into Fiscal Year 2019/2020: 1) Reduce CalPERS Unfunded Liability; 2) sublease some office space; and 3) expand commercial PACE.

The CalPERS Unfunded Liability is a liability of retirement contributions that public agencies are expected to pay back over a 30-year period to CalPERS. Staff reached out to CalPERS earlier this year and was notified that CalPERS does not expect to make any returns on its investments and anticipates the Unfunded Liability to increase approximately 15% for WRCOG. Currently, WRCOG's Unfunded Liability is approximately $3M, which means it would increase to $3.4M. Also, the 30-year payback period has a premium built in, so if WRCOG were to pay their Unfunded Liability over a 30-year period, total payments on $3.4M would be $6.6M. Staff is currently considering options on paying down a portion of the Unfunded Liability, changing the terms to a 10-, 15- or 20-year payback, or a combination thereof, as WRCOG would realize significant savings compared to paying it back to CalPERS as it is currently structured.

WRCOG moved to the Citrus Towers in January 2018 and has not yet fully utilized the entire 12,700 square feet and does not anticipate utilizing it all in the near term. Therefore, WRCOG is looking to sublease some office space to generate additional revenues for the Agency. WRCOG is currently in discussion with a potential tenant and may enter a sublease this month.

Since 2018, staff has actively sought to add additional commercial PACE (C-PACE) providers to operate within the WRCOG Statewide PACE footprint. In addition to Greenworks Lending, staff has onboarded Clean Fund, Twain Financial Partners, and Lord Capital PACE, and are in the process of onboarding Lever Capital. Apart from Clean Fund, all these providers can operate statewide through the WRCOG PACE Program. C-PACE is distinguished from residential PACE in that the financing can be used for new commercial construction, seismic strengthening and refinancing; these attributes are making C-PACE a more attractive financing option. Additionally, the project size for many C-PACE assessments exceed $1,000,000 and staff is now seeing project sizes in excess of $20,000,000. As more commercial banks and developers become aware of the benefits of C-PACE, staff thinks this will result in significant increases in activity and, therefore, revenue to WRCOG.

Prior Actions:

April 25, 2019: The Finance Directors Committee received and filed.

April 18, 2019: The Technical Advisory Committee received and filed.

April 10, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

All known and expected revenues and expenditures impacting the Agency have been budgeted for Fiscal Year 2019/2020 but will be continually updated throughout the budget process.

Attachment:

1. Preliminary draft summary Agency Budget for Fiscal Year 2019/2020.

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Item 6.C

Preliminary Draft Fiscal Year 2019/2020 Agency Budget

Attachment 1

Preliminary draft summary Agency Budget for Fiscal Year 2019/2020

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Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Agency Budget

Revenues	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Member Dues	$ 311,410	$ 311,410	$ 311,410
General Assembly Revenue	11,600	300,000	300,000
Interest Revenue - Other	80,066	31,496	25,000
WRCOG HERO Revenue	196,865	480,573	212,500
Other HERO Revenue	150,373	149,833	680,000
Statewide HERO Revenue	833,097	1,650,000	807,500
Gas Company Revenue	56,941	86,676	108,400
SoCal Edison Revenue	75,123	86,750	108,438
PACE Commercial Revenue	30,844	34,078	165,000
PACE Residential Recording Rev	107,508	122,500	111,800
Statewide HERO Recording fee Rev	520,365	600,000	616,700
PACE Commercial Recording Rev	445	7,500	17,500
Regional Streetlights Revenue	261,500	300,000	187,511
NW Clean Cities - Member Dues	122,000	120,000	128,000
NW Clean Cities - Federal	18,500	12,500	82,500
Solid Waste	122,248	107,313	107,313
Statewide Used Oil Grant Revenue	203,820	228,820	377,654
CAP Grant Revenue	8,973	-	125,000
Adaptation Grant Revenue	-	-	125,000
LTF Revenue	775,500	675,000	775,000
RIVTAM Revenue	100,000	150,000	140,000
TUMF Admin Commerical	33,242	110,645	47,284
TUMF Admin Retail	77,114	130,094	109,687
TUMF Admin Industrial	353,126	272,663	502,285
TUMF Admin Single Family	788,576	1,144,551	1,121,669
TUMF Admin Multi-Family	139,957	142,045	199,074
Commerical/Service	797,812	2,718,853	1,134,806
Retail	1,850,746	3,142,672	2,632,497
Industrial	8,475,022	6,314,301	12,054,852
Single Family	18,925,836	27,492,115	26,920,065
Multi-Family	3,358,962	3,352,059	4,777,779
Carryover Fund Transfer In	1,456,738	1,456,738	720,000
Total Revenues & Carryover	**$ 40,244,310**	**$ 52,231,187**	**$ 55,732,226**
Overhead Transfer In	**$ 1,483,740**	**$ 2,278,335**	**$ 1,996,602**
Total Revenues & Overhead	**$ 41,728,050**	**$ 54,509,522**	**$ 57,728,828**

Expenses	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Salaries & Wages - Fulltime	$ 1,138,281	$ 2,643,180	$ 2,111,347
Fringe Benefits	500,079	817,283	689,131
CalPERS OPEB Paydown	152,727	200,000	200,000
Overhead Allocation	1,391,598	2,092,412	1,893,320
General Legal Services	269,404	465,035	387,000
OPEB Funding	98,823	98,823	98,823
Audit Svcs - Professional Fees	25,480	27,500	30,500

Bank Fees	27,159	19,000	38,512
Commissioners Per Diem	38,265	62,500	62,500
Parking Cost	8,925	18,578	16,400
Office Lease	269,836	400,000	465,000
WRCOG Auto Fuels Expenses	924	1,250	1,500
WRCOG Auto Maintenance Expense	84	84	500
Parking Validations	2,249	10,000	10,000
Staff Recognition	261	800	800
Coffee and Supplies	261	3,000	2,500
Event Support	132,010	130,861	187,283
Program/Office Supplies	9,886	23,988	22,263
Computer Equipment/Supplies	1,327	8,000	4,500
Computer Software	3,127	31,124	26,500
Rent/Lease Equipment	9,185	30,000	30,000
Membership Dues	19,472	31,500	32,500
Subscription/Publications	1,025	1,025	2,000
Meeting Support Services	1,744	9,498	10,198
Postage	2,694	6,043	5,600
Other Expenses	463	883	1,250
Storage	5,251	15,348	10,000
COG HERO Share Expenses	3,444	15,000	10,000
Printing Services	1,670	4,320	7,500
Computer Hardware	2,664	14,100	9,500
Misc. Office Equipment	-	1,000	1,000
Communications - Regular Phone	12,672	15,000	16,000
Communications - Cellular Phones	6,260	20,291	17,500
Communications - Computer Services	24,933	57,500	57,500
Communications - Web Site	6,932	8,000	8,000
Equipment Maintenance - General	4,451	10,000	10,000
Equipment Maintenance - Comp/Software	17,776	21,024	21,250
Insurance - Errors & Omissions	9,000	9,000	11,500
Insurance - Gen/Busi Liab/Auto	82,594	77,890	92,500
WRCOG Auto Insurance	1,954	-	2,000
Recording Fee	200,932	480,500	254,339
Seminars/Conferences	1,724	12,628	11,835
General Assembly Expenses	69,034	300,000	300,000
Travel - Mileage Reimbursement	7,210	21,367	18,750
Travel - Ground Transportation	1,280	3,448	5,160
Travel - Airfare	6,833	9,324	12,250
Lodging	4,309	6,640	7,500
Meals	2,678	6,434	8,809
Other Incidentals	5,811	10,411	6,600
Training	419	9,250	9,250
Supplies/Materials	3,546	8,033	22,350
OPEB Repayment	-	71,053	110,526
Staff Education Reimbursement	-	12,500	7,500
Advertising Media - Newspaper Ad	-	2,000	10,000
Advertisement Radio & TV Ads	20,420	39,293	72,000
Consulting Labor	1,330,006	2,343,341	2,264,782
Computer Equipment/Software	1,879	6,500	3,000
TUMF Project Reimbursement	22,006,311	38,000,000	45,000,000
Transfer Out to Reserves	-	-	480,000
Total Expenses	**$ 27,950,039**	**$ 48,763,562**	**$ 55,208,828**
	Surplus (Deficit)		**$ 2,520,000**

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Administration Budget

Revenues	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Member Dues	$ 311,410	$ 311,410	$ 311,410
General Assembly Revenue	11,600	300,000	300,000
Interest Revenue - Other	80,066	31,496	25,000
Total Revenues	**$ 390,276**	**$ 695,630**	**$ 636,410**
Overhead Transfer In	**$ 1,483,740**	**$ 2,225,611**	**$ 1,996,602**
Total Overhead & Revenues	**$ 1,874,016**	**$ 2,921,241**	**$ 2,633,012**

Expenses	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Salaries & Wages - Fulltime	$ 298,705	$ 631,095	$ 464,260
Fringe Benefits	172,941	277,903	202,102
Fringes - Retirements	152,727	200,000	200,000
General Legal Services	53,219	75,000	75,000
OPEB Expense	98,823	98,823	98,823
Audit Svcs - Professional Fees	25,480	27,500	30,500
Bank Fees	230	2,000	2,000
Commissioners Per Diem	36,315	60,000	60,000
Parking Cost	5,433	10,000	10,000
Office Lease	269,836	400,000	465,000
WRCOG Auto Fuels Expenses	924	1,250	1,500
WRCOG Auto Maintenance Expense	84	84	500
Parking Validations	2,249	10,000	10,000
Staff Recognition	261	800	800
Coffee and Supplies	261	3,000	2,500
Event Support	33,982	57,960	50,000
Program/Office Supplies	8,014	15,500	15,000
Computer Equipment/Supplies	140	1,000	1,000
Computer Software	1,304	20,000	20,000
Rent/Lease Equipment	9,185	30,000	30,000
Membership Dues	18,872	30,000	30,000
Subscription/Publications	568	568	1,000
Postage	975	2,500	2,500
Printing Services	-	150	500
Computer Hardware	1,704	11,000	8,000
Communications - Regular Phone	12,672	15,000	16,000
Communications - Cellular Phones	2,177	10,500	8,500
Communications - Computer Services	22,697	55,000	55,000
Communications - Web Site	6,932	8,000	8,000
Equipment Maintenance - General	4,451	10,000	10,000
Equipment Maintenance - Comp/Software	17,752	20,000	20,000
Insurance - Errors & Omissions	9,000	9,000	11,500
Insurance - Gen/Busi Liab/Auto	77,040	77,040	82,000
WRCOG Auto Insurance	1,954	-	2,000
Seminars/Conferences	135	4,000	3,000
General Assembly Expenses	69,034	300,000	300,000

Travel - Mileage Reimbursement	487	2,500	2,000
Travel - Ground Transportation	367	1,000	1,500
Travel - Airfare	565	2,000	2,000
Lodging	573	1,000	1,000
Meals	723	3,000	2,500
Other Incidentals	1,149	1,000	1,000
Training	270	5,000	5,000
OPEB Repayment	110,526	71,053	110,526
Staff Education Reimbursement	-	12,500	7,500
Consulting Labor	98,376	151,320	200,000
Computer Equipment/Software	1,879	3,000	3,000
Total Expenses	**$ 1,648,041**	**$ 2,748,394**	**$ 2,633,012**

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Energy Budget

Revenues	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
WRCOG HERO Revenue	$ 196,865	$ 480,573	$ 212,500
Other HERO Revenue	150,373	149,833	680,000
Statewide HERO Revenue	833,097	1,650,000	807,500
Gas Company Revenue	56,941	86,676	108,400
SoCal Edison Revenue	75,123	86,750	108,438
PACE Commercial Revenue	30,844	34,078	165,000
PACE Residential Recording Rev	107,508	122,500	111,800
Statewide HERO Recording fee Rev	520,365	600,000	616,700
PACE Commercial Recording Rev	445	7,500	17,500
Regional Streetlights Revenue	261,500	300,000	187,511
Total Revenues	**$ 2,243,061**	**$ 3,517,910**	**$ 3,015,349**

Expenses	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Salaries & Wages	$ 284,390	$ 628,693	$ 546,637
Fringe Benefits	155,042	264,945	206,109
Overhead Allocation	545,612	820,000	890,000
GENERAL LEGAL SERVICES	161,638	332,500	238,000
Bank Fee	18,255	17,000	20,000
Commissioners Per Diem	1,950	2,500	2,500
Parking Validations	515	4,100	2,650
Statewide - Event Support	16,020	9,000	24,500
General Supplies	1,229	5,450	2,950
Computer Supplies	1,169	6,000	2,500
Computer Software	699	10,000	5,000
NWCC- Membership Dues	600	1,000	1,000
Subscriptions/Publications	32	32	250
Meeting Support Services	797	5,000	3,348
Postage	1,659	3,515	2,700
Other Expenses	-	500	500
COG HERO Share Expenses	3,444	15,000	10,000
Computer/Hardware	960	3,100	1,500
Misc. Office Equipment	-	1,000	1,000
Cellular Phone	2,270	5,500	4,500
Communications Computer Servic	2,236	2,500	2,500
Equipmebt Maintenance-Computer	-	1,000	1,000
Insurance - Gen/Busi Liab/Auto	2,777	-	3,500
Recording Fee	200,932	480,500	254,339
Seminar/Conferences	1,027	5,500	4,685
Travel - Mileage Reimbursement	3,520	7,750	6,750
Travel - Ground Transportatoin	628	1,500	1,650
Travel - Airfare	5,945	6,000	8,500
Lodging	3,096	3,000	3,500
Meals	627	1,300	2,609
Statewide Other Incidentals	3,277	8,000	4,000
Training	149	3,750	3,750

Supplies/Materials	-	2,628	4,750
Consulting Expense	221,305	749,935	428,171
Transfer to Reserves	-	-	320,000
Total Expenses	**$ 1,661,746**	**$ 3,411,698**	**$ 3,015,349**

Surplus (Deficit)	**$ -**

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Environmental Budget

Revenues	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
NW Clean Cities - Member Dues	$ 122,000	$ 120,000	$ 128,000
NW Clean Cities - Federal	18,500	12,500	82,500
Solid Waste	122,248	107,313	107,313
Statewide Used Oil Grant Revenue	203,820	228,820	377,654
Total Revenues	**$ 466,568**	**$ 468,633**	**$ 695,467**

Expenses	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Salaries & Wages - Fulltime-OPP8	$ 65,303	$ 172,243	$197,629
Fringe Benefits	35,695	53,694	60,061
Overhead Allocation	38,573	57,860	113,320
General Legal Services	368	500	2,000
Parking Validations	291	475	1,250
Event Support-OPP8	81,559	62,901	112,283
Program/Office Supplies	22	1,450	2,813
Membership Dues	-	500	1,500
SWMD - SUBSCRIP/PUBLICATION	32	32	250
Meeting Support Services	427	3,255	6,600
Other Expenses	221	133	500
Storage-OPP8	5,251	15,000	10,000
Printing Services	-	2,500	5,000
SW WMRD-Cellular Phones	304	1,000	1,000
Insurance - Gen/Busi Liab/Auto	185	850	2,000
Seminars/Conferences	128	1,128	2,000
Travel - Mileage Reimbursement	947	3,688	4,500
Travel - Ground Transportation	95	345	1,100
Travel-AirFare	324	324	750
Meals	329	529	2,100
SWMD - Other Incidentals	641	736	1,100
Training	-	500	500
Supplies/Materials	3,541	5,030	16,600
Advertising Media - Newspaper Ad	-	2,000	10,000
Advertisement Radio & TV Ads	20,420	39,293	72,000
Consulting Labor	37,642	42,668	68,611
Total Expenses	**$ 293,987**	**$ 468,635**	**$ 695,467**

Surplus (Deficit) **$ -**

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Transportation & Planning Budget

Revenues	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
CAP Grant Revenue	$ 8,973	$ -	$ 125,000
Adaptation Grant Revenue	-	-	125,000
LTF Revenue	775,500	675,000	775,000
RIVTAM Revenue	100,000	150,000	140,000
TUMF Admin Commerical	33,242	110,645	47,284
TUMF Admin Retail	77,114	130,094	109,687
TUMF Admin Industrial	353,126	272,663	502,285
TUMF Admin Single Family	788,576	1,144,551	1,121,669
TUMF Admin Multi-Family	139,957	142,045	199,074
Commerical/Service	797,812	2,718,853	1,134,806
Retail	1,850,746	3,142,672	2,632,497
Industrial	8,475,022	6,314,301	12,054,852
Single Family	18,925,836	27,492,115	26,920,065
Multi-Family	3,358,962	3,352,059	4,777,779
Carryover Fund Transfer In	1,456,738	1,456,738	720,000
Total Revenues & Carryover	**$ 37,220,023**	**$ 47,601,738**	**$ 51,385,000**

Expenses	**Actual 2/28/2019**	**Budget 6/30/2019**	**Proposed 6/30/2020**
Salaries & Wages Fulltime	$ 446,396	$ 1,211,149	$ 902,821
Fringe Benefits	136,401	220,741	220,858
Overhead Allocation	807,413	1,214,552	890,000
General Legal Services	54,178	57,035	72,000
Bank Fees	8,674	-	16,512
Parking Validations	2,687	4,003	2,500
Event Support	450	1,000	500
General Supplies	621	1,588	1,500
Computer Supplies	17	1,000	1,000
Computer Software	1,124	1,124	1,500
Subscriptions/Publications	392	392	500
Meeting Support Services	519	1,243	250
POSTAGE	60	28	400
Other Household Expenses	242	250	250
Printing Services	1,670	1,670	2,000
Cellular Phone	1,509	3,291	3,500
Computer Maintenance	24	24	250
Insurance - Gen/Busi Liab/Auto	2,592	-	5,000
Seminar/Conferences	435	2,000	2,150
Travel - Mileage Reimbursement	2,256	7,429	5,500
Travel - Ground Transportation	190	603	910
Travel-AirFare	-	1,000	1,000
Lodging	640	2,640	3,000
Meals	1,000	1,605	1,600
Other Incidentals	743	675	500
Supplies/Materials	5	375	1,000
Consulting Labor	972,683	1,399,418	1,568,000

TUMF Project Reimbursement	22,006,311	38,000,000	45,000,000
Transfer Out to Reserves			160,000
Total Expenses	**$ 24,456,792**	**$ 42,134,834**	**$ 48,865,001**

Surplus (Deficit)		**$ -**

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Energy Network Development Activities Update**

Contact: **Anthony Segura, Staff Analyst, asegura@wrcog.us, (951) 405-6733**

Date: **May 6, 2019**

The purpose of this item is to *provide information on the development of a Regional Energy Network (REN) between the Coachella Valley Association of Governments (CVAG), San Bernardino Council of Governments (SBCOG), and WRCOG, and the status of the Request for Proposal for consultant support for REN Development*

Requested Action:

1. Authorize the Executive Director to enter into a contract agreement with Frontier Energy for Regional Energy Network Development.

A Regional Energy Network (REN) is an opportunity for collective groups of local governments to directly receive ratepayer funds from the California Public Utilities Commission to develop specific energy programs tailored to assist the subregion in meeting its local energy efficiency goals.

WREP Background and the Emerging Need for a REN

Local Government Partnerships (LGPs), such as WRCOG's WREP Program, were approved by the CPUC in 2009 and allow Investor Owned Utilities (IOUs) to work with local governments on the implementation of LGPs. LGPs typically focus on three objectives: 1) retrofitting local government buildings; 2) promoting utility core programs; and 3) supporting qualified energy efficiency activities included in the Energy Efficiency Strategic Plan.

WREP was formed in 2010 and is administered by WRCOG to achieve the above-stated objectives. WREP works closely with WRCOG's member agencies, as well as Southern California Edison (SCE) and SoCal Gas, to provide project support and community outreach through a number of energy efficiency initiatives. WREP has been extremely impactful over the last nine years, resulting in a total savings for member jurisdictions of over 16.7 million kWh (equivalent to 2,000 homes' electricity use for one year) and over 9,000 therms (equivalent to electricity use for 8 homes for one year).

Despite these gains, IOUs are diverting resources from WREP and other LGPs in favor of programs that will yield broader energy savings across communities, focusing less on savings for local jurisdictions. In an effort to continue to provide a high level of support to member jurisdictions with energy efficiency, WRCOG, in partnership with SBCOG and CVAG (both of which implement individual LGPs), is exploring development and implementation of a REN that would cover all of Riverside and San Bernardino Counties. The resultant REN would complement the activities of the IOUs and yield greater energy savings overall.

Request for Proposal (RFP) – REN Development

On December 3, 2018, the Executive Committee authorized staff to continue working with both CVAG and

SBCOG to develop a joint cooperative agreement and release an RFP to identify a consultant to assist all three entities with development / implementation of a REN in a not to exceed amount of $150,000 ($50,000 per COG). Through the implementation of a REN, CVAG, SBCOG, and WRCOG aim to create and implement programs that will advance the region's energy efficiency. The REN would enhance current energy efficiency programs offered under the Western Riverside Energy Partnership (WREP) and potentially replace this Program.

On January 31, 2019, WRCOG, in coordination with CVAG and SBCOG, released an RFP to identify and select a consultant(s) to develop a REN Business Plan. On March 25, 2019, interviews were held for the proposers submitting responses to the RFP. The interview panel consisted of staff from WRCOG, CVAG, SBCOG, and the County of Los Angeles.

After review of the scores and several reference checks, the consultant that has been selected to assist CVAG, SBCOG, and WRCOG on the development of a REN within both counties is Frontier Energy, Inc. Frontier has experience working with RENs in the past and was the lead on assisting the Counites of Santa Barbara, San Luis Obispo, and Ventura with the newly formed REN known as 3C-REN.

In March, staff presented the recent developments of the REN process to the Public Works Committee and Planning Directors Committee. In April, staff presented additional findings from the REN development process to the Administration & Finance Committee and the Technical Advisory Committee.

Business Plan

The Business Plan to be developed under the RFP is a key requirement to developing a REN, as the Business Plan must be filed with and approved by the California Public Utilities Commission (CPUC) in order for the REN to move forward. The Business Plan would serve as the framework for the REN, providing information on the Program's service boundary, energy efficiency analysis, energy efficiency measures / potential programs to be implemented within the service territory, and how the REN's programs will meet California's energy efficiency goals. Potential program areas include residential (single-family and multi-family), municipal, commercial (small businesses), financing mechanisms, innovative technology, and workforce education & training.

Staff are sought input, from our PWC and PDC, through an online survey on which program areas members would like to consider offering through the REN. To date, the top program sector for the potential for REN to investigate is the municipal sector, second is innovative technology, third is workforce education & training, and the remaining sectors are all tied for fourth.

The Business Plan will undergo stakeholder review from the CPUC's Energy Division and the California Energy Efficiency Coordination Committee where various entities will provide comments on the proposed Business Plan before it reaches the CPUC for final approval. If approved by the CPUC, staff anticipates the REN would launch by 2021.

Next Steps

As part of the next steps for REN development, CVAG, SBCOG, and WRCOG will be working on a joint Memorandum of Understanding between all three agencies. Additionally, once the Professional Services Agreement between WRCOG and Frontier Energy has been executed, all three Council of Governments will commence the work to start the REN development process.

For additional questions or information on the REN development, please contact Anthony Segura at asegura@wrcog.us.

REN FAQs:

What is the difference between a REN and an LGP (like WREP)?

The CPUC calls for RENs to address the following three operational areas:

1. Undertake programs that the IOUs cannot or do not intend to administer (as described above).
2. Target hard-to-reach areas.
3. Design programs that have the potential to be scaled to larger geographic areas.

In addition to these focus areas, the CPUC also directed RENs to address the areas of Workforce Education & Training (WE&T), Technology Development, and the Water- Energy Nexus.

Would an Inland Southern California REN duplicate the work of the IOUs? No. REN's are not allowed to duplicate the work of other efforts (see item number 1 above), unless the REN work would extend a program to a hard-to-reach group (such as non-English speaking populations) (see item number 2 above), not served by the IOU-administered program.

What does the funding look like for the existing RENs? The table below shows the 2019 budgets for the existing RENs and WRCOG. 3C REN represents the Counties of San Luis Obispo, Santa Barbara, and Ventura, which have a total population of 1,570,949, meaning that the 3C REN was funded $3.80 per capita, in comparison to $0.18 per capita for WREP.

2019 Energy Program Funding	
Program	**Funding Allocation**
SoCal REN	$21,800,800
BAYREN	$24,702,000
3C REN	$5,964,400
WREP	$216,000

Another significant difference between RENs and LGPs is the flow of money. In an LPG, the IOUs must approve a budget and administer funds on a reimbursement basis. With a REN, however, the money is sent directly from the CPUC to the Network in advance.

Where does funding come from? Like WREP is currently, the REN would be funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service. WRCOG anticipates that the REN would garner a greater share of PBC funding than the aggregate funding of WREP and the CVAG- and SBCOG-operated LGPs, because RENs have greater flexibility to create and implement a wider variety of programs.

Why collaborate with other COGs? WRCOG is looking to collaborate with CVAG and SBCOG to form a REN for two primary reasons. First, the larger region is anticipated to be more attractive for approval by the CPUC. Second, a collaborative REN offers an opportunity to leverage the existing resources and knowledge capital across the inland region and offer energy savings programming with increased economies of scale and efficiency.

Who will administer the REN? It was decided among the three COGs that WRCOG would take the lead role in administering the REN.

Will the REN conduct similar work to an LGP (like WREP)? WREP supports energy savings through two primary platforms: municipal energy retrofit assistance and community education. Municipal retrofit projects include LED lighting upgrades, smart controls for HVAC, HVAC upgrades, water heater replacement, and water heater insulation. WREP's community education activities promote sustainable best practices through outreach at community events. At these events, WREP staff educate and promote current SCE / SoCal Gas

residential customer and business programs that are available for enrollment. Programs promoted in the past include SCE and SoCal Gas' Energy Saving Assistance (ESA) Programs which offer residents who meet an income threshold an audit and installation of energy measures, all at no cost. Measures include lighting, plug load strips, low flow shower heads, and in some instances, residents will also be eligible to receive upgrades to their appliances (refrigerators, stoves, washer / dryer).
The goal for REN is to continue to offer the same programs that WREP conducts and augment them with additional programs and benefits. For example, the REN would look to implement programs that bring advanced technology to the region (such as battery storage or smart metering), hold workshops and educate contractors on the installation of new energy efficiency standards as set by the CPUC, facilitate electric vehicle roadmaps / rebate programs, and provide energy efficiency measures to disadvantaged communities.

Below is a side by side comparison of current WREP offerings and potential REN program offerings:

Program Comparison	
WREP	**REN**
Project Support (Municipal)	Project Support (Municipal)
Technical Assistance	Technical Assistance
Community Outreach (Residents & Small Commercial)	Community Outreach (Residents & Small Commercial)
	Residential Energy Efficiency (Single / Multi-Family)
	Advancement of Innovative Technology (Solar / Battery Storage)
	Electric Vehicle Rebate Programs
	Development of Funding Mechanisms (Revolving Loan Funds)
	Workforce Education & Training

Prior Actions:

April 18, 2019: The Technical Advisory Committee received and filed.

April 10, 2019: The Administrative & Finance Committee approved the recommendation that the Executive Committee direct the Executive Director to enter into contract negotiations between WRCOG and Frontier Energy for Regional Energy Network (REN) Development.

Fiscal Impact:

REN Program development has been included in WRCOG's 2nd Quarter Budget Amendment.

Attachments:

1. REN White Paper.
2. Draft Professional Services Agreement.

Item 6.D

Regional Energy Network Development Activities Update

Attachment 1

REN White Paper

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White Paper:

What are Regional Energy Networks and the transition from Local Government Partnerships?

This paper describes the historic purpose and role of Local Government Partnerships (LGPs), the challenges they are facing, and a new opportunity for WRCOG members to continue providing localized energy efficiency programs for their communities through a Regional Energy Network (REN)

History of Local Government Partnerships (LGPs) and the emergence of Regional Energy Networks (RENs)
Local Government Partnerships (LGPs), such as WRCOG's WREP Program, were approved by the CPUC in 2009 and allow Investor Owned Utilities (IOUs) to work with local governments on the implementation of LGPs. LGPs typically focus on three objectives: 1) retrofitting local government buildings; 2) promoting utility core programs; and 3) supporting qualified energy efficiency activities included in the Energy Efficiency Strategic Plan.

WREP was formed in 2010 and is administered by WRCOG to achieve the above-stated objectives. WREP works closely with WRCOG's member agencies, as well as Southern California Edison (SCE) and SoCal Gas, to provide project support and community outreach through a number of energy efficiency initiatives. WREP has been extremely impactful over the last 9 years, resulting in a total savings for member jurisdictions of over 16.7 million kWh (equivalent to 2,000 homes' electricity use for one year) and over 9,000 therms (equivalent to electricity use for 8 homes for one year).

Despite these gains, IOUs are diverting resources from WREP and other LGPs in favor of programs that will yield broader energy savings across communities, focusing less on savings for local jurisdictions.

RENs represent the next iteration of LGPs
In 2012, the CPUC authorized a new model for administering energy efficiency programs outside of the traditional IOU-administered LGP. These new models are known as RENs. Since then, three RENs have been established in California, supporting 15 counties.

In an effort to continue to provide a high level of support facilitating energy efficiency to member jurisdictions, WRCOG, in partnership with SBCOG and CVAG (both of which implement individual LGPs), is exploring development and implementation of a REN that would cover all of Riverside and San Bernardino Counties. The resultant REN would complement the activities of the IOUs and yield greater energy savings overall.

Where are RENs operating in California and what do they accomplish?
The three active RENs established to date are SoCal REN (administered by the County of Los Angeles), BAYREN (administered by the Association of Bay Area Governments (ABAG)), and 3CREN (administered by Santa Barbara, San Luis Obispo, and Ventura Counties). These three REN implementers work with their respective IOUs and administer the following programs for their regions:

1. Residential and commercial energy efficiency installation programs
2. Workshops and trainings for energy efficiency contractors
3. Financing mechanisms for municipal agencies to fund energy efficiency projects
4. Collaborations with third-party providers to assist with additional energy audits and program support for municipalities or businesses.

What is the difference between a REN, an LGP and the IOU-operated programs?
The CPUC calls for RENs to address the following three operational areas, which are expressly focused on not duplicating the work of IOU-operated programs:

1. <u>Undertake programs that the IOUs cannot or do not intend to administer</u>: RENs can develop "Pilot" programs that are entirely different from IOU programs or utilize a unique approach and have the potential to scale and/or target hard-to-reach customers (see below).

2. Target hard-to-reach consumers: Utility customers who are geographically isolated, have language barriers, and/or low socioeconomic status are considered “hard-to-reach”.
3. Design programs that have the potential to be scaled to larger geographic areas: RENs can implement projects with potentially broad applications allowing for regional or state-wide expansion.

In addition to these focus areas, the CPUC also directed RENs to address the areas of Workforce Education & Training (WE&T), Technology Development, and the Water- Energy Nexus.

Will the REN conduct similar work to an LGP?
WREP, and LGP, supports energy savings through two primary platforms: municipal energy retrofit assistance and community education. Municipal retrofit projects include LED lighting upgrades, smart controls for HVAC, HVAC upgrades, water heater replacement, and water heater insulation. WREP’s community education activities promote sustainable best practices through outreach at community events. At these events, WREP staff educate and promote current SCE / SoCal Gas residential customer and business programs that are available for enrollment. Programs promoted in the past include SCE and SoCal Gas’ Energy Saving Assistance (ESA) Programs which offer residents who meet an income threshold an audit and installation of energy measures, all at no cost. Measures include lighting, plug load strips, low flow shower heads, and in some instances, residents will also be eligible to receive upgrades to their appliances (refrigerators, stoves, washer / dryer).

The goal for REN is to continue to offer the same programs that WREP conducts and augment them with additional programs and benefits. For example, the REN would look to implement programs that bring advanced technology to the region (such as battery storage or smart metering), hold workshops and educate contractors on the installation of new energy efficiency standards as set by the CPUC, facilitate electric vehicle roadmaps / rebate programs, and provide energy efficiency measures to disadvantaged communities.

Below is a side by side comparison of current WREP offerings and potential REN program offerings:

Program Comparison	
WREP	**REN**
Project Support (Municipal)	Project Support (Municipal)
Technical Assistance	Technical Assistance
Community Outreach (Residents & Small Commercial)	Community Outreach (Residents & Small Commercial)
	Residential Energy Efficiency (Single / Multi-Family)
	Advancement of Innovative Technology (Solar / Battery Storage)
	Electric Vehicle Rebate Programs
	Development of Funding Mechanisms (Revolving Loan Funds)
	Workforce Education & Training

In comparison to LGPs…
RENs are similar in that they:
- Continue to work with IOUs, such as SCE & SoCal Gas, for program outreach.
- Continue to meet California’s Energy Efficiency Goals.
- Serve as energy efficiency platforms that support energy efficiency initiatives with IOU customers.
- Are funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service.

RENs differ in that they:
- Provide a greater level of local control in the development and implementation of programs that are specific to the region the REN represents

- LGPs do not have the same control to design regionally specific programs and are beholden to the programs developed by the IOUs. To illustrate, as shown in the chart above, WREP is only able to provide technical assistance, energy efficient education, and conduct community outreach; while RENs provide these and additional programs.
- Can develop programs to support workforce education and training for energy efficiency contractors as well as support technology development and marketing and outreach programs for municipalities, residential and commercial customers.
- Typically operate a much larger budget and, while the IOUs must approve a budget and administer funds on a reimbursement basis to LGPs, money is sent directly from the CPUC to the REN in advance.

If RENs and LGPs are funded by the same source, why do they receive different amounts?
Like WREP is currently, the REN would be funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service. WRCOG anticipates that the REN would garner a greater share of PBC funding than the aggregate funding of WREP and the CVAG- and SBCOG-operated LGPs, because RENs have greater flexibility to create and implement a wider variety of programs. This hypothesis is supported by the funding structure of the existing RENs.

The table below shows the 2019 budgets for the existing RENs compared to WRCO's WREP (LGP) Program. 3C REN represents the Counties of San Luis Obispo, Santa Barbara, and Ventura, which have a total population of 1,570,949, meaning that the 3C REN was funded $3.80 per capita, in comparison to $0.18 per capita for WREP.

2019 Energy Program Funding	
Program	**Funding Allocation**
SoCal REN	$21,800,800
BAYREN	$24,702,000
3C REN	$5,964,400
WREP	$216,000

Why collaborate with other COGs?
WRCOG is looking to collaborate with CVAG and SBCOG to form a REN for two primary reasons. First, the larger region is anticipated to be more attractive for approval by the CPUC. Second, a collaborative REN offers an opportunity to leverage the existing resources and knowledge capital across the inland region and offer energy savings programming with increased economies of scale and efficiency.

Who will administer the Inland Empire REN? It was decided among the three COGs that WRCOG would take the lead role in administering the REN.

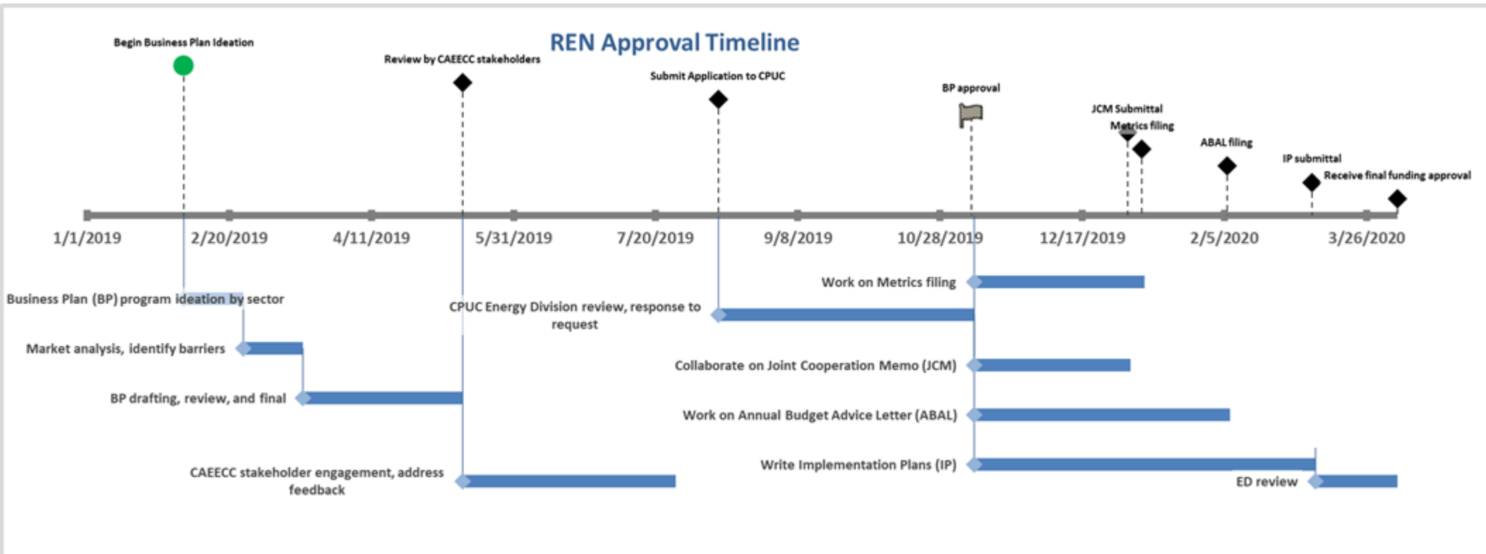
Conclusions and moving forward

A REN would offer several benefits to WRCOG members, including: education and facilitation/support on energy efficiency for municipalities, residents, and commercial businesses; relevant jobs training for contractors; increased funding from the CPUC's Public Benefits Charge (PBC) for the subregion; and greater flexibility in establishing and implementing energy efficiency programs for the betterment of the region.

In lieu of the reduced funding to WREP and other LGPs, WRCOG has been working with the San Bernardino Council of Governments (SBCOG) and Coachella Valley Association of Governments (CVAG) (which implement their own individual LGPs) to explore the development and implement a Regional Energy Network that would cover both Riverside and San Bernardino Counties. An Inland Empire REN would create the opportunity to grow energy programs tailored to member interest through a fiscally and logistically efficient collaborative.

In order for a REN to be established in both counties, all three COGs need to create and submit a REN Business Plan to the CPUC. The Business Plan would serve as the framework for the REN, providing information on the Program's service boundary, energy efficiency analysis, energy efficiency measures / potential programs to be implemented within the service territory, and how the REN's programs will meet California's energy efficiency goals. Potential program areas include residential (single / multi-family), small commercial, and workforce education and training.

Once the Business Plan is approved at the CPUC level, then the creation of an Implementation Plan, Annual Budget Advice Letter, and Joint Cooperation Memo will need to be completed before the funds are dispersed to the REN. The timeline for all these documents to be created and approved at the CPUC level vary, but all three COGs are aiming to have an active REN by 2020. The chart below illustrates the timeline for REN approval.



Item 6.D

Regional Energy Network Development Activities Update

Attachment 2

Draft Professional Services Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of ________ 2019, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and Frontier Energy, Inc., a California corporation and professional services firm delivering energy efficiency, market transformation, and transportation solutions through technical consulting, program development and implementation, and technology development ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing assistance to WRCOG, CVAG, and SBCOG (Client Team) in developing a Business Plan for a Regional Energy Network (REN), is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for the development of a Business Plan for a Regional Energy Network (REN) ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 <u>General Scope of Services</u>. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the technical assistance for the development and structure of the programs, development of all cost-effectiveness calculations, and budgeting analysis, as well as coordinated content and graphics development services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 <u>Term</u>. The term of this Agreement shall be from April 1, 2019 to April 1, 2021, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 <u>Control and Payment of Subordinates; Independent Contractor</u>. The

Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows: Nancy Barba, Manager.

3.2.5 WRCOG's Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Nancy Barba, or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with Client Team staff in the performance of Services and shall be available to Client Team's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold WRCOG, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* $1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of $1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than $2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability.

(i) The automobile liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither WRCOG nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name WRCOG as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **Seventy-Four Thousand Eight Hundred Ninety Dollars ($74,890.00)** without written approval of WRCOG's Executive Director. Extra Work may be authorized, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Frontier Energy, Inc.
600 Wilshire Blvd., Suite 500
Los Angeles, CA 90017
Attn: Nancy Barba

WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501
Attn: Rick Bishop

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid 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.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for Client Team to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that Client Team is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications ("Background IP"), shall continue to be the property of the Consultant. Nothing in this Agreement shall affect the ownership by either Party of any Background IP owned by or in the possession of that Party at the date of this Agreement or Intellectual Property developed at the sole cost of that Party and independently of this Agreement by any employee of that Party without reference to or reliance upon any of the Confidential Information disclosed by the other Party.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement ("Confidential Information") shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify and hold WRCOG, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

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

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, 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 attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, consultants, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all actual damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

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

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

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

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

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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

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

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, 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. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each

Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	FRONTIER ENERGY, INC.
By: ______________________________	By: ______________________________
Rick Bishop Executive Director	Nancy Barba Manager
APPROVED AS TO FORM:	ATTEST:
By: ______________________________	By: ______________________________
General Counsel Best Best & Krieger LLP	Its: ______________________________

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the Chairman of board, the President or any Vice President and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT "A"

SCOPE OF SERVICES

[SEE ATTACHED]

EXHIBIT "B"

SCHEDULE OF SERVICES

[SEE ATTACHED]

EXHIBIT "C"

COMPENSATION
BILLING RATES

Name	Title	Hourly Rate

[SEE ATTACHED]

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **28th Annual General Assembly & Leadership Conference: Selection of Recipients for Outstanding Community Service Awards**

Contact: **Cynthia Mejia, Staff Analyst, cmejia@wrcog.us, (951) 405-6752**

Date: **May 6, 2019**

The purpose of this item is to *provide an update on the 28th Annual General Assembly & Leadership Conference and to approve the nominees for the WRCOG Award for Outstanding Community Service. Awardees will be recognized at the General Assembly & Leadership Conference.*

Requested Action:

1. Approve the nominees for the 2019 Award for Outstanding Community Service to be presented at the 28th Annual General Assembly & Leadership Conference on June 20, 2019.

WRCOG's 28th Annual General Assembly & Leadership Conference will be held on Thursday, June 20, 2019, at the Pechanga Resort Casino and will feature Josh Earnest, White House Press Secretary under President Barack Obama (2014 - 2017), and current Senior Vice President / Chief Communications Officer for United Airlines, as keynote speaker.

Annual Community Service Awards

Each year, WRCOG recognizes individuals and/or organizations that put forth an extraordinary commitment to improving quality of life in Western Riverside County with an Award for Outstanding Community Service. The award is presented at the General Assembly & Leadership Conference. A list of prior award winners is provided as Attachment 1.

This year, staff received eleven unique nominations for the Outstanding Community Service Award. A full list of this year's nominees is included as Attachment 2. The Administration & Finance Committee discussed the nominations on April 10, 2019, and recommended that WRCOG establish three separate award categories, one each for individuals, non-profit or private-sector organizations, and public sector agencies. All nominations received this year fell into one of those categories. The Committee also recommended that staff draft guidelines for future nominations.

After a robust discussion, the Administration & Finance Committee recommended that the Executive Committee approve the following individuals and organizations to be recognized:

Thomas Evans, Former Board Director, Western Municipal Water District (Individual): Thomas Evans is a recent retiree of the Western Municipal Water District's Board of Directors. Mr. Evans is well-known for his long-standing career in the utilities industry but is also well-regarded for his strong city management expertise. Mr. Evans' recently retired after a 50-year career.

Social Work Action Group (SWAG) (non-profit): SWAG is non-profit organization dedicated to assisting unsheltered and chronically homeless individuals. SWAG currently partners with six WRCOG member agencies to provide outreach services. In the City of Menifee alone, SWAG has coordinated over 800 street exits to assist homeless individuals transition to housing.

City of Lake Elsinore (public sector): Since August of last year, the City, its residents, and businesses have faced several natural disasters events that have threatened the safety of the community. These include wildfires, landslides, and wildflower super blooms. In the face of those evets, the City Council, staff, residents, businesses, law enforcement, and regional partners all stepped up to keep residents safe – sometimes putting their own safety at risk.

If approved, the award nominees will be recognized onstage at the General Assembly & Leadership Conference on June 20, 2019.

Prior Action:

April 10, 2019: The Administration & Finance Committee recommended that staff draft guidelines for future nominees and recommended that Thomas Evans, the Social Work Action Group, and the City of Lake Elsinore each receive an award for Outstanding Community Service at the General Assembly & Leadership Conference, and directed staff to forward the nominees to the Executive Committee for final approval.

Fiscal Impact:

Expenditures for the General Assembly & Leadership Conference will be offset by sponsorship revenues secured prior to the event, as demonstrated in the Agency's Fiscal Year 2018/2019 Budget.

Attachments:

1. Past Award Recipients List.
2. 2019 Community Service Award Nominations List.

Item 6.E

28th Annual General Assembly & Leadership Conference: Selection of Recipients for Outstanding Community Service Awards

Attachment 1

Past Award Recipients List

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WRCOG Award for Outstanding Community Service

Each year at the General Assembly & Leadership Address, WRCOG awards individuals and/or organizations for outstanding contributions to improving quality of life in Western Riverside County.

Prior Award Winners

John Tavaglione
Marion Ashley
Josiah Bruny
Randy Record
John J. Benoit
Rose Mayes
Kathy Azevedo
Gail Wanczuk Barton
Jim Birckhead
Don Blose
Martin Bowman
Burrtec, CR&R, and Waste Management, Inc.
Jane Carney
CE-CERT
County of Riverside Rideshare
Jamil Dada
Dr. Brenda Davis
Melba Dunlap
Virginia Field
HERO Program Consultant Team
Sam Huang
Nick Jones
Jurupa Unified School District
Pat Kilroy
Randall Lewis
Ronald O. Loveridge
Anne Mayer
Linda Mejia
Larry and Wayne Minor and their families
Rosalie Moyer
Tom Mullen
Fred Noble
Rita Peters
Pete Peterson
Ali Sahabi
Rose Salgado
Southern California Gas Company
Joe Tavaglione
Barry Wallerstein
Gary Wanczuk
Roy Wilson
Robert Wolf
Norton Younglove
Robert Zweig

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Item 6.E

28th Annual General Assembly & Leadership Conference: Selection of Recipients for Outstanding Community Service Awards

Attachment 2

2019 Community Service Award Nominations List

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WRCOG Community Service Award Nominees 2019

	**Kevin Bash** **City Council Member, City of Norco** • Serves as 2nd Vice Chair for WRCOG Executive Committee • Dedicates extensive efforts to preserving the quality of life in Norco through public service • Serves in numerous city commissions, regional committees and member-based organizations
	**Michael Naggar** **Mayor, City of Temecula** • Longest-term sitting Temecula City Council Member • Has led many regional task forces for the public good • Each task force has accomplished objectives to increasing quality of life and increasing regional collaboration; something that wouldn't have been possible without his leadership in creating these task forces
	**Bill Zimmerman** **Mayor, City of Menifee** • Has been a long-standing advocate for the City • Is involved in numerous community based organizations • Has held leadership positions in non-profit organizations, education sectors, chamber of commerce, and others prior to serving as mayor
MENIFEE BETTER TOGETHER Serve | Preserve | Unite	**Better Together** **Program, City of Menifee** • The Program convenes thousands of volunteers for a one-day city-wide event • Has generated city pride, engaged local businesses and generated monetary and in-kind donations • Through park clean ups, senior home revitalization projects, garden beautifications, flower planting projects, etc.
THE GROVE	**The Grove Community Church** **Church Organization** • Partnered with the City of Riverside to bring several public and private organizations to build cottages for homeless individuals • Active member of the City's Love Your Neighbor initiative • The partnership was possible by way of financial contributions, in-kind donations and material support to building the homes and designing needed wrap-around services • An innovative and collaborative approach to assisting vulnerable individuals • Are continuing to support and leverage assistance for the formerly homeless and now-housed individuals

	Lake Norconian Club Foundation **Non-profit Organization** • The organization has been a leader in preserving and sharing the rich history of the City of Norco • Purpose is to preserve and protect the natural and historic resources of the Lake Norconian and Lake Norconian Club • Demonstrate leadership in advocacy, artifact stewardship, community building and historic preservation • Bring together members of the public for events and attract thousands to share forgotten local history through videos and educational programs
	Team Rubicon **Non-profit Organization** • An international non-profit disaster response organization that unites the skills and experiences of military veterans and first responders to deploy emergency response teams, free of charge, to communities affected by natural disasters • Purpose is to help veterans transition from military to civilian life • Recently mobilized in Lake Elsinore and County unincorporated areas that have been affected by fires, landslides, and infrastructure damage
	Social Work Action Group (SWAG) **Non-profit Organization** • A group of individuals who are able to connect with and assist unsheltered and chronically homeless individuals • Currently partnering with 6 WRCOG member agencies to provide outreach • Have reached over 800 unsheltered homeless
	Reach Out **Non-Profit Organization** • Dedicated to strengthening individuals and communities through mentorship, leadership and personal development • Offer assistance, awareness and leadership to youth, their families and the community • Have been instrumental in Healthy Jurupa Valley, an effort to improve the City's quality of life through outreach and education
	City of Lake Elsinore **Municipal Agency** • Since August of last year, the City, its residents, organizations, and businesses have stepped up to face various challenges that have threatened the safety of the city and tested the strength of the community • In each of these crises, the City Council, staff, residents, businesses, law enforcement, and regional partners have sprung into action to keep residents safe, exemplifying leadership and community service

	**Thomas Evans** • Retired Board Director for the Western Municipal Water District • Former Interim City Manager for the City of Lake Elsinore • Former Interim City Manager for the City of Riverside • Held a long-standing management career in the utilities industry • Served in numerous public boards including the Santa Ana Watershed Project Authority (SAWPA)