



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, October 3, 2016
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 WRCOG Executive Committee meeting, please contact WRCOG at (951) 955-8320. 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 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

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

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

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

5. CONSENT CALENDAR

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

meeting are available for consideration.

Requested Action: 1. *Approve Summary Minutes from the September 12, 2016, WRCOG Executive Committee meeting.*

B. WRCOG Environmental Department Activities Update **Dolores Sanchez Badillo** P. 13

Requested Action: 1. *Receive and file.*

C. WRCOG Finance Department Activities Update **Ernie Reyna** P. 17

Requested Action: 1. *Receive and file.*

D. WRCOG Financial Report Summary through July 2016 **Ernie Reyna** P. 19

Requested Action: 1. *Receive and file.*

E. Regional Streetlight Program Activities Update **Tyler Masters** P. 25

Requested Action: 1. *Receive and file.*

F. WRCOG Transportation Department Activities Update **Christopher Gray** P. 29

Requested Action: 1. *Receive and file.*

G. Western Riverside Energy Leader Partnership Update **Tyler Masters** P. 85

Requested Action: 1. *Receive and file.*

H. WRCOG Clean Cities Coalition Activities Update **Christopher Gray** P. 87

Requested Action: 1. *Receive and file.*

I. WRCOG Public Service Fellowship Update **Jennifer Ward** P. 89

Requested Action: 1. *Receive and file.*

J. WRCOG Transportation Department On-Call Engineering Consultants **Christopher Gray** P. 91

Requested Action: 1. *Direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.*

K. Amendment to WRCOG Bylaws **Janis Leonard** P. 179

Requested Action: 1. *Adopt WRCOG Resolution Number 35-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending its Bylaws to Recognize the March Joint Powers Authority as a voting member on the WRCOG Technical Advisory Committee and making other technical changes.*

L. **Amendment to the Appendix of the WRCOG Conflict of Interest Code** **Janis Leonard** **P. 205**

Requested Action: 1. *Adopt WRCOG Resolution Number 32-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending the Conflict of Interest Code pursuant to the Political Reform Act of 1974, to include additional WRCOG Titles and Committee name changes.*

M. **Alternative Compliance Framework Introduction** **Christopher Gray** **P. 223**

Requested Action: 1. *Receive and file.*

N. **Legislative Activities Update** **Jennifer Ward** **P. 227**

Requested Action: 1. *Adopt a position of "OPPOSE" for California State Proposition 53.*

6. **ITEMS PULLED FOR DISCUSSION**

7. **REPORTS/DISCUSSION**

A. **HERO Program Activities Update** **Barbara Spoonhour, WRCOG P. 229**

Requested Actions: 1. *Defer the judicial foreclosure proceeding and to assign WRCOG's collection rights to Renovate America for 155 delinquent parcels totaling \$401,909.87.*
2. *Change the minimum amount required for financing from \$5,000 to \$2,500 for a maximum term of 5-years.*
3. *Authorize the WRCOG Executive Director to execute a professional service contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed \$165,000.*
4. *Accept the Cities of Belmont and Grass Valley as Associate Members of the Western Riverside Council of Governments.*
5. *Adopt WRCOG Resolution Number 36-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.*
6. *Continue the Public Hearing Regarding the Inclusion of Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed until November 7, 2016.*

B. **Administration of Additional Property Assessed Clean Energy Programs in the WRCOG Subregion** **Barbara Spoonhour, WRCOG P. 295**

Requested Action: 1. *Direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Spruce under WRCOG's PACE umbrella.*

C. **Draft 2016 Air Quality Management Plan** **Wayne Nistri and Henry Hogo, AQMD** **P. 297**

Requested Action: 1. *Receive and file.*

D. **Report from the League of California Cities** *Erin Sasse, League of California Cities* **P. 299**

Requested Action: 1. *Receive and file.*

E. **Community Choice Aggregation Program Activities Update** *Barbara Spoonhour, WRCOG* **P. 301**

Requested Action: 1. *Direct staff to move forward with the development of a Community Choice Aggregation Program and to return to the Executive Committee with recommendations from the WRCOG Administration & Finance Committee on governance and operational structures.*

8. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR *Gary Nordquist*

9. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit

10. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR *Rick Bishop*

11. ITEMS FOR FUTURE AGENDAS *Members*

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

12. GENERAL ANNOUNCEMENTS *Members*

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

13. NEXT MEETING: **The next WRCOG Executive Committee meeting is scheduled for Monday, November 7, 2016, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**

14. ADJOURNMENT

Western Riverside Council of Governments

5.A

Regular Meeting ~ Minutes ~

Monday, September 12, 2016

2:19 PM

County Administration Center

1. **CALL TO ORDER**
2. **ROLL CALL**

Member Jurisdiction	Attendee Name	Status	Arrived
City of Banning	Debbie Franklin	Present	2:17 PM
City of Calimesa	Jeff Hewitt	Present	2:13 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	2:11 PM
City of Corona	Eugene Montanez	Present	2:13 PM
City of Eastvale	Ike Bootsma	Present	2:12 PM
City of Hemet		Absent	
City of Jurupa Valley	Laura Roughton	Present	2:20 PM
City of Lake Elsinore	Brian Tisdale	Present	2:12 PM
City of Menifee		Absent	
City of Moreno Valley	Jeffrey Giba	Present	2:12 PM
City of Murrieta	Randon Lane	Present	2:23 PM
City of Norco	Kevin Bash	Present	2:13 PM
City of Perris	Rita Rogers	Present	2:12 PM
City of Riverside	Rusty Bailey	Present	2:14 PM
City of San Jacinto	Crystal Ruiz	Present	2:14 PM
City of Temecula	Mike Naggar	Present	2:16 PM
City of Wildomar	Ben Benoit	Present	2:11 PM
District 1	Kevin Jeffries	Present	2:13 PM
District 2		Absent	
District 3	Chuck Washington	Present	2:11 PM
District 5	Marion Ashley	Present	2:11 PM
EMWD	David Slawson	Present	2:14 PM
WMWD	Brenda Dennstedt	Present	2:17 PM
Morongo	Robert Martin	Present	2:13 PM
Office of Education		Absent	
TAC Chair	Gary Nordquist	Present	2:13 PM
WRCOG Executive Director	Rick Bishop	Present	2:11 PM

3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENTS**

Tomas Ocampo, WRCOG Intern, indicated that he is a Master of Public Policy Student at the University of California, Riverside, at the School of Public Policy which opened just last year. As part of the inaugural cohort, Mr. Ocampo was able to select an internship at the location of his choice. As a Policy student, Mr. Ocampo's goal was to see how policy affects local and state governments. Mr. Ocampo chose WRCOG because he wanted to focus on the subregional Climate Action Plan, and the Economic Development and Sustainability Framework from an international perspective. Mr. Ocampo attended a conference last fall in Rome; topics included Smart Cities and quality of life programs. A one-line phrase from the conference was "think global, act local." Things local governments do can affect not

just economic growth, but the communities, air quality, and the environment. Working in the arena of thinking globally while acting locally, by looking at Smart Cities and how that can be applied to cities in Riverside County, was great. Interns want the opportunity to contribute to the agency, but do not always get the chance to. At WRCOG, Mr. Ocampo indicated that he was able to do so, was able to apply what he has learned to not only the subregion, but to his home. WRCOG staff are very supportive. If there are any opportunities in the future, Mr. Ocampo indicated that he would definitely consider applying. Mr. Ocampo thanked Mr. Bishop for the opportunity to intern at WRCOG, and Ms. Spoonhour for allowing him to apply what he has learned. Mr. Ocampo thanked staff, especially Mr. Masters and Mr. Segura, for showing him how to transfer his knowledge into a policy brief.

Arnold San Miguel, SCAG, reported that the California Housing Summit is scheduled for October 11, 2016, at the Los Angeles Hotel. There is no fee for elected officials. Attendees will learn about the resources available for making housing happen, breaking myths, and building additional housing.

THE WRCOG EXECUTIVE COMMITTEE RECESSED TO CONVENE THE MEETING OF THE WRCOG SUPPORTING FOUNDATION; RECONVENED THE WRCOG EXECUTIVE COMMITTEE MEETING AT THE ADJOURNMENT OF THE WRCOG SUPPORTING FOUNDATION MEETING.

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED [20 TO 0]
MOVER:	City of Eastvale
SECONDER:	City of Perris
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, District 5, EMWD, WMWD, Morongo
ABSTAIN:	District 1. The City of Jurupa Valley and District 3 abstained from item 5.A only.
ABSENT:	City of Hemet, City of Menifee, District 2

A. Summary Minutes from the August 1, 2016, WRCOG Executive Committee meeting are available for consideration.

Action: 1. *Approved Summary Minutes from the August 1, 2016, WRCOG Executive Committee meeting.*

B. WRCOG Environmental Department Activities Update

Action: 1. *Received and filed.*

C. WRCOG Finance Department Activities Update

Action: 1. *Received and filed.*

D. WRCOG Financial Report Summary through June 2016

Action: 1. *Received and filed.*

E. Regional Streetlight Program Activities Update

Action: 1. *Recommended, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public*

Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

F. Community Choice Aggregation Program Activities Update

Action: 1. *Received and filed.*

G. Western Riverside Energy Leader Partnership Update

Action: 1. *Received and filed.*

H. Financing of TUMF Fees

Action: 1. *Approved recommendation by WRCOG staff and the WRCOG Public Works Committee to continue WRCOG's Policy of prohibiting the use of financing districts to pay for TUMF Fees.*

I. WRCOG Clean Cities Coalition Activities Update

Action: 1. *Received and filed.*

J. WRCOG Executive Fellowship Update

Action: 1. *Received and filed.*

K. WRCOG Representation on the Environmental Leadership Institute Advisory Council

Action: 1. *Approved WRCOG participation as an Advisory Board Member of the Environmental Leadership Institute at California State University, San Marcos (Temecula).*

L. Californians for Water Security Coalition

Action: 1. *Authorized WRCOG to join the Californians for Water Security Coalition to support the California Water Fix.*

M. Legislative Activities Update

Actions:

1. *Adopted a position of "OPPOSE" for Assembly Bill (AB) 1217 by Assembly Member Daly, and authorize the WRCOG Executive Director to transmit a request to veto letter to Governor Brown on behalf of WRCOG.*
2. *Adopted a position of "SUPPORT" for Assembly Bill (AB) 2693 by Assembly Member Dababneh, and authorize the WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.*
3. *Adopted a position of "SUPPORT" for Senate Bill (SB) 817 by Senator Roth, and authorize WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.*

6. ITEMS PULLED FOR DISCUSSION

There were no items pulled for discussion.

7. REPORTS/DISCUSSION**A. HERO Program Activities Update**

Michael Wasgatt reported that the HERO Program provides financing options for residential and commercial properties for energy efficient, water conservation, and renewable energy projects to residential and commercial property owners. That financing is then added to the property owners' property tax bill for repayment.

There are currently 352 jurisdictions participating in the California HERO Program. Nearly 129k apps accepted, and nearly 93k approved, for a total of approximately \$5.4 billion in approved financing. The commercial portion of the Program, administered by Samas, has funded and completed 34 projects in the amount of \$3.4 million. An additional 83 projects have been approved, totaling nearly \$22 million, and there are 100 projects in the application pipeline, totaling over \$28 million.

Mr. Wasgatt shared a snapshot of the HERO Program in Western Riverside County. Over 49,000 applications have been approved; over 33,000 projects have been approved, for a total funding of \$396 million. This equates to an economic impact of \$686 million; a savings of nearly 1 billion gallons of water; 3,364 jobs created; and 296 gigawatt hours of energy saved. Individual jurisdictional snapshots were provided to Committee members.

In today's requested actions, staff is requesting the project minimum finance amount of \$25,000 for the Samas Commercial Program only, and exempting four multi-unit properties from obtaining lender consent prior to financing. There is currently a gap between the CAEFTA definition of three units and the standard commercial lending definition of five units.

Committee member Randon Lane asked if any financing or lending institutions will have a problem with the exemption matter of four multi-units.

Mr. Wasgatt responded that most four-unit properties are held under residential loans, so the lending relationship is not the same as in commercial lending. This has held up the lending process, and Samas has asked that WRCOG adjust the four multi-unit properties exemption to match that of the five or more unit requirement.

Committee member Lane asked if there will be financing issues with the realtors association.

Rick Bishop responded that this will not cause a problem on the residential side; this is clarification on the commercial side of the Program.

Chairman Benoit opened the public hearing; there were no public comments and the public hearing was closed.

- Actions:**
1. *Accept the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed as Associate Members of the Western Riverside Council of Governments.*
 2. *Adopt WRCOG Resolution Number 34-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.*

3. *Accept the proposed changes to the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Samas Commercial Handbook.*

RESULT:	APPROVED AS RECOMMENDED [19 TO 0]
MOVER:	City of Banning
SECONDER:	City of Murrieta
AYES:	Banning, Canyon Lake, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, District 5, EMWD, WMWD, Morongo
ABSTAIN:	City of Calimesa
ABSENT:	City of Hemet, City of Menifee, District 2

B. Administration of Additional Property Assessed Clean Energy Programs in the WRCOG Subregion

Barbara Spoonhour reported that in addition to the HERO Program, there are currently 10 PACE providers looking to offer PACE services in the WRCOG subregion. Some member jurisdictions are allowing other PACE providers to operate within their jurisdiction, as competition is generally viewed positively. There are, however, concerns about consistent consumer protections amongst the multiple providers. Member jurisdictions may not be aware that when they authorize any one particular PACE provider to operate within their jurisdiction, that may ultimately be authorizing multiple PACE providers.

In June, this Committee directed staff to reach out to other PACE providers to gain their interest in operating under a WRCOG PACE umbrella. This would expand PACE opportunities to constituents, and ensure consumer protections are rigorous and consistent. Staff would vet any interested providers and return to this Committee with recommendations. Regardless whether or not any additional providers will operate under the WRCOG umbrella, member jurisdictions are still allowed to authorize the operation of additional PACE providers within their jurisdiction.

An Ad Hoc Committee was formed to assist staff in vetting interested PACE providers. This Ad Hoc Committee consists of Chairman Benoit, and Executive Committee members Debbie Franklin, Jeffrey Giba, Laura Roughton, and John Denver.

Three PACE providers expressed interest in operating under WRCOG's umbrella; CaliforniaFIRST, Spruce Finance, and PACE Funding. PACE Funding has subsequently indicated that they are no longer interested. On August 3, 2016, the Ad Hoc Committee interviewed CaliforniaFIRST and Spruce.

CaliforniaFIRST has been operational since 2009 and is based out of Oakland, California. CaliforniaFIRST's financial provider is Renew Financial. CaliforniaFIRST has three call centers and operates both a residential and commercial PACE Program. CaliforniaFIRST levied over 5,000 assessments last year, and will levy over 15,000 this year. CaliforniaFIRST has more than 200 employees and continues to grow. WRCOG conducted a site visit on July 27, 2016.

Spruce is new to PACE and is expected to launch this fall. Spruce is based out of San Francisco, and has an underwriting office in Anaheim. Spruce offers a residential PACE Program only, and has offered consumer financing for over 20 years. Spruce employs more than 200. WRCOG conducted a site visit on August 23 and 29, 2016, at both the San Francisco and Anaheim locations.

The Ad Hoc Committee was impressed with CaliforniaFIRST, and concerned over Spruce's newness to PACE, but comfortable with Spruce's capabilities due to its lengthy consumer lending experience.

Member jurisdictions still have the option of doing whatever they wish with regard to additional PACE providers. Under WRCOG's umbrella, an accepted PACE provider would be authorized to operate throughout the WRCOG subregion in all of the jurisdictions, unless the jurisdiction takes an action to preclude. WRCOG will provide an opt-out resolution for any member jurisdiction desiring to exclude any or the entire group of PACE providers under WRCOG's umbrella. PACE providers under WRCOG's umbrella will be overseen by WRCOG.

Cliff Staten, Executive Vice President of Renew Financial, indicated that Renew Financial administers a PACE Program for nearly 400 local governments throughout the state. Mr. Staten thanked WRCOG for its leadership on PACE over the past several years. Renew Financial contracts with over 200 governments in seven states. When the Federal Housing Finance Agency released its guidance on PACE Programs in July 2010, Renew Financial's operations came to a halt. WRCOG became the pioneer of PACE in 2011. Without WRCOG's leadership, there would not be any other PACE providers today.

Over the past few years, Renew Financial has worked side by side with WRCOG at both the Federal and State levels. Renew Financial looks forward to partnering with WRCOG.

Action: 1. *Directed and authorized the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.*

RESULT:	APPROVED AS RECOMMENDED [21 TO 0]
MOVER:	District 1
SECONDER:	City of Lake Elsinore
AYES:	Banning, Canyon Lake, Calimesa, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 3, District 5, EMWD, WMWD, Morongo
ABSTAIN:	None
ABSENT:	City of Hemet, City of Menifee, District 2

C. CEQA Cases in the WRCOG Subregion and the SCAG Region

Christopher Gray reported that this item is a follow-up to a presentation provided to the WRCOG Administration & Finance Committee.

WRCOG staff have conducted an investigation of ongoing CEQA cases in the WRCOG subregion, and reviewed a report prepared for SCAG regarding ongoing CEQA litigation within the SCAG region.

There are currently 16 active CEQA cases within the WRCOG subregion and 20 county-wide. In these cases, CEQA is the primary cause of action. Five of these cases involve agency to agency suits. There are five cases specific to one project; originally seven – two were settled. The majority of these cases involve new construction of a proposed project. Most often, the challenge brought under CEQA is related to typical areas of impact, such as air quality, greenhouse gas emissions, noise, traffic, etc.

In addition to municipalities, petitioners include non-governmental organizations such as

Residents for Intelligent Planning and Advocates for Better Community Development, as well as law firms.

Outside of the WRCOG subregion, the majority of CEQA litigation relates to housing projects. Other cases relate to public facilities and agency plans / general plans / housing elements, etc.

The vast majority of housing projects litigation was infill housing, many in Los Angeles and Orange County. Often times, it is high residential area projects being targeted. In many cases, CEQA guidelines were being used to challenge projects. There is a requirement to prove the negative; proving there is no impact for either traffic or greenhouse gasses.

In 2013, this Committee adopted a resolution in support of CEQA modernization. WRCOG has participated in a state-wide working group, and has also collaborated with the Riverside County Transportation Commission to address this issue.

Committee member Mike Naggar indicated that CEQA is a great law, and creates a criteria for studying the impact of projects. Local agencies then review the study to determine how or if mitigation is needed.

Sometimes, CEQA lawsuits can be abused. Many of the lawsuits are challenges to the studies themselves. Currently, the way the law is written, the challenger does not have to pay any attorney fees. The applicant has to indemnify the municipality for the legal action, and flip the cost of litigation, which can be hundreds of thousands of dollars. Consequently, most cases are settled.

Lawsuits become a disincentive in the community for certain projects to move forward. It delays needed infrastructure. It puts grants and financing in peril. It takes the decision making power out of the hands of elected officials, who have been put in office to make those decisions, and places the rise or fall of a project on an unelected judge. A judge in downtown Riverside does not know the dynamics of any particular city, does not know the needs or desires or decision making process duly elected city councils have been through in deliberating and approving projects.

Committee member Naggar asked that an Ad Hoc Committee be formed to evaluate and consolidate information in the region, and meet with other Councils of Governments and other agencies. The Ad Hoc Committee should also review WRCOG's Legislative Platform.

Committee member Kevin Bash indicated that sometimes consultants are hired guns. There is no standard of consultancy. Committee member Bash expressed interest in serving on the Ad Hoc Committee.

Committee member Randon Lane asked to what end is an Ad Hoc Committee for? WRCOG will not change CEQA. There are most likely members of this Committee who agree that changes need to occur in CEQA. But unless there is someone at the state level who is willing to take on reformation of CEQA, there will be no changes. The Ad Hoc Committee would require very specific goals.

Mr. Gray responded that Committee member Naggar's direction is fairly general. An Ad Hoc Committee would provide for additional info sharing. There is no information within WRCOG's Legislative Platform with regard to CEQA modernization.

Rick Bishop indicated that general can be made specific. WRCOG could plant the seed with CALCOG, the state-wide organization of Councils of Governments, to determine interest in

pursuing this matter and organize a coalition.

Committee member Naggar indicated that the goal of an Ad Hoc Committee should be a strive to make a better CEQA law, to create a CEQA addition to WRCOG's Legislative Platform, and to collaborate with others.

Action: 1. *Formed an Ad Hoc Committee to 1) evaluate and consolidate CEQA information in the region, 2) meet and collaborate with other Councils of Governments and other agencies, and 3) review WRCOG's Legislative Platform.*

RESULT:	APPROVED AS RECOMMENDED [21 TO 0]
MOVER:	District 1
SECONDER:	City of Lake Elsinore
AYES:	Banning, Canyon Lake, Calimesa, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 3, District 5, EMWD, WMWD, Morongo
ABSTAIN:	None
ABSENT:	City of Hemet, City of Menifee, District 2

D. WRCOG Transportation Department Activities Update

Christopher Gray reported that the WRCOG Technical Advisory Committee (TAC) selected representatives to assist members of the Nexus Study Ad Hoc Committee; the TAC representatives are with the Cities of Lake Elsinore, Menifee, and Jurupa Valley.

The Public Works Committee (PWC) selected representatives to assist members of the Nexus Study Ad Hoc Committee; the PWC representatives are with the Cities of Banning and Eastvale, and the County.

In whole, the Ad Hoc Committee consist of members from nearly half of WRCOG's member jurisdictions, representing big cities, small cities, and the County unincorporated. Meetings will occur in September and October.

Information such as the historical TUMF schedule, revenue by land use category, and a summary of the comprehensive fee analysis study to name a few, will be gathered and distributed to the Ad Hoc Committee members.

It is staff's desire for this Committee to take an action on the Nexus Study in February 2017, depending on the meeting schedule of the Ad Hoc Committee. Options include no action at all; adopt the Nexus Study as is; selection of one of several phase-in options; and reducing or eliminating projects. All of these options will be discussed and considered by the Ad Hoc Committee members.

Two workshops are scheduled to discuss findings from the comprehensive fee analysis for the subregion and surrounding jurisdictions; September 21 and 28, 2016.

Committee member Eugene Montanez indicated that because there has been no fee update in quite some time, development is currently set at the previous fee structure. The development community has had several years to implement and complete projects while subject to the existing fee structure, and needs to be encouraged to move forward with any existing projects before any potential increase in the fee occurs.

Committee member Kevin Jeffries indicated that there should be a "projects list" study, in addition to the fee study. Every project on every jurisdictions' wish list cannot be built.

Mr. Gray responded that Option 4 removes projects from the Nexus Study. Projects have already been paired from the Network, and there may be opportunities to further reduce that. In fact, many projects have already been removed for various reasons.

- Actions:**
1. *Approve the recommended representatives from the WRCOG Public Works and Technical Advisory Committees to the TUMF Nexus Study Ad Hoc Committee.*
 2. *Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the UCR Mobility Hub Project in an amount not to exceed \$3,457,468.*
 3. *Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the Twin Cities / Promenade Mall Mobility Hub Project in an amount not to exceed \$1,692,797.*
 4. *Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the City of Temecula for the SR-79 Winchester Road / I-15 Interchange Project in an amount not to exceed \$1,925,000.*

RESULT:	APPROVED AS RECOMMENDED [17 TO 0]
MOVER:	City of Temecula
SECONDER:	City of Perris
AYES:	Banning, Canyon Lake, Calimesa, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Moreno Valley, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 3, District 5,
ABSTAIN:	None. The EMWD, WMWD, and Morongo do not vote on TUMF matters.
ABSENT:	City of Hemet, City of Menifee, City of Murrieta, District 2, District 3

E. Report from the League of California Cities

Erin Sasse was not at the meeting.

- Action:**
1. *Receive and file.*

F. Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County

Christopher Gray reported that the first question out of the TUMF Nexus Study was, what are the fee levels assessed by different organizations? A study has been initiated in which a series of typical developments for the WRCOG subregion have been identified – development prototypes. A survey of fees within the WRCOG subregion was conducted, as well as a fee in surrounding jurisdictions (Beaumont, CVAG, San Bernardino County, and San Diego County). Development prototypes were created for single- and multi-family, industrial, retail, and office categories.

On average, within the WRCOG subregion, the fee for single-family is roughly equivalent to that in San Bernardino County. WRCOG is slightly lower than average with regard to multi-family. Retail fees are significantly higher in the WRCOG subregion due to TUMF, water fees, and city

fees. Industrial fees in the WRCOG subregion are slightly lower than in San Bernardino County. WRCOG's office fees are also comparable to San Bernardino's.

Of note, San Bernardino County does not have a TUMF Program. The County does, however, require its local jurisdictions to adopt a local DIF (Development Impact Fee), which is rolled into the City fee.

The total amount of fees by development types are generally uniform throughout the region, with the exception of retail.

Committee member Laura Roughton asked if there will be a city-by-city detailed breakdown.

Mr. Gray responded that WRCOG provided a report to each jurisdiction, which included each fee by each district.

Committee member Jeff Hewitt asked if the traffic mitigation fee in Yucaipa comparison was apples to apples, or was the fee used to, for example, resurface streets.

Mr. Gray responded that it was comparable. Staff's interpretation is that that fee is used for larger, regional infrastructure; however, staff will look into it further to verify.

Action: 1. *Received and filed.*

8. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR

Gary Nordquist reported that at its August meeting, the Technical Advisory Committee (TAC) representatives from the Cities of Lake Elsinore, Menifee, and Jurupa Valley were appointed to assist members of the Nexus Study Ad Hoc Committee. The TAC received a presentation on the Regional Streetlights Program.

9. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, SCAG Community, Economic, and Human Development (CEHD) representative, reported that the Committee received information on a sustainable planning grant call for proposals. There are three project categories – Active Transportation; Integrated Land Use; and Green Region Initiatives. An application workshop will be held the week of October 17, 2016. The application deadline is November 18, 2016. A presentation was provided on industry clusters in southern California. Information was provided with regard to where jobs have gone from and/or are going to. The CEHD did not agree with the information, because automotive jobs and education was not taken into consideration.

Chairman Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that AQMD staff will be presenting on its Air Quality Mitigation Plan to this Committee in October.

10. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR

Rick Bishop introduced new employee Ichelle Acosta, who is a Technician in the HERO Program. The Regional Streetlights demonstration area in the City of Hemet is now open through January 2017; tours will be scheduled. WRCOG Program Manager Donna Dean, who has been with WRCOG since February 2005, is retiring later this month. Ms. Dean was responsible for many aspects of the TUMF Program, working very closely with the WRCOG Public Works Committee members. Ms. Dean created

and implemented the Transportation Improvement Program, and assisted staff in preparation for the Beaumont lawsuit.

11. ITEMS FOR FUTURE AGENDAS

12. GENERAL ANNOUNCEMENTS

Chairman Benoit presented a 16-year anniversary letter to Rick Bishop.

13. NEXT MEETING

The next WRCOG Executive Committee meeting is scheduled for Monday, October 3, 2016, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

14. ADJOURNMENT

The meeting of the WRCOG Executive Committee adjourned at 3:37 p.m.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Environmental Department Activities Update

Contact: Dolores Sanchez Badillo, Staff Analyst, badillo@wrcog.cog.ca.us, (951) 955-8306

Date: October 3, 2016

Requested Action:

1. Receive and file.

WRCOG's Environmental Programs assists member jurisdictions with addressing state mandates, specifically the Integrated Waste Management Act (AB 939, Chapter 1095, Statutes of 1989), which required 25% and 50% diversion of waste from landfills by 1995 and 2000, respectively. While certain aspects of AB 939 have been modified over the years with legislation defining what materials counted towards diversion and how to calculate the diversion rate for jurisdictions, the intent of the bill remains. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdictions' achievements in meeting and maintaining the diversion requirements. The Environmental Program also has a Regional Used Oil component which is designed to assist member jurisdictions in educating and promoting proper recycling and disposal of used oil, oil filters, and household hazardous waste (HHW) to the community.

Recycling Program Activities Update

Used oil events: WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate "Do It Yourself" (DIY) individuals who change their own oil, promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program in which residents can drop-off other automotive and household hazardous products for free.

WRCOG has engaged in recycling and used oil outreach and educational activities in different communities to teach about the importance of proper recycling and the correct disposal of used oil, oil filters, and HHW to the community.



On September 9, 2016, WRCOG staff was on hand at the City of Banning's Stagecoach Days event. This annual event is regularly attended by WRCOG staff as an awareness and outreach opportunity to inform the public about the Used Oil Program. In addition to informational materials, we provided oil towels, funnels and tire gauge key chains to the hundreds of attendees

On September 10, 2016, WRCOG's Environmental team and the City of Riverside hosted a Used Oil Filter Exchange Event at the O'Reilly Auto Parts Store on Jurupa Avenue. HOT Radio 103.9 was present at the event promoting the recycling of used motor oil by raffling off great prizes such as tickets to Sea World! Representatives of the Public Works Department of Riverside were present at the WRCOG booth the entire

event, helping to spread the awareness and need for recycling. There were a total of 114 used oil filters distributed to the public. Staff collected 86 surveys from individuals who completed the survey. Over 100 people stopped at the booth. Promotional items such as funnels, shop rags, oil sponges, buckets, and tire gauges were distributed to the public. Additionally, informational flyers about the importance of recycling used motor oil, oil filters, and HHW were also provided. The community was very supportive of WRCOG and the City of Riverside's efforts in making sure that hazardous material such as used motor oil are properly handled.



As with most Used Oil Events, the oil containers are a popular item. WRCOG and City of Riverside staff provided oil materials to all who attended.

WRCOG's team was on hand in Menifee on September 17, 2016, for a Used Oil Event at the O'Reilly's Auto Store at 25894 Menifee Road. Staff provided information such as taking the last step in oil changes that are done at home. Discussion with attendees centered on further recycling such items as oil and oil filters, which still contain 10% of oil from oil changes. The event made it possible for area residents to bring their used oil right back to where they purchased it. The team spoke to nearly 50 customers about where to take their HHW, such as paint, aerosol cans, and even electronics. Members of the community expressed appreciation for the event and asked that we continue educating those who might not know the risks of not recycling. Some attendees explained how "back in the day" they illegally disposed of motor oil, but now that the awareness is spreading they know how toxic used motor oil is to the environment and will continue to recycle their oil.

On Saturday, September 24, 2016, WRCOG staff hosted a Used Oil Event at the AutoZone Auto Parts store located at 3453 Ramsey Street in Banning. Nearly 50 people attended the event and most accepted the free oil containers that WRCOG provided for attendees who turned in their used oil at the store. Fifty gallons of used oil was collected. Additionally, ten used oil filters were exchanged for new filters. WRCOG staff distributed informational material on HHW. Other items provided were shop towels, funnels, plastic trash bags, and brochures with oil program information.



An early Saturday morning at the Banning AutoZone. City of Banning Used Oil Events are always well attended.

Upcoming Used Oil Events: The following is a list of Used Oil and Oil Filter Exchange events that are presently scheduled. To request an event for your jurisdiction please contact Jorge Nieto, WRCOG Intern, at (951) 955-8328 or nieto@wrcog.cog.ca.us.

Date	Event	Location	Time
10/8/16	Canyon Lake Car Show	City of Canyon Lake / Lodge	7 a.m. – 4 p.m.
10/15/16	Murrieta Rod Run Car Show	Old Town Murrieta	7a.m. – 4:00 p.m.
10/29/16	Temecula City-Wide Clean-Up	Chaparral High School	7 a.m. – 11:00 a.m.
11/5/16	Temecula Used Oil Event	O'Reilly Auto Parts 33417 Temecula Parkway	9 a.m. – 12:00 p.m.

WRCOG Pilot and Regional Litter Initiative

WRCOG has been progressing on the main components of the Lake Elsinore Pilot Litter Program. The focus has been on community education, marketing, signage, staffing, funding, and community collaboration. The goal is to build upon the City's first year's efforts to a regional initiative that will encompass all interested jurisdictions. The Pilot Program will emphasize the development of a positive anti-litter campaign that utilizes education and incentives as a way to instill community pride. The components will enhance strategies and efforts that will help resolve the littering problems much faster and for the long-term. The Lake Elsinore Pilot Program is tentatively scheduled to start on October 15, 2016, at the Lake Elsinore City-Wide Clean-up being held at the Storm Stadium.

Prior WRCOG Action:

September 15, 2016: The WRCOG Technical Committee received report.

WRCOG Fiscal Impact:

Solid Waste and Used Oil Program activities are included in the current adopted Agency budget. Costs identified in association with the Pilot Litter Initiative will come from WRCOG carryover funds within the Environment Department and reflected in the Agency Budget for Fiscal Year 2016/2017, as a quarterly budget amendment.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.coq.ca.us, (951) 955-8432

Date: October 3, 2016

Requested Action:

1. Receive and file.

Following is a schedule of finance-related activities for the remainder of the Fiscal Year.

Financial Audit

Financial auditors from Vavrinek, Trine, Day, & Co., have conducted their interim audit work for Fiscal Year (FY) 2015/2016. The auditors worked with WRCOG staff to begin the process of reviewing the financial ledgers, and returned in late September to conduct final fieldwork. The final portion of the audit was conducted during the week of September 26, 2016. It is anticipated the audit will conclude in October or November 2016, with the final Comprehensive Annual Financial Report being issued shortly thereafter.

Budget Amendment

September 30, 2016, marked the end of the first quarter of FY 2016/2017, and the WRCOG Administration & Finance Committee will be presented with the budget amendment report at its October 12, 2016, meeting. The WRCOG Technical Advisory Committee will also consider the amendment report at its October 20, 2016, meeting. The WRCOG Executive Committee will consider the amendment report at its November 7, 2016, meeting.

Annual TUMF Audit for FY 2015/2016

Letters have been transmitted to each member agency during the month of August to schedule the annual TUMF audit visits. This process will include a follow up email to the Agencies Finance and Public Works Directors confirming the date and time of their respective audits. TUMF audits will then commence in September and are anticipated to be completed by November 2016. The TUMF audits allow staff to ensure that member agencies are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

September 14, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Financial Report Summary through July 2016

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.coq.ca.us, (951) 955-8432

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

Attached is WRCOG's financial statement through July 2016.

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

September 14, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

1. WRCOG Financial Report Summary – July 2016.

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Item 5.D

WRCOG Financial Report Summary
through July 2016

Attachment 1

WRCOG Financial Report
Summary – July 2016

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending July 31, 2016

		Approved 6/30/2017 Budget	Thru 7/31/2016 Actual	Remaining 6/30/2017 Budget
Revenues				
40001	Member Dues	309,410	306,410	3,000
40601	WRCOG HERO	1,963,735	125,615	1,838,120
40604	CA HERO	7,615,461	506,961	7,108,500
40607	WRCOG HERO Commercial	25,000	756	24,244
40611	WRCOG HERO Recording Revenue	335,555	38,860	296,695
40612	CA HERO Recording Revenue	1,301,300	155,840	1,145,460
41201	Solid Waste	93,415	93,415	(0)
41402	Air Quality-Clean Cities	139,500	128,000	11,500
43001	Commercial/Service - Admin (4%)	37,074	12,002	25,073
43002	Retail - Admin (4%)	142,224	1,137	141,087
43003	Industrial - Admin (4%)	128,446	95,090	33,356
43004	Residential/Multi/Single - Admin (4%)	1,067,271	109,805	957,466
43005	Multi-Family - Admin (4%)	224,983	8,973	216,010
43001	Commercial/Service	889,786	288,037	601,749
43002	Retail	3,413,375	27,281	3,386,094
43003	Industrial	3,082,710	2,282,170	800,540
43004	Residential/Multi/Single	25,614,514	2,635,324	22,979,190
43005	Multi-Family	5,399,595	215,343	5,184,252
	Total Revenues	60,858,676	7,031,019	53,827,657
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	1,993,083	89,706	1,903,377
61000	Fringe Benefits	579,799	41,957	537,843
	Total Wages and Benefits	2,632,882	131,663	2,501,219
General Operations				
63000	Overhead Allocation	1,518,136	126,511	1,391,625
65507	Commissioners Per Diem	45,000	3,750	41,250
73001	Office Lease	145,000	22,426	122,574
73003	WRCOG Auto Fuels Expense	-	82	(82)
73107	Event Support	183,000	2,685	180,315
73108	General Supplies	22,750	195	22,555
73111	Rent/Lease Equipment	25,000	1,186	23,814
73115	Meeting Support/Services	13,750	20	13,730
73116	Postage	5,600	107	5,493
73117	Other Household Expenditures	2,100	363	1,737
73122	Computer Hardware	4,000	-	4,000
73201	Communications-Regular	2,000	70	1,930
73203	Communications-Long Distance	1,200	19	1,181
73405	Insurance - General/Business Liason	63,170	28,095	35,075
73407	WRCOG Auto Insurance	-	345	(345)
73506	CA HERO Recording Fee	1,636,855	74,448	1,562,407
73601	Seminars/Conferences	25,050	175	24,875
73611	Travel - Mileage Reimbursement	22,433	196	22,237
	Total General Operations	57,402,253	261,546	57,140,706
Total Expenditures		60,035,135	393,209	59,641,926



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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, masters@wrcog.cog.ca.us, (951) 955-8378

Date: October 3, 2016

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, which include: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. The overall goal of the Program is to provide significant cost savings to the member jurisdictions.

Program Update

At the direction of the WRCOG Executive Committee, WRCOG is developing a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase the streetlights within their boundaries that are currently owned / operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will then be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of its streetlight system allows jurisdictions opportunities to enable future revenue generating opportunities such as digital-ready networks, and telecommunications and IT strategies.

The goal of the Program is to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintain the streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with each of the jurisdictions to move through the acquisition process, develop financing recommendations, develop / update regional and community-specific streetlight standards, and manage the regional operations and maintenance agreement that will increase the level of service currently being provided by SCE.

Acquisition Process Update: The keystone piece of the Program is the acquisition - or the purchasing - of streetlights by each jurisdiction. After acquisition, each jurisdiction will have the ability to unlock additional cost savings through LED retrofits while also paving the way for a potential "Smart-City" future. As a reminder to the Committee members, the process for an interested jurisdiction to acquire the SCE-owned streetlights within its boundaries is as follows:

- A. Payment of \$10,000 Initial Valuation fee (funded by WRCOG) to initiate the streetlight valuation process.
(Task Completed)
- B. SCE evaluation of streetlight systems in each of the 16 interested member jurisdictions' boundaries. (Task Completed)

- C. SCE presentation of Streetlight Valuation Reports, an estimated streetlight sales price given the type, quantity, and material of streetlight poles and lamp fixtures in jurisdictional boundaries. *(Task Completed)*
- D. Jurisdictions confirm desire to move forward with the acquisition.

Some jurisdictions have shared common comments / questions for WRCOG staff to continue to address as the process moves forward. All of these items are proactively being worked on and will continue to be addressed on a regional and jurisdiction-by-jurisdiction basis. Recent questions are summarized below:

- 1. "When will my jurisdiction be cash-flow positive; after acquisition and retrofit?"

Response: The specifics will be identified in each jurisdiction's cash-flow meetings; however, the intent of financing is that each jurisdiction will see no initial out-of-pocket expense, and the ongoing utilities bill savings realized after acquisition and LED retrofit will be utilized for the financing repayment (debt service). In many cash flow scenarios, jurisdictions can be cash flow positive right away, depending on how quickly they desire to repay the acquisition costs with utility savings.

- 2. "Will the Program provide a higher level of service to my communities regarding streetlight maintenance needs (lamp burn-outs and pole knockdowns)?"

Response: Using localized service, communities will see improvements in response times for streetlight maintenance and repairs and with a centralized call center specific to the region, maintenance teams will be dispatched in an expeditious manner. Service will be tracked and regularly reported on a jurisdictional basis through WRCOG.

- 3. "Will the Program address if / how special districts, landscape and lighting maintenance districts, and/or community finance districts will be impacted per acquisition and LED retrofit of the jurisdiction's streetlights?"

Response: WRCOG is currently assessing the inventory of special districts in the WRCOG subregion, and working with legal counsel to identify if / how financing acquisition and retrofit of these streetlights will impact these districts / special assessments.

- 4. "What level of impact will this Program have on current jurisdiction resources?"

Response: The purpose of the regional approach is to achieve multiple administrative, operational, and maintenance cost efficiencies that will mitigate or avoid impacts to a jurisdiction's current resources. After acquisition, LED retrofit, and ongoing operations and maintenance, the WRCOG subregion could save an estimated \$5 million per year in utility bill costs, a significant reduction compared to the current \$10.3 million WRCOG member jurisdictions currently pay for these streetlights.

- E. SCE and each interested jurisdiction submit their Agreement, for approval, to the California Public Utilities Commission (CPUC). The following provides an update on the purchase and sales agreement and it is anticipated that member jurisdictions will begin this process in late-2016.

Purchase and sales agreement update: Currently, the City of Lancaster is the only City in the SCE territory to complete the acquisition process from start to finish. On March 18, 2016, the CPUC approved Lancaster's final Purchase and Sales Agreement. SCE intends to use this Agreement as the template for future acquisition efforts. This Agreement defines the exact number and costs of the streetlights and the timeline of the acquisition process. In order to finalize the acquisition process, each interested WRCOG member jurisdiction will need to enter into an Agreement with SCE that will then be approved by the CPUC. To assist its members with the Agreement piece of the transaction, WRCOG, its consultants, and Best Best & Krieger have reviewed and submitted questions, concerns, and issues regarding the template agreement to SCE. WRCOG is currently awaiting SCE's response to the comments. Once the Agreement is revised for the subregion, WRCOG will provide a copy to the jurisdictions for their additional review and comment. It is anticipated that this process will be completed within the next two months.

- F. Upon completion of the sale, SCE and the local jurisdiction will begin the transition of the streetlight from SCE to jurisdiction-owned streetlight. It is anticipated that this will begin in early 2017. The following provides an update on the financing mechanism that will be used to complete this task.

Cash-flow meeting update: WRCOG staff has conducted streetlight cash-flow meetings with the Cities of Calimesa, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Norco, Perris, San Jacinto, Temecula, and Wildomar, the County of Riverside, and with the Rubidoux and Jurupa Community Services Districts. Meetings with remaining jurisdictions have yet to be scheduled.

The purpose of the cash-flow meetings is to provide jurisdictional staff (i.e., Finance Director, City Manager, senior staff, etc.) with the financial information needed for staff to make a recommendation on whether to move forward with the Program. WRCOG has developed a feasibility model that includes a variety of financial sensitivities, including utility cost reduction, energy cost reductions, operations and maintenance costs (including pole knockdown replacement costs), debt service of ownership, and LED retrofit for each jurisdiction's streetlight system, and also includes a re-lamp reserve. The re-lamp reserve is a reserve that each jurisdiction can configure to set aside funds to ensure that in 15 years (when the LED streetlights begin to wear out) each jurisdiction will have funds to retrofit to the next generation of energy efficient street lighting, without negatively impacting the jurisdiction's general fund.

Regional Demonstration Area Update: WRCOG is conducting a Regional Streetlight Demonstration Area in five different locations throughout the City of Hemet to showcase various LED streetlights from nine different vendors. The Demonstration Areas have officially kicked-off and will be active through early 2017.

The Demonstration Areas incorporate multiple land use types (residential, commercial, industrial, etc.) that stakeholders will be able to view and provide feedback. The Demonstration Areas will allow community stakeholders (i.e., jurisdictional elected officials and staff, engineers, public safety personnel, community and environmental groups, and residents), inside and outside the Western Riverside County area, to experience and provide feedback on a variety of LED lights in a "real-life" context.

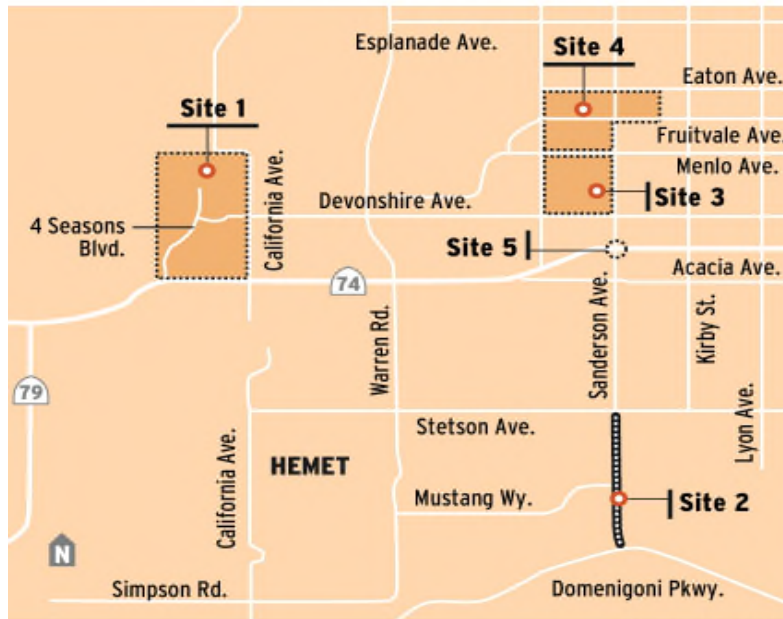
To gain additional input, staff will coordinate multiple educational tours for stakeholders in October / November 2016. The use of electronic and physical surveys will be used to gain feedback from the public. Results from the surveys will be used to assess preferences of the LED lights and rank the selection of viable LED lights to use for the Program. The Streetlights will be marked with a designated pole tag to help stakeholders identify which lights are or are not part of the Program.

A media kit has been developed and includes sample press releases, brochures and informational items, a "frequently asked questions" sheet, signage, social media language, and a map of the Demonstration Areas. The media kit is currently being distributed to all member jurisdictions so that they can distribute to their community.

The following is a map depicting Demonstration Area locations and a sample of the streetlight pole identification tags that will be used.

Streetlight test program

Five areas of Hemet will be a testing ground for streetlights that could eventually shine throughout the region.



STAFF GRAPHIC

Source: Press Enterprise



City of Hemet streetlight pole identification tag on the left.

Demonstration Area Streetlight tag identification tag on the right.

Prior WRCOG Action:

August 1, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Transportation Department Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). The Active Transportation Plan will identify challenges to and opportunities for creating a safe, efficient, and complete active transportation network that will expand the availability of active modes of transportation for users both within the region and between neighboring regions.

TUMF Program Update

In August 2016, the Executive Committee directed staff to form an Ad Hoc Committee to review implementation options prepared with regard to the TUMF Nexus Study Update. The Ad Hoc Committee is comprised of representatives from the Executive, Technical Advisory, and Public Works Committees, which will hold its first meeting on September 26, 2017. It is anticipated that the Ad Hoc Committee will continue to meet through the month of October to make a formal recommendation through the WRCOG Committee structure for review and action.

Staff and TUMF consultant, Parsons Brinckerhoff, are in the process of finalizing the TUMF Nexus Study for review and comment. Since the Executive Committee took action in September 2015, to delay the TUMF Nexus Study, the following inputs have been reviewed and/or revised based on comments received during the initial comment period:

- Revised growth forecast from the 2016 SCAG RTP/SCS;
- Updated unit cost assumptions;
- The RivTAM 2012 Existing and 2040 No-Build model runs were examined to determine the vehicle miles of travel (VMT) of various trip types that would take place in Western Riverside County (excluding through trips);
- Updated data sets to include more recent studies for employees per square footage; and
- Reviewed TUMF Network to remove completed projects.

TUMF 5-Year Expenditure Report

The Mitigation Fee Act (AB 1600) requires that mitigation fees document the expenditure of funds every five years and requires that WRCOG make the below findings.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee is to be used;
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a); and
4. Designate the approximate dates on which the funding referred to in paragraph (3) is expected to be deposited into the appropriate account or fund.

WRCOG, RCTC, and RTA have programmed all of the funding and are currently expending those dollars to deliver projects in Western Riverside County consistent with AB 1600 requirements.

WRCOG retained Rodriguez Consulting Group (RCG) to complete the expenditure report for the Fiscal Year (FY) 2008/2009 through 2014/2015. The expenditure report contains the following statistics:

- Cumulative net revenues through FY 2014/2015 are \$679 million (\$642 million in gross receipts; \$54 million in interest; and \$17 million in refunds);
- Programmed and expended funding through FY 2014/2015 is approximately \$600 million and forecasted through FY 2019/2020 is \$154 million. This includes funding for the TUMF Zone, RCTC, RTA, the Western Riverside Regional Conservation Agency, and WRCOG for the administration of the TUMF Program;
- The fund balance at the end of FY 2014/2015 was \$84.1million, which exceeds one year of TUMF revenue; and
- Revenue for FY 2015/2016 is anticipated to be \$41 million, and revenue through FY 2019/2020 is forecasted at \$43 million.

Additionally, RCG has identified recommendations for consideration to streamline the data collection process and improve program effectiveness. The recommendations are as follows:

- Standardize programming data for all program partners for timely expenditure reporting;
- Establish policy on timely use of funds and “uncommitted fund balance” maximum;
- Reconcile Zone programming and repayment from Regional components for backbone; and
- Multiple Species Habitat Conservation Program (MSHCP) Programming CIP.

Active Transportation Plan

On May 28, 2015, the California Transportation Commission allocated funding to WRCOG to develop the Western Riverside County Active Transportation Plan. The Plan will set objectives to increase safety and effectiveness of the non-motorized system, incorporate local Safe Routes to Schools planning efforts, and identify economic indicators that include education, disadvantaged communities, and federal air quality non-attainment zones.

WRCOG and its consultant team (Fehr & Peers, Alta Planning & Design, and Raimi & Associates) have completed the existing conditions / collision analysis reports for the Active Transportation Plan, which will provide a better understanding of regional trends. Some of the analysis focused on fatalities and severe injuries, and identified that a lot of collisions occurred near freeways and regional facilities. Maps were developed to identify high-incidence roadways and areas in an attempt to develop a network of priority areas where the return on infrastructure investment and greatest safety improvement benefits are maximized. The existing conditions analysis also analyzed health statistics in the region. An existing conditions report was provided to the Planning Directors' and Public Works Committees, and at these meetings, members

expressed interest in receiving collision and health data for their respective jurisdictions. WRCOG staff is working with the Consultant Team to develop a summary that jurisdictions can utilize – based on feedback, these summaries have proven helpful for applications for grants, i.e., Caltrans Active Transportation Program. The Existing Conditions presentation is attached.

The consultant team is also working on the Active Transportation Plan's Goals, Objectives, Strategies, and Performance Metrics. The goals are overarching ideas that will help guide the Plan and reflect the goals stated in WRCOG's Sustainability Framework. The objectives are more specific to the Plan and are actions that WRCOG and its jurisdictions may take to implement the Plan. The strategies are meant to help the Western Riverside subregion achieve the desired goals and objectives, and are specific actions. Performance metrics focus on active transportation improvements and are included to evaluate how well the region is doing in achieving its goals and objectives for a successful active transportation network. WRCOG is working closely with the Consultant Team to have a focused set of objectives and strategies, so that it allows local jurisdictions and WRCOG the opportunity to utilize different options to create a robust active transportation network for the Western Riverside subregion.

On September 21, 2016, the Riverside County Active Transportation Network (ATN) held its quarterly meeting, and WRCOG's Active Transportation Plan was discussed. The ATN consists of active transportation stakeholders and jurisdiction staff. WRCOG staff and the consultant team presented on the Plan's proposed goals and objectives, and attendees provided feedback based on their active transportation experience. The next ATN meeting will be in November; the Plan will continue to be discussed and feedback will be sought.

Grant Writing Request for Proposals from WRCOG

WRCOG has received requests in the past to assist jurisdictions in preparing proposals for grant opportunities, especially with the robust Caltrans ATP. WRCOG has identified funds to commence a grant writing assistance program for its member jurisdictions and/or agencies. The specifics and amount for this program have not yet been determined. WRCOG staff would like to convene a focus group of agency staff to provide feedback on the specifics. Once the funds have been approved, WRCOG staff will proceed with a Request for Proposals from consultants to serve on a "bench" for assistance as grant writers to WRCOG member jurisdictions and/or agencies. The bench of consultants will then be made available to member jurisdictions and/or agencies on a first-come, first-serve basis. The consultants will assist jurisdictions and/or agencies on the grant application process only.

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

September 8, 2016: The WRCOG Public Works Committee appointed the Cities of Banning and Eastvale, and the County of Riverside to assist members of the Ad Hoc Committee in discussing potential options related to completion of the Nexus Study.

August 18, 2016: The WRCOG Technical Advisory Committee 1) appointed Gary Thompson (Jurupa Valley), Grant Yates (Lake Elsinore), and Rob Johnson (Menifee) to assist member of the Ad Hoc Committee in discussing potential options related to completion of the Nexus Study; and 2) recommended that only one representative from any member jurisdiction serve on the Ad Hoc Committee.

August 10, 2016: The WRCOG Administration & Finance Committee received report.

August 1, 2016: The WRCOG Executive Committee 1) directed staff to convene an Ad Hoc Committee composed of three members of the Executive Committee, with assistance from three members of the Technical Advisory Committee and two members of the Public Works Committee, to discuss potential options related to completion of the Nexus Study; and 2) appointed three members of the Executive Committee to serve on the Ad Hoc Committee.

WRCOG Fiscal Impact:

Transportation department activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. TUMF Five-Year Expenditure Report.
2. WRCOG Active Transportation Plan Existing Conditions Presentation.

Item 5.F

WRCOG Transportation Department
Activities Update

Attachment 1

TUMF Five-Year Expenditure Report

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**Western Riverside Council of Governments
Transportation Uniform Mitigation Fee Program
Five-Year Expenditure Report (FY2008/09 to FY2014/15)**

Report prepared for:

Christopher Gray
WRCOG Director of Transportation

Prepared by:

Paul Rodriguez
Rodriguez Consulting Group
August 2016

Overview

AB 1600 provides a mechanism for addressing transportation infrastructure needs necessitated by growth. This legislative tool enables collection of development impact fees to address these infrastructure needs. Impact fees are governed by specific requirements including identification of a clear Nexus and purpose, reasonable expectation that the identified need can be fulfilled, and that funds collected will be expended in a timely manner.

California Government Code Section 66000-66008 generally defines the purpose, intent and practical application of impact fees such as the Transportation Uniform Mitigation Fee (TUMF). The Western Riverside Council of Governments (WRCOG) TUMF is a regional program that requires participation by member agencies as prescribed in the Measure A Transportation Sales Tax adopted by Riverside County voters in 2002. The TUMF is based upon a formal Nexus Study and discrete network improvement plan.

The purpose of this report is to satisfy periodic reporting requirements identified in California Government Code 66001 (d), specifically:

(1) FOR THE FIFTH FISCAL YEAR FOLLOWING THE FIRST DEPOSIT INTO THE ACCOUNT OR FUND, AND EVERY FIVE YEARS THEREAFTER, THE LOCAL AGENCY SHALL MAKE ALL OF THE FOLLOWING FINDINGS WITH RESPECT TO THAT PORTION OF THE ACCOUNT OR FUND REMAINING UNEXPENDED, WHETHER COMMITTED OR UNCOMMITTED:

(A) IDENTIFY THE PURPOSE TO WHICH THE FEE IS TO BE PUT.

(B) DEMONSTRATE A REASONABLE RELATIONSHIP BETWEEN THE FEE AND THE PURPOSE FOR WHICH IT IS CHARGED.

(C) IDENTIFY ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING IN INCOMPLETE IMPROVEMENTS IDENTIFIED IN PARAGRAPH (2) OF SUBDIVISION (A).

(D) DESIGNATE THE APPROXIMATE DATES ON WHICH THE FUNDING REFERRED TO IN SUBPARAGRAPH (C) IS EXPECTED TO BE DEPOSITED INTO THE APPROPRIATE ACCOUNT OR FUND.

(2) WHEN FINDINGS ARE REQUIRED BY THIS SUBDIVISION, THEY SHALL BE MADE IN CONNECTION WITH THE PUBLIC INFORMATION REQUIRED BY SUBDIVISION (B) OF SECTION 66006. THE FINDINGS REQUIRED BY THIS SUBDIVISION NEED ONLY BE MADE FOR MONEYS IN POSSESSION OF THE LOCAL AGENCY, AND NEED NOT BE MADE WITH RESPECT TO LETTERS OF CREDIT, BONDS, OR OTHER INSTRUMENTS TAKEN TO SECURE PAYMENT OF THE FEE AT A FUTURE DATE. IF THE FINDINGS ARE NOT MADE AS REQUIRED BY THIS SUBDIVISION, THE LOCAL AGENCY SHALL REFUND THE MONEYS IN THE ACCOUNT OR FUND AS PROVIDED IN SUBDIVISION (E).

Purpose/Approach

The Five-Year TUMF Expenditure Report is a requirement of the enabling legislation to substantiate the purpose, need and use of regional development impact fees. This assessment is required every five years starting from the fifth fiscal year following the first deposit into the program account or fund. The TUMF program was implemented in Fiscal Year 2002/03. The inaugural Expenditure Report was published in 2009 related to program activities through June 30, 2008. The current reporting effort covers the intervening period through June 30, 2015.

Revenues, programming commitments and expenditure information have been compiled from documentation provided by WRCOG and RCTC staff. Methodology for compiling the data is described more fully in the respective sections contained within this report. Technical memoranda were produced during the review process to more fully explore the depth and details of the program. These memoranda are attached for reference and include the following topics: TUMF Program Cash Flows, Future TUMF Program Revenues and Expenditures, and Sufficiency of Funding for TUMF System.

Revenue

Revenues have historically been reported by WRCOG as fees collected *“attributable to”* Zones and primary users, including RCTC, WRCOG Administrative, RTA and MSHCP. However, revenues are comprised of fees collected by local agencies plus interest earned on those deposits held by WRCOG and RCTC. “Revenues” attributable to entities not directly engaged in fee collection are assigned based upon a proportionate share of the prevailing TUMF Nexus Study network cost and expense assumption. Since the Nexus Study is updated periodically, the proportionate share is subject to change and this approach bears no resemblance to the actual source of revenues. Therefore, Net Revenues identified in the current Expenditure Report are reported in the following manner:

- Fees collected by member agencies and transmitted to WRCOG for distribution
- Interest earned on fund balances held by WRCOG and RCTC
- Less refunds issued for fees paid in error and prepayments for permits that have expired or been withdrawn

During the current reporting period, Net Revenues totaled \$170,794,813. Total Net Revenues from program inception through FY2014/15 are \$679,706,094 as shown in Table 1.

Table 1 - Revenue Summary

PERIOD	FEE COLLECTIONS	INTEREST*	REFUNDS	NET REVENUES
Through FY2007/08	\$ 481,506,847	\$ 41,015,183	\$ (13,610,749)	\$ 508,911,281
FY2008/09	\$ 25,857,708	\$ 4,834,135	\$ (347,736)	\$ 30,344,107
FY2009/10	\$ 17,073,642	\$ 2,376,172	\$ (399,594)	\$ 19,050,219
FY2010/11	\$ 15,201,017	\$ 2,261,842	\$ (1,364,533)	\$ 16,098,326
FY2011/12	\$ 14,438,863	\$ 1,099,978	\$ (705,246)	\$ 14,833,595
FY2012/13	\$ 26,081,990	\$ 999,249	\$ (429,732)	\$ 26,651,507
FY2013/14	\$ 24,577,519	\$ 905,230	\$ (119,799)	\$ 25,362,950
FY2014/15	\$ 37,596,993	\$ 974,610	\$ (117,495)	\$ 38,454,108
Current Reporting Period	\$ 160,827,731	\$ 13,451,217	\$ (3,484,135)	\$ 170,794,813
Total through FY2014/15	\$ 642,334,578	\$ 54,466,400	\$ (17,094,884)	\$ 679,706,094

*Interest income for FY2008-09 through 2014-15 annualized for RCTC

Interest income is driven by interest rates and cumulative fund balances. In the early years of TUMF, revenues were accumulating faster than project implementation. In addition, interest rates were substantially higher prior to the economic downturn. Declining annual interest yield during this reporting period are a reflection of reduced fund balances due to successful project implementation and historic low interest rates on those balances. Revenue collections are affected by cyclical land use development and program policies. Figure 1 illustrates the composition of fee collections by land use.

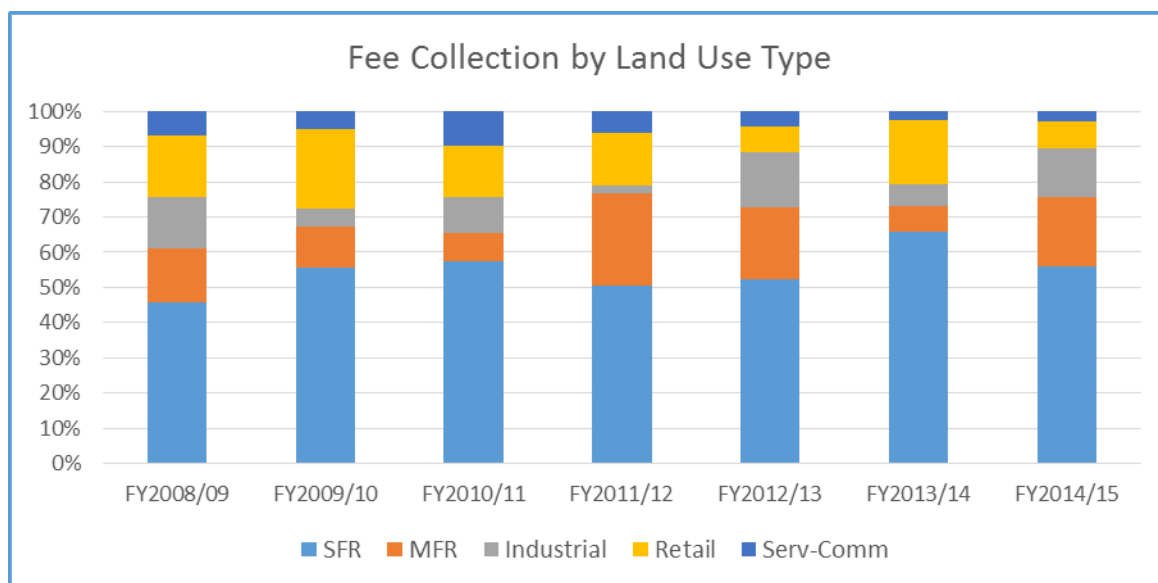


Figure 1 - Proportion of Fees Collected by Land Use

Fee credit agreements comprise a significant component of the overall TUMF program. This tool enables developers to receive an in-lieu credit against their fee obligation for actual eligible improvements on the TUMF network. The Net Revenues shown above do not include the value of developer-led improvements but have a positive effect on the delivery of the network needed to accommodate regional growth.

Projected Revenues

Future revenue collections are assumed for the TUMF program for forecasting purposes. Fee collections have been on the rise since FY2011/12. For FY2015/16, net revenues are expected to reach approximately \$41 million. Historically, residential development has been the majority source of fee collections as a percentage of total annual fees collected (see Figure 1). Although there has been an increase in building permits issued over the past few years, continued growth is expected to be modest. In keeping with conservative and prudent forecasting practices, we assume a level rate of fee collections at \$43 million per year (represents 5% increase for FY2016/17 to establish conservative baseline) through FY2019/2020. This estimate represents 5% growth for FY2016/17 and flat revenues for the next 5 years.

Expenditures/Programming

TUMF is a capital improvement program designed to address cumulative impacts of growth. The program includes arterial improvements, transit projects, certain environmental impacts and administrative activities necessary to manage the program. One purpose of the Expenditure Report is to report how fee collections are used toward completion of the program. TUMF uses a Nexus Study process to determine funding needs over a given time period. The initial TUMF Nexus Study projected needs through 2025. The 2005 TUMF Update extended the program horizon to 2030. The 2009 TUMF Update extended the program horizon through 2035.

Capital improvements and program implementation is accomplished through a process of programming and reimbursements. Actual expenditures for large capital projects may span one or more fiscal years. In addition, individual projects may be segregated into discrete project phases and/or segmentation based upon need and/or available capital. The initial Expenditure Report identified actual and projected expenditures by fiscal year. Since then, the program has been extended twice with an additional 10 years added to the program. Periodic updates to the program horizon and content, combined with the typical lag in time between when funds are encumbered versus when a reimbursement is requested, suggest that the current and future Expenditure Reports should emphasize the programmed year rather than the payment year for purposes of substantiating timely investment of fees collected.

A summary of programming and expenditure activities is presented on Table 2. The period covering FY2002/03 through 2007/08 is provided for reference. The period covering FY2008/09 through FY2014/15 is the focus of the current Expenditure Report. The period covering FY2015/16 through 2019/20 provides a forward looking perspective and is presented to illustrate commitments already made against Net Revenues received and a small allowance for anticipated future Net Revenues covered by the current TUMF Nexus Study. Programming is typically a blend of actual revenues and anticipated revenues.

Table 2 -Programming Summary by Period

Category	FY2002/03 to 2007/08	FY2008/09 to 2014/15	FY2015/16 to 2019/20	Total
Zones	\$ 46,140,547	\$ 262,302,805	\$ 75,961,559	\$ 384,404,911
RCTC	\$ 114,986,295	\$ 136,898,581	\$ 55,163,949	\$ 307,048,825
RTA	\$ -	\$ 13,389,995	\$ 12,519,303	\$ 25,909,298
RCA	\$ 750,000	\$ 4,338,923	\$ -	\$ 5,088,923
WRCOG Administration	\$ 5,411,346	\$ 11,370,039	\$ 10,184,366	\$ 26,965,751
Total	\$ 167,288,188	\$ 428,300,343	\$ 153,829,177	\$ 749,417,708

Zone values represent programming commitments made through the five TUMF zones. Project allocations are determined through a multi-year Transportation Improvement Plan (TIP). Although the primary focus of Zone funding is on the Secondary (local) TUMF network, a significant portion of funding approved to date is dedicated to the Backbone (regional) TUMF network. Backbone projects have been advanced through the Zones to address regional funding shortfalls. A reconciliation of the Local and Regional funding allocations will be necessary to ensure each of these components can be completed according to the Nexus Study cost allocation assumptions.

Riverside County Transportation Commission (RCTC) values represent programming commitments utilizing the Backbone (regional) funding component of TUMF. Funding commitments are updated periodically. Allocations to date are specific to Backbone facilities selected through a competitive call for projects, CETAP corridors selected by RCTC restricted to those improvements contained on the TUMF Network, and developer reimbursements.

Riverside Transit Agency (RTA) values represent eligible capital improvements and regional system planning efforts. Funds are reported by WRCOG using the Zone TIPs.

Riverside Conservation Authority (RCA) values represent reimbursement for expenditures related to the Multiple Species Habitat Conservation Program (MSHCP) as mitigation for TUMF improvements. Funds are dispersed to RCA on a reimbursement basis rather than through a programming effort. The MSHCP has its own distinct impact fee program. TUMF funds supplement the larger program. TUMF includes a provision for up to 5% of the construction cost of network construction for mitigation purposes.

WRCOG Administration cost includes the cost to administer the overall TUMF program, periodic Nexus updates and legal support. Values reported in the period covering FY2015/16 through 2019/20 reflect an estimated actual value for FY2015/16 plus a modest growth factor for future years.

Findings

TUMF is a 25-30 year program that is updated periodically. Updates enable removal of completed improvements and addition of growth-induced transportation needs with each time horizon extension. Fees are determined through the Nexus Study process and assigned by the representative share of trips by land use type. The Nexus Study includes a specific list of improvements and eligible activities which serves as basis for the fee. ***The Nexus Study provides a clear indication of the purpose of the TUMF and meets the requirements of California Government Code 66001 (d)(1)(A) and (B) regarding the purpose of the fee and the relationship between the fee and its purpose.***

Rapid growth and resulting revenues in the prior reporting period are offset by programming of projects once critical mass of revenue is achieved. Current programming levels reflect maturity of the planning and implementation process for capital improvements. During the reporting period FY2008/09 through 2014/15, Net Revenues totaled \$170.8 million while Programming totaled \$428.3 million. Uncommitted fund balances dropped from \$341.6 million in the previous reporting period to \$84.1 million at the end of FY2014/15. Additional programming commitments and estimated administrative expenses through FY2019/20 total \$153.8 million. Without additional programming commitments, the uncommitted fund balance will increase to \$143.5 million after inclusion of estimated administrative expenses.

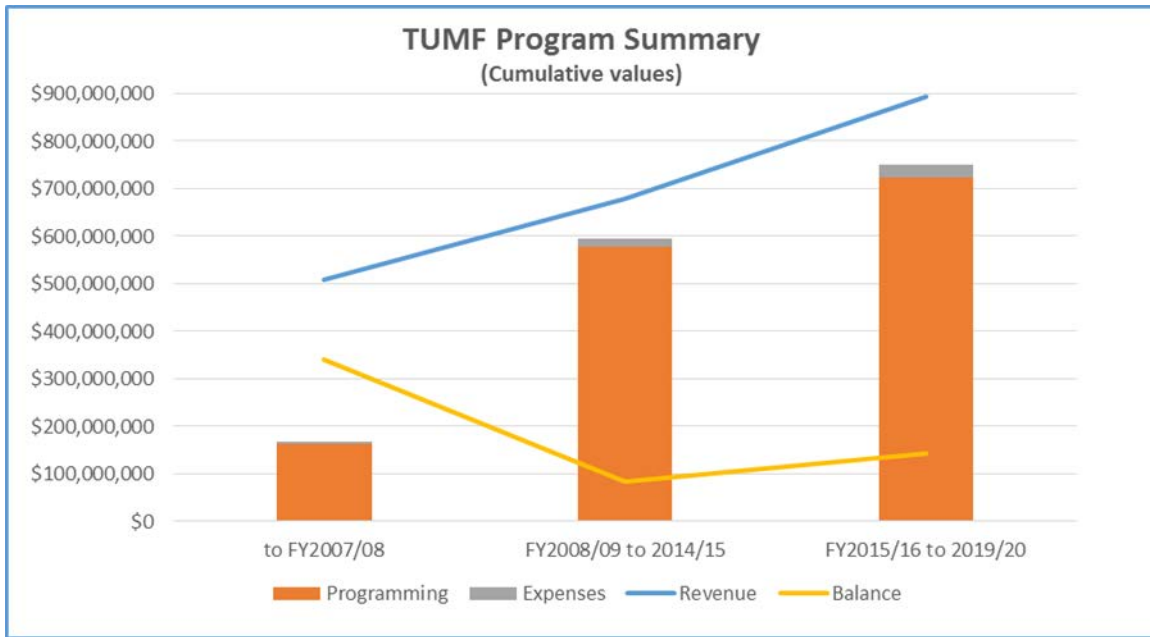


Figure 2 - Revenue and Expenditure Summary

The TUMF program represents the majority source of funding for regional projects necessitated by growth. Additional funding sources are used as a supplement to cover ineligible program costs and cost in excess of the program allowance. Projects are implemented through local agencies on a pay-as-you-go basis. WRCOG maintains revenue and programming records, along with its agency partners that demonstrate funds are programmed within a 2-5 year window of collection. The current “uncommitted fund balance” is roughly equivalent to two years of revenue. Timely dedication of funds is a concern and WRCOG should consider establishing policies to establish and ensure an appropriate fund balance target. ***WRCOG tracking of revenues and programming commitments meets the requirements of California Government Code 66001 (d)(1)(C) and (D) regarding identification of revenue sources, revenue forecasting, and funding commitments.***

Recommendations

The recommendations below are provided for consideration to streamline the data collection process and improve program effectiveness.

Use Programming rather than Expenditures as the basis for future Expenditure Reports

TUMF revenues are programmed for expenditure by public agencies. There is typically a lag in time between the contracting of eligible activities and the actual expenditure of funds, particularly for complex multi-year projects. The timely use of funds provision is most relevant toward the dedication of revenues rather than measuring invoicing and payment activities.

Standardize programming data for all program partners for timely expenditure reporting

During the data collection process, there was some delay in obtaining and reconciling programming data from program partners. The internal reporting processes and methods are different between the program administrator (WRCOG) and RCTC. In addition, there does not appear to be a capital expenditure plan available from RCA. Annual reporting from program partners would enable WRCOG to more nimbly anticipate programming needs and ensure that funds are expended in a timely manner.

Establish policy on timely use of funds and “uncommitted fund balance” maximum

Uncommitted/unprogrammed revenues have represented significant balances since program inception. Conservative commitments are prudent to guard against potential grant cancellation due to a funding shortfall. Use of a maximum uncommitted fund balance will ensure timely use of funds. It does not appear appropriate to carry substantial balances from one year to the next. Use of a one year revenue maximum combined with annual programming cycles is recommended.

Reconcile Zone programming and repayment from Regional components for backbone

During the early years of the program, WRCOG did not make an absolute distinction between Backbone (regional) and Secondary (Zone) programming. Although some funds were allocated with RCTC administering a portion of the TUMF revenues, Zones routinely prioritized both Backbone and Secondary facilities with funds available to each respective Zone. That practice has continued despite RCTC automatically receiving half of net revenues after excluding MSHCP, Transit and administrative expenses. However, no formal provision is in place to ensure that the Zone component is used specifically for Secondary facilities. Without a reconciliation or repayment plan in place, it is conceivable that Zone funds could be fully allocated without having completed the facilities that are contained within the component.

MSHCP Programming CIP

TUMF includes an environmental mitigation contribution to MSHCP. Funds are paid on a reimbursement basis upon demand. Without a capital plan in place, WRCOG has to either escrow funds for possible use by MSHCP or carry a larger than necessary balance to ensure timely reimbursement. The Regional Conservation Authority (RCA) should provide a programming document to WRCOG on an annual basis to facilitate mitigation in a timely manner and ensure adequate funds are available.

Appendix A
Task 1 Technical Memorandum
TUMF Program Cash Flow



To: Christopher Gray
WRCOG Director of Transportation

From: Paul Rodriguez
Project Manager

Date: July 31, 2016

Subject: Five-Year TUMF Expenditure Report
Task 1 Technical Memorandum – TUMF Program Cash Flow

The Five-Year Transportation Uniform Mitigation Fee (TUMF) Expenditure Report is statutorily required to substantiate purpose, need and use of development impact fees.¹ This assessment is required every five years starting from the fifth fiscal year following the first deposit into the program account or fund. The TUMF program was implemented in Fiscal Year (FY) 2002/03. The inaugural Expenditure Report was published in 2009 related to program activities through June 30, 2008. The current reporting effort covers the intervening period through June 30, 2015.

Revenues

Revenues have historically been reported by WRCOG as fees collected attributable to Zones and primary users, including RCTC, WRCOG Administrative, RTA and MSHCP. However, revenues are comprised of fees collected by local agencies plus interest earned on those deposits held by WRCOG and RCTC. “Revenues” attributable to entities not directly engaged in fee collection are assigned based upon a proportionate share of the prevailing TUMF Nexus Study network cost and expense assumption. Since the Nexus Study is updated periodically, the proportionate share is subject to change and this approach bears no resemblance to the actual source of revenues. Net Revenues identified in the current Expenditure Report are proposed to be reported in the following manner:

- Fees collected by member agencies and transmitted to WRCOG for distribution
- Interest earned on fund balances held by WRCOG and RCTC
- Less refunds issued for fees paid in error and prepayments for permits that have expired or been withdrawn

Although revenues will be reported in the aggregate by type (fees and interest), the underlying data is tracked by collecting agency and can be summarized by land use type, zone, and fiscal year based upon reporting needs. The data does not include land use by unit (i.e., dwelling units for residential or square footage for non-residential). Revenues do not include fees deferred through fee credit agreements for in-lieu construction.

The chart below illustrates gross fee collections by land use category. Refunds and interest income are not represented in this data. Phasing of fees for non-residential development contributed to the relative imbalance in the early years of the program.

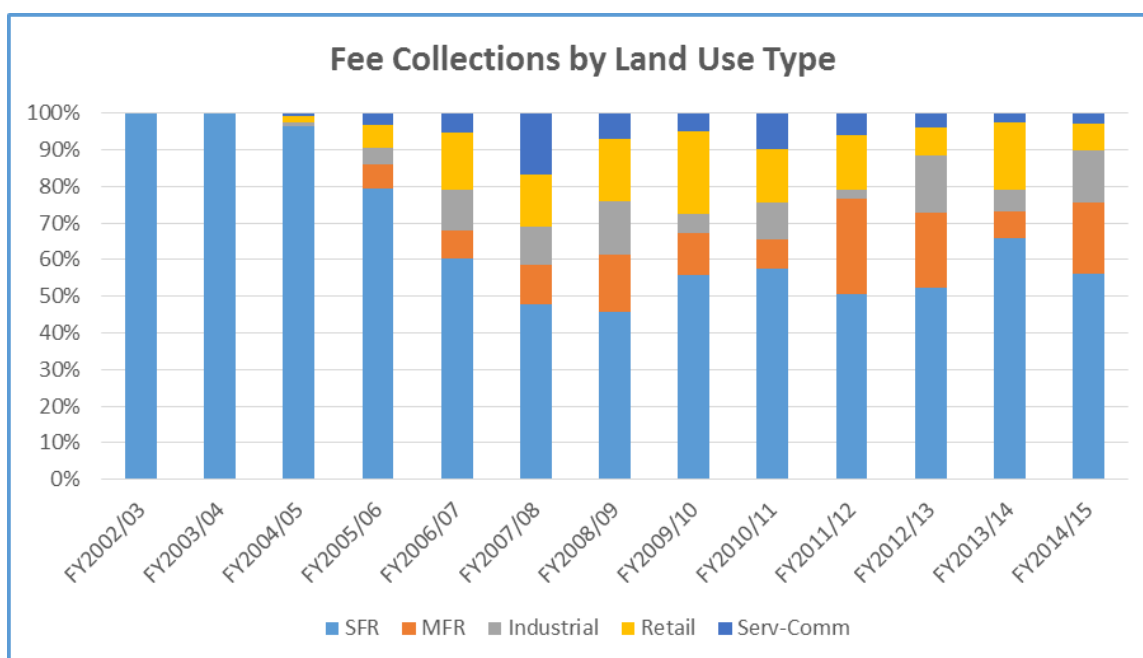


Figure 1 - Fee Collections

Our review is based on fee collection reports supplied by WRCOG for fiscal years FY2008/09 through FY2014/15. The data includes refunds issued to each agency. Attachment A is a summary of revenue collections, less refunds issued, by jurisdiction and land use category for FY2008/09 through FY2014/15.

Interest income information has been provided for fee balances held by WRCOG on an annualized basis. Interest income information received from RCTC is aggregated for 2002-2008 and 2009-2015 (\$17,012,310 and \$5,229,421, respectively).²

Revenues are reported through a variety of mechanisms. Timing and accounting method may affect the information. The TUMF Annual Report contains fiscal year revenue summaries totaling \$642,647,519 from program inception through June 30, 2015. This appears to be a “gross

receipts” value. The cumulative net revenues identified in the initial Five-Year Expenditure Report and revenue statements received from WRCOG and summary data from RCTC through June 30, 2015 total \$679,706,094. This value includes \$642,334,578 in gross receipts, \$54.5 million in interest and \$17.1 million in refunds.

Table 1 - Net Revenues

PERIOD	FEE COLLECTIONS	INTEREST*	REFUNDS	NET REVENUES
Through FY2007/08	\$ 481,506,847	\$ 41,015,183	\$ (13,610,749)	\$ 508,911,281
FY2008/09	\$ 25,857,708	\$ 4,834,135	\$ (347,736)	\$ 30,344,107
FY2009/10	\$ 17,073,642	\$ 2,376,172	\$ (399,594)	\$ 19,050,219
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Current Reporting Period	\$ 160,827,731	\$ 13,451,217	\$ (3,484,135)	\$ 170,794,813
Total through FY2014/15	\$ 642,334,578	\$ 54,466,400	\$ (17,094,884)	\$ 679,706,094

*Interest income for FY2008-09 through 2014-15 annualized for RCTC

Programming/Expenditures

TUMF is a capital improvement program designed to address cumulative impacts of growth. The program includes arterial improvements, transit projects, certain environmental impacts and administrative activities necessary to manage the program. One purpose of the Expenditure Report is to report how fee collections are used toward completion of the program. TUMF uses a Nexus Study process to determine funding needs over a given time period. The initial TUMF Nexus Study projected needs through 2025. The 2005 TUMF Update extended the program horizon to 2030. The 2009 TUMF Update extended the program horizon through 2035.

Capital improvements and program implementation are accomplished through a process of programming and reimbursements. Actual expenditures for large capital projects may span one or more fiscal years. In addition, individual projects may be segregated into discrete project phases and/or segmentation based upon need and/or available capital. The initial Expenditure Report identified actual and projected expenditures by fiscal year. Since then, the program has been extended twice with 10 years added to the program. Periodic updates to the program horizon and content, combined with the typical lag in time between when funds are encumbered versus when a reimbursement is requested, suggest that the current and future Expenditure

Reports should emphasize the programmed year rather than the payment year for purposes of substantiating timely commitment of fees collected and its investment in infrastructure.

Table 2 represents expenditure & programming data based upon detailed information collected from WRCOG and summary information provided by RCTC. Zone funding reflects programmed values derived from periodic Transportation Improvement Plan (TIP) updates. RCTC funding reflects reported values and commitments. RTA funding reflects programmed values as reported through Zone documentation. RCA funding reflects actual reimbursements for TUMF mitigation addressed through the MSHCP program. WRCOG administrative expenses are based on “actuals” through FY2014/15 and are projected for FY2015/16 to FY2019/20.

Table 2 - Expenditure and Programming Summary

Category	FY2002/03 to 2007/08	FY2008/09 to 2014/15	FY2015/16 to 2019/20	Total
Zones	46,140,547	262,302,805	75,961,559	384,404,911
RCTC	114,986,295	136,898,581	55,163,949	307,048,825
RTA	0	13,389,995	12,519,303	25,909,298
RCA	750,000	4,308,923	0	5,058,923
WRCOG Admin	5,411,346	11,370,038	10,184,366	26,965,750
Totals	167,288,188	428,270,342	153,829,177	749,387,707

Program Summary

TUMF is based primarily on a pay-as-you-go programming strategy. Although Zone programming will typically include commitments against near-term revenue projections, funding decisions are determined predominately on available fund balances. At the end of FY2007/08, “uncommitted” revenues were \$317.6 million. This value can be misleading since the program was in its infancy and programming commitments extended beyond the reporting period. This anomaly should correct over time if aggressive and timely programming commitments are made. At the end of FY2014/15, this fund balance shrunk to \$84.1 million. Without additional programming commitments made between now and FY2019/20, the fund balance will grow to \$143.5 million as shown in Figure 2 below.³ This suggests that excess programming capacity exists. Ideally, uncommitted funding should not exceed 1 year of revenues. It is prudent to retain a modest allowance for administrative expenses and qualifying fee refunds.⁴

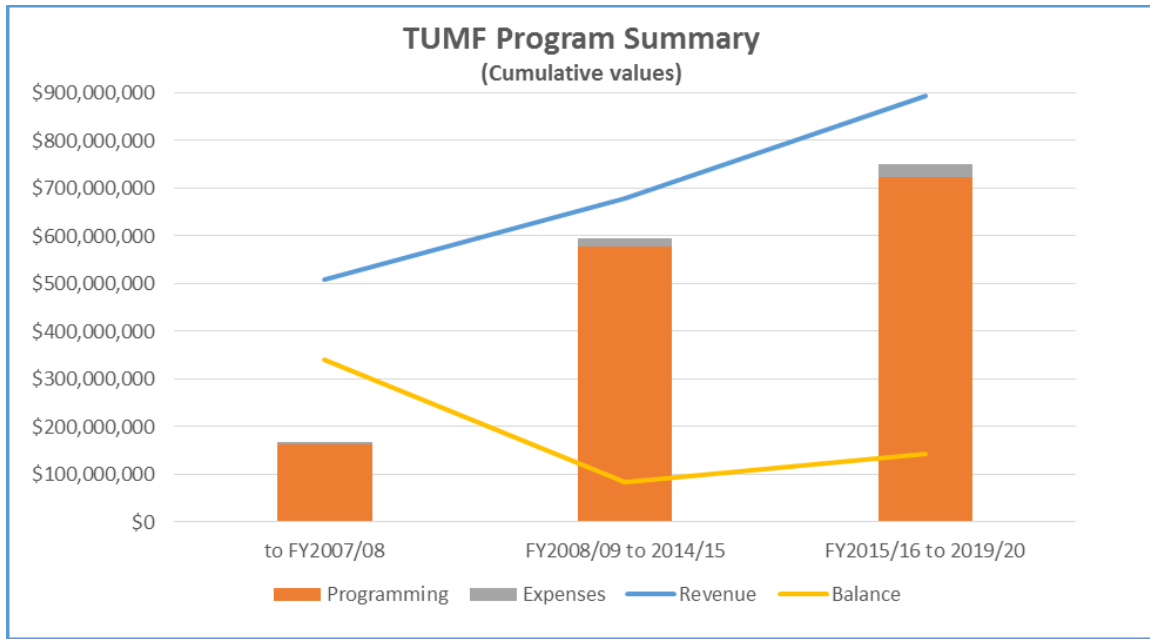


Figure 2 - Summary Programming, Expenditures and Uncommitted Fund Balance

Next Steps

The Expenditure Report contains summary information contained within each task memo. Task 2 will address revenue forecast data based upon available trend and industry information. Task 3 will address sufficiency of funding but is not legislatively required. This information is useful as a planning tool and may influence recommendations for future consideration.

¹ California Government Code Section 66000-66008. The Expenditure Report requirement is described within Section 66001(d).

² Data shown for RCTC is based upon summarized information presented to Rodriguez Consulting Group (RCG) rather than annualized detail. This approach is reflective of the differences in internal reporting and program tracking tools used by WRCOG and RCTC. RCTC has provided records and supporting information to WRCOG. The information provided in this report was substantiated by WRCOG and has been accepted by RCG for reporting purposes. Interest income from WRCOG fund balances is reported as actual annual values while RCTC interest was reported in aggregate values for two reporting period. For this report, cumulative interest for the current reporting period has been annualized for ease of reporting.

³ Revenue projected beyond FY2014/15 are based upon estimated FY2015/16 revenues with 5% growth in FY16/17 and no additional growth over the remaining years through FY2019/20. Revenue forecast methodology will be discussed in greater detail within the next task technical memorandum and the Final Report.

⁴ Since the inception of the program, a total of approximately \$17 million in refunds have been issued. The majority of these refunds were for fees paid against building permits issued in FYs 2005/06 and 2006/07. Construction deferred due to the housing crisis resulted in requests for refunds in FYs 2006/07 and 2007/08. Since then, the average annual refunds issued have been approximately \$500,000.

Transportation Uniform Mitigation Fee Program (TUMF)
Revenue by Jurisdiction and Land Use Category
FY2008-09 through 2014-15

ATTACHMENT A

Agency	Zone	Fiscal Year	SFR	MFR	Industrial	Retail	Serv-Comm	Receipts	Refunds	Total
Banning	Pass	FY2008-09	29,904	-	-	-	-	29,904	-	29,904
		FY2009-10	-	-	-	-	86,604	86,604	-	86,604
		FY2010-11	4,437	-	-	-	-	4,437	-	4,437
		FY2011-12	-	-	7,093	123,373	62,850	193,316	-	193,316
		FY2012-13	-	-	-	-	-	-	-	-
		FY2013-14	8,873	-	-	-	-	8,873	-	8,873
		FY2014-15	8,873	-	1,626	106,253	-	116,752	-	116,752
Agency Totals			52,087	-	8,719	229,626	149,454	439,886	-	439,886
Calimesa	Pass	FY2008-09	-	-	-	-	-	-	-	-
		FY2009-10	-	-	-	334,595	-	334,595	-	334,595
		FY2010-11	10,046	-	-	39,520	-	49,566	-	49,566
		FY2011-12	-	-	-	-	2,468	2,468	-	2,468
		FY2012-13	-	-	-	1,987	838	2,825	-	2,825
		FY2013-14	-	43,617	-	98,328	-	141,945	-	141,945
		FY2014-15	8,873	267,933	-	3,973	-	280,779	-	280,779
Agency Totals			18,919	311,550	-	478,403	3,306	812,178	-	812,178
Canyon Lake	Southwest	FY2008-09	5,023	-	-	-	-	5,023	-	5,023
		FY2009-10	4,906	-	-	-	-	4,906	-	4,906
		FY2010-11	13,310	-	-	-	-	13,310	-	13,310
		FY2011-12	9,283	-	-	-	-	9,283	(410)	8,873
		FY2012-13	8,874	-	-	-	-	8,874	-	8,874
		FY2013-14	48,807	-	-	-	-	48,807	-	48,807
		FY2014-15	57,681	-	-	-	-	57,681	-	57,681
Agency Totals			147,883	-	-	-	147,883	(410)	147,473	
Corona	Northwest	FY2008-09	-	303,322	287,476	169,201	157,569	917,568	-	917,568
		FY2009-10	89,931	137,800	8,128	-	1,519	237,379	-	237,379
		FY2010-11	155,283	-	-	165,517	144,947	465,747	-	465,747
		FY2011-12	70,984	2,517,324	44,475	109,138	3,101	2,745,021	-	2,745,021
		FY2012-13	141,968	-	55,069	28,816	-	225,853	-	225,853
		FY2013-14	221,825	-	12,293	921	12,092	247,132	-	247,132
		FY2014-15	351,379	3,495,965	45,790	256,541	75,166	4,224,841	-	4,224,841
Agency Totals			1,031,370	6,454,411	453,232	730,134	394,394	9,063,541	-	9,063,541
County of Riverside	Northwest	FY2008-09	4,753,062	-	226,232	321,638	222,433	5,523,365	-	5,523,365
		FY2009-10	3,334,301	-	23,555	2,662	42,541	3,403,059	(46,371)	3,356,688
		FY2010-11	1,082,628	-	293,014	79,040	23,316	1,477,999	-	1,477,999
		FY2011-12	399,330	-	199,794	-	2,953	602,077	(63,349)	538,728
		FY2012-13	407,545	-	21,541	-	-	429,086	-	429,086
		FY2013-14	394,845	-	-	-	964	395,809	-	395,809
		FY2014-15	257,317	-	-	201,345	-	458,662	-	458,662
Agency Totals			10,629,028	-	764,136	604,685	292,207	12,290,056	(109,720)	12,180,336
County of Riverside	Central	FY2008-09	1,940,290	-	225,360	-	51,104	2,216,754	-	2,216,754
		FY2009-10	98,805	-	215,983	-	-	314,788	-	314,788
		FY2010-11	70,992	-	5,978	3,930	-	80,900	(348,948)	(268,048)
		FY2011-12	48,807	-	3,750	28,500	-	81,057	-	81,057
		FY2012-13	72,631	-	863,259	-	-	935,890	-	935,890
		FY2013-14	97,603	-	-	1,930	-	99,533	-	99,533
		FY2014-15	1,164,470	-	52,831	39,558	-	1,256,859	-	1,256,859
Agency Totals			3,493,598	-	1,367,160	73,918	51,104	4,985,780	(348,948)	4,636,832
County of Riverside	Southwest	FY2008-09	1,611,431	1,227,396	112,764	1,337,511	85,878	4,374,981	-	4,374,981
		FY2009-10	1,419,960	-	63,160	2,302	-	1,485,422	(93,752)	1,391,670
		FY2010-11	734,057	1,129	57,813	-	851	793,849	-	793,849
		FY2011-12	1,497,471	3,489	15,096	31,278	106,262	1,653,595	(356,372)	1,297,222
		FY2012-13	3,191,173	8,411	58,775	-	221,793	3,480,152	(217,532)	3,262,620
		FY2013-14	2,686,320	10,219	37,458	33,463	9,817	2,777,277	-	2,777,277
		FY2014-15	3,185,902	-	65,489	1,962	-	3,253,353	-	3,253,353
Agency Totals			14,326,314	1,250,644	410,554	1,406,516	424,601	17,818,629	(667,657)	17,150,972

Transportation Uniform Mitigation Fee Program (TUMF)
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Agency	Zone	Fiscal Year	SFR	MFR	Industrial	Retail	Serv-Comm	Receipts	Refunds	Total
County of Riverside	Pass	FY2008-09	80,368	-	339	-	-	80,707	-	80,707
		FY2009-10	51,621	-	423	-	-	52,044	-	52,044
		FY2010-11	-	-	-	-	-	-	(6,958)	(6,958)
		FY2011-12	-	-	-	4,706	-	4,706	-	4,706
		FY2012-13	7,900	-	-	921,606	-	929,506	-	929,506
		FY2013-14	8,873	-	-	-	-	8,873	-	8,873
		FY2014-15	35,492	-	-	8,350	-	43,842	-	43,842
Agency Totals		184,254	-	762	934,662	-	1,119,677	(6,958)	1,112,719	
County of Riverside	Hemet-San Jacinto	FY2008-09	231,058	-	-	175,605	35,887	442,550	-	442,550
		FY2009-10	71,936	-	-	-	-	71,936	-	71,936
		FY2010-11	13,311	-	316	-	-	13,627	-	13,627
		FY2011-12	25,562	-	158	8,153	-	33,874	-	33,874
		FY2012-13	62,401	-	2,491	-	-	64,892	-	64,892
		FY2013-14	177,460	-	277	-	-	177,737	-	177,737
		FY2014-15	88,730	-	-	95,879	-	184,609	-	184,609
Agency Totals		670,458	-	3,243	279,637	35,887	989,225	-	989,225	
Eastvale	Northwest	FY2008-09	-	-	-	-	-	-	-	-
		FY2009-10	-	-	-	-	-	-	-	-
		FY2010-11	958,290	-	-	97,521	5,996	1,061,806	(125,656)	936,151
		FY2011-12	984,157	-	-	444,133	7,560	1,435,849	-	1,435,849
		FY2012-13	2,892,842	-	-	66,324	249,781	3,208,947	(22,185)	3,186,762
		FY2013-14	3,043,439	-	88,813	225,199	-	3,357,452	-	3,357,452
		FY2014-15	2,511,060	124,620	-	58,282	-	2,693,962	(49,331)	2,644,631
Agency Totals		10,389,788	124,620	88,813	891,459	263,337	11,758,017	(197,172)	11,560,845	
Hemet	Hemet-San Jacinto	FY2008-09	1,065,094	110,240	-	-	26,443	1,201,777	-	1,201,777
		FY2009-10	1,133,824	-	90,160	945,883	86,278	2,256,145	(27,485)	2,228,661
		FY2010-11	275,063	-	-	21,048	17,336	313,447	-	313,447
		FY2011-12	212,952	205,623	-	-	145	418,720	-	418,720
		FY2012-13	825,189	43,617	-	179,610	97,241	1,145,656	-	1,145,656
		FY2013-14	1,055,887	-	-	517,902	14,078	1,587,867	-	1,587,867
		FY2014-15	1,082,506	-	-	8,413	68,573	1,159,492	-	1,159,492
Agency Totals		5,650,515	359,480	90,160	1,672,856	310,094	8,083,105	(27,485)	8,055,620	
Jurupa Valley	Northwest	FY2008-09	-	-	-	-	-	-	-	-
		FY2009-10	-	-	-	-	-	-	-	-
		FY2010-11	-	-	-	-	-	-	-	-
		FY2011-12	70,984	-	-	-	-	70,984	-	70,984
		FY2012-13	106,476	-	107,633	71,783	-	285,892	-	285,892
		FY2013-14	354,920	-	40,200	65,688	16,957	477,765	-	477,765
		FY2014-15	2,865,979	-	791,991	-	40,316	3,698,286	-	3,698,286
Agency Totals		3,398,359	-	939,824	137,471	57,273	4,532,927	-	4,532,927	
Lake Elsinore	Southwest	FY2008-09	231,058	14,108	51,623	80,240	599,225	976,254	-	976,254
		FY2009-10	130,795	-	86,473	-	82,795	300,063	-	300,063
		FY2010-11	425,904	-	-	101,522	41,900	569,326	-	569,326
		FY2011-12	558,999	-	-	-	-	558,999	-	558,999
		FY2012-13	1,393,061	-	-	-	-	1,393,061	-	1,393,061
		FY2013-14	1,339,823	-	6,109	14,634	121,181	1,481,746	-	1,481,746
		FY2014-15	1,799,170	-	10,380	-	-	1,809,550	-	1,809,550
Agency Totals		5,878,810	14,108	154,584	196,395	845,101	7,088,999	-	7,088,999	
March JPA	Northwest	FY2008-09	-	-	-	-	-	-	-	-
		FY2009-10	-	-	339	-	-	339	-	339
		FY2010-11	-	-	-	-	-	-	-	-
		FY2011-12	-	-	-	-	-	-	-	-
		FY2012-13	-	-	490,828	-	-	490,828	-	490,828
		FY2013-14	-	-	-	-	-	-	-	-
		FY2014-15	-	-	512,478	-	-	512,478	-	512,478
Agency Totals		-	-	1,003,644	-	-	1,003,644	-	1,003,644	

Transportation Uniform Mitigation Fee Program (TUMF)
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Agency	Zone	Fiscal Year	SFR	MFR	Industrial	Retail	Serv-Comm	Receipts	Refunds	Total
Menifee	Central	FY2008-09	62,672	-	-	-	-	62,672	-	62,672
		FY2009-10	1,506,923	772,520	-	-	198,997	2,478,440	(9,185)	2,469,255
		FY2010-11	1,889,142	-	84,606	386,154	32,784	2,392,686	(882)	2,391,804
		FY2011-12	1,406,053	-	52,239	147,909	18,390	1,624,591	(88,391)	1,536,200
		FY2012-13	1,640,016	-	53,031	78,182	-	1,771,229	-	1,771,229
		FY2013-14	2,825,806	884,802	-	153,720	39,805	3,904,133	-	3,904,133
		FY2014-15	1,774,600	-	-	31,848	51,256	1,857,704	-	1,857,704
Agency Totals		11,105,212	1,657,322	189,877	797,813	341,232	14,091,456	(98,458)	13,992,997	
Moreno Valley	Central	FY2008-09	366,835	232,782	357,607	410,929	25,004	1,393,156	-	1,393,156
		FY2009-10	854,923	55,120	-	-	-	910,043	-	910,043
		FY2010-11	381,580	-	531,609	4,626	-	917,815	-	917,815
		FY2011-12	-	-	-	70,671	165,392	236,064	(166,298)	69,766
		FY2012-13	-	-	1,260,232	219,052	15,838	1,495,123	-	1,495,123
		FY2013-14	763,078	-	1,286,079	370,328	34,480	2,453,965	-	2,453,965
		FY2014-15	771,951	-	3,409,400	671,402	133,053	4,985,807	-	4,985,807
Agency Totals		3,138,367	287,902	6,844,927	1,747,009	373,768	12,391,972	(166,298)	12,225,675	
Murrieta	Southwest	FY2008-09	70,322	230,814	-	259,585	154,027	714,748	(343,077)	371,671
		FY2009-10	-	461,571	46,701	459,053	-	967,325	(178,886)	788,439
		FY2010-11	399,285	118,389	-	915,688	84,118	1,517,480	(891)	1,516,590
		FY2011-12	70,984	-	-	51,590	47,096	169,669	(30,427)	139,243
		FY2012-13	88,730	-	-	86,070	220	175,020	-	175,020
		FY2013-14	133,095	-	-	-	19,835	152,930	-	152,930
		FY2014-15	576,745	2,479,938	51,545	32,088	46,149	3,186,465	-	3,186,465
Agency Totals		1,339,161	3,290,712	98,246	1,804,074	351,445	6,883,638	(553,280)	6,330,358	
Norco	Northwest	FY2008-09	-	-	63,221	61,718	-	124,939	-	124,939
		FY2009-10	4,437	-	-	-	8,860	13,297	-	13,297
		FY2010-11	-	-	1,535	9,353	129,347	140,236	-	140,236
		FY2011-12	-	-	-	-	-	-	-	-
		FY2012-13	17,746	-	-	-	-	17,746	-	17,746
		FY2013-14	8,873	-	-	7,448	8,011	24,332	-	24,332
		FY2014-15	-	-	-	-	216,095	216,095	-	216,095
Agency Totals		31,056	-	64,756	78,520	362,314	536,645	-	536,645	
Perris	Central	FY2008-09	-	-	860,400	39,714	-	900,114	(4,659)	895,455
		FY2009-10	219,086	-	32,200	2,398	12,334	266,017	(30,912)	235,105
		FY2010-11	257,346	190,015	-	-	-	447,361	(858,295)	(410,934)
		FY2011-12	195,228	-	-	53,092	21,141	269,460	-	269,460
		FY2012-13	603,306	17,746	-	150,416	109,500	880,968	(190,015)	690,953
		FY2013-14	1,259,966	6,231	-	2,048,580	35,837	3,350,614	(119,799)	3,230,815
		FY2014-15	2,057,563	-	-	213,197	-	2,270,760	(132)	2,270,627
Agency Totals		4,592,495	213,992	892,600	2,507,397	178,811	8,385,295	(1,203,813)	7,181,482	
Riverside	Northwest	FY2008-09	481,094	152,196	874,152	429,440	303,975	2,240,857	-	2,240,857
		FY2009-10	94,368	-	127,648	192,079	245,452	659,546	(9,644)	649,902
		FY2010-11	452,574	439,215	584,458	151,020	204,013	1,831,280	(22,904)	1,808,376
		FY2011-12	270,657	590,096	16,228	1,011,636	172,960	2,061,577	-	2,061,577
		FY2012-13	1,016,390	523,320	1,168,047	23,370	211,372	2,942,499	-	2,942,499
		FY2013-14	798,699	-	5,806	432,363	44,364	1,281,232	-	1,281,232
		FY2014-15	1,613,833	321,755	309,779	760,608	106,670	3,112,645	-	3,112,645
Agency Totals		4,727,615	2,026,582	3,086,118	3,000,516	1,288,804	14,129,635	(32,548)	14,097,088	
San Jacinto	Hemet-San Jacinto	FY2008-09	538,038	-	8,400	226,513	-	772,951	-	772,951
		FY2009-10	170,969	6,230	9,116	247,912	76,531	510,758	-	510,758
		FY2010-11	70,986	62,300	-	114,410	18,671	266,367	-	266,367
		FY2011-12	159,714	-	1,630	24,854	9,011	195,208	-	195,208
		FY2012-13	141,968	-	10,380	-	-	152,348	-	152,348
		FY2013-14	337,174	-	-	86,438	-	423,612	-	423,612
		FY2014-15	408,158	-	-	158,231	-	566,389	(16,247)	550,142
Agency Totals		1,827,007	68,530	29,526	858,358	104,213	2,887,633	(16,247)	2,871,386	

Transportation Uniform Mitigation Fee Program (TUMF)
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Agency	Zone	Fiscal Year	SFR	MFR	Industrial	Retail	Serv-Comm	Receipts	Refunds	Total
Temecula	Southwest	FY2008-09	321,472	1,760,508	702,721	942,309	142,333	3,869,343	-	3,869,343
		FY2009-10	321,918	528,188	3,735	1,192,326	-	2,046,168	(3,358)	2,042,810
		FY2010-11	1,508,410	411,246	5,802	105,351	748,108	2,778,917	-	2,778,917
		FY2011-12	1,268,839	467,325	8,792	18,861	273,037	2,036,854	-	2,036,854
		FY2012-13	771,951	2,835,105	919	91,137	121,828	3,820,940	-	3,820,940
		FY2013-14	505,761	803,799	26,760	133,962	231,963	1,702,244	-	1,702,244
		FY2014-15	239,571	710,334	6,304	135,720	351,319	1,443,248	(21,744)	1,421,504
Agency Totals		4,937,922	7,516,505	755,033	2,619,666	1,868,588	17,697,714	(25,102)	17,672,612	
Wildomar	Southwest	FY2008-09	10,046	-	-	-	-	10,046	-	10,046
		FY2009-10	-	-	190,405	449,970	34,394	674,769	-	674,769
		FY2010-11	17,746	-	-	-	47,115	64,861	-	64,861
		FY2011-12	35,492	-	-	-	-	35,492	-	35,492
		FY2012-13	239,571	1,944,072	-	-	41,011	2,224,654	-	2,224,654
		FY2013-14	133,095	-	-	316,462	24,084	473,641	-	473,641
		FY2014-15	177,460	-	9,100	-	20,175	206,735	(30,041)	176,694
Agency Totals		613,410	1,944,072	199,505	766,432	166,779	3,690,198	(30,041)	3,660,157	
All Jurisdictions	FY2008-09	11,797,767	4,031,366	3,770,294	4,454,402	1,803,879	25,857,708	(347,736)	25,509,972	
	FY2009-10	9,508,703	1,961,429	898,026	3,829,179	876,305	17,073,642	(399,594)	16,674,047	
	FY2010-11	8,720,390	1,222,294	1,565,132	2,194,701	1,498,500	15,201,017	(1,364,533)	13,836,484	
	FY2011-12	7,285,496	3,783,857	349,254	2,127,892	892,364	14,438,863	(705,246)	13,733,617	
	FY2012-13	13,629,738	5,372,271	4,092,205	1,918,353	1,069,422	26,081,990	(429,732)	25,652,258	
	FY2013-14	16,204,222	1,748,668	1,503,794	4,507,367	613,469	24,577,519	(119,799)	24,457,720	
	FY2014-15	21,037,313	7,400,545	5,266,713	2,783,650	1,108,772	37,596,993	(117,495)	37,479,498	
Program Total		88,183,627	25,520,430	17,445,417	21,815,545	7,862,711	160,827,731	(3,484,135)	157,343,596	

Appendix B
Task 2 Technical Memorandum
Future TUMF Revenues and Expenditures



To: Christopher Gray
WRCOG Director of Transportation

From: Paul Rodriguez
Project Manager

Date: August 2, 2016

Subject: Five-Year TUMF Expenditure Report
Task 2 Technical Memorandum – Future TUMF Program Revenues and Expenditures

The TUMF Program relies on a combination of revenues and in-lieu construction to complete the Regional System of Highways and Arterials (RSHA), transit improvements and other elements contained in the Nexus Study. The Nexus Study identifies program cost to accomplish the improvements needed to address the cumulative impacts of development. Anticipated “revenues” represent the difference between estimated system cost less exemptions and the portion of improvements attributable to existing need. The resulting value is distributed among distinct land uses and development units based upon growth assumptions through the effective program horizon year. The Nexus Study assumes that all development identified in the study is likely to occur within the program time horizon but makes no attempt to predict annual revenues.

Program expenditures and revenues to date were addressed in the Task 1 memorandum. The Task 2 memo expands upon the revenue discussion and provides information to support near-term revenue forecast. The purposes of this exercise is to better understand the TUMF program need and effectiveness as it relates to the Expenditure Report requirements.

Revenue Forecast – Purpose and intent

The purpose of a revenue forecast is to provide a realistic estimation of future revenues for programming purposes. Funds are committed to projects contained on the TUMF network. Timely project planning and implementation is reliant on predictable funding. Prior to the economic downturn in 2007, WRCOG had a programming philosophy in place that aggressively committed future funding for proposed projects. When actual revenues dropped significantly in FY2007-08, many projects that had relied on future revenues had to be de-programmed or deferred to a later date. Since then, programming decisions are more closely aligned with near

term revenue estimates. In keeping with this conservative approach, revenue forecast contained in the Expenditure Report are intended to meet planning and programming needs that scale over time rather than based upon complex economic analysis inputs.

Interest income is applied to actual revenues but are not included in estimated or forecast revenues. This approach is purposely conservative due to the dynamic interplay between interest rates and fund balances and local agency preference for reliable programming commitments.

Projected Revenues

The 2009 Expenditure Report contained a revenue forecast that held collections constant at the FY2007/08 value. This conservative approach is appropriate given the cyclical nature of growth in the region and programming policies in place. Actual revenues fell short of projections but have since stabilized.

There are a number of factors that influence revenues based upon development activities. The pace of development is the single largest factor in revenue production. Land use activities are cyclical. The percentage of overall revenues from each land use fluctuates based upon development activity, fee levels and other factors.

Figure 1 shows the evolution of fee collections by land use category. Non-residential land uses were granted a deferral of fees in the first two years of TUMF and a phase-in for the next several years. Other than Class A office space, all land uses are currently assessed the full TUMF.

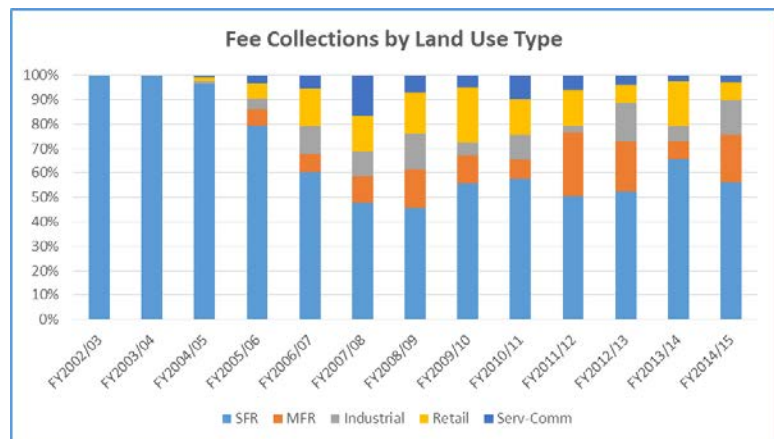


Figure 1 - Composition of Fee Collections

TUMF permits the use of in-lieu improvement planning, engineering, right of way acquisition and construction through the use of a fee credit mechanism. For example, a development that improves a TUMF facility can receive credit against their TUMF obligation subject to specific requirements. Historically, the value of these improvements has not been considered in revenue assumptions. Although there is no official tally of credit agreements in place, a conservative estimate based upon anecdotal information is \$50-100 million in improvement value. These agreements benefit the overall program but do not yield direct revenue collection, an appropriate revenue forecast must consider that any uptick in development activities,

particularly for large scale projects, will likely result in a corresponding increase of in-lieu credit activity.

TUMF revenues for FY2015/16 are trending approximately 5% higher than the prior year and are expected to be approximately \$41 million. The current Expenditure Report effort will assume 5% growth in revenues beyond the estimated FY2015/16 levels and held constant through FY2019/20 at approximately \$43 million annually. This is in line with conservative programming policies currently in place. Figure 2 illustrates actual, estimated and projected net revenues.

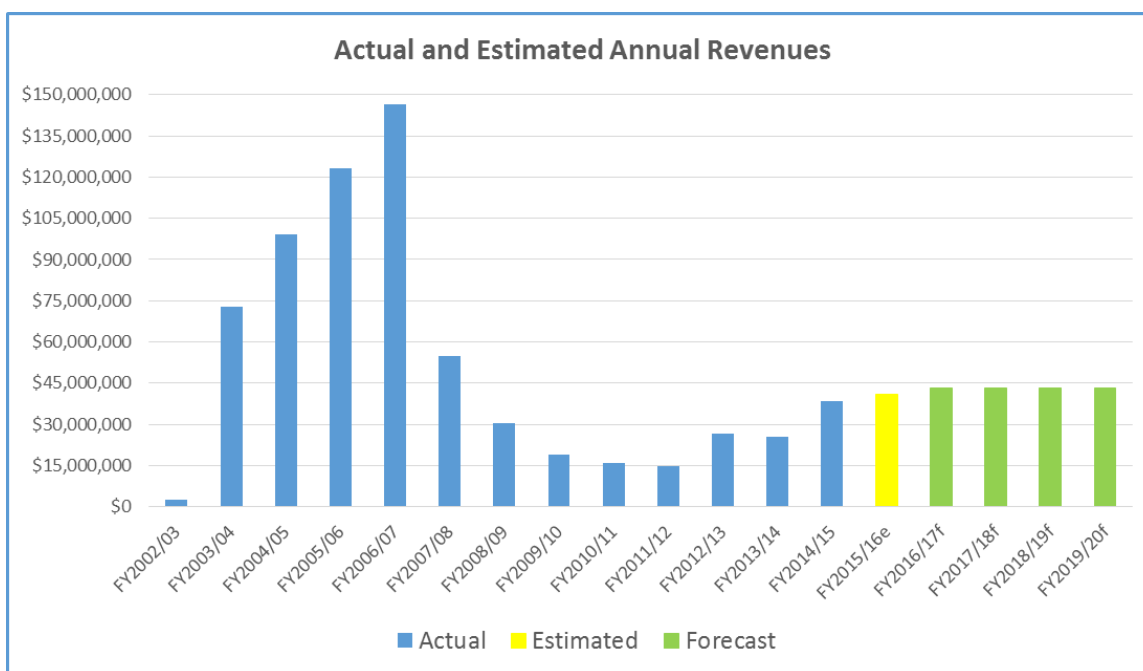


Figure 2 - TUMF Net Revenues by Year

Outstanding System Needs

TUMF is based upon a finite list of projects needed to address a specific level of projected growth. The fee is based upon net cost attributable to growth after removing that portion of the cost covered by other obligated sources as well as the portion attributable to existing need. The 2009 Nexus Study included total TUMF related cost of approximately \$3.8 billion. Since then, approximately \$343.2 million has been programmed or spent on TUMF activities as shown on Table 1 below.

Table 1 - Remaining Needs Summary

Category	2009 Nexus Estimate	Programming Commitments*	Remaining Need
Network (net)	\$ 3,535,388,000	\$ 312,967,453	\$ 3,222,420,547
MSHCP	\$ 61,826,000	\$ 4,300,000	\$ 57,526,000
Administration	\$ 107,916,420	\$ 20,440,662	\$ 87,475,758
Transit	\$ 59,959,000	\$ 25,909,298	\$ 34,049,702
Totals	\$ 3,765,089,420	\$ 363,617,414	\$ 3,401,472,006

*FY2009/10 to FY2019/20

Based upon actions taken since the last Nexus Update, \$3.4 billion is needed to complete the TUMF network (including MSHCP and RTA improvements). Cost attributable to government/public sector exemptions are included in the “Remaining Need” values shown and must be made up from non-TUMF sources. In addition, funds previously assumed to be obligated but subsequently cancelled would similarly need to be covered by non-TUMF sources. Project improvements that have been or can be delivered for less than the Nexus cost factors will help to address the remaining need budget.

Projected Expenditures

Task 1 included a summary of approved programming commitments through FY2019/20. Based on that information, we project an uncommitted fund balance of approximately \$90 million in FY2015/16. This balance will grow to \$143.5 million by FY2019/20 if no new programming commitments are made and the conservative revenue projections are met.

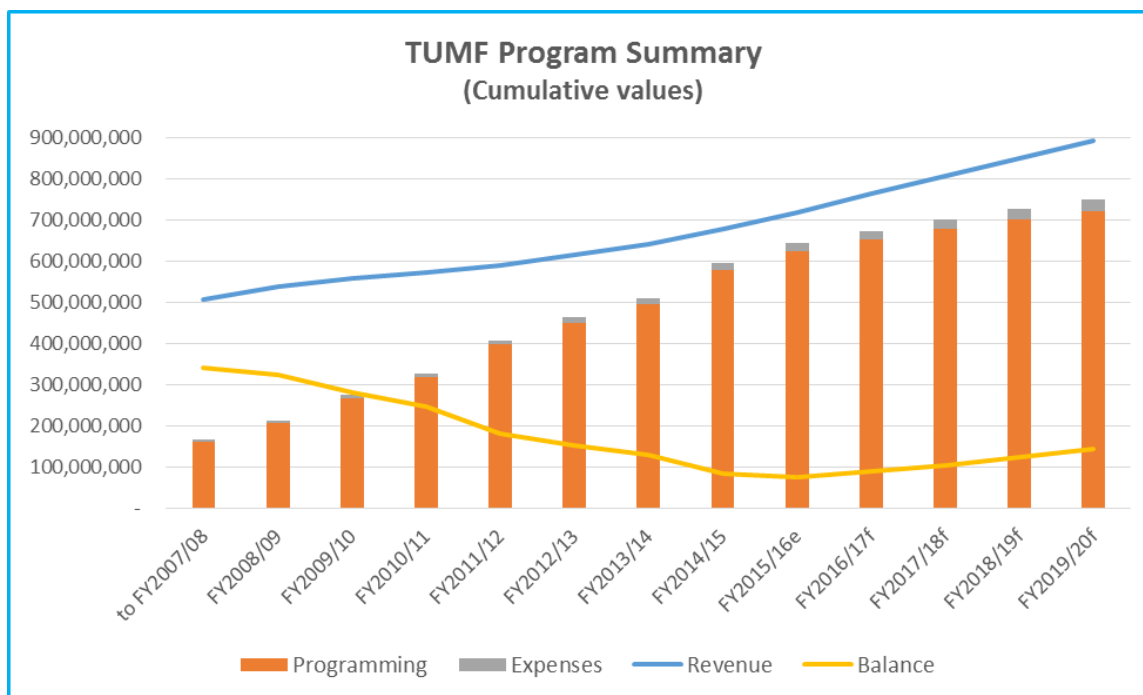


Figure 3 - Revenue and Uncommitted Balance

It is important to note that these are uncommitted funds. The actual fund balance is substantially higher and reflects the relative lag in time between the programmed year and the time reimbursement is requested and made. Historically, RCA reimbursement requests have been less than the 5% set aside for TUMF eligible construction activities. In addition, RTA programming was non-existent prior to FY2009/10 but has steadily kept pace with expectations since then. These factors, combined with a conservative approach to programming through the Zone, have led to an uncommitted balance that is two to four times the annual revenue projection.

Revenue and Expenditures Summary by Entity

Revenues are collected at the local agency level and transmitted to WRCOG for distribution on a formula basis according to the Administrative Plan and Nexus Study. Revenues shown in the Annual TUMF Report are based upon an allocable method for its planned purpose. Non-network collections are assigned to MSHCP, RTA and WRCOG based upon a percentage while the remaining balance is divided equally between the Zones for “secondary” network improvements and RCTC for “backbone” improvements. Revenues collected at the local agency level for this reporting period were reported in the Task 1 memo.

A summary of programming commitments by Zone and entity is shown in Table 2. It should be noted that Zone programming includes Backbone projects which, by definition, should be covered by the RCTC regional component. Balancing of the Backbone (RCTC/Regional) and Secondary (Zone) network funding is being considered in future administrative actions. The programming represented in this table denotes current commitment structures.

Table 2 - Programming Summary by Entity

		Programming	
		Reporting Period	Inception to FY2019-20
Zones	Central	\$ 66,620,255	\$ 91,861,738
	Hemet/San Jacinto	\$ 22,580,558	\$ 25,181,245
	Northwest	\$ 67,767,108	\$ 119,204,740
	Pass	\$ 5,755,559	\$ 7,322,559
	Southwest	\$ 99,644,731	\$ 140,834,630
	<i>Sub-Total Zones</i>	<i>\$ 262,368,211</i>	<i>\$ 384,404,912</i>
MSHCP		\$ 4,338,923	\$ 5,088,923
RTA		\$ 13,389,995	\$ 25,909,298
RCTC		\$ 136,898,581	\$ 307,048,825
WRCOG Administration		\$ 21,554,405	\$ 26,965,751
Totals		\$ 438,550,115	\$ 749,417,709

Next Steps

The Expenditure Report is expected to be comprised of summary information contained within each task memo. Task 1 addressed program cash flows. Task 3 will address sufficiency of funding but is not legislatively required. This information is useful as a planning tool and may influence recommendations for future consideration.

Appendix C
Task 3 Technical Memorandum
Sufficiency of Funding for TUMF System



To: Christopher Gray
WRCOG Director of Transportation

From: Paul Rodriguez
Project Manager

Date: August 8, 2016

Subject: Five-Year TUMF Expenditure Report
Task 3 Technical Memorandum – Sufficiency of Funding for TUMF System

The TUMF program and fee levels are established through a Nexus Study process with periodic updates. Each update includes adjustments to the network, cost factor assumptions and growth projections. In this way, funding sufficiency is routinely evaluated and corrections are made as needed. There are risks and implications to program exemptions, fee discounts and other revenue reductions. While these have direct impact on the program receipts, offsetting actions such as interest revenue, capital project implementation savings due to competitive bidding, external funding contributions (i.e., state/federal grants and local match commitments), improvements constructed by developers without benefit of a credit agreement, and ROW dedications have a balancing effect.

Programmatic Shortfall Challenges

The 2009 Nexus Study identified \$3,765,089,420 in net eligible TUMF cost (need). This reflects removal of “existing” need that cannot be assigned to growth as well as reductions taken for other committed funding sources. Fees are assigned based upon the relative share of future trips attributable to project development units. Fee categories include single family residential (SFR), multi-family residential (MFR), industrial, retail, service/commercial, and government. The government category is exempt within the program and results in a policy-related funding shortfall of \$389.8 million through the 2035 program horizon year.

The \$3.765 billion program would need to collect an average of \$144.8 million in fees and in-lieu value through 2035 to be whole. After exemptions are taken into account, \$3.375 billion is projected in revenue at an annual rate of \$129.8 million leaving a shortfall of \$15 million that must be filled by program cost savings or other revenue sources. Average annual revenues since

program inception have been approximately \$50.7 million which includes extraordinary collection years in FY2003/04 through 2006/07. The average net revenues without those years is \$26.9 million. Figure 1 illustrates the differences between program cost, program revenue assumptions and actual/projected revenues.

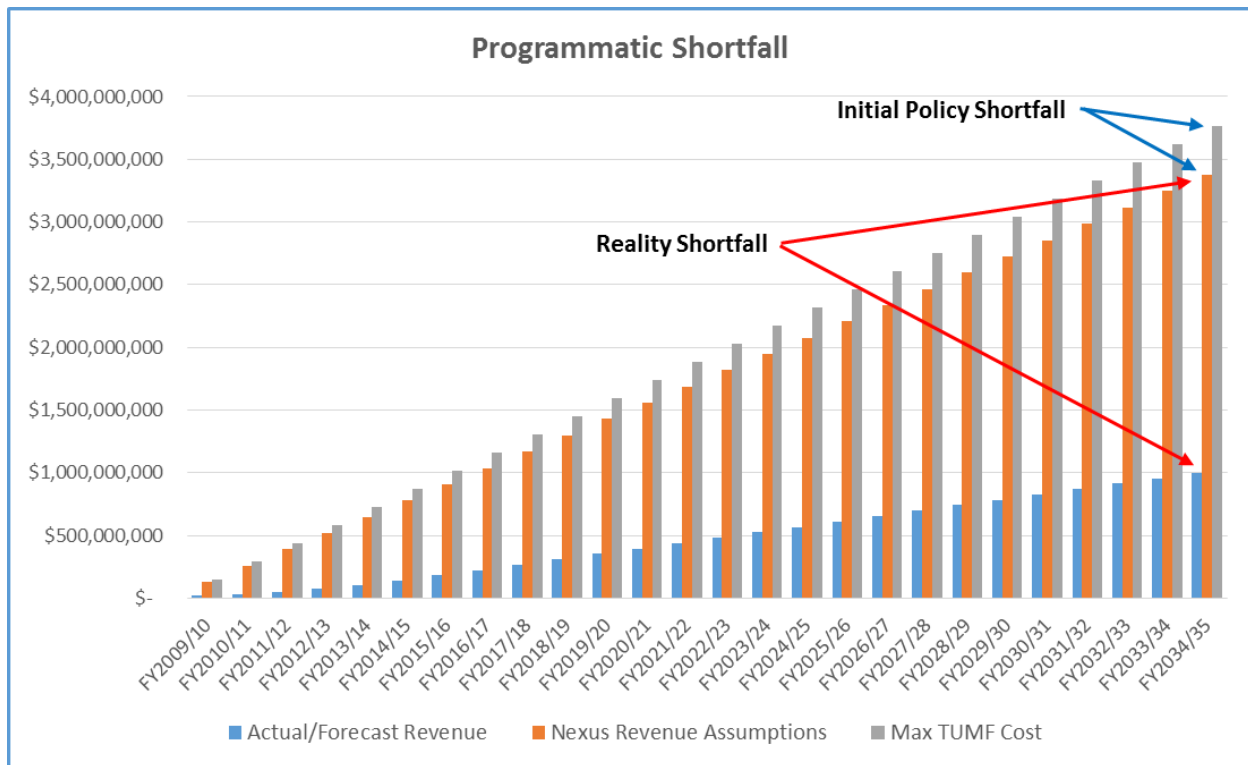


Figure 1 - Revenue Gap Over Time

Sufficiency of Funding

The pace of development has a direct effect on the need for the program improvements and the revenues generated through the program. In theory slow development, provided it still occurs in the patterns contained within the Nexus Study, results in deferred need for improvements necessitated by growth. By re-examining the network periodically and making adjustments to growth projections and infrastructure needs, the program is able to recalibrate assumptions.

Despite the recalibration opportunities of program updates, there are several policy and procedural actions that amplify the programmatic shortfalls that were discussed in the previous section.

Construction Cost Index

TUMF is based upon cost factors established during Nexus Study development. Over time, these factors become outdated based upon economic influences, bidding environment and legislative

changes. It is common for impact fee programs to adjust cost factors and related fees periodically to ensure sufficient funding is available to implement improvements contained within the program. Since adoption of the 2009 Nexus Study, actual cost has increased but adjustments to the underlying cost factors have been deferred in an effort to hold fees steady. Without adjusting the cost basis, it is more likely that improvements will cost more than the eligible values contained within the program.

Fee Discounts

Following the adoption of the 2009 Nexus Study, many jurisdictions adopted temporary fee reductions. The primary intent was to address a concern that the full fee would inhibit the ability for development to meet housing needs in the region. In addition, there was significant concern about the ability to retain and/or generate jobs in a rapidly declining economy. TUMF hit an all-time revenue high of \$146 million in FY2006/07 and dropped to its lowest level of \$14 million by FY2011/12. The bidding environment during this period was very competitive but the lack of revenues inhibited the ability to take full advantage. Still, the relative lower cost delivered short term program savings that exceeded the perceived loss of revenue resulting from the discounted fee. Class A office discounts have been in place continuously since the early years of the program. The fee reduction was put in place to stimulate production of professional office space and improve job availability for “higher paying” jobs. The economic benefit of this policy has not been evaluated.

Land Use Shifts

The 2009 Nexus Study projected development of 57.5 million square feet of industrial development through 2035. This land use category represents a potential of \$99.5 million in TUMF based upon the adopted fee of \$1.73 per square foot. However, the explosive growth in high cube distribution structures has played a prominent role in the industrial land use category. The fee calculation for industrial uses includes a provision for a different trip generation profile between typical industrial uses and those of distribution centers. As a result, high cube development is charged the full rate for the first 200,000 square feet with square footage above this amount assessed based upon a factor of 0.24 meaning that a 500,000 square foot building would be assessed a fee based upon 272,000 square feet (i.e., 200,000 square feet + [300,000 square feet x 0.24]) for a total fee of \$470,560. The fee for typical industrial uses that are not high cube would be \$865,000. Although the lower fee assessment is a more accurate reflection of the relative impact on the system, the Nexus Study cannot distinguish these subtleties. Although industrial uses are highlighted here, other fee calculation methodologies result in a difference between the theoretical approach taken in the Nexus Study (consistent with legislative requirements) and the practical side of implementation.

Next Steps

The Expenditure Report is expected to be comprised of summary information contained within each task memo. Task 1 program covered cash flows. Task 2 covered revenue and programming forecast. This information is useful as a planning tool and may influence recommendations for future consideration.

Item 5.F

WRCOG Transportation Department
Activities Update

Attachment 2

WRCOG Active Transportation Plan
Existing Conditions Presentation

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Project Overview

- Assisting WRCOG in developing an Active Transportation Plan (ATP)
- Existing conditions analysis identifies gaps in the region with regard to bicycle and pedestrian projects and programs
- Developing a list of key challenges, opportunities, and health topics that will be highlighted and addressed in the ATP
- ATP will recommend and set goals, objectives, and performance metrics for the implementation of active transportation programs and projects.

Role of ATN/Working Group

- Working group to engage a broad section of stakeholders
- Provides local input
- Resource with local/regional knowledge
- Acts as a “sounding board” for ideas



Existing Conditions

Table of Contents

1. Introduction	
2. Existing Planning Context.....	
Active Transportation Plans and Policies in the WRCOG Subregion.....	
State Initiatives	
Federal Initiatives.....	
3. Existing Active Transportation Environment.....	
WRCOG Today.....	
Types of Active Transportation Facilities	
Active Transportation Trip Types.....	
Existing Active Transportation Facilities.....	
Active Transportation Collision Analysis.....	
Key Issues and Active Transportation Needs Assessment.....	
Health Component	
4. Current Active Transportation Projects/Programs	
Active Transportation Projects List.....	
Active Transportation Programs List.....	
A. Active Transportation Documents	



Needs Analysis

Data Review

Collision Analysis

- Statewide Integrated Traffic Records System (SWITRS)

Community & Staff Surveys

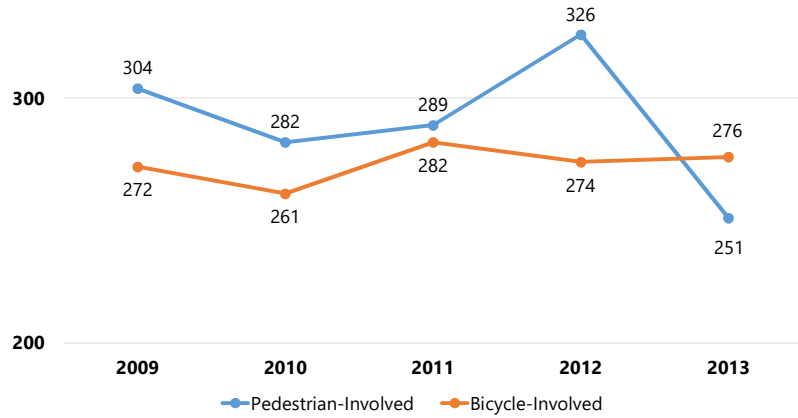
- Identify community needs, and perception of 2010 Western Riverside County NMTP
- Community Survey (English):
[www.surveymonkey.com/r/WRCOG ATP Eng](http://www.surveymonkey.com/r/WRCOG_ATP_Eng)
- Community Survey (Spanish):
[www.surveymonkey.com/r/WRCOG ATP Spa](http://www.surveymonkey.com/r/WRCOG_ATP_Spa)

Data Review

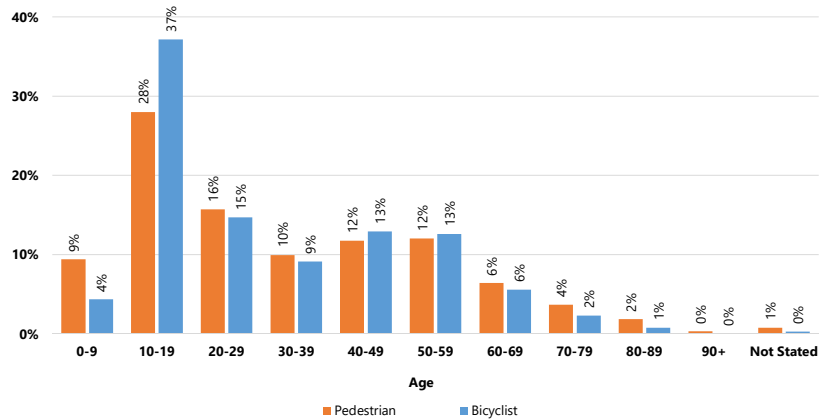
Common ATP Goals/Policies in General Plans

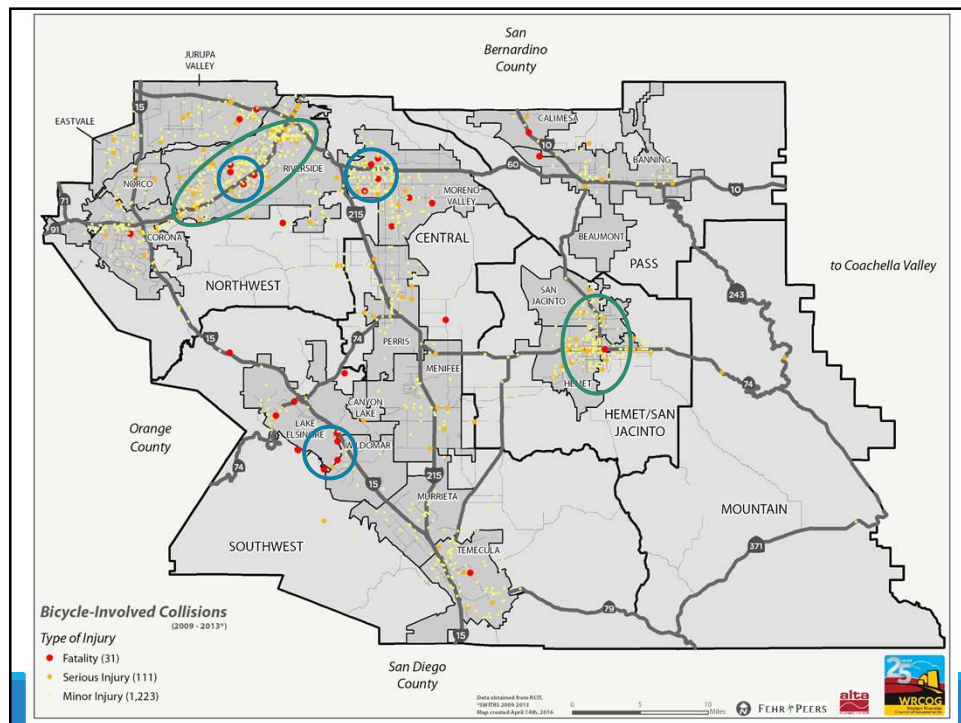
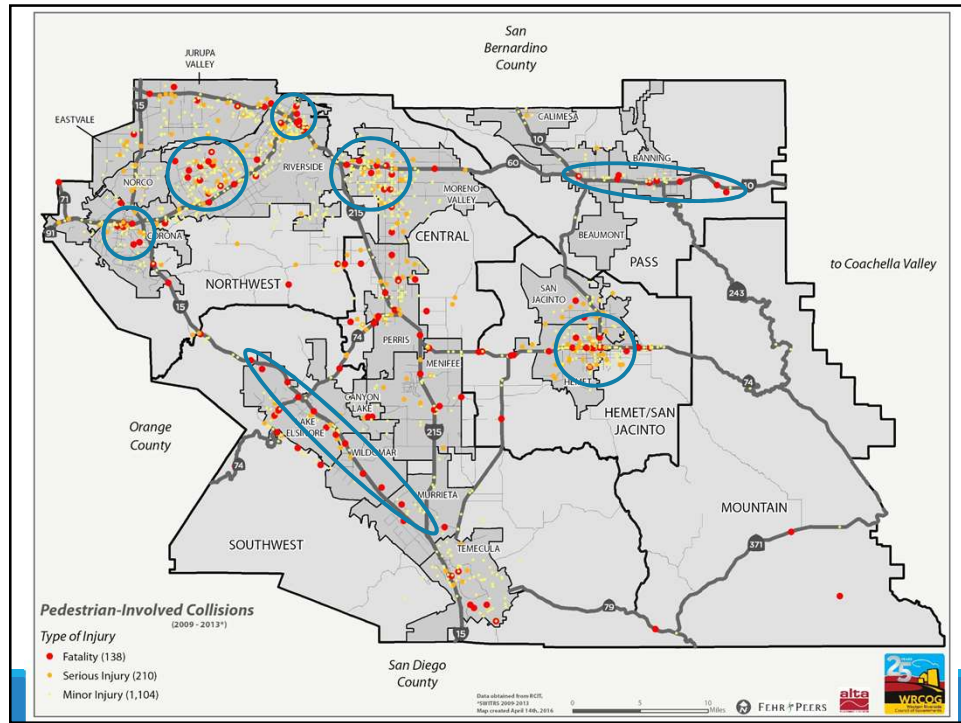
- Safety
- Safe Routes to School
- Transit-Oriented Development
- Complete Streets
- Flexibility in Level of Service
- Encouragement of Walking/Bicycling as Alternative to Single Occupancy Vehicle Travel

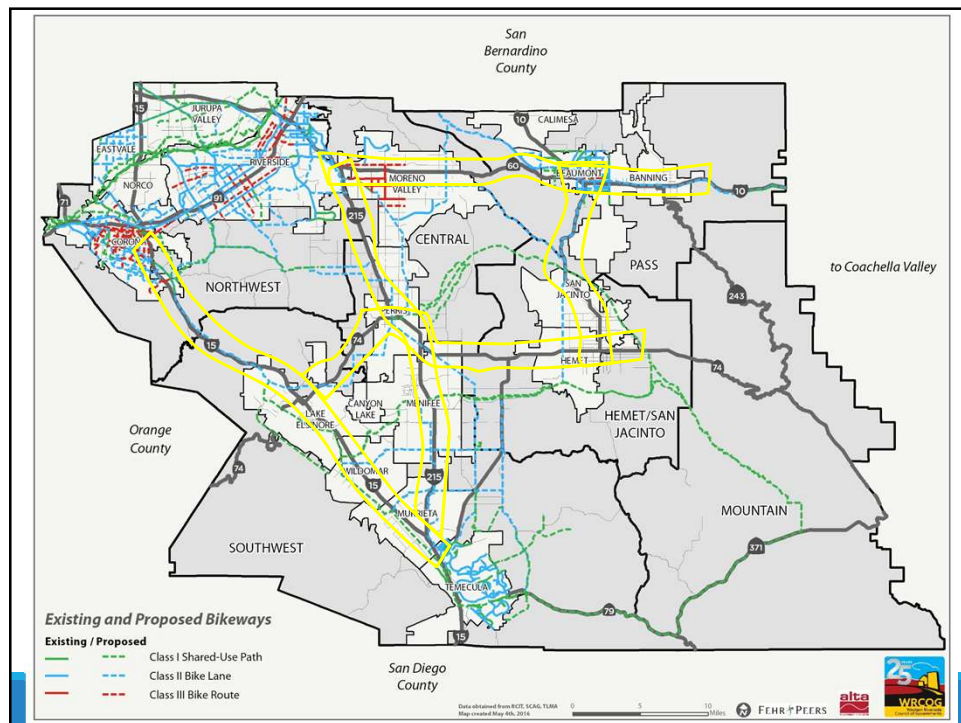
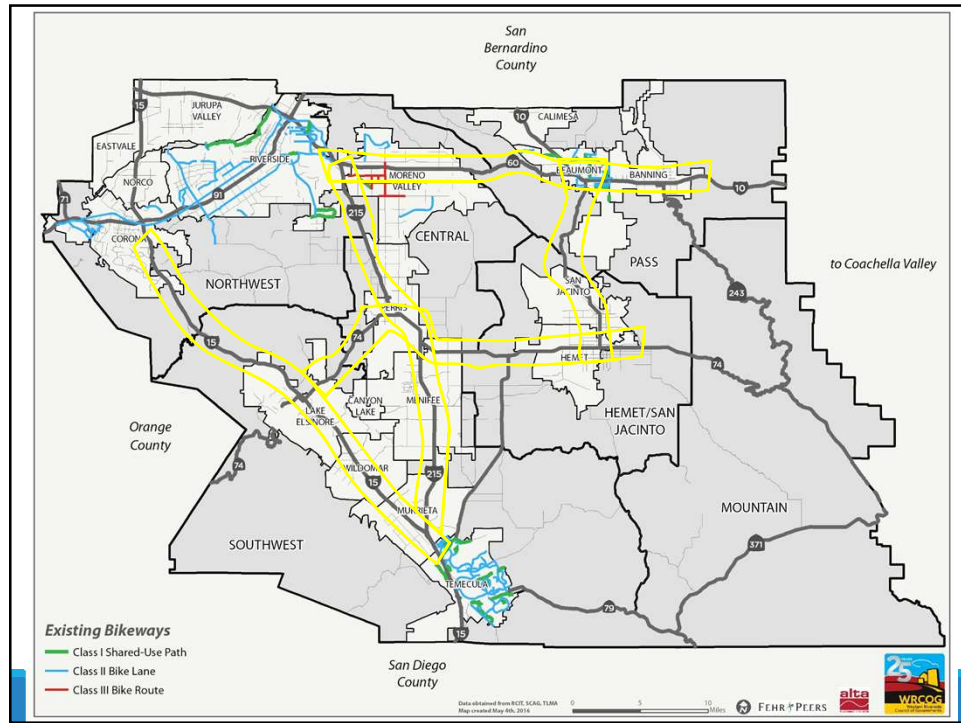
Collision Analysis



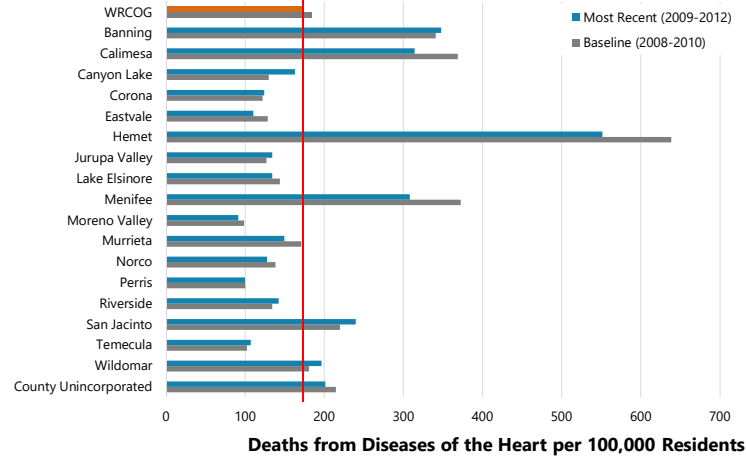
Collision Analysis



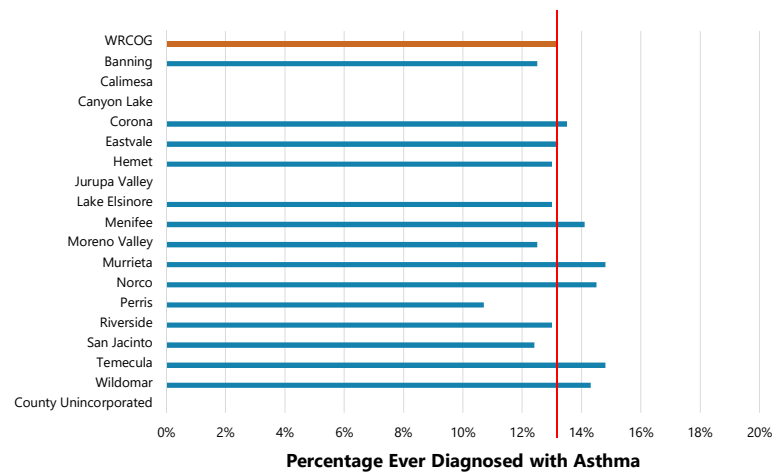




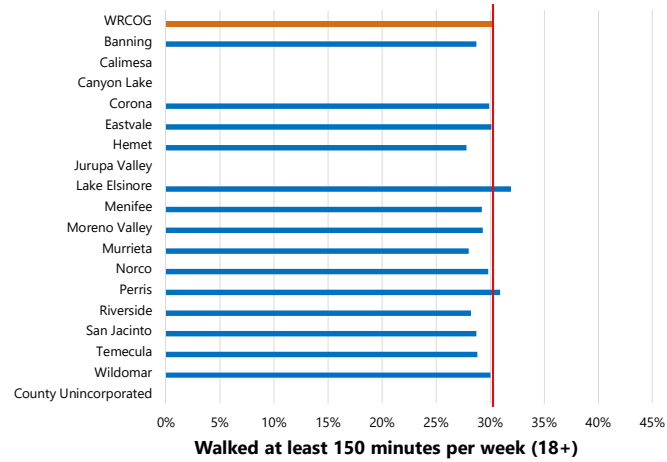
Heart Disease



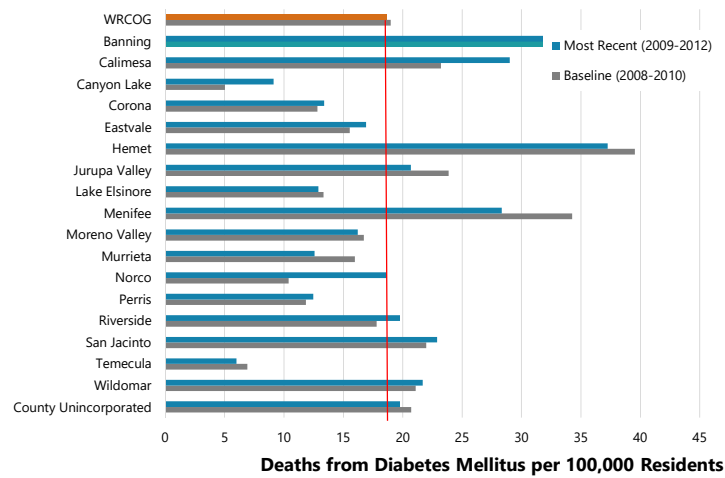
Asthma



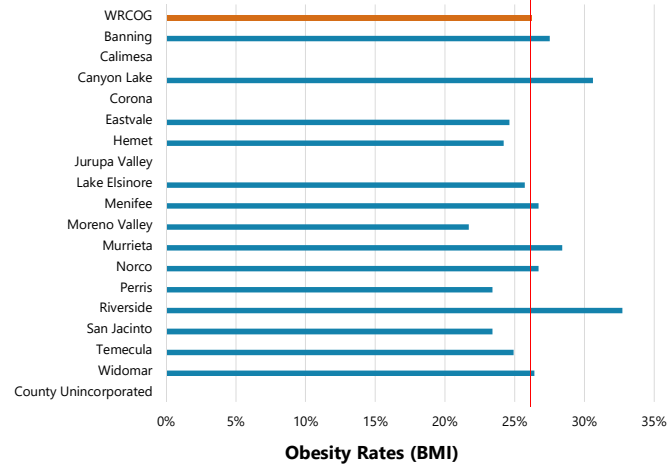
Physical Activity



Diabetes Mortality

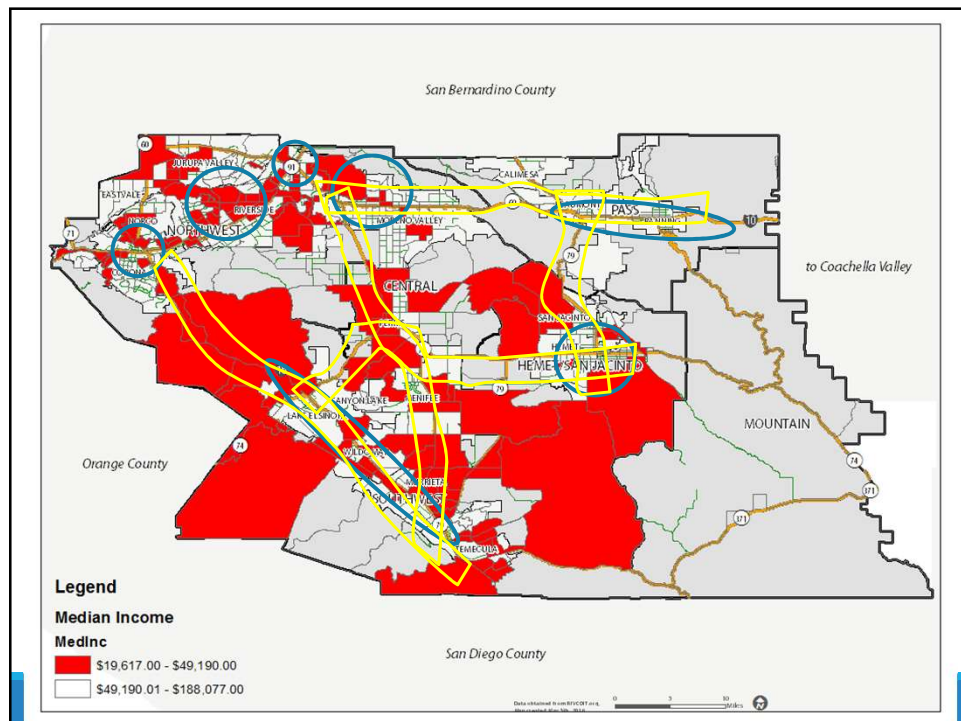
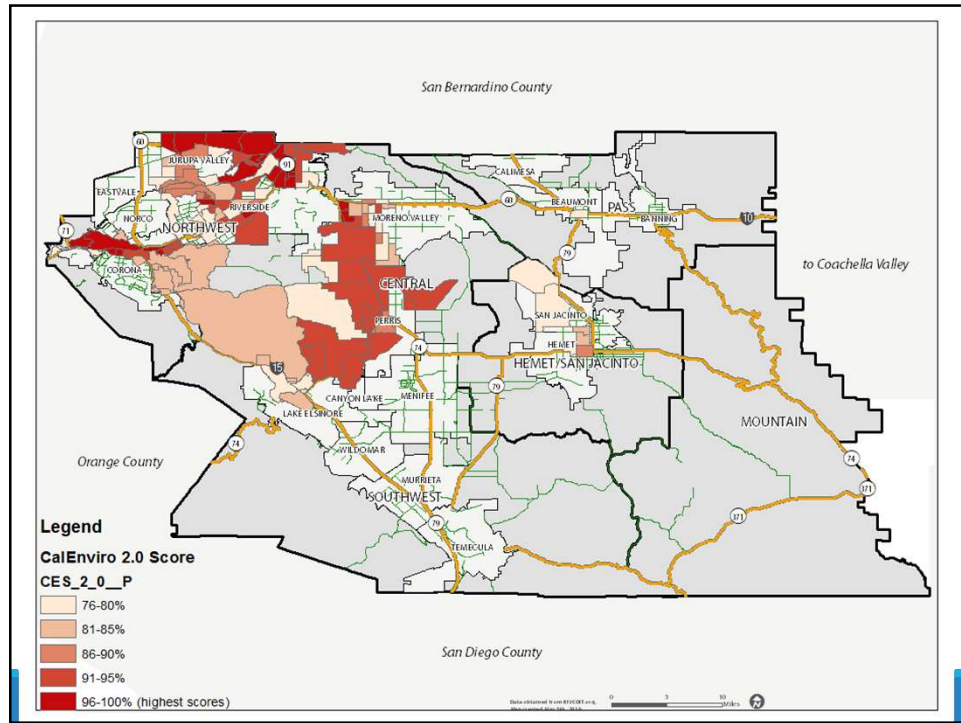


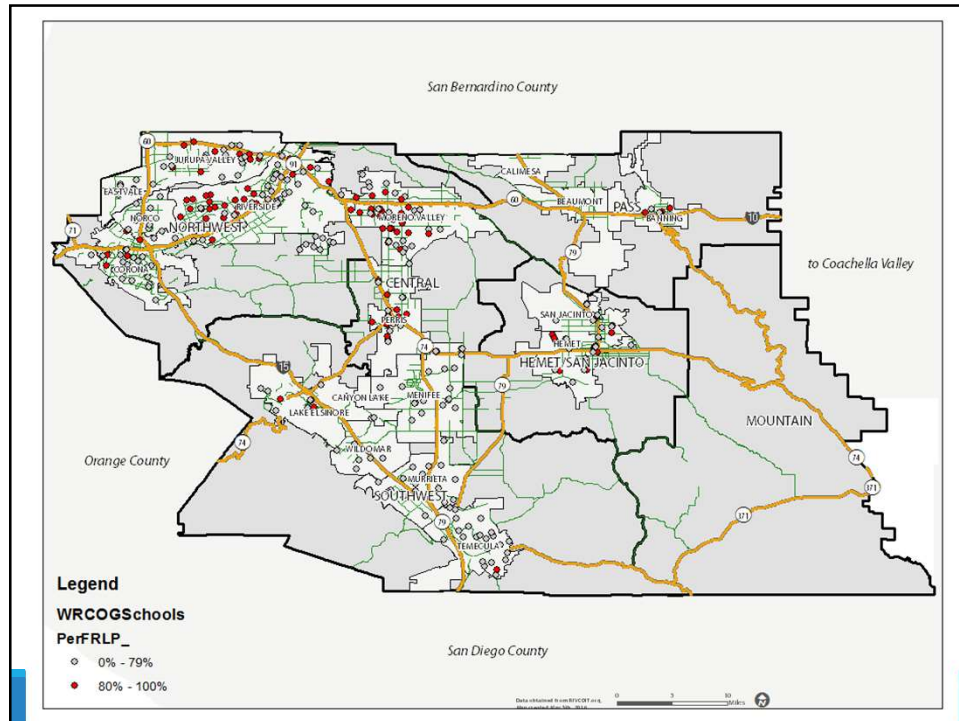
Adult Obesity



Disadvantaged Communities

1. Cal Enviro Score > 80%
2. Median Income < 80% state average (\$49,100)
3. Schools > 80% students receive free or reduced school lunches





Working Group Meeting Topics

- May 2016: Existing conditions preview and future facility brainstorm
- August 2016: Existing conditions overview and Goals and Objectives review
- November 2016: Preliminary regional ATP network and feedback
- February 2017: Health, Safety, and Education focus
- May 2017: WRCOG Cost Tool training
- August 2017: Draft WRCOG ATP

Working Group Feedback

- Collision review reflective of experiences?
- Demand/potential for regional corridors?
 - Destinations
 - Facility gaps
 - Safety concerns
 - Equity
 - Community support
 - Existing/latent demand
- On-going/upcoming related efforts?



Questions?





Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Leader Partnership Update

Contact: Tyler Masters, Program Manager, masters@wrcog.cog.ca.us, (951) 955-8378

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

The Western Riverside Energy Leader Partnership (WRELP) responds to WRCOG Executive Committee direction for WRCOG, Southern California Edison (SCE), and the Southern California Gas Company (SoCalGas) to seek ways to improve marketing and outreach to the WRCOG subregion regarding energy efficiency. WRELP is designed to assist local governments to set an example for their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.

Direct Install Program

SCE's Direct Install Program replaces inefficient appliances / equipment at small and medium sized businesses no-cost with new energy-efficient models. SCE is completing the Program for selected jurisdictions (Canyon Lake, Lake Elsinore, Menifee, Murrieta, Perris, San Jacinto, and Temecula) in the subregion through September 30, 2016. Those jurisdictions that were unable to take advantage of the Program will work with SCE to ensure their inclusion during the next round of funding. Once results of this round of the program have been compiled by SCE, WRCOG staff will provide an update to its members on the effectiveness of the Program.

Net Zero Energy Conference

On August 19, 2016, the Verdical Group hosted a Net Zero Conference at SoCalGas' Energy Resource Center (9240 Firestone Boulevard, Downey, CA 90241). The event was offered at no-cost to interested parties and provided guests with information on how to achieve create and implement net zero designs in residential / commercial buildings. In addition to this information, the half day conference provided attendees with six short TED style net zero case study presentations, exhibitor table expo, and high quality networking opportunities.

As a note to background, in 2007, the California Public Utilities Commission (CPUC) adopted the goal of achieving Zero Net Energy (ZNE) building standards for new residential construction by 2020 and new commercial construction buildings by 2030. A ZNE building is a building with zero energy consumption which means that the total amount of energy used by the building on an annual basis is roughly equal to the amount of renewable energy created on the site. ZNE buildings contribute less greenhouse gases to the atmosphere than non-ZNE buildings.

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

WRELP activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Energy Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Clean Cities Coalition Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: October 3, 2016

Requested Action:

1. Receive and file.

The WRCOG Clean Cities Coalition administers several programs focusing on reducing the use of petroleum fuel and developing regional economic opportunities for deploying alternative fuel vehicles and advanced technologies. Additionally, the Coalition provides programs for students to think critically and independently about air quality and how to live healthier lives.

Clean Cities Coalition Quarterly Meeting

WRCOG will hold its next quarterly meeting on Wednesday, October 26, 2016, on the campus of UC Riverside, at the Center for Environmental Research and Technology (CE-CERT). CE-CERT is the largest research center on campus and brings together multiple disciplines throughout the campus to address environmental challenges in air, energy, and transportation. The Center's research focus is on utilizing technology to achieve environmental sustainability that requires innovation in many different areas. The types of projects that research teams from CE-CERT work on are focused on clean air, sustainable transportation, renewable fuels, renewable energy and smart grids, and climate change. Another important aspect of CE-CERT is its collaboration with industry to develop, validate, and improve technologies related to energy and the environment, and to implement pilot scale demonstration and testbeds to vet the viability of new technologies on a useable scale.

The meeting will include a presentation CE-CERT staff on their Emissions and Fuels Research (EFR) and Transportation Systems Research (TSR). The EFR group helps facilitate implementation of alternative fuels and to evaluate issues associated with the implementation of alternative fuels. A major project the EFR Group is its study of the energy and environmental impacts of advanced emission control technologies and reformulated or alternative fuels. The TSR group focuses on correctly characterizing vehicle activity factors, since this is one of the critical components of predicting transportation systems energy and emissions.

The main portion of the meeting will be a tour of CE-CERT's facilities. Attendees will be able to view the research that is being conducted in some of the technologies that will advance the Clean Cities' goal to advance the reduction of petroleum use in transportation. The goal is that attendees will be able to preview the upcoming technologies that jurisdiction's fleets may be able to utilize.

Prior WRCOG Action:

September 12, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Public Service Fellowship Update

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.cog.ca.us, (951) 955-0186

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

In partnership with higher education institutions, WRCOG developed and launched a Public Service Fellowship Program that will provide local university graduates with career opportunities within local governments and agencies in a way that is mutually beneficial to both the Fellow and Agency.

Background

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

WRCOG is responsible for general Program administration and oversight, administering employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, and recommending local government and agency placements. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Academic Sessions to support their hands-on work experience. A representative from each university serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

Fellowship Program Status

For the first round of the Program, 17 Fellows (11 from UCR and 6 from CBU) have been placed in WRCOG member jurisdictions. The Fellows are currently in their 3rd month of the Program. There have been three Academic Sessions for the Fellows; August 5, August 26, and September 16, 2016. The Fellows received presentations from the following local leaders: City of Riverside City Manager, John Russo; City of Riverside Museum and Cultural Affairs Director, Sarah Mundy; City of Menifee City Manager, Rob Johnson; and Western Municipal Water District Public Information Officer, Rachel McGuire. The Academic Sessions are intended to

augment the Fellows' experiential learning and foster a deeper understanding of the many opportunities within the public sector in Western Riverside County.

The Fellows have been working on a wide array of projects from outreach / city events to legislative matters. Four Fellows have made presentations to their respective City Councils. WRCOG has received positive feedback from the Fellows and they are all very pleased to be a part of the Program.

October 5 – 7, 2016, eight of the WRCOG Public Service Fellows will be representing their host agencies at the League of California Cities Annual Conference in Long Beach, CA.

Prior WRCOG Action:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

Activities for the Fellowship Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Government Relations Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Transportation Department On-Call Engineering Consultants

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: October 3, 2016

Requested Action:

1. Direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). WRCOG Transportation staff efforts are supported by a variety of consultants who provide both planning and engineering services. As such, WRCOG recently undertook an effort to identify additional engineering consultants to support the departments various activities over the next few years.

On-Call Engineering Consultants

WRCOG has retained a variety of consultants to assist with various efforts, primarily focusing on the TUMF Program. Since 2006, WRCOG has retained one engineering consultant to assist with the review of TUMF invoices prepared by jurisdictions, conduct field reviews, and review developer cost estimates for Program eligibility. One of the main roles of this consultant is to review the invoices and determine whether these requests are consistent with the requirements of the TUMF Program and, therefore, eligible for payment.

Over the past year, the need for additional on-call engineering consultants has grown based on the following:

- The number of invoices submitted for reimbursement have increased and member agencies have requested that WRCOG expedite review to provide more timely reimbursement
- Several member agencies have also requested that WRCOG prepare additional guidance documents such as a manual or sample invoices to guide the reimbursement process
- WRCOG has initiated work on a regional Active Transportation Plan (ATP) and requires technical assistance to review elements of the ATP, particularly conceptual designs and cost estimates for future facilities
- WRCOG is also evaluating a potential regional Water Quality Mitigation Program, in coordination with Riverside County Flood Control, and staff requires additional technical expertise in that regard

WRCOG distributed a Request for Proposal, with a due date of July 1, 2016, for which six firms submitted written proposals for consideration. Staff reviewed these proposals and recommended that five firms be interviewed, which were conducted on July 28, 2016.

The interview panel consisted of WRCOG Transportation Department staff and a representative of the City of Perris. After interviewing the firms, the interview panel recommended that WRCOG select four firms to provide on-call engineering services as listed below:

1. WG Zimmerman Engineering
2. Transportation Engineering and Planning
3. WSP Parsons Brinckerhoff
4. Kimley-Horn

These contracts are structured as on-call contracts, with WRCOG issuing work on a task order basis to individual firms for specific work assignments. The total value of each contract is up to \$100,000 with each contract extending through June 2018.

If approved by the WRCOG Executive Committee, staff will be meeting with each selected firm to identify initial work assignments, which are expected to include:

- TUMF invoice review
- TUMF Reimbursement Manual
- Attending future meetings of stakeholder group discussing WRCOG's proposed regional Water Quality Mitigation Program (or Alternative Compliance Program - ACP)
- Supporting staff in the review of Credit Agreements, Reimbursement Agreements, and other TUMF-related documents

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee recommended that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

September 14, 2016: The WRCOG Administration & Finance Committee recommended that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

August 11, 2016: The WRCOG Public Works Committee recommended that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

WRCOG Fiscal Impact:

Funding for on-call engineering services is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. Agreement for On-Call Professional Services with WG Zimmerman Engineering.
2. Agreement for On-Call Professional Services with Transportation Engineering and Planning.
3. Agreement for On-Call Professional Services with WSP Parsons Brinckerhoff.
4. Agreement for On-Call Professional Services with Kimley-Horn.

Item 5.J

WRCOG Transportation Department
On-Call Engineering Consultants

Attachment 1

Agreement for On-Call Professional
Services with WG Zimmerman
Engineering

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES

1. Parties and Date.

This Agreement is made and entered into this _____ day of October, 2016, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and **WG Zimmerman Engineering, a small business enterprise** (“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 and in the task order(s) to be issued pursuant to this Agreement and executed by the parties (“Task Order”). Consultant represents that it is experienced in providing on-call engineering services 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, on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under this Agreement).

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work, on an on-call basis, necessary to fully and adequately supply professional services and advise on various issues affecting the decision of WRCOG (“Services”). The types of Services to be provided are generally described in Exhibit “A” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit “C”. 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 Term. The term of this Agreement shall be from **October 2016 to June 2018**, 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 set forth in the Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. 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 specific schedule that shall be set forth in the Task Order ("Schedule of Services"). **Consultant shall be required to commence work within five (5) days of receiving a fully executed Task Order.** 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 each Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon the request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant 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: **Bill Zimmerman, President** or as otherwise specified in the relevant Task Order.

3.2.5 WRCOG's Representative. WRCOG hereby designates **Christopher Gray, Director of Transportation**, or his or her 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 **Bill Zimmerman, President**, or his 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 and as described in the relevant Task Order.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG’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.

(a) 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.

(b) 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:

(i) 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.

(ii) 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.

(c) 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.

(d) 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:

(i) General Liability.

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(ii) Automobile Liability.

(1) 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.

(iii) Workers’ Compensation and Employers Liability Coverage.

(1) 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.

(2) 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.

(iv) All Coverages.

(1) Defense costs shall be payable in addition to the limits set forth hereunder.

(2) 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.

(3) 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).

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(e) 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 “B” attached hereto and incorporated herein by reference. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. The total compensation shall not exceed **One Hundred Thousand Dollars (\$100,000)** (“Total Compensation”) 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.

(a) 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.

(b) 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.

(c) 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: WG Zimmerman Engineering
17011 Beach Boulevard Suite 1240, Huntington Beach, CA 92647
Attention: Bill Zimmerman

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Christopher Gray
Phone: 951-955-8304

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.

(a) Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG 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 WRCOG 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.

(b) Intellectual Property.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

(v) 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.

(c) 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 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.

(d) 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 alleged 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, this Agreement, or any Task Order, including without limitation the payment of all consequential 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 require 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
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

WG Zimmerman Engineering

By: _____
Rick Bishop
Executive Director

By: _____
Bill Zimmerman
President

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A” SCOPE OF SERVICES

On-Call and As-Needed Engineering Services

Such engineering services may include, but are not limited to, the following work activities:

Task 1-Review of One Simple TUMF Invoice

The Consultant will be asked to review TUMF project invoices submitted by member jurisdictions for reimbursement. The invoice should contain all necessary support documentation and the Consultant shall review each invoice to ensure that the work invoiced against is for the identified project. As part of the review of invoices and support documentation, the Consultant will prepare a memo to WRCOG staff authorizing payment for eligible expenses under the Program. Exhibit A provides a sample of a typical invoice submitted to WRCOG for review.

Task 2-Review of One Complex TUMF Invoice

On occasions, member jurisdictions submit invoices and do not receive full reimbursement due to issues that arise during the review process. Issues that typically occur include, but are not limited to the following: expenses for work ineligible under the Program, expenses for work outside the scope of the project, local match contribution rate is not applied, amount invoice exceeds amount programmed on the Zone Transportation Improvement Program. With situations in which invoice issues are found, a meeting between WRCOG, the Consultant, and member jurisdiction staff is convened to discuss the issues pertaining to the invoice. Exhibit B provides a sample of an invoice that contains some of the issues previously described.

Task 3- Preparation of TUMF Reimbursement Manual

WRCOG currently administers the TUMF Program using a variety of documents including the Administrative Plan, the Nexus Study, and individual ordinances adopted by member jurisdictions. WRCOG has also developed an internal document related to preparation and review of TUMF invoices. The purpose of this Task is to develop an updated and comprehensive document that member agencies, consultants, and other parties can use to facilitate the reimbursement process.

Key elements of this document should include but not be limited to the following:

- A sample invoice packet
- A listing of expense items which are eligible for reimbursement
- A listing of expense items which are not eligible for reimbursement

Exhibit “A”

- A policy regarding project change orders and how WRCOG Staff will review change orders for reimbursement purposes

As part of developing this manual, the Consultant will be asked to review documents from other agencies who administer reimbursement programs of comparable size and scale. Additionally, the Consultant will be asked to make at least two presentations to the WRCOG Public Works Committee (PWC) to obtain input and present the draft document for review.

A key element of this effort is also working with local agencies to obtain their feedback on the TUMF reimbursement process. Consultants will be asked to meet with at least five (5) of WRCOG's member jurisdictions to discuss any questions or concerns about this process.

Task 4- Review of Active Transportation Plan Cost Estimates

The Consultant will be asked to perform a peer review of any cost estimates prepared for the Regional Active Transportation Plan (ATP) that WRCOG is currently updating. As part of the Regional ATP, WRCOG's Consultant Team will be identifying key regional corridors to provide additional bicycle and pedestrian connectivity between member agencies. The Consultant will be asked to provide input on the unit costs and the total project costs for each identified corridor.

Task 5- Meeting Attendance

WRCOG anticipates that Consultants could be asked to attend meetings on WRCOG's behalf related to a variety of issues involving the Transportation Department. For purposes of cost estimating, please assume that each meeting requires one hour traveling to the meeting site, 4 hours of meeting attendance, and one hour to prepare a summary of each meeting.

Task 6- Other Duties as Assigned

WRCOG anticipates that Consultants could be asked to perform other duties as they related to the Transportation Department. Such duties can include but are not limited to the review/reconciliation of TUMF Improvement and Credit Agreements, reviewing bid packets to advise WRCOG whether specific items are eligible expenses under the TUMF Program, and assistance with the Water Quality Framework – Alternative Compliance Program.

**EXHIBIT “B”
COMPENSATION**

Classification	Rate
Principal	\$ 215.00/Hr
Registered Traffic Engineer	\$ 215.00/Hr
Senior Project Manager (Registered)	\$ 210.00/Hr
Project Manager (Registered)	\$ 190.00/Hr
Senior Project Engineer (Registered)	\$ 180.00/Hr
Project Engineer	\$ 145.00/Hr
Senior Associate Engineer	\$ 125.00/Hr
Associate Engineer	\$ 115.00/Hr
CAD Manager/Senior Designer	\$ 102.00/Hr
Microstation CAD/Technician	\$ 110.00/Hr
AutoCAD/Technician	\$ 95.00/Hr
Administration/Office Support	\$ 75.00/Hr
Non-Labor Expenses	
Mileage (local) Federal Rate¢ per Mile	
Printing Cost plus 5%	
Reproduction (Blue lines) Cost plus 5%	
Other Expenses (such as sub-consultants, outside services or special equipment needs) Cost plus 5%	

Exhibit “B”

EXHIBIT "C"
SAMPLE TASK ORDER FORM

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

TASK ORDER

Task Order No. _____

Contract: [INSERT NAME OF CONTRACT]

Consultant: [INSERT NAME OF CONSULTANT]

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$_____,_____.00

Completion Date: _____

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Consultant

Dated: _____

Dated: _____

By: _____

By: _____

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Item 5.J

WRCOG Transportation Department
On-Call Engineering Consultants

Attachment 2

Agreement for On-Call Professional
Services with Transportation
Engineering and Planning

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES

1. Parties and Date.

This Agreement is made and entered into this ____ day of October, 2016, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and **Transportation Engineering and Planning, Inc., a subchapter corporation**(“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 and in the task order(s) to be issued pursuant to this Agreement and executed by the parties (“Task Order”). Consultant represents that it is experienced in providing on-call engineering services 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, on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under this Agreement).

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work, on an on-call basis, necessary to fully and adequately supply professional services and advise on various issues affecting the decision of WRCOG (“Services”). The types of Services to be provided are generally described in Exhibit “A” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit "C". 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 Term. The term of this Agreement shall be from **October 2016 to June 2018**, 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 set forth in the Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. 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 specific schedule that shall be set forth in the Task Order ("Schedule of Services"). **Consultant shall be required to commence work within five (5) days of receiving a fully executed Task Order.** 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 each Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon the request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant 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: **Craig Neustaedter, President** or as otherwise specified in the relevant Task Order.

3.2.5 WRCOG's Representative. WRCOG hereby designates **Christopher Gray, Director of Transportation**, or his or her 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 **Craig Neustaedter, President**, or his 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 and as described in the relevant Task Order.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG’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.

(a) 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.

(b) 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:

(i) 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.

(ii) 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.

(c) 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.

(d) 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:

(i) General Liability.

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(ii) Automobile Liability.

(1) 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.

(iii) Workers’ Compensation and Employers Liability Coverage.

(1) 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.

(2) 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.

(iv) All Coverages.

(1) Defense costs shall be payable in addition to the limits set forth hereunder.

(2) 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.

(3) 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).

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(e) 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 “B” attached hereto and incorporated herein by reference. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. The total compensation shall not exceed **One Hundred Thousand Dollars (\$100,000)** (“Total Compensation”) 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.

(a) 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.

(b) 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.

(c) 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: Transportation Engineering and Planning, Inc.
15 Corporate Park, Irvine, CA 92606
Attention: Craig Neustaedter

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Christopher Gray
Phone: 951-955-8304

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.

(a) Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG 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 WRCOG 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.

(b) Intellectual Property.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

(v) 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.

(c) 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 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.

(d) 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 alleged 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, this Agreement, or any Task Order, including without limitation the payment of all consequential 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 require 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
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Transportation Engineering and Planning, Inc.

By: _____
Rick Bishop
Executive Director

By: _____
Craig Neustaedter
President

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A” SCOPE OF SERVICES

On-Call and As-Needed Engineering Services

Such engineering services may include, but are not limited to, the following work activities:

Task 1-Review of One Simple TUMF Invoice

The Consultant will be asked to review TUMF project invoices submitted by member jurisdictions for reimbursement. The invoice should contain all necessary support documentation and the Consultant shall review each invoice to ensure that the work invoiced against is for the identified project. As part of the review of invoices and support documentation, the Consultant will prepare a memo to WRCOG staff authorizing payment for eligible expenses under the Program. Exhibit A provides a sample of a typical invoice submitted to WRCOG for review.

Task 2-Review of One Complex TUMF Invoice

On occasions, member jurisdictions submit invoices and do not receive full reimbursement due to issues that arise during the review process. Issues that typically occur include, but are not limited to the following: expenses for work ineligible under the Program, expenses for work outside the scope of the project, local match contribution rate is not applied, amount invoice exceeds amount programmed on the Zone Transportation Improvement Program. With situations in which invoice issues are found, a meeting between WRCOG, the Consultant, and member jurisdiction staff is convened to discuss the issues pertaining to the invoice. Exhibit B provides a sample of an invoice that contains some of the issues previously described.

Task 3- Preparation of TUMF Reimbursement Manual

WRCOG currently administers the TUMF Program using a variety of documents including the Administrative Plan, the Nexus Study, and individual ordinances adopted by member jurisdictions. WRCOG has also developed an internal document related to preparation and review of TUMF invoices. The purpose of this Task is to develop an updated and comprehensive document that member agencies, consultants, and other parties can use to facilitate the reimbursement process.

Key elements of this document should include but not be limited to the following:

- A sample invoice packet
- A listing of expense items which are eligible for reimbursement
- A listing of expense items which are not eligible for reimbursement

Exhibit “A”

- A policy regarding project change orders and how WRCOG Staff will review change orders for reimbursement purposes

As part of developing this manual, the Consultant will be asked to review documents from other agencies who administer reimbursement programs of comparable size and scale. Additionally, the Consultant will be asked to make at least two presentations to the WRCOG Public Works Committee (PWC) to obtain input and present the draft document for review.

A key element of this effort is also working with local agencies to obtain their feedback on the TUMF reimbursement process. Consultants will be asked to meet with at least five (5) of WRCOG's member jurisdictions to discuss any questions or concerns about this process.

Task 4- Review of Active Transportation Plan Cost Estimates

The Consultant will be asked to perform a peer review of any cost estimates prepared for the Regional Active Transportation Plan (ATP) that WRCOG is currently updating. As part of the Regional ATP, WRCOG's Consultant Team will be identifying key regional corridors to provide additional bicycle and pedestrian connectivity between member agencies. The Consultant will be asked to provide input on the unit costs and the total project costs for each identified corridor.

Task 5- Meeting Attendance

WRCOG anticipates that Consultants could be asked to attend meetings on WRCOG's behalf related to a variety of issues involving the Transportation Department. For purposes of cost estimating, please assume that each meeting requires one hour traveling to the meeting site, 4 hours of meeting attendance, and one hour to prepare a summary of each meeting.

Task 6- Other Duties as Assigned

WRCOG anticipates that Consultants could be asked to perform other duties as they related to the Transportation Department. Such duties can include but are not limited to the review/reconciliation of TUMF Improvement and Credit Agreements, reviewing bid packets to advise WRCOG whether specific items are eligible expenses under the TUMF Program, and assistance with the Water Quality Framework – Alternative Compliance Program.

**EXHIBIT “B”
COMPENSATION**

Task 1 - Review of One Simple TUMF Invoice

\$1200.00 {initial setup}

\$ 500.00 (subsequent invoices on same

Task 2 - Review of One Complex TUMF Invoice

\$1200.00 (initial setup)

\$ 900.00 (correction of overbilled invoice)

\$ 500.00 (subsequent invoices on same project)

Task 3 - Preparation of TUMF Reimbursement Manual

\$35,000.00

Task 4 - Review of Active Transportation Plan Cost Estimates

\$ 750.00 per corridor for 10 corridors or less

\$ 650.00 per corridor for each additional corridor.

Task 5-Meeting Attendance

Assumes attendance of TEP project manager including one hour travel time, meeting attendance, and one hour preparation of meeting summary.

\$ 950 per meeting.

EXHIBIT "C"
SAMPLE TASK ORDER FORM

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

TASK ORDER

Task Order No. _____

Contract: [INSERT NAME OF CONTRACT]

Consultant: [INSERT NAME OF CONSULTANT]

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$_____,_____.00

Completion Date: _____

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Consultant

Dated: _____

Dated: _____

By: _____

By: _____

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Item 5.J

WRCOG Transportation Department
On-Call Engineering Consultants

Attachment 3

Agreement for On-Call Professional
Services with WSP Parsons
Brinckerhoff

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES

1. Parties and Date.

This Agreement is made and entered into this ____ day of October, 2016, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and **WSP Parsons Brinckerhoff, Inc., a consulting firm** (“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 and in the task order(s) to be issued pursuant to this Agreement and executed by the parties (“Task Order”). Consultant represents that it is experienced in providing on-call engineering services 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, on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under this Agreement).

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work, on an on-call basis, necessary to fully and adequately supply professional services and advise on various issues affecting the decision of WRCOG (“Services”). The types of Services to be provided are generally described in Exhibit “A” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit “C”. 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 Term. The term of this Agreement shall be from **October 2016 to June 2018**, 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 set forth in the Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. 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 specific schedule that shall be set forth in the Task Order ("Schedule of Services"). **Consultant shall be required to commence work within five (5) days of receiving a fully executed Task Order.** 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 each Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon the request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant 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: **Douglas Sawyer, Area Manager** or as otherwise specified in the relevant Task Order.

3.2.5 WRCOG's Representative. WRCOG hereby designates **Christopher Gray, Director of Transportation**, or his or her 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 **Douglas Sawyer, Area Manager**, or his 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 and as described in the relevant Task Order.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG’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.

(a) 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.

(b) 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:

(i) 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.

(ii) 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.

(c) 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.

(d) 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:

(i) General Liability.

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(ii) Automobile Liability.

(1) 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.

(iii) Workers’ Compensation and Employers Liability Coverage.

(1) 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.

(2) 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.

(iv) All Coverages.

(1) Defense costs shall be payable in addition to the limits set forth hereunder.

(2) 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.

(3) 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).

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(e) 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 “B” attached hereto and incorporated herein by reference. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. The total compensation shall not exceed **One Hundred Thousand Dollars (\$100,000)** (“Total Compensation”) 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.

(a) 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.

(b) 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.

(c) 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: WSP Parsons Brinckerhoff
451 E. Vanderbilt Way Suite 200, San Bernardino, 92408
Attention: Robert Morin

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Christopher Gray
Phone: 951-955-8304

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.

(a) Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG 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 WRCOG 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.

(b) Intellectual Property.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

(v) 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.

(c) 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 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.

(d) 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 alleged 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, this Agreement, or any Task Order, including without limitation the payment of all consequential 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 require 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
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

WSP Parsons Brinckerhoff, Inc.

By: _____
Rick Bishop
Executive Director

By: _____
Douglas Sawyer
Area Manager

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A” SCOPE OF SERVICES

On-Call and As-Needed Engineering Services

Such engineering services may include, but are not limited to, the following work activities:

Task 1-Review of One Simple TUMF Invoice

The Consultant will be asked to review TUMF project invoices submitted by member jurisdictions for reimbursement. The invoice should contain all necessary support documentation and the Consultant shall review each invoice to ensure that the work invoiced against is for the identified project. As part of the review of invoices and support documentation, the Consultant will prepare a memo to WRCOG staff authorizing payment for eligible expenses under the Program. Exhibit A provides a sample of a typical invoice submitted to WRCOG for review.

Task 2-Review of One Complex TUMF Invoice

On occasions, member jurisdictions submit invoices and do not receive full reimbursement due to issues that arise during the review process. Issues that typically occur include, but are not limited to the following: expenses for work ineligible under the Program, expenses for work outside the scope of the project, local match contribution rate is not applied, amount invoice exceeds amount programmed on the Zone Transportation Improvement Program. With situations in which invoice issues are found, a meeting between WRCOG, the Consultant, and member jurisdiction staff is convened to discuss the issues pertaining to the invoice. Exhibit B provides a sample of an invoice that contains some of the issues previously described.

Task 3- Preparation of TUMF Reimbursement Manual

WRCOG currently administers the TUMF Program using a variety of documents including the Administrative Plan, the Nexus Study, and individual ordinances adopted by member jurisdictions. WRCOG has also developed an internal document related to preparation and review of TUMF invoices. The purpose of this Task is to develop an updated and comprehensive document that member agencies, consultants, and other parties can use to facilitate the reimbursement process.

Key elements of this document should include but not be limited to the following:

- A sample invoice packet
- A listing of expense items which are eligible for reimbursement
- A listing of expense items which are not eligible for reimbursement

Exhibit “A”

- A policy regarding project change orders and how WRCOG Staff will review change orders for reimbursement purposes

As part of developing this manual, the Consultant will be asked to review documents from other agencies who administer reimbursement programs of comparable size and scale. Additionally, the Consultant will be asked to make at least two presentations to the WRCOG Public Works Committee (PWC) to obtain input and present the draft document for review.

A key element of this effort is also working with local agencies to obtain their feedback on the TUMF reimbursement process. Consultants will be asked to meet with at least five (5) of WRCOG's member jurisdictions to discuss any questions or concerns about this process.

Task 4- Review of Active Transportation Plan Cost Estimates

The Consultant will be asked to perform a peer review of any cost estimates prepared for the Regional Active Transportation Plan (ATP) that WRCOG is currently updating. As part of the Regional ATP, WRCOG's Consultant Team will be identifying key regional corridors to provide additional bicycle and pedestrian connectivity between member agencies. The Consultant will be asked to provide input on the unit costs and the total project costs for each identified corridor.

Task 5- Meeting Attendance

WRCOG anticipates that Consultants could be asked to attend meetings on WRCOG's behalf related to a variety of issues involving the Transportation Department. For purposes of cost estimating, please assume that each meeting requires one hour traveling to the meeting site, 4 hours of meeting attendance, and one hour to prepare a summary of each meeting.

Task 6- Other Duties as Assigned

WRCOG anticipates that Consultants could be asked to perform other duties as they related to the Transportation Department. Such duties can include but are not limited to the review/reconciliation of TUMF Improvement and Credit Agreements, reviewing bid packets to advise WRCOG whether specific items are eligible expenses under the TUMF Program, and assistance with the Water Quality Framework – Alternative Compliance Program.

**EXHIBIT “B”
COMPENSATION**

Exhibit C: Billing Rates

Staff	Role	Billing Rates
Bob Morin, PE, TE	TUMF Program Lead	\$250/ hour
George Harvilla, PE	Active Transportation Program Lead	\$220/ hour
Jarrold Miller, CPESC, QSD/P, ENV SP	Water Quality Program Lead	\$172/ hour
Cynthia Cavazos	Project Administrator	\$125/ hour

EXHIBIT "C"
SAMPLE TASK ORDER FORM

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

TASK ORDER

Task Order No. _____

Contract: [INSERT NAME OF CONTRACT]

Consultant: [INSERT NAME OF CONSULTANT]

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$_____,_____.00

Completion Date: _____

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Consultant

Dated: _____

Dated: _____

By: _____

By: _____

Item 5.J

WRCOG Transportation Department
On-Call Engineering Consultants

Attachment 4

Agreement for On-Call Professional
Services with Kimley-Horn

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES

1. Parties and Date.

This Agreement is made and entered into this ____ day of October, 2016, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and **Kimley-Horn and Associates, Inc., a consulting firm** (“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 and in the task order(s) to be issued pursuant to this Agreement and executed by the parties (“Task Order”). Consultant represents that it is experienced in providing on-call engineering services 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, on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under this Agreement).

3. Terms.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work, on an on-call basis, necessary to fully and adequately supply professional services and advise on various issues affecting the decision of WRCOG (“Services”). The types of Services to be provided are generally described in Exhibit “A” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit “C”. 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 Term. The term of this Agreement shall be from **October 2016 to June 2018**, 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 set forth in the Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. 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 specific schedule that shall be set forth in the Task Order ("Schedule of Services"). **Consultant shall be required to commence work within five (5) days of receiving a fully executed Task Order.** 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 each Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon the request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant 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: **Darren Adrian, Vice President** or as otherwise specified in the relevant Task Order.

3.2.5 WRCOG's Representative. WRCOG hereby designates **Christopher Gray, Director of Transportation**, or his or her 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 **Darren Adrian, Vice President**, or his 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 and as described in the relevant Task Order.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG’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.

(a) 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.

(b) 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:

(i) 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.

(ii) 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.

(c) 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.

(d) 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:

(i) General Liability.

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(ii) Automobile Liability.

(1) 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.

(iii) Workers’ Compensation and Employers Liability Coverage.

(1) 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.

(2) 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.

(iv) All Coverages.

(1) Defense costs shall be payable in addition to the limits set forth hereunder.

(2) 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.

(3) 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).

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(e) 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 “B” attached hereto and incorporated herein by reference. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. The total compensation shall not exceed **One Hundred Thousand Dollars (\$100,000)** (“Total Compensation”) 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.

(a) 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.

(b) 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.

(c) 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: Kimley-Horn and Associates, Inc.
765 The City Drive, Orange, CA 92868
Attn: Darren Adrian

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Christopher Gray
Phone: 951-955-8304

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.

(a) Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG 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 WRCOG 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.

(b) Intellectual Property.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

(v) 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.

(c) 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 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.

(d) 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 alleged 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, this Agreement, or any Task Order, including without limitation the payment of all consequential 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 require 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
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Kimley-Horn and Associates, Inc.

By: _____
Rick Bishop
Executive Director

By: _____
Darren Adrian
Vice President

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A” SCOPE OF SERVICES

On-Call and As-Needed Engineering Services

Such engineering services may include, but are not limited to, the following work activities:

Task 1-Review of One Simple TUMF Invoice

The Consultant will be asked to review TUMF project invoices submitted by member jurisdictions for reimbursement. The invoice should contain all necessary support documentation and the Consultant shall review each invoice to ensure that the work invoiced against is for the identified project. As part of the review of invoices and support documentation, the Consultant will prepare a memo to WRCOG staff authorizing payment for eligible expenses under the Program. Exhibit A provides a sample of a typical invoice submitted to WRCOG for review.

Task 2-Review of One Complex TUMF Invoice

On occasions, member jurisdictions submit invoices and do not receive full reimbursement due to issues that arise during the review process. Issues that typically occur include, but are not limited to the following: expenses for work ineligible under the Program, expenses for work outside the scope of the project, local match contribution rate is not applied, amount invoice exceeds amount programmed on the Zone Transportation Improvement Program. With situations in which invoice issues are found, a meeting between WRCOG, the Consultant, and member jurisdiction staff is convened to discuss the issues pertaining to the invoice. Exhibit B provides a sample of an invoice that contains some of the issues previously described.

Task 3- Preparation of TUMF Reimbursement Manual

WRCOG currently administers the TUMF Program using a variety of documents including the Administrative Plan, the Nexus Study, and individual ordinances adopted by member jurisdictions. WRCOG has also developed an internal document related to preparation and review of TUMF invoices. The purpose of this Task is to develop an updated and comprehensive document that member agencies, consultants, and other parties can use to facilitate the reimbursement process.

Key elements of this document should include but not be limited to the following:

- A sample invoice packet
- A listing of expense items which are eligible for reimbursement
- A listing of expense items which are not eligible for reimbursement

Exhibit “A”

- A policy regarding project change orders and how WRCOG Staff will review change orders for reimbursement purposes

As part of developing this manual, the Consultant will be asked to review documents from other agencies who administer reimbursement programs of comparable size and scale. Additionally, the Consultant will be asked to make at least two presentations to the WRCOG Public Works Committee (PWC) to obtain input and present the draft document for review.

A key element of this effort is also working with local agencies to obtain their feedback on the TUMF reimbursement process. Consultants will be asked to meet with at least five (5) of WRCOG's member jurisdictions to discuss any questions or concerns about this process.

Task 4- Review of Active Transportation Plan Cost Estimates

The Consultant will be asked to perform a peer review of any cost estimates prepared for the Regional Active Transportation Plan (ATP) that WRCOG is currently updating. As part of the Regional ATP, WRCOG's Consultant Team will be identifying key regional corridors to provide additional bicycle and pedestrian connectivity between member agencies. The Consultant will be asked to provide input on the unit costs and the total project costs for each identified corridor.

Task 5- Meeting Attendance

WRCOG anticipates that Consultants could be asked to attend meetings on WRCOG's behalf related to a variety of issues involving the Transportation Department. For purposes of cost estimating, please assume that each meeting requires one hour traveling to the meeting site, 4 hours of meeting attendance, and one hour to prepare a summary of each meeting.

Task 6- Other Duties as Assigned

WRCOG anticipates that Consultants could be asked to perform other duties as they related to the Transportation Department. Such duties can include but are not limited to the review/reconciliation of TUMF Improvement and Credit Agreements, reviewing bid packets to advise WRCOG whether specific items are eligible expenses under the TUMF Program, and assistance with the Water Quality Framework – Alternative Compliance Program.

**EXHIBIT “B”
COMPENSATION**

Hourly Rate Schedule

Project Manager	\$275
Sr. Professional II	\$275
Sr. Professional I	\$250
Professional III	\$235
Professional II	\$210
Professional I	\$180
Jr. Professional	\$150
Analyst III	\$140
Analyst II	\$130
Analyst I	\$120
Project Support	\$140
Clerical	\$100

**Hourly rates are escalated each year on July 1st.*

Other Direct Costs: Outside Printing/Reproduction, Delivery Services/USPS, Misc. Field Equipment/Supplies, Travel Expenses will be billed at actual cost. Mileage will be billed at the current Federal Rate.

A charge for indirect expenses (currently at 4.6%) will be added to the labor fee shown above to cover routine expenses, such as local mileage, copying, faxing, mail, telephone, in-house blueprinting, computer, etc.

EXHIBIT "C"
SAMPLE TASK ORDER FORM

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

TASK ORDER

Task Order No. _____

Contract: [INSERT NAME OF CONTRACT]

Consultant: [INSERT NAME OF CONSULTANT]

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$_____,_____.00

Completion Date: _____

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Consultant

Dated: _____

Dated: _____

By: _____

By: _____

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Amendment to WRCOG Bylaws

Contact: Janis Leonard, Executive Assistant, leonard@wrcog.cog.ca.us, (951) 955-8320

Date: October 3, 2016

Requested Action:

1. Adopt WRCOG Resolution Number 35-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending its Bylaws to Recognize the March Joint Powers Authority as a voting member on the WRCOG Technical Advisory Committee and making other technical changes.

WRCOG's Bylaws, among other matters, identifies and organizes the General Assembly, Executive Committee, Administration & Finance Committee, and the Technical Advisory Committee of WRCOG. This amendment is a "clean-up" to incorporate a long-standing policy in the TUMF Administrative Plan to allow the March JPA to vote at the Technical Advisory Committee on TUMF issues. March JPA collects TUMF fees for properties approved within its boundaries.

WRCOG's Committee Procedures, which identifies and organizes membership of additional WRCOG Committees such as the Planning Directors' Committee, Public Works Committee, Solid Waste Committee, and the Clean Cities Coalition, identifies the March JPA as a voting member (specifically on the Planning Directors' and Public Works Committees). Additionally, the WRCOG TUMF Administrative Plan indicates that the March JPA is a participant in the WRCOG TUMF Program, serves as a voting member on the WRCOG Technical Advisory Committee, and is provided one vote on the Technical Advisory Committee for TUMF matters only. In review of WRCOG's Bylaws, it has been determined that the March JPA is not specifically listed as a voting member on the Technical Advisory Committee.

The attached Bylaws have been updated to reflect this inconsistency and includes minor clerical corrections, and are attached for members' review and comments.

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee recommended that the WRCOG Executive Committee Adopt WRCOG Resolution Number 35-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending its Bylaws to Recognize the March Joint Powers Authority as a voting member on the WRCOG Technical Advisory Committee and making other technical changes.

September 14, 2016: The WRCOG Administration & Finance Committee recommended that the WRCOG Executive Committee Adopt WRCOG Resolution Number 35-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending its Bylaws to Recognize the March Joint Powers Authority as a voting member on the WRCOG Technical Advisory Committee and making other technical changes.

WRCOG Fiscal Impact:

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

Attachments:

1. Bylaws for the Western Riverside Council of Governments (Redline version).
2. Committee Procedures for the Western Riverside Council of Governments.
3. WRCOG Resolution Number 35-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending its Bylaws to Recognize the March Joint Powers Authority as a voting member on the WRCOG Technical Advisory Committee and making other technical changes.

Item 5.K

Amendment to WRCOG Bylaws

Attachment 1

Bylaws for the Western Riverside
Council of Governments
(Redline version)

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**BY-LAWS
FOR THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**

ARTICLE I

SECTION 1.

These By-Laws are provided for the organization and administration of the Western Riverside Council of Governments which has been established under a Joint Powers Agreement. These By-Laws supplement the Agreement.

**ARTICLE II
GENERAL ASSEMBLY**

SECTION 1. MEETINGS

- A. Annual Meeting. The annual General Assembly shall meet in June. In addition, an annual local Government Conference may be held sometime during each fiscal year and a General Assembly social event may be held anytime as provided for in Article II, Section I.B. The locations and times of these meetings shall be determined by the Executive Committee.
- B. Special Meetings. Special meetings of the General Assembly may be called by the Chairperson, or in his or her absence by the Vice-Chairperson or in the absence of the Chairperson and the Vice-Chairperson by the Second Vice-Chairperson, or a majority of the member agencies.

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SECTION 2. OFFICERS

- A. Nomination and Election. The General Assembly shall elect, by a majority vote, the Chairperson, Vice-Chairperson and Second Vice-Chairperson from members of the Executive Committee, provided he or she is first nominated by either the General Assembly or Executive Committee. The election of the Chairperson, Vice-Chairperson and Second Vice-Chairperson shall be conducted once each year and no later than July.
- B. Prohibition. The General Assembly shall not elect the Chairperson, Vice-Chairperson and Second Vice-Chairperson from representatives of the same member agency.
- C. Term. The elected Chairperson, Vice-Chairperson and Second Vice-Chairperson shall assume office at the close of the meeting of their election and

each officer shall hold office for one year, or until his or her successor shall be elected.

- D. Vacancy. Notwithstanding Article II, Section 2.C., if the office of the Chairperson, Vice-Chairperson or Second Vice-Chairperson becomes vacant, the Executive Committee shall appoint, by a majority vote, one of its members to fill the unexpired term of the vacated office.
- E. Removal. Notwithstanding Article II, Section 2.D., the Executive Committee may remove the Chairperson, Vice-Chairperson or Second Vice-Chairperson by majority vote. The removal of either the Chairperson, Vice-Chairperson or Second Vice-Chairperson creates a vacancy which shall be filled in accordance with Article II, Section 2.D.
- F. Duties of the Chairperson, Vice-Chairperson and Second Vice-Chairperson. The Chairperson shall, if present, preside at all meetings of the General Assembly and Executive Committee and exercise such other powers and duties as may from time to time be assigned to the Chairperson. In the absence of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson. When so acting, [the](#) Vice-Chairperson shall have all the powers of, and be subject to all the restrictions upon, [the](#) Chairperson. In the absence of both the Chairperson and Vice-Chairperson, the Second Vice-Chairperson shall perform all the duties of the Chairperson. When so acting, [Second](#) Vice-Chairperson shall have all the powers of, and be subject to all the restrictions upon, [the](#) Chairperson. In the absence of the Chairperson, Vice-Chairperson, and Second Vice-Chairperson, the General Assembly Chairperson of the Previous Year (the "Past Chairperson") shall perform the duties of the Chairperson for that meeting only. When so acting, [Past](#) Chairperson shall have all the powers of, and be subject to all the restrictions upon, [the](#) Chairperson. In the absence of the Chairperson, Vice-Chairperson, Second Vice-Chairperson and the Past Chairperson, the General Assembly or Executive Committee shall choose one of its voting members to chair the meeting for that day only.

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SECTION 3. VOTING

- A. In General. Each member of the General Assembly shall have one vote.
- B. Eligibility. The Chairperson, Vice-Chairperson and Second Vice-Chairperson are eligible to vote.
- C. Quorum. The General Assembly shall act only upon a majority of a quorum. A quorum shall be the majority of the total authorized representatives of each member agency, provided that the members representing a majority of the member agencies are present.

ARTICLE III

EXECUTIVE COMMITTEE

SECTION 1. MEMBERSHIP

A. The Executive Committee will be composed of the Mayor from each of the member cities, four members of the Riverside County Board of Supervisors, the President of each water district, and the Tribal Chairman of the Morongo Band of Mission Indians. Any City Council, at its discretion, can appoint a Mayor Pro Tem or other city council member in place of the Mayor. Each water district board, at its discretion, can appoint another board member in place of the President. The Tribal Council of the Morongo Band of Mission Indians, at its discretion, can appoint another tribal council member in place of the Tribal Chairman.

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B Each regular member on the Executive Committee shall also have an alternate, who must also be a current member of the legislative body of the party such alternate represents. For the Board of Supervisors, the Board of Supervisor's member not serving under section A, above, shall serve as an alternate to the members of the Board of Supervisors. The name of the alternate members shall be on file with the Executive Committee. In the absence of the regular member from an agency, the alternate member from such agency shall assume all rights and duties of the absent regular member.

SECTION 2. OFFICERS

- A. Officers and Duties. The officers of the Executive Committee shall be the Chairperson, Vice-Chairperson and Second Vice-Chairperson of the General Assembly. The Chairperson, Vice-Chairperson and Second Vice-Chairperson shall perform the same duties set forth in Article II.
- B. Absence. If a jurisdiction misses three consecutive meetings, said jurisdiction shall be notified of these occurrences.

SECTION 3. MEETINGS

The Executive Committee shall meet in accordance with the meeting schedule adopted by the Executive Committee, as may be revised from time to time.

SECTION 4. QUORUM

The Executive Committee shall act only upon a majority of a quorum. A quorum shall consist of a majority of the voting members of the Executive Committee.

SECTION 5. VOTING

Each member city present shall have one vote in the Executive Committee, each County Supervisor present shall have one vote, each member water district present shall have one vote, and the representative of the Morongo Band of Mission Indians present shall have one vote. Only authorized members present, or designated alternates acting when the regular member is absent, may vote.

SECTION 6. POWERS AND FUNCTIONS

- A. To prepare and recommend to the General Assembly a yearly budget for funds and distribution, and to determine the estimated share of contributions from each member agency.
- B. To administer, manage, contract for, and handle the financing of the studies, projects and programs.
- C. To exercise the powers of the Joint Powers Agreement between sessions of the General Assembly.
- D. To select and employ an Executive Director who shall be the Chief Administrative Officer of WRCOG and who shall have administrative supervision over all WRCOG employees. The Executive Committee shall establish personnel rules and regulations.
- E. To appoint regular and special committees within the Executive Committee.
- F. To establish and operate a permanent office for WRCOG.
- G. To appoint advisory committees on such projects as it determines advisable.
- H. To provide for additional ex-officio, non-voting members, as deemed appropriate for the effective conduct of the business of the organization.

SECTION 7. POLICY REGARDING CONFIDENTIAL INFORMATION DISCLOSED DURING CLOSED SESSIONS

The Executive Committee recognizes that, from time to time, it is vital that members of the Executive Committee divulge certain privileged information obtained in closed sessions at WRCOG to their own governing bodies meeting in closed sessions. Thus, WRCOG adopts the policy set forth in Government Code section 54956.96 which authorizes the disclosure of closed session information that has directed financial or liability.

- A. All information received by the legislative body of the member agency in a closed session related to the information presented to WRCOG in closed session shall be confidential. However, a member of the legislative body of a member agency,

or his/her duly appointed alternate under the JPA, may disclose information obtained in a closed session that has direct financial or liability implications for that member agency to the following individuals:

1. Legal counsel of that member agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member agency.

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2. Other members of the legislative body of the member agency present in a closed session of that member agency, as well as other persons that may be invited to attend the closed session by the member agency's legislative body.

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B. The legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of WRCOG pursuant to this Policy.

ARTICLE IV

OTHER COMMITTEES

SECTION 1. TECHNICAL ADVISORY COMMITTEE

A. Duties. The Technical Advisory Committee (TAC) shall interface with WRCOG staff, review staff reports, consider staff recommendations, provide recommendations to the Executive Committee and perform such other duties as may be delegated to it.

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B. Meetings. The TAC may meet once a month or as it is deemed necessary.

C. Membership. The TAC is comprised of an executive from the County of Riverside, the City [Manager](#) from each of WRCOG's member cities, the General Manager from each of WRCOG's member water districts, [the Chief Administrative Officer from the Morongo Band of Mission Indians, and the Executive Director from the March Joint Powers Authority](#). A City Manager, Water District General Manager, Chief Administrative Officer of the Morongo Band of Mission Indians, [and Executive Director from the March JPA](#) may appoint an alternate who is a department head of the agency.

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D. Quorum. The TAC shall act only upon a majority of a quorum. A quorum shall consist of a majority of the members of the TAC.

SECTION 2. ADMINISTRATION & FINANCE COMMITTEE

- A. Duties. The Administration & Finance Committee shall provide budget and finance overview for WRCOG in the conduct of its business and personnel issues and forward its recommendations to the Executive Committee for consideration. The Administration & Finance Committee shall have the authority (i) to increase the WRCOG budget in any category up to fifteen percent (15%); and (ii) to authorize contracts up to \$100,000 when the contract requires execution prior to the next regularly scheduled Executive Committee meeting.
- B. Meetings. The Administration & Finance Committee may meet once a month or as it is deemed necessary.
- C. Membership. The Administration & Finance Committee shall be composed of the Executive Committee Chairperson; the Executive Committee Vice-Chairperson, the Executive Committee Second Vice-Chairperson, the Past Executive Committee Chairperson; and seven other members of the Executive Committee selected by the Executive Committee Chairperson. When selecting members of the Administration & Finance Committee, the Executive Committee Chairperson is encouraged to consider geographic balance. At least two members of the Board of Supervisors shall be members of the Committee. At least one member shall be a water district representative.
- D. Quorum. The Administration & Finance Committee shall act only upon a majority of a quorum. A quorum shall consist of a majority of the members of the committee.
- E. Term and Removal. Appointments to the Administration & Finance Committee shall be for a one-year term ending on June 30 of the fiscal year (July to June) in which the appointments are made. The process set forth below applies should the Chair wish to remove a Board member ("Appointee") appointed during the one-year term of the appointment. The process does not apply to the Chair's decision not to reappoint an Appointee at the end of the Appointee's one-year term.
1. The Chair shall provide Appointee with written notice of the Chair's decision to remove the Appointee from the appointment.
 2. The notice shall be provided in writing to Appointee through WRCOG's [Executive Director](#) and shall include a brief statement of why removal is sought, which reason may include, without limitation, 3 or more consecutive absences of committee meetings. The notice shall be delivered to the email address, if any, provided by Appointee as well as by first class mail to the Clerk of the City/County appointing Appointee to the WRCOG Executive Committee and Appointee's mailing address.
 3. The removal shall be effective on the 15th day after WRCOG's [Executive Director](#) sends notice to Appointee unless Appointee provides notice to

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the WRCOG [Executive Director](#), prior to the expiration of such 15 day period, of his or her desire to contest the removal.

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4. In the event that the removal is contested, the removal shall be stayed and the Executive Director shall schedule an Administration & Finance Committee meeting at which both the Chair and Appointee may present their arguments for and against removal. Based thereon, the Administrative & Finance Committee shall either uphold or reject the removal. The decision of the Administration & Finance Committee shall be final.
5. If the removal is not contested or is approved by the Administration & Finance Committee, the Chair may appoint an [other](#) WRCOG Executive Committee member to fill the remainder of the Appointee's term. The appointment of the new member shall comply with the membership requirements set forth in Section C, above. The term of the newly appointed member shall expire on June 30 of the fiscal year in which the appointment is made.

This section 2E shall only apply to appointments made by the Chair to the seven open seats on the Administration & Finance Committee and not to the four ex-officio members of the committee.

ARTICLE V

EXECUTIVE DIRECTOR

SECTION 1.

A. Duties. In addition to those duties enumerated in the Joint Powers Agreement, the duties of the Executive Director are:

1. To administer all contracts.
2. To have full charge of the administration of the business affairs of WRCOG.
3. To exercise general supervision over all property belonging to WRCOG.
4. To accept, on behalf of WRCOG, easements and other property rights and interests.
5. To be responsible for the purchase of all supplies and equipment of WRCOG.

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B. Contract. The Executive Director is authorized to contract and execute on behalf of WRCOG, contracts for supplies, equipment and materials, and consultants not

to exceed \$50,000.00, provided the contract relates to purposes previously approved and budgeted by the General Assembly or Executive Committee. The Executive Director may execute contracts up to \$100,000, if approved by the Administration & Finance Committee.

ARTICLE VI

DEFINITION OF WESTERN RIVERSIDE AREA

The boundaries of WRCOG shall be defined according to the legal description attached hereto as Exhibit "A".

ARTICLE VII

AMENDMENTS

These By-Laws and any amendments thereto may be amended by the General Assembly, by majority vote. Proposed amendments shall be submitted, in writing, to members of the General Assembly [along with the agenda for such meeting](#).

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

LEGAL DESCRIPTION

1. **BEGINNING** at the Northeast corner of Section 1, Township 2 South, Range 2 East, San Bernardino Meridian;
2. Thence South along Range line to the Northeast corner of Section 36, T2S, R2E;
3. Thence West along the North line of said Section 36 to the North one-quarter corner thereof;
4. Thence South along the North-south center section line of said Section 36 to the Center section thereof;
5. Thence East along the East-West center section line of said Section 36 to the East one-quarter corner thereof;
6. Thence South along the East line of said Section 36 to the Northeast corner of Section 1, T3S, R2E;
7. Thence West along the North line of said Section 1 to the Northwest corner thereof;
8. Thence South along the West line of said Section 1 to the Northwest corner of Section 12, T3S, R2E;
9. Thence East along the North line of said Section 12 to the Northeast corner thereof;
10. Thence South along the East line of said Section 12 to the Southeast corner thereof;
11. Thence west along the South line of said Section 12 to the Northwest corner of Section 13, T3S, R2E;
12. Thence South along the West line of said Section 13 to the Southwest corner thereof;
13. Thence East along the South line of said Section 13 to the Southeast corner thereof;
14. Thence South along Range line to the Southwest corner of Section 18, T4S, R3E;
15. Thence East along Section lines to the Northeast corner of Section 20, T4S, R3E;
16. Thence South along the East line of said Section 20 to the Southeast corner thereof;
17. Thence West along the south line of said Section 20 to the Northwest corner of Section 29, T4S, R3E;
18. Thence South along the West line of said Section 29 to the Southwest corner thereof;
19. Thence East along the South line of said Section 29 to the Northeast corner of Section 32, T4S, R3E;
20. Thence South along the East line of said Section 32 to the Southeast corner thereof;
21. Thence West along the South line of Said Section 32 to the Northeast corner of Section 5, T5S, R3E;
22. Thence South along Section lines to the Northwest corner of Section 16, T5S, R3E;
23. Thence East along the North line of said Section 16 to the Northeast corner thereof;
24. Thence South along the East line of said Section 16 to the Northwest corner of Section 22, T5S, R3E;
25. Thence East along the North line of said Section 22 to the Northeast corner thereof;
26. Thence South along the East line of said Section 22 to the Northwest corner of Section 26, T5S, R3E;
27. Thence East along the North line of said Section 26 to the Northeast corner thereof;
28. Thence South along Section lines to the Northwest corner of Section 1, T6S, R3E;
29. Thence East along the North line of said Section 1 to Northeast corner thereof;
30. Thence South along the East line of said Section 1 to the Northwest corner of Section 6, T6S, R4E;
31. Thence East along the North line of said Section 6 to the Northeast corner thereof;
32. Thence south along the East line of Said Section 6 to the Northwest corner of Section 8, T6S, R4E;
33. Thence South along Section lines to the Southeast corner of Section 17, T6S, R4E;
34. Thence West along Section lines to the Northwest corner of Section 19, T6S, R4E;
35. Thence South along the West line of said Section 19 to the Southeast corner of Section 24, T6S, R3E;
36. Thence west along the South lines of said Sections 24 and Section 23, T6S, R3E to a point of intersection with the centerline of State Highway 74;
37. Thence Southeasterly along said centerline of State Highway 74, through its various courses, to the intersection with State Highway 371;
38. Thence Southeasterly, Westerly, and Southerly along the centerline of said State Highway 371, through its various courses, to a point of intersection West line of Section 18, T7S, R4E;
39. Thence South along Section lines to the East one-quarter corner of Section 19, T7S, R4E;
40. Thence West along the East-West Center section line of said Section 19 t the West line thereof;

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

LEGAL DESCRIPTION

(Continued)

41. Thence South along the West line of said Section 19 to the North line of Section 30, T7S, R4E;
42. Thence East along the North line of said Section 30 to the Northwest corner of Section 29, T7S, R4E;
43. Thence South along the West line of said Section 29 to the West one-quarter corner thereof;
44. Thence East along the East-West center section line of said Section 29 to the Northeast corner of the West one-half of the East one-half of the West one-half of the South one-half of said Section 29;
45. Thence South along the East line of said West one-half of the East one-half of the West one-half of the South one-half to a point of intersection with the South line of the North 400 acres of said Section 29;
46. Thence East along said South line of the North 400 acres of Section 29 to a point of intersection with the East line of said Section 29;
47. Thence South along the East line of said Section 29 and Section 32, T7S, R4E to the North line of Section 4, T8S, R4E;
48. Thence East along said North line of Section 4 to the Northeast corner thereof;
49. Thence South along the East line of said Section 4 to the Southeast corner thereof;
50. Thence West along the South line of said Section 4 to the Northeast corner of Section 8, T8S, R4E;
51. Thence South along the West line of said Section 8 to a point of intersection with the centerline of Coyote Canyon Road, as it currently exists;
52. Thence southeasterly and southerly along the centerline of said Coyote Canyon Road, through its various courses, to a point of intersection with the East line of Section 36, T8S, R4E;
53. Thence South along said East line of Section 36 to the Southeast corner thereof, said corner being on the South boundary of the County of Riverside;
54. Thence Westerly, Northerly and Easterly along the boundary of the County of Riverside to the **Point of Beginning**.

By: _____

Date: _____



Item 5.K

Amendment to WRCOG Bylaws

Attachment 2

Committee Procedures for the
Western Riverside Council of
Governments

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**COMMITTEE PROCEDURES
FOR THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**

ARTICLE I

SECTION 1. PURPOSE

These Committee Procedures are provided for the organization and administration of the Committees of the Western Riverside Council of Governments ("WRCOG") which has been established under a Joint Powers Agreement. These Committee Procedures supplement the Agreement and the By-Laws of WRCOG.

These Committee Procedures are adopted by the Executive Committee of WRCOG. The Executive Committee authorizes the Executive Director of WRCOG to update these Committee Procedures as necessary.

SECTION 2. APPLICABILITY

These Committee Procedures apply only to those Committees of WRCOG listed herein.

SECTION 3. BROWN ACT

Regular, adjourned and special meetings of the Committees listed herein shall be called and conducted in accordance with the provisions of the Ralph M. Brown Act, Government Code Section 54950 et. seq., as it may be amended, including the provision of minutes which indicate actions approved by such Committee.

ARTICLE II

COMMITTEE PROCEDURES

SECTION 1. PLANNING DIRECTORS' COMMITTEE

- A. Purpose and Duties. The Planning Directors' Committee advises the WRCOG Technical Advisory Committee and Executive Committee on issues related to planning that come before WRCOG.
- B. Meetings. The Planning Directors' Committee may meet bi-monthly or as it is deemed necessary.
- C. Membership. The Planning Directors' Committee is comprised of the following:
1) Planning Directors, or designee holding a similar position, from each member jurisdiction, 2) a representative from the March JPA, and 3) a representative from the Riverside Transit Agency.
- D. Quorum. The Planning Directors' Committee shall act only upon a majority of a

quorum with each jurisdiction having one vote, except for the county which will have two votes. A quorum shall consist of 10 members.

SECTION 2. PUBLIC WORKS COMMITTEE

- A. Purpose and Duties. The Public Works Committee (“PWC”) is the technical advisory body to the WRCOG Technical Advisory Committee and Executive Committee for the TUMF Program and Public Works-related issues that come before WRCOG.
- B. Meetings. The PWC may meet once a month or as it is deemed necessary.
- C. Membership. The PWC is comprised of the Public Works Director, or similar title, from each member jurisdiction and also one representative from the County of Riverside, one representative from the March JPA, one representative from the Riverside Transit Authority, and one representative from the Riverside County Transportation Commission.
- D. Quorum. The PWC shall act only upon a majority of a quorum with each jurisdiction having one vote. A quorum shall consist of a majority of the members of the PWC.

SECTION 3. SOLID WASTE COMMITTEE

- A. Purpose and Duties. The Solid Waste Committee is a Regional Cooperative Program administered by WRCOG to assist Western Riverside jurisdictions and Riverside County with reducing the waste stream going to landfills and to encourage recycling that protects our environment, as well as other environmental challenges that may impact the region. From litter cleanup to protecting water quality through used oil / oil filter recycling, WRCOG provides hands-on programs that empower both business and individuals. WRCOG helps jurisdictions meet regulations requiring reduction of waste going to landfills using methods such as the development of regional educational materials, business recycling education, and community outreach. Specifically, WRCOG coordinates bi-monthly meetings forming a strong working relationship between the jurisdictions, the County, waste haulers and CalRecycle, provides quarterly disposal tracking and analysis, prepares AB 939 annual reports for several jurisdictions, provides significant State and Federal legislative updates, provides notification of regional grant opportunities, and provides representation at area Chamber of Commerce events promoting business recycling.
- B. Meetings. The Solid Waste Committee may meet bi-monthly or as it is deemed necessary.
- C. Membership. Membership in the Solid Waste Committee is limited to those agencies that pay dues as established by WRCOG. Currently the Solid Waste Committee is comprised of the Cities of Banning, Calimesa, Canyon Lake,

Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, and the County Unincorporated.

- D. Quorum. The Solid Waste Committee shall act only upon a majority of a quorum with each jurisdiction having one vote. A quorum shall consist of 5 members.

SECTION 4. WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CLEAN CITIES COALITION

- A. Purpose and Duties. The Western Riverside County Clean Cities Coalition (Coalition) is part of the U.S. Department of Energy's Clean Cities Coalition Program, a voluntary local government / industry partnership. Clean Cities advances the nation's economic, environmental, and energy security by supporting local actions to reduce petroleum consumption in transportation. The Coalition works to mobilize local stakeholders toward expanding the use of alternative fuels and idle reduction measures, accelerate the deployment of advanced technology vehicles ("AFV"), and strengthen local AFV refueling infrastructure in nearly 100 communities around the country.
- B. Meetings. The Coalition may meet bi-monthly or as it is deemed necessary.
- C. Membership. Membership in the Coalition is limited to those agencies that pay dues as established by WRCOG. Currently the Coalition is comprised of the Cities of Banning, Calimesa, Corona, Eastvale, Hemet, Lake Elsinore, Moreno Valley, Perris, Riverside, San Jacinto, Temecula, and the County Unincorporated.
- D. Quorum. The Coalition shall act only upon a majority of a quorum with each jurisdiction having one vote. A quorum shall consist of 5 members.

SECTION 5. FINANCE DIRECTORS' COMMITTEE

- A. Purpose and Duties. The Finance Directors' Committee advises the WRCOG Technical Advisory Committee and Executive Committee on issues related to Finance that comes before WRCOG.
- B. Meetings. The Finance Directors' Committee may meet bi-monthly or as it is deemed necessary.
- C. Membership. The Finance Directors' Committee is comprised of the following: 1) Finance Directors, or designee holding a similar position, from each member jurisdiction, and 2) a representative from the March JPA.
- D. Quorum. The Finance Directors' Committee shall act only upon a majority of a quorum with each jurisdiction having one vote. A quorum shall consist of 8 members.

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Item 5.K

Amendment to WRCOG Bylaws

Attachment 3

WRCOG Resolution Number 35-16;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Amending
its Bylaws to Recognize the March
Joint Powers Authority as a voting
member on the WRCOG Technical
Advisory Committee and making
other technical changes

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Western Riverside Council of Governments

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

RESOLUTION NUMBER 35-16

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AMENDING ITS BY-LAWS TO RECOGNIZE THE MARCH JOINT POWERS AUTHORITY AS A VOTING MEMBER OF THE TECHNICAL ADVISORY COMMITTEE AND MAKING OTHER TECHNICAL CHANGES

WHEREAS, the Western Riverside Council of Governments ("WRCOG") is a joint powers authority consisting of the County of Riverside and seventeen cities situated in Western Riverside County; and

WHEREAS, pursuant to Section 2.4.2 of the Joint Powers Agreement of WRCOG ("Agreement"), the WRCOG Executive Committee ("Committee") is authorized to exercise the powers of the Agreement between sessions of the General Assembly; and

WHEREAS, Section 2.4.1 of the Agreement includes the power to amend WRCOG's By-laws ("By-laws"); and

WHEREAS, the Committee desires to amend the By-laws to recognize the March Joint Powers Authority as a voting member of the Technical Advisory Committee; and

NOW THEREFORE, BE IT RESOLVED the Executive Committee of the Western Riverside Council of Governments does hereby amend its By-laws as follows:

Section 1: Article II, Section 1, Subsection B of the By-laws is hereby amended to read as follows:

- B. Special Meetings. Special meetings of the General Assembly may be called by the Chairperson, or in his or her absence by the Vice-Chairperson or in the absence of the Chairperson and the Vice-Chairperson by the Second Vice-Chairperson, or a majority of the member agencies.

Section 2: Article II, Section 2, Subsection F of the By-laws is hereby amended to read as follows:

- F. Duties of the Chairperson, Vice-Chairperson and Second Vice Chairperson. The Chairperson shall, if present, preside at all meetings of the General Assembly and Executive Committee and exercise such other powers and duties as may from time to time be assigned to the Chairperson. In the absence of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson. When so acting, the Vice-Chairperson shall have all the powers of, and be subject to all the restrictions upon, the Chairperson. In the absence of both the Chairperson and Vice-Chairperson, the Second Vice-Chairperson shall perform all the duties of the Chairperson. When so acting, Second Vice-Chairperson shall have all the powers of, and be subject to all the restrictions upon, the Chairperson. In the absence of the Chairperson,

Vice-Chairperson, and Second Vice-Chairperson, the General Assembly Chairperson of the Previous Year (the "Past Chairperson") shall perform the duties of the Chairperson for that meeting only. When so acting, Past Chairperson shall have all the powers of, and be subject to all the restrictions upon, the Chairperson. In the absence of the Chairperson, Vice-Chairperson, Second Vice-Chairperson and the Past Chairperson, the General Assembly or Executive Committee shall choose one of its voting members to chair the meeting for that day only.

Section 3: Article III, Section 1 of the By-laws is hereby amended to read as follows:

SECTION 1. MEMBERSHIP

- A. The Executive Committee will be composed of the Mayor from each of the member cities, four members of the Riverside County Board of Supervisors, the President of each water district, and the Tribal Chairman of the Morongo Band of Mission Indians. Any City Council, at its discretion, can appoint a Mayor Pro Tem or other city council member in place of the Mayor. Each water district board, at its discretion, can appoint another board member in place of the President. The Tribal Council of the Morongo Band of Mission Indians, at its discretion, can appoint another tribal council member in place of the Tribal Chairman.
- B. Each regular member on the Executive Committee shall also have an alternate, who must also be a current member of the legislative body of the party such alternate represents. For the Board of Supervisors, the Board of Supervisor's member not serving under section A, above, shall serve as an alternate to the members of the Board of Supervisors. The name of the alternate members shall be on file with the Executive Committee. In the absence of the regular member from an agency, the alternate member from such agency shall assume all rights and duties of the absent regular member.

Section 4: Article III, Section 5 of the By-laws is hereby amended to read as follows:

SECTION 5. VOTING

Each member city present shall have one vote in the Executive Committee, each County Supervisor present shall have one vote, each member water district present shall have one vote, and the representative of the Morongo Band of Mission Indians present shall have one vote. Only authorized members present, or designated alternates acting when the regular member is absent, may vote.

Section 5: Article III, Section 6, Subsection A of the By-laws is hereby amended to read as follows:

- A. To prepare and recommend to the General Assembly a yearly budget for funds and distribution, and to determine the estimated share of contributions from each member agency.

Section 7: Article IV, Section 1, Subsection A of the By-laws is hereby amended to read as follows:

- A. Duties. The Technical Advisory Committee (TAC) shall interface with WRCOG staff, review staff reports, consider staff recommendations, provide recommendations to the Executive Committee and perform such other duties as may be delegated to it.

Section 8: Article IV, Section 1, Subsection C of the By-laws is hereby amended to read as follows:

- C. Membership. The TAC is comprised of an executive from the County of Riverside, the City Manager from each of WRCOG's member cities, the General Manager from each of WRCOG's member water districts, the Chief Administrative Officer from the Morongo Band of Mission Indians, and the Executive Director from the March Joint Powers Authority. A City Manager, Water District General Manager, Chief Administrative Officer of the Morongo Band of Mission Indians, and Executive Director from the March JPA may appoint an alternate who is a department head of the agency.

Section 9: Article IV, Section 2, Subsection E of the By-laws is hereby amended to read as follows:

- E. Term and Removal. Appointments to the Administration & Finance Committee shall be for a one-year term ending on June 30 of the fiscal year (July to June) in which the appointments are made. The process set forth below applies should the Chair wish to remove a Board member ("Appointee") appointed during the one-year term of the appointment. The process does not apply to the Chair's decision not to reappoint an Appointee at the end of the Appointee's one-year term.
 - 1. The Chair shall provide Appointee with written notice of the Chair's decision to remove the Appointee from the appointment.
 - 2. The notice shall be provided in writing to Appointee through WRCOG's Executive Director and shall include a brief statement of why removal is sought, which reason may include, without limitation, 3 or more consecutive absences of committee meetings. The notice shall be delivered to the email address, if any, provided by Appointee as well as by first class mail to the Clerk of the City/County appointing Appointee to the WRCOG Executive Committee and Appointee's mailing address.
 - 3. The removal shall be effective on the 15th day after WRCOG's Executive Director sends notice to Appointee unless Appointee provides notice to the WRCOG Executive Director, prior to the expiration of such 15 day period, of his or her desire to contest the removal.
 - 4. In the event that the removal is contested, the removal shall be stayed and the Executive Director shall schedule an Administration & Finance Committee meeting at which both the Chair and Appointee may present their arguments for and against removal. Based thereon, the Administrative & Finance Committee shall either uphold or reject the removal. The decision of the Administration & Finance Committee shall be final.

5. If the removal is not contested or is approved by the Administration & Finance Committee, the Chair may appoint another WRCOG Executive Committee member to fill the remainder of the Appointee's term. The appointment of the new member shall comply with the membership requirements set forth in Section C, above. The term of the newly appointed member shall expire on June 30 of the fiscal year in which the appointment is made.

This section 2E shall only apply to appointments made by the Chair to the seven open seats on the Administration & Finance Committee and not to the four ex-officio members of the committee.

Section 10: Article V, Section 1, Subsection A.5 of the By-laws is hereby amended to read as follows:

5. To be responsible for the purchase of all supplies and equipment of WRCOG.

Section 11: Article VII of the By-laws is hereby amended to read as follows:

These By-Laws and any amendments thereto may be amended by the General Assembly, by majority vote. Proposed amendments shall be submitted, in writing, to members of the General Assembly along with the agenda for such meeting.

Section 12: This Resolution shall become effective upon adoption by the WRCOG Executive Committee.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this 3rd day of October, 2016.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Amendment to the Appendix of the WRCOG Conflict of Interest Code

Contact: Janis Leonard, Executive Assistant, leonard@wrcog.cog.ca.us, (951) 955-8320

Date: October 3, 2016

Requested Action:

1. Adopt WRCOG Resolution Number 32-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending the Conflict of Interest Code pursuant to the Political Reform Act of 1974, to include additional WRCOG Titles and Committee name changes.

A review of the WRCOG Conflict of Interest Code is performed every two years. Five titles have been added, and two Committee names have changed, within the list of Designated Positions. The newly designated titles / Committee will be required to provide an annual Form 700, Statement of Economic Interest, beginning April 1, 2017.

WRCOG Titles added:

Director of Government Relations
Director of Transportation
Program Manager, Administration
Program Manager, Transportation
Program Manager, HERO

Committee name change:

From Planning Directors' Technical Committee to Planning Directors' Committee
From Solid Waste Technical Committee to Solid Waste Committee

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

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

Attachments:

1. Conflict of Interest Code for the Western Riverside Council of Governments (Redline version).
2. Notice of Intention to Amend the Conflict of Interest Code of the Western Riverside Council of Governments.
3. WRCOG Resolution Number 32-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974 (with attached Legislative Version (Show Changes Made) of the Appendix).

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Item 5.L

Amendment to the Appendix of the
WRCOG Conflict of Interest Code

Attachment 1

Conflict of Interest Code for the
Western Riverside Council of
Governments (Redline version)

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**CONFLICT OF INTEREST CODE
OF THE
WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

CONFLICT OF INTEREST CODE **OF THE** **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**

(Amended October ~~6, 2014~~3, 2016)

The Political Reform Act, (Gov. Code § 81000, et seq.), requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730), that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Western Riverside Council of Governments ("WRCOG")**.

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Executive Assistant** as WRCOG's Filing Officer. The **Executive Assistant** shall make and retain a copy of all statements filed by Members of the Executive Committee, the Executive Director and the Treasurer, and forward the originals of such statements to the Clerk of the Board of Supervisors. The **Executive Assistant** shall retain the originals of the statements of all other officials and designated positions and make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code Section 81008.)

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

(Amended October ~~6, 2014~~3, 2016)

PART “A”
OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

WRCOG Officials who manage public investments, as defined by 2 Cal. Code of Regs. § ~~48704~~18700.3(b), are NOT subject to WRCOG’s Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Executive Committee Members, including ex-officio non-voting members
Executive Director
Treasurer
Chief Financial Officer
Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS
GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Deputy Executive Director <u>Director of Transportation</u>	1, 2 <u>(Reorganized to create</u>
Director of Energy & Environmental Programs	2, 5
<u>Director of Government Relations</u>	<u>4 created by reorg.</u>
<u>Director of Transportation</u>	<u>1, 2 created by reorg.</u>
Fiscal Analyst	4
General Counsel	1, 2
<u>Program Manager, Accounting</u>	<u>1, 4</u>
Program Manager, Administration_ <u>create Director of Government Relations)</u>	2, 3, 5 <u>(Reorganized to</u>
Program Manager, Environmental	5
<u>Program Manager, HERO</u>	<u>2, 3, 5</u>
<u>Program Manager, Transportation</u>	<u>1, 2</u>
Program Manager, TUMF	1, 2
Staff Analyst	5
System Administrator	5
Technician	5

MEMBERS OF BOARDS,
COMMITTEES AND COMMISSIONS

Finance Directors' Committee	1, 2	
Planning Directors' TAC <u>Committee</u>		2, 3, 5
Public Works Committee	2, 3, 5	

Solid Waste ~~Technical~~ Committee
Technical Advisory Committee

2, 5
1, 2

Consultants and New Positions²

² Individuals serving as a consultant as defined in FPPC Reg ~~18701-18700.3(a)~~ or in a new position created since this Code was last approved that makes or participates in the making of decisions must file under the broadest disclosure set forth in this Code subject to the following limitation:

The Executive Director may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designate position must disclose for each disclosure category to which he or she is assigned.³ ~~Such economic interests–~~“Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of WRCOG.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or that own real property in the jurisdiction of WRCOG.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of WRCOG.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property in within the jurisdiction of WRCOG.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by WRCOG.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

Item 5.L

Amendment to the Appendix of the
WRCOG Conflict of Interest Code

Attachment 2

Notice of Intention to Amend the
Conflict of Interest Code of the
Western Riverside Council of
Governments

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NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

NOTICE IS HEREBY GIVEN that the Executive Committee of the Western Riverside Council of Governments (“WRCOG”) intends to amend WRCOG’s Conflict of Interest Code (the “Code”) pursuant to Government Code section 87306.

The Appendix of the Code designates those employees, members, officers, and consultants who make or participate in the making of decisions and are subject to the disclosure requirements of WRCOG’s Code. WRCOG’s proposed amendment includes new positions that must be designated, revises titles of existing positions, and includes updated references to Regulations and clarifying language provided by the Fair Political Practices Commission.

The proposed amended Code will be considered by the Executive Committee on October 3, 2016, at 2:00 p.m. at the Riverside County Administrative Center Board Hearing Room, 4080 Lemon Street, Riverside, California. Any interested person may be present and comment at the public meeting or may submit written comments concerning the proposed amendment. Any comments or inquiries should be directed to the attention of Janis Leonard, Executive Assistant, Western Riverside Council of Governments, 4080 Lemon Street, 3rd Floor, MS 1032, Riverside, CA 92501-3609; (951) 955-8302. Written comments must be submitted no later than October 3, 2016, at 2:00 p.m.

The proposed amended Code may be reviewed at, and copies obtained from, the office of the Executive Assistant during regular business hours.

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Item 5.L

Amendment to the Appendix of the
WRCOG Conflict of Interest Code

Attachment 3

WRCOG Resolution Number 32-16;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments
Amending the Conflict of Interest
Code Pursuant to the Political
Reform Act of 1974 (with attached
Legislative Version (Show Changes
Made) of the Appendix)

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RESOLUTION NUMBER 32-16

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AMENDING THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Western Riverside Council of Governments ("WRCOG") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Executive Committee adopted a Conflict of Interest Code (the "Code") for WRCOG which was amended on October 6, 2014, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within WRCOG have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update WRCOG's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in WRCOG being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Executive Committee of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the County Administrative Offices at 4080 Lemon Street, Riverside, California; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Executive Committee of WRCOG on October 3, 2016, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW THEREFORE, BE IT RESOLVED by Executive Committee of the Western Riverside Council of Governments follows:

- Section 1. The Executive Committee does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Executive Assistant and available to the public for inspection and copying during regular business hours.
- Section 2. The said amended Code shall be submitted to the Board of Supervisors of the County of Riverside for approval.
- Section 3. The said amended Code shall become effective immediately upon approval by the Riverside County Board of Supervisors.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this 3rd day of October, 2016.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Alternative Compliance Framework Introduction

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

Stormwater management is a complex issue of which the Municipal Separate Stormwater Sewer System (MS4) permit is the primary mechanism to regulate stormwater. New regulations have required Regional Water Boards to update their MS4 permits to require additional stormwater treatment measures when new development occurs. These regulations may increase cost and the need for more land; thus negatively affecting the feasibility of new development. As a result, Regulators allow Alternative Compliance Programs (ACP) to assist in complying with these new regulations. In 2016, WRCOG completed a study to understand the feasibility of an Alternative Compliance Program in the Southwest area of the region. WRCOG is interested in providing local jurisdictions an Alternative Compliance Framework so that jurisdictions are able to implement a program if they so choose – the Alternative Compliance Framework is a voluntary program.

Background

The management of stormwater generated by public and private sector projects is a complex issue that involves a wide variety of agencies, regulations, legal requirements, and other factors. The primary mechanism to regulate stormwater is the MS4 permit. These permits are overseen by Regional Water Quality Control Boards (Regional Boards) throughout California. Two Regional Boards have jurisdiction over the WRCOG subregion; the San Diego (southwest Riverside County) and the Santa Ana (remaining portion of the WRCOG Region) Regional Boards. Note: the City of Banning is under jurisdiction of a third, the Colorado River Regional Board.

Within the past several years, new regulations have required Regional Boards to update their MS4 permits to require additional stormwater treatment measures when new development occurs. These additional treatment measures can be significantly more costly than current requirements for certain types of development. There may also be instances in which these treatment measures are infeasible based on the size of the development parcel and other considerations.

Recognizing that these new permit requirements could negatively affect the feasibility of new development, the Regulators allow for **Alternative Compliance Programs (ACP)**. In stormwater terms, alternative compliance refers to the use of an in-lieu fee or credit system which is tied to a regional program. Under the alternative compliance concept, private development may continue to address their stormwater requirements either on-site or through an ACP. In laymen's terms, developers who find it impossible or cost-prohibitive to comply with requirements for stormwater management on their development site could instead "pay into" a regional stormwater management system that consolidates mitigation of stormwater, and combines best practices for water quality management, into a single, regional site. ACPs are being considered by a variety of Regional

Boards throughout the State, though the San Diego Regional Board is among the most advanced in terms of developing a formal program.

An ACP can serve as an economic development tool by promoting flexible land development and can support the development of regional and community planning goals – such as Transit Oriented Development (TOD) in conjunction with future transit stations. TOD and infill development could benefit greatly from an ACP as it allows private development to meet regulatory requirements where onsite compliance is not feasible. It can also provide cost-effective and market-driven benefits, such as off-site options for public agency projects, funding for required regional Best Management Practices (BMPs), cost savings through centralizing BMP maintenance, and obtains needed funding for “multiple-benefit” public projects (i.e., ecological restoration, parks, other “green infrastructure”). Lastly, an ACP promotes regional solutions that can utilize uniform metrics and creates economies of scale.

With a grant from SCAG, WRCOG completed a study in 2016 analyzing feasibility of an ACP focusing on the Cities of Murrieta, Temecula, and Wildomar, which are under the jurisdiction of the San Diego Water Board. This study concluded that an ACP would be beneficial and identified that WRCOG evaluate potential options to develop such a program. Riverside County Flood Control has also been directed by the Riverside County Board of Supervisors to explore the feasibility of an ACP.

Where Do We Currently Stand?

WRCOG has convened a technical working group to further investigate the feasibility of developing an ACP. These meetings are facilitated by Alexa Washburn, WRCOG consultant. Members of this group include:

- County of Riverside
- Riverside County Flood Control & Water Conservation District
- San Diego Regional Water Quality Control Board
- Santa Ana Regional Water Quality Control Board
- San Diego County Flood Control District
- San Bernardino County Flood Control District
- Orange County Flood Control
- Building Industry Association of Southern California
- City of Temecula
- City of Hemet
- WRCOG Legal Counsel
- Stormwater Experts / Engineer Consultants

This group has met thrice to further explore an ACP to be administered by WRCOG. These initial meetings have concluded the following:

- There is a high level of interest in an ACP for the WRCOG subregion by a variety of stakeholders
- WRCOG would be ideally suited to establish and administer a program, in partnership with other agencies such as Riverside County Flood Control and the various Regional Boards
- Riverside County Flood Control has expressed an interest in WRCOG overseeing a program in partnership with Flood Control since WRCOG has significant program administration experience
- An ACP would be within the realm of WRCOG’s current JPA
- An ACP would have to be structured as a voluntary program, under which jurisdictions and property owners could choose to participate in the regional program or address their stormwater issues individually
- Given an ACP would be a voluntary program, WRCOG staff are approaching the ACP as an “Alternative Compliance Framework” (“Framework”) for jurisdictions to consider. The Framework will give jurisdictions an approach to follow if they so choose to participate in an ACP.

The technical working group has expressed a desire to continue meeting regularly over the next several months to discuss how to establish a Framework. The MS4 Permit requires two studies to prepare an ACP: 1) a Watershed Management Area Analysis (WMAA), and 2) a Water Quality Equivalency Study. Riverside

County Flood Control developed a scope for this first Study – the WMAA. The WMAA serves as the technical basis for an ACP, similar to how the Nexus Study is the technical basis for the TUMF.

Next Steps

Given that the WMAA is a critical step towards developing an ACP, WRCOG staff have spoken with Riverside County Flood Control (RCFC) staff and offered to assist with the Study. There is an agreement to utilize WRCOG's on-call engineering consultants to support a technical scope of work for the WMAA, and WRCOG will serve as project manager for the Study. WRCOG needs to authorize its on-call engineering consultants to perform tasks identified with RCFC in the WMAA scope of work.

Schedule

Over the next couple of months, staff will coordinate with RCFC on the WMAA. WRCOG staff will also continue coordination of technical working group meetings to discuss the different components of the Framework. Implementing a formal ACP will likely require 18 - 24 months.

What Does WRCOG Need to Do?

While the technical studies proceed, WRCOG staff should continue with the technical working group meetings for the foreseeable future. Additionally, staff suggests regular briefings through the WRCOG Committee structure in order to build support for the program in the interim period.

Prior WRCOG Action:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

The Alternative Compliance Framework is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Legislative Activities Update

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.cog.ca.us, (951) 955-0186

Date: October 3, 2016

Requested Action:

1. Adopt a position of "OPPOSE" for California State Proposition 53.

Summary: Proposition 53 would require state-wide voter approval for infrastructure-related revenue bonds totaling \$2 billion, adjusted for inflation, or more. This applies to any projects that are financed, owned, operated, or managed by the state, or by a joint agency formed between the state and a federal government agency, another state, and/or a local government.

WRCOG Opposition: Proposition 53 erodes local control. Under this ballot measure, jurisdictions that want to come together to form a Joint Powers Authority to issue revenue bonds to upgrade local water systems, roads, bridges, and universities, would have to put their project on a statewide ballot, if the project is \$2 billion or more. That means voters throughout the State, who might not be familiar with specific Western Riverside County's needs, could veto local projects. Also, the measure would add new layers of bureaucracy and red tape that will delay or derail needed improvements to critical infrastructure, including after emergencies and natural disasters. Because this bill jeopardizes local control, as stated under "General Advocacy" in the WRCOG's adopted 2015/2016 Legislative Platform (<http://www.wrcog.cog.ca.us/wrcog-at-work/advocacy>), staff is requesting approval to adopt a position of "OPPOSE."

Other Local Organizations Opposing Proposition 53:

- California Building Industry Association
- Eastern Municipal Water District
- Greater Riverside Chamber of Commerce
- League of California Cities
- Metropolitan Water District of Southern California
- Riverside County Transportation Commission
- Southwest California Legislative Council
- Western Municipal Water District

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: HERO Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.coq.ca.us, (951) 955-8313

Date: October 3, 2016

Requested Actions:

1. Defer the judicial foreclosure proceeding and to assign WRCOG's collection rights to Renovate America for 155 delinquent parcels totaling \$401,909.87.
2. Change the minimum amount required for financing from \$5,000 to \$2,500 for a maximum term of 5-years.
3. Authorize the WRCOG Executive Director to execute a professional service contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed \$165,000.
4. Accept the Cities of Belmont and Grass Valley as Associate Members of the Western Riverside Council of Governments.
5. Adopt WRCOG Resolution Number 36-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.
6. Continue the Public Hearing Regarding the Inclusion of Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed until November 7, 2016.

WRCOG's HERO Program provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate.

Overall HERO Program Activities Update

Residential: As of this writing, more than 99,500 homeowners in both the WRCOG and California HERO Programs have been approved to fund more than \$5.8 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: Over 33,600 property owners located in Western Riverside County have been approved for funding through the WRCOG HERO Program, totaling over \$1.43 billion. Nearly 21,000 projects, totaling over \$402 million, have been completed (Attachments 1 & 2).

Statewide Program: As of this writing, 354 jurisdictions outside the WRCOG and San Bernardino Associated Governments' subregions have adopted Resolutions of Participation for the California HERO Program. Nearly 66,000 applications have been approved for the California HERO Program to fund over \$4.4 billion in eligible

renewable energy, energy efficiency and water efficiency projects. Over 35,000 projects have been completed, totaling nearly \$748 million (Attachment 3).

The table below provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	529 GWh
GHG Reductions – Annually	137,524 Tons
Gallons Saved – Annually	331 Million
\$ Saved – Annually	\$68.9 Million
Projected Annual Economic Impact	\$1.99 Billion
Projected Annual Job Creation/Retention	9,774 Jobs

The table below provides a summary of the estimated work breakdown of projects completed in both the WRCOG and the California Programs:

Project Data	
Central Air	25.1%
Windows/Doors	18.6%
Solar	18.2%
Landscape	10.3%
Roofing	8.6%

HERO Program Compliance Update: Since June 2016, several new processes have been implanted that have added consumer protections. Renovate America has implemented recorded “Confirmed Terms” calls to 100% of applicants to ensure that property owners fully understand the terms and conditions of their loan. In addition, Renovate has developed an extensive Elder Protection Program that includes: Confirmed Terms Calls, Elder File Review, Post Funding Calls, Compliance Case Referrals, Welcome Kit, and HERO Elder Advocate Line.

Cumulative Property Owner Complaints Since May 1, 2013			
# Applications since May 1, 2013	211,768		
Applications with no complaints	211,068	99.67%	of property owners have no complaints
Major Property Owner Complaints	258	0.12%	of property owners voice major complaints
Minor Property Owner Complaints	442	0.21%	of property owners voice minor complaints
Major complaints pending resolution	0	0.0%	of property owners have major complaints that still need to be resolved

Realtor Update: WRCOG and Renovate America continue to engage and work with local realtors, including collaboration that helped create the “Know Before You Owe” form which will be implemented in October. This partnership has developed a working group, comprised of realtors, WRCOG staff, and representatives from Renovate which meets monthly. Additionally, Renovate has a full time liaison, whose purpose is to represent the Program with Realtors’ Associations. Lastly, Renovate has a dedicated group - HERO Property Advisors (HPA) - whose purpose is to work with homeowners and realtors during sales, refinancing or subordination. The HPA team monitors MLS and other sites and contacts both the homeowner and realtor when a property with their assessment goes on the market to assist in the process.

New Associate Members: The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the “Amendment to Joint Powers

Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City” (the “JPA Amendment”), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the October 3, 2016, Executive Committee meeting.

Belmont – September 12, 2016

Grass Valley – July 26, 2016

The next step in the California HERO Program is for the Executive Committee to adopt WRCOG Resolution Number 36-16 (Attachment 4), which accepts the above mentioned Cities as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for November 7, 2016.

At the November 7, 2016, Executive Committee meeting, staff will bring forward the revised Appendix B “Boundary Map” from Program Report for consideration and potential approval; the Executive Committee will hold the Program’s required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B “Boundary Map” from the Program Report.

On September 12, 2016, the Executive Committee adopted its Resolution Number 34-16 setting a public hearing to be held on October 3, 2016, as required pursuant to Chapter 29, to consider the modification of the Program Report to increase the Program Area to include the jurisdictional boundaries of such additional Associate Members.

There is a need to continue the public hearing for the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed until the November 7, 2016, Executive Committee meeting. This is due to a delay in having the public hearing notices adequately posted within the designated time frame.

HERO Assessment Delinquencies

Background: On September 14, 2015, the Executive Committee adopted a policy to review, on an annual basis, the number and amount of delinquencies and determine the assignment of collection rights, or to begin the judicial foreclosure process.

Under WRCOG’s Master Bond Indentures, it is stated that any property owner that is delinquent in his or her tax bill on October 1st of each year will be subject to WRCOG initiating a judicial foreclosure process. However, WRCOG may elect to defer the judicial foreclosure proceedings if WRCOG has received or advanced funds to cover the delinquent amounts. Previous actions by the WRCOG Executive Committee include:

2013/2014 Tax Year – deferred 8 parcels totaling \$12,748.21

2014/2015 Tax Year – deferred 44 parcels totaling \$97,687.67

2015/2016 Tax Year Delinquencies: David Taussig & Associates (DTA), the HERO Program Assessment Administrator, issues a preliminary report that details the delinquencies for the tax year. The final report will be calculated by the end of September 2016, and brought back this Committee in October 2016.

For the 2015/2016 Tax Year, WRCOG enrolled HERO assessments on 21,811 parcels totaling \$64,998,397.91. As of September 7, 2016, the total delinquency rate is 0.62% or \$401,909.87. A breakdown by county is provided in Attachment 5. A delinquency simply means that the property owner(s) did not make timely payment of his and/or her property taxes (including the HERO Assessment payment) for the past tax year.

Program Report Changes

Under the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report, and the California HERO Residential Handbook, the minimum amount that can be financed through the residential Program is \$5,000. Renovate America has requested this requirement be changed to \$2,500 because there may be instances where a property owner is adding additional projects that they may not want or need to reach the minimum threshold. While staff is in agreement that reducing the amount makes sense for certain projects, it does not make sense to have the financing of \$2,500 be stretched out over 10-, 15-, or 20-years. Staff is recommending that a fixed term of 5-years be implemented for these types of projects (Attachments 5 & 6).

Operational Analysis / Audit

On June 30, 2016, WRCOG released a Request for Proposal (RFP) to have a comprehensive operational and capacity review of the HERO Program, as is currently being implemented by Renovate America. The review will cover the period from July 1, 2015, through June 30, 2016, and is to ensure that Renovate America is operating the HERO Program in accordance with the Program Report and Consumer Protections adopted by the WRCOG Executive Committee. The proposals were due on July 25, 2016, and four proposals were received. Three proposals were selected for the interview process: EcoMotion, Baker Tilly, and PricewaterhouseCoopers. The proposal costs ranged from \$34,000 to \$825,000.

On August 26, 2016, the Review Committee (consisting of WRCOG staff, Public Financial Management, Rogers, Anderson, Malody, & Scott, LLP, and Best Best & Krieger) interviewed the three firms. Baker Tilly was selected as the firm to complete the operational analysis / audit. A copy of the draft agreement is attached for members review (Attachment 8).

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee recommend to the WRCOG Executive Committee to 1) defer the judicial foreclosure proceeding and to assign WRCOG's collection rights to Renovate America for 198 delinquent parcels totaling \$503,876.22; 2) change the minimum amount required for financing from \$5,000 to \$2,500 for a maximum term of 5-years; and 3) authorize the WRCOG Executive Director to execute a professional service contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed \$165,000.

September 14, 2016: The WRCOG Administration & Finance Committee recommend to the WRCOG Executive Committee to 1) defer the judicial foreclosure proceeding and to assign WRCOG's collection rights to Renovate America for 198 delinquent parcels totaling \$503,876.22; 2) change the minimum amount required for financing from \$5,000 to \$2,500 for a maximum term of 5-years; and 3) authorize the WRCOG Executive Director to execute a professional service contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed \$165,000.

September 12, 2016: The WRCOG Executive Committee 1) accepted the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed as Associate Members of the Western Riverside Council of Governments; 2) adopted WRCOG Resolution Number 34-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon; and 3) accepted the proposed changes to the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Samas Commercial Handbook.

WRCOG Fiscal Impact:

The \$165,000 fee for Baker Tilly's services will be included in the Fiscal Year 2016/2017 2nd Quarter budget amendment in the HERO Program for the Consulting Services line item.

Attachments:

1. HERO Program Summary Update.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. WRCOG Resolution Number 36-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.
5. Revised sections of the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Amended October 3, 2016.
6. Revised sections of the WRCOG HERO Program Handbook.
7. 2015/2016 Delinquency Summary Report.
8. Professional Services Agreement between WRCOG and Baker Tilly Virchow Krause, LLP.

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HERO Program Activities Update

Attachment 1

HERO Program Summary Update

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HERO Program Summary Update

(Launch through 09/19/16)

City	Approved Apps	Approved Amount
Banning	455	\$11,974,022
Calimesa	149	\$5,676,929
Canyon Lake	502	\$26,036,184
Corona	2,815	\$151,220,075
County	5,444	\$265,689,380
Eastvale	776	\$48,372,793
Hemet	992	\$24,509,411
Jurupa Valley	1,833	\$73,030,182
Lake Elsinore	1,222	\$45,658,937
Menifee	2,245	\$78,154,547
Moreno Valley	4,156	\$137,174,457
Murrieta	2,443	\$112,633,453
Norco	653	\$36,880,842
Perris	823	\$25,487,784
Riverside	5,443	\$226,330,784
San Jacinto	644	\$18,088,142
Temecula	2,293	\$117,424,250
Wildomar	801	\$30,752,234
	33,689	\$4,452,165,443

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HERO Program Activities Update

Attachment 2

WRCOG HERO Snapshot

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18,079

Homes Improved

12/14/2011

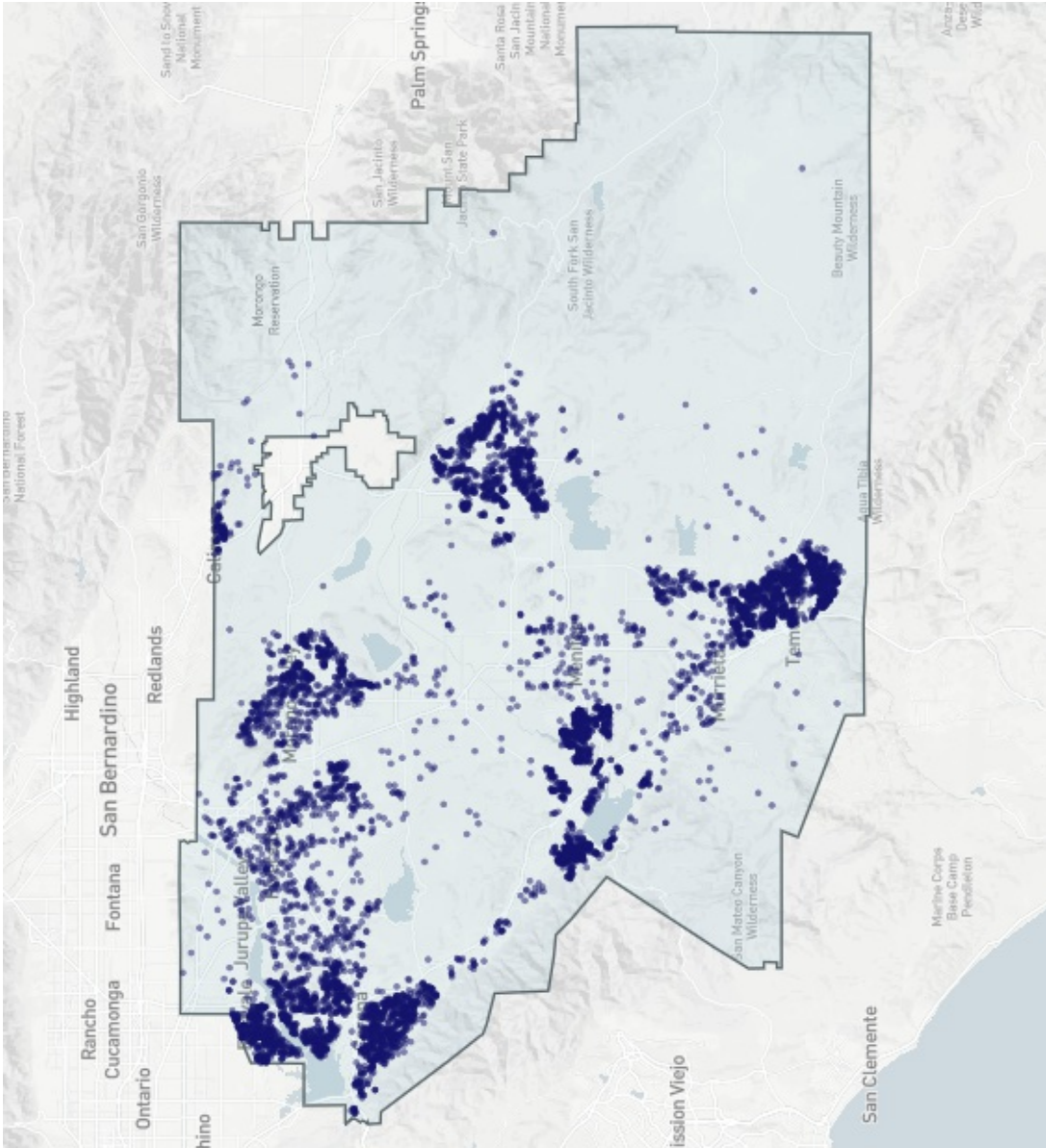
HERO Launch Date

460,572

Housing Count

01/01/2011 - 09/19/2016

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	23.9K	\$278M
Solar	11.8K	\$494M
Water	1,423	\$9.50M

Lifetime Impact

Applications Submitted	49.7K
Applications Approved	33.7K
Funded Amount	\$402M
Economic Stimulus	\$697M
Jobs Created	3,418
Energy Saved	3.00B kWh
Emissions Reduced	811K tons
Water Saved	1.05B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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HERO Program Activities Update

Attachment 3

CA HERO Snapshot

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31,390

Homes Improved

02/10/2014

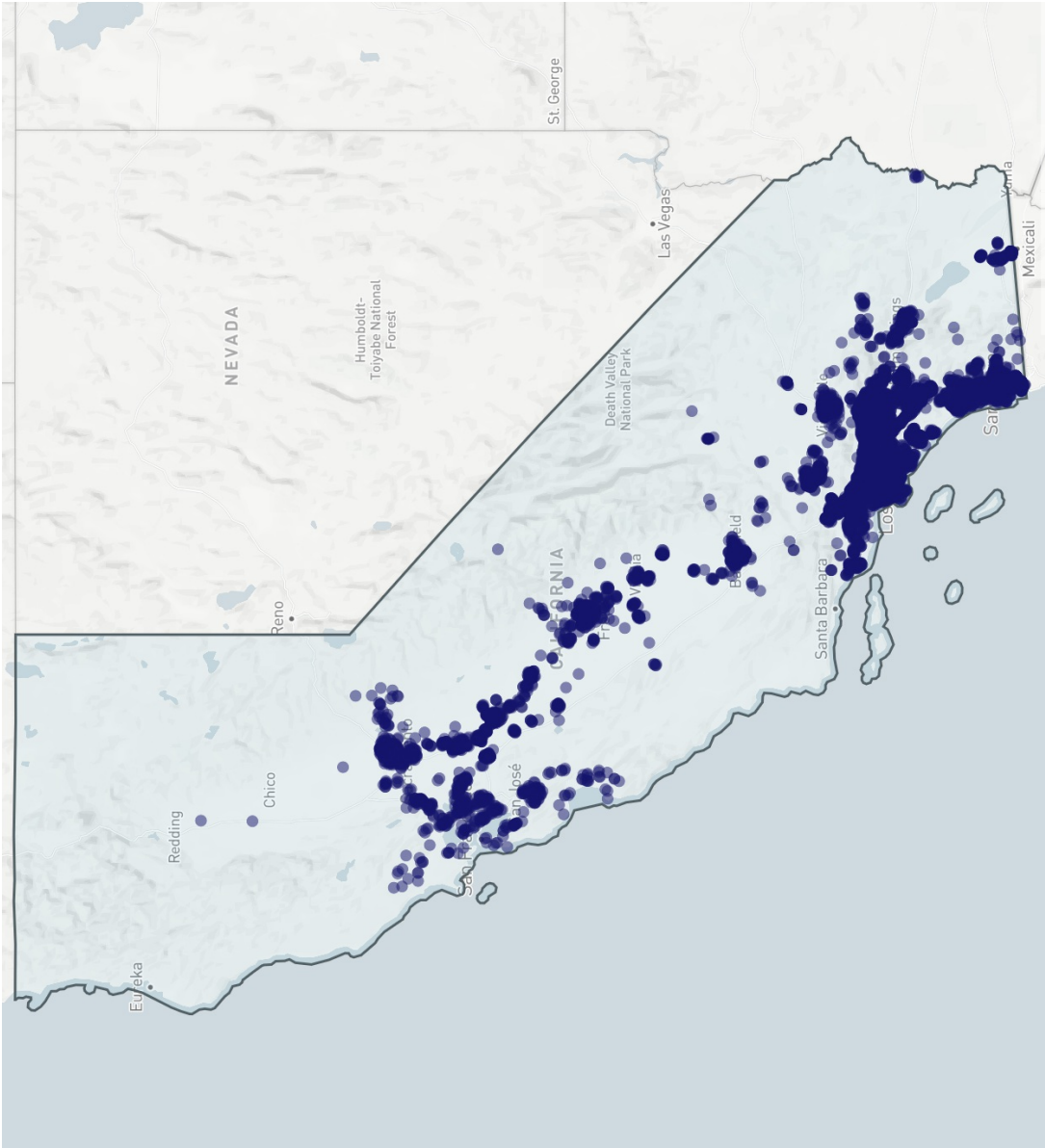
HERO Launch Date

5,644,833

Housing Count

02/10/2014 - 09/19/2016

Report Range



Improvements		
Type	Total Installed	Bill Savings
Energy	43.2K	\$519M
Solar	18.1K	\$841M
Water	3,112	\$24.2M

Lifetime Impact

Applications Submitted	89.3K
Applications Approved	65.9K
Funded Amount	749M
Economic Stimulus	\$1.30B
Jobs Created	6,356
Energy Saved	4.80B kWh
Emissions Reduced	1.27M tons
Water Saved	2.64B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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HERO Program Activities Update

Attachment 4

WRCOG Resolution Number 36-16;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Declaring its
Intention to Modify the California
HERO Program Report so as to
Increase the Program Area within
which Contractual Assessments may
be offered and Setting a Public
Hearing Thereon

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Western Riverside Council of Governments

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

RESOLUTION NUMBER 36-16

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the Cities of Belmont and Grass Valley, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Cities of Belmont and Grass Valley, (the "Additional Associate Members") in the Program Area.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Executive Committee declares its intention to remove the Counties as Association Members and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdictions of the Additional Associate Members.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on November 7, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on October 3, 2016.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

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HERO Program Activities Update

Attachment 5

Revised sections of the WRCOG
Energy Efficiency and Water
Conservation Administrative
Guidelines and Program Report
Amended October 3, 2016

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ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES AND PROGRAM REPORT

ADOPTED: JUNE 7, 2010 - AMENDED: JANUARY 12, 2011 - AMENDED: JUNE 6, 2011
AMENDED: JULY 29, 2011 - AMENDED: SEPTEMBER 12, 2011 - REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 - REVISED JUNE 3, 2013 - REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 - AMENDED AUGUST 4, 2014
AMENDED OCTOBER 6, 2014 – REVISED NOVEMBER 4, 2014
AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016 – REVISED – JUNE 6, 2016 —
AMENDED SEPTEMBER 12, 2016 – AMENDED OCTOBER 3, 2016



PREPARED BY:
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VIII. PROGRAM PARAMETERS

MINIMUM ENERGY FINANCING AMOUNT AND DURATION OF ASSESSMENT

Assessment Contracts are available for up to 25-year terms to accommodate a wide range of efficiency measures and renewable energy investments for residential and commercial. The minimum amount for an Assessment Contract financed by Samas Capital is \$25,000.

[The minimum amount for a residential Assessment Contract financed by Renovate America is \\$2,500 for a maximum term of 5-years.](#) -All residential and commercial assessment contracts are subject to a 5-, 10-, 15-, 20-year, or 25- assessment repayment period, as requested by the property owner and agreed to by the Program Administrator and/or his designee. Assessment repayment periods cannot exceed the estimated reasonable useful life of the installed improvement(s). Solar PV systems may have a 20- or 25-year assessment repayment period. The WRCOG Executive Committee reserves the right to approve a 25-year assessment repayment period for other residential and commercial property Eligible Products if deemed appropriate or amend the minimum energy financing amount and duration of assessment.

PRIORITY IN APPLICATION PROCESSING

In the case where upfront funding is available, complete and eligible applications will be processed on first-come, first-served basis until funds are no longer available. Once funds are no longer available, additional applications may be placed on a waitlist.

MAXIMUM PORTFOLIO

The maximum aggregate dollar amount of contractual assessments available under the Program is \$3 billion.

ASSESSMENT INTEREST RATE

HERO Financing Plan for Residential: The Program Administrator will set the interest rate for a contract assessment financed through the HERO Financing Plan at the time that the application is approved and when the assessment contract is signed. The current rate will always be available on the Program website and any variations from that estimated rate will be based solely on market fluctuations. The Program Administrator will review the interest rates on an annual basis.

HERO Commercial Financing for Commercial: The Program Administrator will set the interest rate for contract assessment financed at the time that the Eligible Products are funded. Renovate America, Inc., will provide ongoing pricing feedback from the capital markets to aid in adjusting product pricing. The Program Administrator will review the interest rates on an annual basis.

SAMAS Commercial Financing for Commercial: The Program Administrator will set the interest rate for contract assessment financed at the time that the Eligible Products are funded. Samas Capital will provide ongoing pricing feedback from the capital markets to aid in adjusting product pricing. The Program Administrator will review the interest rates on an annual basis.

Standard Financing Plan: The Program Administrator will set the interest rate for a contract assessment financed through the standard financing plan at the time the application is approved and the assessment contract is signed. The interest rate for each

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HERO Program Activities Update

Attachment 6

Revised sections of the WRCOG
HERO Program Handbook

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WRCOG HERO Program Handbook

October 2014 – Version 02.0

Amended October 3, 2016

A low cost financing program provided by
the Western Riverside Council of Governments

exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Eligible Product(s).

4.5 Eligible Contractors

Only contractors who have registered with the Program may complete Program-financed installation work, unless the property owner chooses to do the work him or herself and signs a Self-Install Agreement. Contractors may register with the Program if they have an active license with the California Contractors State License Board (“CSLB”), including meeting the CSLB’s bonding and workers compensation insurance requirements and agree to all Program terms and conditions. In addition, contractors may only install Eligible Products for which they have the appropriate CSLB license. All Solar PV and solar thermal systems must be installed by a CSI registered installer holding the correct contractor’s license.

Property owners independently choose which contractors will work on the installation of their Eligible Products. **WRCOG, Renovate America, Inc., and the Program do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products. A current listing of contractors registered for the Program who have also attended the Program orientation can be found on the Program website (<http://wrcog.herofinancing.com/FindContractors>).**

If an Eligible Product is self-installed, financing will not be available for the property owner’s labor and property owner(s) must first sign a Self-Install Agreement before beginning the project.

4.6 Eligible Assessment Amounts

The minimum assessment amount is ~~\$5,000~~ \$2,500. The maximum assessment amount is 10% of the value of the property.

For residential properties, the value of the property will be the market value based on an automated valuation model (“AVM”) value provided by a third party independent vendor. If an AVM value is not available for a particular property, the Program will use the assessed value unless the property owner can provide a recent appraisal. In addition, if you disagree with the AVM value, you may choose to pay for an appraisal from a licensed appraiser and the Program will review the appraisal and determine whether it may be used for eligibility calculations.

4.7 Eligible Assessment Term(s)

Assessment Contracts may include financing with a 5-, 10-, 15-, 20-, or 25-year term, but the financing term may not exceed the “useful life” of the installed Eligible Product, assessments less than \$5,000 may only be financed for a 5-year term. A listing of Eligible Products and useful life can be found in Appendix D. When installing multiple Eligible Products, the maximum financing term available is the financing term associated with the greatest financing amount.

The Program reserves the right to approve a different assessment term than requested based on the useful life of the Eligible Product(s) to be installed.

Item 7.A

HERO Program Activities Update

Attachment 7

2015/2016 Delinquency Summary
Report

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**Western Riverside Council of Governments
Delinquency Summary Report
Residential
Fiscal Year 2015-2016**

Contra Costa County [1]			
Fund #TE43949970			
Total Levy For FY 2015-2016:	\$339,627.08	Total Amount Collected:	\$339,627.08
Number of Parcels Subject to Levy:	101	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Fresno County [2]			
Fund #6056			
Total Levy For FY 2015-2016:	\$1,868,718.38	Total Amount Collected:	\$1,854,090.07
Number of Parcels Subject to Levy:	656	Delinquent Amount:	\$14,628.31
Number of Parcels Delinquent:	7	Delinquency Rate:	0.78%
Imperial County [1]			
Fund #96200			
Total Levy For FY 2015-2016:	\$56,105.08	Total Amount Collected:	\$56,105.08
Number of Parcels Subject to Levy:	36	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Kern County [1][3]			
Fund #42912			
Total Levy For FY 2015-2016:	\$2,025,529.28	Total Amount Collected:	\$2,017,826.82
Number of Parcels Subject to Levy:	739	Delinquent Amount:	\$7,702.46
Number of Parcels Delinquent:	5	Delinquency Rate:	0.38%
Kings County [1]			
Fund #5011			
Total Levy For FY 2015-2016:	\$57,924.52	Total Amount Collected:	\$57,924.52
Number of Parcels Subject to Levy:	26	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Los Angeles County [2]			
Fund #96.21			
Total Levy For FY 2015-2016:	\$6,635,256.75	Total Amount Collected:	\$6,536,095.94
Number of Parcels Subject to Levy:	1,949	Delinquent Amount:	\$99,160.81
Number of Parcels Delinquent:	33	Delinquency Rate:	1.49%
Madera County [1]			
Fund #7720			
Total Levy For FY 2015-2016:	\$92,897.82	Total Amount Collected:	\$92,416.85
Number of Parcels Subject to Levy:	33	Delinquent Amount:	\$480.97
Number of Parcels Delinquent:	1	Delinquency Rate:	0.52%
Merced County [1]			
Fund #86510			
Total Levy For FY 2015-2016:	\$213,111.86	Total Amount Collected:	\$208,029.50
Number of Parcels Subject to Levy:	71	Delinquent Amount:	\$5,082.36
Number of Parcels Delinquent:	3	Delinquency Rate:	2.38%
Mono County [1]			
Fund #66100			
Total Levy For FY 2015-2016:	\$19,415.02	Total Amount Collected:	\$19,415.02
Number of Parcels Subject to Levy:	6	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Monterey County [1]			
Fund #99600			
Total Levy For FY 2015-2016:	\$41,311.32	Total Amount Collected:	\$41,311.32
Number of Parcels Subject to Levy:	8	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Napa County [1]			
Fund #52160			
Total Levy For FY 2015-2016:	\$246,178.04	Total Amount Collected:	\$246,178.04
Number of Parcels Subject to Levy:	62	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Orange County [1]			
Fund #749 CE			
Total Levy For FY 2015-2016:	\$5,525,700.28	Total Amount Collected:	\$5,485,597.38
Number of Parcels Subject to Levy:	1,599	Delinquent Amount:	\$40,102.90
Number of Parcels Delinquent:	9	Delinquency Rate:	0.73%
Eastern Riverside [1]			
Fund #68-9010			
Total Levy For FY 2015-2016:	\$253,022.38	Total Amount Collected:	\$253,022.38
Number of Parcels Subject to Levy:	102	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%

**Western Riverside Council of Governments
Delinquency Summary Report
Residential
Fiscal Year 2015-2016**

Riverside County [1] Fund #68-6547			
Total Levy For FY 2015-2016:	\$221,034.80	Total Amount Collected:	\$221,034.80
Number of Parcels Subject to Levy:	98	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Fund #68-9004 [4]			
Total Levy For FY 2015-2016:	\$5,981,960.77	Total Amount Collected:	\$5,949,915.59
Number of Parcels Subject to Levy:	2,780	Delinquent Amount:	\$32,045.18
Number of Parcels Delinquent:	21	Delinquency Rate:	0.54%
Fund #68-9008 [5]			
Total Levy For FY 2015-2016:	\$25,126,267.52	Total Amount Collected:	\$24,901,708.85
Number of Parcels Subject to Levy:	9,056	Delinquent Amount:	\$224,558.67
Number of Parcels Delinquent:	93	Delinquency Rate:	0.89%
Fund #68-9009			
Total Levy For FY 2015-2016:	\$20,193.84	Total Amount Collected:	\$20,193.84
Number of Parcels Subject to Levy:	8	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Riverside County - All Funds			
Total Levy For FY 2015-2016:	\$31,349,456.93	Total Amount Collected:	\$31,092,853.08
Number of Parcels Subject to Levy:	11,942	Delinquent Amount:	\$256,603.85
Number of Parcels Delinquent:	114	Delinquency Rate:	0.82%
Sacramento County [2] Fund #1030			
Total Levy For FY 2015-2016:	\$70,027.60	Total Amount Collected:	\$69,023.86
Number of Parcels Subject to Levy:	29	Delinquent Amount:	\$1,003.74
Number of Parcels Delinquent:	1	Delinquency Rate:	1.43%
San Diego County [6] Fund #6265-01			
Total Levy For FY 2015-2016:	\$12,727,846.45	Total Amount Collected:	\$12,665,262.56
Number of Parcels Subject to Levy:	3,360	Delinquent Amount:	\$62,583.89
Number of Parcels Delinquent:	18	Delinquency Rate:	0.49%
San Francisco County [1] Fund# 84			
Total Levy For FY 2015-2016:	\$3,742.58	Total Amount Collected:	\$3,742.58
Number of Parcels Subject to Levy:	1	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
San Joaquin County [1] Fund #72900			
Total Levy For FY 2015-2016:	\$796,241.30	Total Amount Collected:	\$787,449.16
Number of Parcels Subject to Levy:	281	Delinquent Amount:	\$8,792.14
Number of Parcels Delinquent:	3	Delinquency Rate:	1.10%
San Mateo County [1] Fund #C06F12			
Total Levy For FY 2015-2016:	\$4,499.94	Total Amount Collected:	\$4,499.94
Number of Parcels Subject to Levy:	2	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Santa Clara County [1] Fund #995			
Total Levy For FY 2015-2016:	\$857,209.12	Total Amount Collected:	\$853,837.52
Number of Parcels Subject to Levy:	212	Delinquent Amount:	\$3,371.60
Number of Parcels Delinquent:	1	Delinquency Rate:	0.39%
Santa Cruz County [1] Fund #405000			
Total Levy For FY 2015-2016:	\$32,655.68	Total Amount Collected:	\$32,655.68
Number of Parcels Subject to Levy:	9	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Solano County [1] Fund #8998			
Total Levy For FY 2015-2016:	\$671,466.36	Total Amount Collected:	\$670,297.40
Number of Parcels Subject to Levy:	201	Delinquent Amount:	\$1,168.96
Number of Parcels Delinquent:	1	Delinquency Rate:	0.17%
Sonoma County [1] Fund #94000			
Total Levy For FY 2015-2016:	\$12,465.06	Total Amount Collected:	\$12,465.06
Number of Parcels Subject to Levy:	4	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%
Stanislaus County [1] Fund #64075			
Total Levy For FY 2015-2016:	\$889,295.38	Total Amount Collected:	\$886,858.12
Number of Parcels Subject to Levy:	312	Delinquent Amount:	\$2,437.26
Number of Parcels Delinquent:	1	Delinquency Rate:	0.27%

**Western Riverside Council of Governments
Delinquency Summary Report
Residential
Fiscal Year 2015-2016**

**Tulare County [1]
Fund #690**

Total Levy For FY 2015-2016:	\$113,551.26	Total Amount Collected:	\$112,794.29
Number of Parcels Subject to Levy:	42	Delinquent Amount:	\$756.97
Number of Parcels Delinquent:	1	Delinquency Rate:	0.67%

**Ventura County [1]
Fund #10-70 to -75**

Total Levy For FY 2015-2016:	\$95,142.44	Total Amount Collected:	\$95,142.44
Number of Parcels Subject to Levy:	28	Delinquent Amount:	\$0.00
Number of Parcels Delinquent:	0	Delinquency Rate:	0.00%

All Counties

Total Levy For FY 2015-2016:	\$64,998,397.91	Total Amount Collected:	\$64,494,521.69
Number of Parcels Subject to Levy:	21,811	Delinquent Amount:	\$503,876.22
Number of Parcels Delinquent:	198	Delinquency Rate:	0.78%

Created on: Aug 8, 2016

[1] Delinquency data as of 8/8/2016.

[2] Delinquency data as of 6/30/2016.

[3] 1 of the 5 delinquent parcels is currently on a payment plan.

[4] 1 of the 21 delinquent parcels is currently on a payment plan.

[5] 2 of the 93 delinquent parcels are currently on a payment plan.

[6] Delinquency data as of 7/7/2016.

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Item 7.A

HERO Program Activities Update

Attachment 8

Professional Services Agreement
between WRCOG and Baker Tilly
Virchow Krause, LLP

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS PROFESSIONAL SERVICES AGREEMENT FOR OPERATIONAL ANALYSIS AND AUDITING SERVICES INVOLVING RENOVATE AMERICA

1. PARTIES AND DATE.

This Agreement is made and entered into this xxx day of October, 2016, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and Baker Tilly Virchow Krause, LLP (“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 conducting operational analysis and auditing services, 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 to perform an analysis of our residential funding partner, Renovate America, to ensure that they are complying with WRCOG’s Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the residential PACE Consumer Protections Policy for the period of July 1, 2015 through June 30, 2016 (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. 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 for conducting an operational analysis and audit of Renovate America 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 Term. The term of this Agreement shall be from October 3, 2016 to January 30, 2017, 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 Control and Payment of Subordinates; Independent Contractor. 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: **[INSERT NAME OF KEY PERSONNEL]**.

3.2.5 WRCOG's Representative. WRCOG hereby designates Rick Bishop, or his or her 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 **INSERT NAME]**, or his 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 WRCOG staff in the performance of Services and shall be available to WRCOG'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 the 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 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); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); 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. N/A

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. The general 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 Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; 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.

(B) Automobile Liability. 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. 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. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to WRCOG; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

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 the 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.

3.2.11 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 one hundred-sixty five thousand dollars (\$165,000) 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: [INSERT NAME, ADDRESS & CONTACT PERSON]

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032

Riverside, CA 92373
Attn: Rick Bishop, WRCOG Executive Director
Facsimile: 951-787-7991

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 WRCOG 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 WRCOG 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 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 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.

3.5.4 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, 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 alleged 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 consequential 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, 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, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs 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 the WRCOG, its directors, officials, officers, employees, agents or volunteers.

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 require 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.

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Baker Tilly Virchow Krause, LLP

By: _____
Rick Bishop
Executive Director

By: _____
Title: _____

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger

EXHIBIT “A” SCOPE OF SERVICES



Scope of work

Understanding your needs; achieving your objectives

Baker Tilly has the experience and the wherewithal to support WRCOG and we are excited for the opportunity to partner with you to provide you with the services and support you have requested. We are eager to demonstrate how we will conduct an effective and efficient audit and provide you with a thoughtful analysis of our findings.

We understand WRCOG desires an auditor and consultant to perform an analysis of RA to ensure that they are complying with WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the residential PACE Consumer Protections Policy for the period of July 1, 2015 through June 30, 2016. We will perform each of the tasks outlined in the Scope of Work section of your RFP.

Project needs

Task 1: We will determine the appropriate random sampling size of HERO assessments from July 1, 2015 through June 30, 2016. This sampling will include a cross section of:

- > Energy efficiency projects
- > Water conservation projects
- > Renewable energy projects

Task 2: Using the data we gather from Task 1, we will confirm and verify that RA is adhering to the policies and practices included in WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report, including specific requirements for the following sections:

- | | |
|--|--------------------------------|
| > Program parameters | > Marketing and communications |
| > Disclosures and documentation | > Protected classes |
| > Funding process | > Contractor requirements |
| > Operational process | > Maximum financing amount |
| > Post-funding homeowner support | > Reporting |
| > Data security and privacy procedures | > Closing and funding |

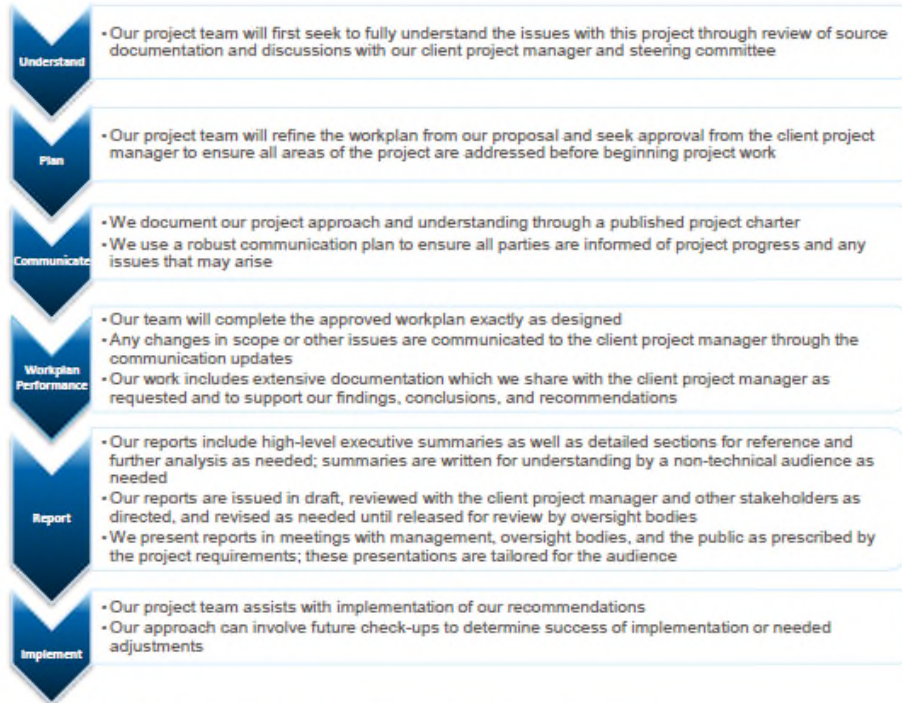
Task 3: We will prepare a report of our audit findings that will include recommendations for improvements and areas that need further study. We will work with the WRCOG staff in finalizing the report prior to presenting the materials to the WRCOG staff and appropriate committees. Approach and methodology



Scope of work

Overall project approach

The Baker Tilly project plan follows a six-step proven approach that our clients have found to be very effective in meeting their project objectives:



Project approach will be based on attestation standards

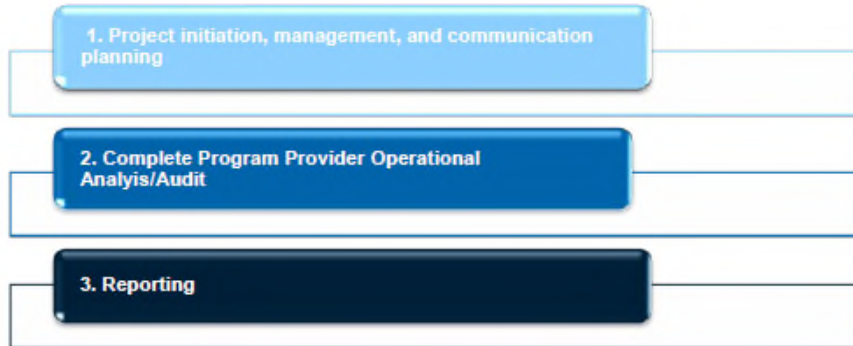
Because we are a CPA and consulting firm, our project approach will be based on the attestation standards of the American Institute of Certified Public Accountants (AICPA). The AICPA standards applicable to this project are detailed in Attestation Standards (AT) Section 101 Attest Engagements of the Statements on Standards for Attestation Engagements of the American Institute of Certified Public Accountants.

Project work plan framework

The project work plan framework will flow through these primary steps, as explained in the remainder of this section.



Scope of work



Detailed project work plan

Our planned project approach is shown in detail in this section. We have structured the project work plan steps to ensure adequate review of systems, data, interviews with key personnel, and detailed review of source documentation. Our testing will review the source documentation related to our sampled items to ensure compliance with WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the residential PACE Consumer Protections Policy. In addition, we will review policies, procedures, and key controls in place related to this program.

We believe that the approach we have tailored for WRCOG will result in a successful completion of the detailed work plan developed to review management performance of the PACE program. We will also use our industry expertise to provide recommended process improvements related to the management of the PACE program.

1. Project initiation, management and communication planning

We will use the project initiation and management process to ensure an effective and efficient process and one that meets the timeline goals of the project. The steps for this task are as follows:

Objective: To ensure project approach, scope, and activities are in alignment with WRCOG's needs and desired outcomes.	
Task 1.1: Planning with WRCOG	
Detailed work plan steps	Deliverables
1. Conduct project scoping and planning session with WRCOG project manager	> Project management plan
2. Define project milestones and timeline	> Project timeline
3. Schedule meetings to review deliverables and project milestones	> Status update templates and schedule
4. Distribute project communication materials, including deliverable signoff framework	> Communication plan framework
5. Request input by WRCOG project manager as to other areas they feel we should include as areas of focus	> Approved project protocols for information requests
Task 1.2: Project kickoff with Renovate America	



Scope of work

Detailed work plan steps	Deliverables
1. Conduct project kickoff with Renovate America project manager and key participants to discuss project protocols 2. Review preliminary audit procedures and make updates / clarifications as needed	> Project information protocols delivered to Renovate America on delivery of documents requested within 10 business days > Protocols established for interview contacts > Protocols established for requesting documents and personnel interviews > Protocols for system access
Task 1.3: Background information gathering and clarifications	
Detailed work plan steps	Deliverables
1. Issue information request to Renovate America for initial background documentation to review—organization charts, contact information, and relevant systems documentation (will copy WRCOG Project Manager) 2. Review information submitted by Renovate America for completeness and issue follow-up information request as needed 3. Review WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the residential PACE Consumer Protections Policy for the period of July 1, 2015 through June 30, 2016. 4. Review any prior evaluation reports or activities related to the PACE program, including WRCOG assessments and Renovate America internal audit reports (if performed).	> Information requests
Task 1.4: Finalize work plan	
Detailed work plan steps	Deliverables
1. Finalize audit work plans (agreed upon procedures) and gain approval by WRCOG project manager	> Approved work plan

Proven project management methods

Baker Tilly's proven project management methodology has been successfully performed many times on projects of all sizes by our experienced team. Our project management approach is driven by the work plan for this project and includes regular internal team meetings, status updates, commitment to timelines, and frequent, structured communications with the client.

Communication plan

We believe that communication is a key ingredient to project management and overall project success. We have developed a range of tools on past successful projects that facilitate communication among the project team, project stakeholders, and executives. Our communication plan will be tailored to this project. An example of a communication plan proven successful in the past and one we propose for this project is shown as follows:



Scope of work

Communication tool	Weekly reporting	Monthly reporting	Other reporting and information
Project kickoff meeting and charter			√
Communication plan			√
Status reports (at to-be-confirmed intervals, bi-weekly minimum) via phone conference or e-mail	√	√	
Project issues log (as needed) supplied to WRCOG project manager for delays or other project risks			√
Information request logs			√
Draft report discussions			√
Final report presentation			√
Testimony as requested			√
Project close meeting			√

We will tailor the communication plan to meet WRCOG needs and our approach is structured to aggressively analyze, address, and mitigate project risks as they emerge, in addition to the ongoing, day-to-day quality assurance activities by the project manager and project partner to ensure that the project has a successful outcome.

2. Complete Program Provider Operational Analysis/Audit

We will use the project work plan as our guide in testing data, systems, and business processes as it relates to Renovate America's strategies, business processes and information systems in place to manage its compliance with WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the residential PACE Consumer Protections Policy . We will use a combination of review of business process documentation and internal controls testing, systems reviews, statistical sampling, data extraction tools of databases, source documentation review, and interviews with key personnel.

The period under review for the audit is July 1, 2015 through June 30, 2016. The steps for ascertaining Renovate America's compliance are anticipated to be preliminarily structured as follows. This approach will be finalized with the WRCOG project manager prior to commencing fieldwork:

Objective: To review Renovate America's compliance with the program and their management over the program.	
Task 2.0: Information request, review of policies and procedures, process interviews	
Detailed work plan steps	Deliverables
1. Contact Renovate America project manager for discussion on upcoming information request for testing data and performing interviews 2. Request documentation from Renovate America on policies and procedures and information systems used related to HERO Assessments 3. Interview personnel that are responsible for compliance planning and strategy	> Information requests > Listing of key contacts for audit process > Policies and procedures and / or strategy documents > Business process and information technology documentation



Scope of work

4. Review policies and procedures / business process and information technology systems for analyzing compliance options and developing a compliance plan 5. Compare Renovate America policies, procedures and strategy documentation against compliance. 6. Compliance: a. Compare documents against WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report b. Compare documents against residential PACE Consumer Protections Policy for the period of July 1, 2015 through June 30, 2016 c. Review Renovate America's strategy for meeting requirements 7. Request documentation on policies and procedures and information systems used related to tracking HERO Assessments 8. Interview key personnel that are responsible for ensuring compliance requirements are met	> Interview notes > Analysis of Renovate America's strategy and infrastructure (policy, process, systems) with WRCOG guidelines and PACE Consumer Protection Policy
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Task 2.1: Sample Selection

Detailed work plan steps	Deliverables
1. Request a database / system-generated report of all HERO Assessments executed for the audit period 2. Select a statistically valid sample (32) of HERO Assessments for the audit period, ensuring a cross section of energy efficiency, water conservation, and renewable energy projects.	> Sample listing

Task 2.2: Adherence to Policies and Practices

Detailed work plan steps	Deliverables
On a sample basis, review HERO Assessments for the following attributes / parameters: 1. <u>Program Parameters</u> a. Eligible assessments consistent with objectives of the PACE enabling legislation b. All aspects of WRCOG's guidelines and program report are being adhered to c. Only eligible financing properties are approved d. Approved properties meet WRCOG's program eligibility criteria e. Provider verified that homeowners are eligible at time of application f. Procedures are established to ensure the homeowner intends to install Eligible Improvements and that such improvements have been installed at the time of funding g. Processes and controls exist to ensure that personal identifiable information is obtained directly from the homeowner and not a third party h. Improvements are approved by the Provider and installed by the Registered Contractor i. Provider has established and maintains an Eligible Improvements database that conforms to the requirements, defines a process for adding or modifying the database, ensures performance standards are calibrated and verified using performance criteria established by US. DOE, EPA,	> Policies and Procedures documentation > Interview notes from key individuals involved in HERO Assessments > Results from sample-based testing > Listing of key controls in place > GAP Analysis (current state vs. recommended improvements)



Scope of work

- CEC, or other federal and state agencies, and the product is permanently affixed to the property
- j. For Solar Power Agreements, the Provider is adhering to Streets and Highway Code 5899.2
2. Disclosures and Documentation
- a. Ensure that the Provider has verified that the homeowner has (i) submitted an application; (ii) received approval of the Improvements from the Partner; and (iii) executed documentation covering the terms
- b. Provider has verified that the homeowner has (i) executed an acknowledgement that the installation of the Improvements has been completed satisfactorily; and (ii) received a final summary of costs and payments
- c. The Provider verified that the terms comprise of the amount financed including fees and capitalized interest, the repayment process and schedule, the payment amounts, term does not exceed useful life of the improvement, the rate of interest charged, a fixed interest rate, fully amortized payment schedule, nature of lien created upon recordation, specific improvements to be installed, the 3-day right to cancel the financing, right to withhold payment until project is complete, and Section 5899.2 rights for solar lease improvements
- d. Provider verified the delivery to, and receipt by, the homeowners of the disclosures along with written acknowledgement from homeowner that they have read and understand them
- e. At what point does the Provider confirm by telephone interviews with the homeowner applicant each of the Program financing terms (i.e., new contractors, protected classes, etc.)?
- f. The Provider confirms terms and includes the appropriate information as outlined in the RFP
3. Funding Process
- a. Provider offered fixed simple interest rates and payments are fully amortized
- b. Determine if the Provider has a source of capital for funding PACE financed projects separate from WRCOG's general fund or budget and have access to capital markets to ensure funding of
- c. qualified projects is available on a consistent basis
- d. The Provider can demonstrate the capacity to fund assessments that over a six (6) month period immediately following WRCOG's review of the Provider's financial statements, determine how calculated
- e. The Provider offer the capability to accommodate homebuyers and homeowners by offering subordination of certain rights of its PACE assessment lien to the lien of a mortgage or deed of trust. How many, how successful, what issues encountered?
- f. What fees are charged to Contractors (if any)? How much and why?
4. Operational Process
- i. Determine if the Provider has adequate personnel, processes,



Scope of work

expertise, tools and technology necessary to support WRCOG's Program Report and residential Consumer Protection Policies

5. Post-funding Homeowner Support

- a. Determine if, and how, the Provider is proactively monitoring and testing the consumer protections available to homeowners, and requesting feedback from homeowners and contractors to identify areas in need of improvement
- b. If there is a post-installation onboarding procedure to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures, review the procedure and determine how it is implemented
- c. Identify what disclosures and resources are in place to resolve homeowner questions regarding matters such as impound account catch-up payments, payment timing inquiries and payment amount reconciliation
- d. Determine the procedures for responding to requests for partial or full prepayment of their PACE
- e. property tax assessment in a timely and complete manner
- f. Identify whether the Provider is tracking, resolving, reporting and otherwise properly managing all inquiries and complaints, etc., from homeowners and how this is completed
- g. Determine if and how the Provider is proactively working to resolve inquiries and complaints in a reasonable and timely manner and in accordance with the Program guidelines, and making communication for homeowners available during regular business hours by phone, email and facsimile communication
- h. Determine if the Provider has the capabilities to assist homeowners who are refinancing or selling their Properties, how is this determined and verified?

6. Data Security and Privacy Procedures

- a. Ensure the Provider is complying with secure and tested processes to protect the personal identifiable information of the homeowner, review processes
- b. Determine if the Provider has the minimum viable configurations in place on all servers? All firewalls should have continuous logging enabled and access control lists and audited server configurations should be used to ensure that data security is maintained. Document the Provider's efforts.
- c. Identify if, and how, the Provider is informing and enforcing the compliance with the Program's data privacy and security policies on the part of every employee, contractor, vendor, agent, service provider, representative, and associate who is exposed to personal identifiable information of homeowners
- d. Determine the preventions and controls the Provider has implemented to prevent unauthorized copying, disclosure, or other misuse of sensitive consumer information
- e. Determine if the Provider is utilizing a Privacy Policy that complies with state and federal law to prohibit the sharing of personal information to third parties



Scope of work

- f. Identify if, and how, the Provider is delivering any updates to the Privacy Policy to the homeowners

7. Marketing and Communication

- a. Determine if the Provider is using any methods that are or could appear to be unfair, deceptive, abusive, and/or misleading, that violate laws or regulations, that provide tax advice, that are inappropriate, incomplete or are inconsistent with the Program's purpose (e.g., use of check facsimiles to dramatize the amount of PACE Program financing available or presented as if a negotiable instrument), or are otherwise potentially confusing to property owners
- b. Identify whether there are any marketing practices likely to add unnecessary expense to a homeowner (e.g., paying consumers for applications), or are the unlawful use of sensitive consumer data or that violate any other law or regulation (including, for example, practices related to telemarketing)
- c. Determine if the Provider has a plan for developing, delivering to and enforcing marketing guidelines for the Program's Registered Contractors. Document the plan
- d. Identify whether any marketing materials that fall outside of marketing guidelines established being approved by the Provider to ensure that they are not unfair, deceptive, abusive and/or misleading
- e. Determine if the Provider, contractor or third party (who is not a tax expert) providing tax advice to consumers regarding their Program financing which includes making affirmative statements or claims as to the tax deductibility of the payments? If so, why?
- f. Identify whether the Provider, contractor or Affiliated Individual providing a direct cash payment or other thing of value to a homeowner explicitly in exchange for such homeowner's selecting Program financing? If so, why?

8. Protected Classes

- a. Ensure the Provider has controls designed and implemented to monitor and test compliance with all state and federal laws covering homeowners in protected classes. Document these controls.
- b. Determine if the Provider has developed and is implementing a program that validates elder homeowner (i.e., homeowners over 64 years old) understanding of the eligible improvement project for which they are seeking Program financing, including the terms of such financing. Document the process.
- c. Ensure the Provider is providing legally unbiased access to, and the decision of, requests for Program participation

9. Contractor Requirements

- a. Ensure the Provider confirms that all contractors who sell, install, or manage subcontractors who install, Eligible Improvements have executed and that all such contractors and all employees, entities, owners, partners, principals, independent contractors, third party agents or other person



Scope of work

who perform any services for the contractor in connection with a Program financing (collectively, the "Affiliated Individuals") meet the requirements of the Program's Contractor Participation Agreement (Attachment C)

- b. For Registered Contractors, ensure that the Provider confirms the following:
 - i. Has a specified probationary period been identified (i.e., place the new Registered Contractors on a watch list until the new Registered Contractors have completed the required number of Improvements)? If so, what is the period of time?
 - ii. Has a procedure in place, during the Registered Contractor probationary period, to provide additional quality assurance steps for Improvements completed by the Registered Contractors on the watch list? If so, what are the additional assurance steps?
 - iii. Has a procedure in place to review Registered Contractor's work to confirm satisfactory completion of projects conducted during the probationary period for which Program financing is used? If yes, what is that process?
- c. Determine if the Provider has implemented a contractor management system and has procedures that manage and track contractor training and compliance violations on an individual and company basis. Document this process.
- d. Identify whether the Provider makes available contractor training regarding, at a minimum, the following: (i) the applicable contractor code of conduct terms as required by the Program, (ii) protected classes, including, without limitation, elder protection, and (iii) other consumer protection measures as required by the Program. If so, how are they made available?
- e. Determine whether the Provider warns, suspends or terminates a Registered Contractor and/or Affiliated Individual from the Program based on violations of the Contractor Participation Agreement? If so, how is this being determined?
- f. Determine if the Provider accepts Program applications processed by suspended or terminated contractors and/or associated representatives? If so, why?

10. Maximum Financing Amount

- a. Identify and document how the Provider is determining Maximum Financing Amounts (MFA)
- b. Determine if the Provider has established a MFA for each product type (e.g. for central air conditioners, solar PV systems, solar thermal systems, and artificial turf)
- c. Determine whether the Provider has established product/project attribute related pricing rules that dictate what pricing within such low to high MFA range is justified? If so, what are they?
- d. Identify and document the Provider's processes and systems for purposes of enforcing the MFA rules for every project
- e. Determine if the Provider has funded any Improvements for an



Scope of work

amount that is greater than the MFA for such product and why

11. Reporting

- a. Ensure the Provider is providing statistics reporting and estimated impact metrics in the following categories on a quarterly basis: (i) number of projects funded, (ii) project amount funded, (iii) estimated amount of energy savings, (iv) estimated amount of renewable energy produced, (v) estimated amount of water savings, (vi) estimated amount of greenhouse gas emissions reductions, and (vii) estimated number of jobs created
- b. Determine if the Provider reports are being developed and collected using standardized, third party verified methodologies? If so, by which third party?

12. Closing and Funding

- a. Ensure the Provider is confirming, before funding, that the Eligible Improvements financed are installed, operational and in a condition that is acceptable to the homeowner and the contractor, and requiring that the homeowner and the contractor attest to such by signing a document stating that all Improvements have been installed to the homeowner's satisfaction and in accordance with product specifications? If so, how is this confirmed?
- b. Determine if the Provider is confirming that homeowners obtain required permits for the installation of Improvements and provide verification thereof upon request? If so, how?
- c. Ensure the Provider is only disbursing funds for completed projects.
- d. Determine how the Provider confirms that product(s) listed on the Completion Certificate and for which Program financing has been provided have been installed
- e. Identify whether the Provider has developed and implemented a randomized onsite inspection protocol? If so, what is that protocol?

3. Reporting

Project documentation and specific testing results will be used to compile Baker Tilly's report. The report will be supported by audit work papers and data requested.

Objective: To utilize the data analyzed and reviewed to write a comprehensive report of compliance findings and recommendations for improvements in processes to aid in future compliance.

Task 3.1: Design report framework

Detailed work plan steps	Deliverables
1. Using work from Task 2 above, design report sections around compliance findings and recommendations	> Report template
2. Overall report design will be an executive summary supported by detailed information	

Task 3.2: Prepare detailed section of report

Detailed work plan steps	Deliverables
1. Prepare detailed section of report	> Detailed report section of report



Scope of work

2. Include all schedules needed to support findings and recommendations	> Cross reference document of all findings to source documentation
3. Prepare summary document that cross references all findings to source documentation	
4. Prepare listing of recommended business process improvements	
Task 3.3: Prepare executive summary report	
Detailed work plan steps	Deliverables
Prepare executive summary based on detailed recommendation sections of report	> Executive summary section of report
Task 3.4: Quality assurance	
Detailed work plan steps	Deliverables
1. Use Baker Tilly quality assurance process for report review	> Review procedures completed
2. Make report revisions and complete report draft to be issued to WRCOG	
Task 3.5: Report review with WRCOG	
Detailed work plan steps	Deliverables
1. Issue draft report to WRCOG and allow for time interval for review	> Draft report in Microsoft Word
3. Gain feedback from WRCOG staff on their impressions of report and revisions that should be made	
Task 3.6: Issue report	
Detailed work plan steps	Deliverables
1. Make final report revisions	> Final report in Microsoft Word
2. Issue final report of findings of non-compliance and recommendations	> Summary presentations for meetings in PowerPoint format
3. Report presentations as requested by WRCOG	

Dedicated service team

Members of your project team have extensive compliance experience, particularly in evaluating programs similar to HERO. Our project team is staffed with individuals who are qualified and experienced to address issues that may arise during the project and conduct the project professionally and to report independently and fully on the issues under review.

In the 12 months ending May 31, 2016, 91 percent of Russ Hissom's clients have rated him with a **9 out of 10** with an average rating of **9.73**

See Appendix B for resumes of your engagement team members. Their roles and responsibilities and brief biographies follow in this section:

Member, title	Qualifications
Russell Hissom CPA, CIA, CISA, Partner	Serve as the engagement partner; direct the Baker Tilly project staff; attend meetings, provide quality assurance, including developing findings of compliance and non-compliance; and review and present deliverables. Russ will be responsible for overseeing the project and earning your utmost satisfaction with our service, work, approach, findings, and recommendations
Amanda Neuman Project Manager	Serve as the day-to-day project manager, single point of contact, subject matter expert, attend meetings as needed, and provide quality assurance review of the



Scope of work

Member, title	Qualifications
	detailed testing and perform reviews and edits to the deliverables. Amanda will be in close contact with the WRCOG project manager and will provide status reports on a weekly basis to discuss the project schedule and budget.
Brian Kim Consultant Manager	Serve as manager of compliance review staff and subject matter expert; attend meetings as needed; ensure successful completion of work plan; and author deliverables, including findings of compliance and non-compliance (Task 3 from the RFP). Brian will also be responsible for completing Task 1 in the RFP - sample selection.
Kyle O'Rourke MPA, CIA, Senior Consultant	Assist in the successful completion of the work plan (Task 2 from RFP). This includes conducting interviews, reviewing policy and procedure documentation, documenting findings, review and documentation of key controls in place, identifying areas of improvement, and preparing the initial draft report (Task 3 from RFP).
Danielle Wakai CPA, CISA, Senior Consultant	Assist in the successful completion of the work plan (Task 2 from RFP). This includes conducting interviews, reviewing policy and procedure documentation, documenting findings, review and documentation of key controls in place, identifying areas of improvement, and preparing the initial draft report (Task 3 from RFP).

Quality control and our most recent Peer Review

We strive to maintain the highest level of quality control over reports and other deliverables. Our firm policies require that detailed reviews of the report and working papers be done at the partner and manager level. In addition, concurring reviews of the deliverables will be done by a partner independent of the day-to-day operations of the project. This process can assure you that the final document, findings, and recommendations will be of the highest and most accurate quality.

Professionalism in the accounting industry means independence, integrity, and objectivity. This is accomplished through unwavering adherence to professional standards and the associated laws and regulations. This includes withstanding all pressures, competitive and other, which could compromise our principles, standards, and quality.

We have developed our own policies and procedures in order to provide reasonable assurance that every audit, tax, and accounting engagement will be completed in accordance with the highest standards the public and our clients expect us to meet. We have numerous stages of review before a finished product is issued.

As members of the AICPA, we are required to develop and maintain a quality control document which outlines the following major areas of quality control:

- > Independence, Integrity, and Objectivity
- > Personnel Management
 - Hiring
 - Assigning of Personnel
 - Professional Development
 - Advancement
- > Acceptance and Continuance of Clients and Engagements
- > Engagement Performance
 - Performance



Scope of work

- Consultation
- > Monitoring

Our quality control document and our adherence to its provisions are subject to an independent outside review, which is required every three years. Our most recent peer review was completed on November 3, 2015. Firms can receive one of three marks—*pass*, *pass with deficiencies*, or *fail*. Baker Tilly received a rating of *pass*, the highest mark possible. No letter of comments was issued. A copy of our 2015 Peer Review letter can be found in Appendix D.

In addition to the external peer review, we perform internal office inspections annually to ensure we are maintaining our audit quality at the highest possible standards.

Identify any special issues, problems or risks that are likely to be encountered in this project and how the Proposer would propose to address them.

The main issues and risks we encounter in projects like this are in the providing of data by the party under audit. In our experience in working on similar projects where we must request data from parties being audited, we have found that it is necessary to be exacting and persistent in requesting items of information in order to receive what is needed to perform required analysis and testing. We will use our knowledge of the energy industry in requesting information needed for the audit in order to ensure minimal delays in the information gathering process. We will request that all information requested be supplied within 10 business days, unless WRCOG has another protocol that it generally follows.

We will use communication plan protocols if there are delays in receipt of information outside of the 10-day requirement or if information requested is not provided after repeated requests. We will work with the WRCOG project manager to address these issues to ensure proper information is received to meet the goals of the project.

EXHIBIT “B” SCHEDULE OF SERVICES



Schedule

Anticipated audit timeline

Tasks 1–3 represent our proposed work plan approach. We recognize that this may change due to discussions with the WRCOG and conditions once fieldwork begins and progresses through the project. The work plan is a flexible tool and can be adjusted for these changing conditions. We look forward to finalizing this work plan with WRCOG to achieve your project goals.

Our work will be coordinated with the WRCOG project manager and will be planned to meet all WRCOG timeframes, with audit completion in between November and December 2016. We anticipate needing 3 weeks of onsite work to complete the testing.

Project Phase	Anticipated completion
0. Contract Award	Week of August 8, 2016
1. Project initiation, management, and communication planning including project kick-off calls and issuance of data requests	Week of August 22, 2016
2. Complete Operational Analysis/Audit	
2.1 Task 1 - Sample Selection	Week of September 12, 2016
2.2 Task 2 - Adherence to Policies and Procedures Testing	
2.2.1 - Program Parameters	Week of September 27, 2016
2.2.2 - Disclosures and Documentation	Week of September 27, 2016
2.2.3 - Funding Process	Week of September 27, 2016
2.2.4 - Operational Process	Week of September 27, 2016
2.2.5 - Post-Funding Homeowner Support	Week of October 10, 2016
2.2.6 - Data Security and Privacy Procedures	Week of October 10, 2016
2.2.7 - Marketing & Communications	Week of October 10, 2016
2.2.8 - Protected Classes	Week of October 10, 2016
2.2.9 - Contractor Requirements	Week of October 24, 2016
2.2.10 - Maximum Financing Amount	Week of October 24, 2016
2.2.11 - Reporting	Week of October 24, 2016
2.2.12 - Closing & Funding	Week of October 24, 2016
3. Reporting (including draft report, quality assurance reviews, WRCOG review, and issuing of final report, and presentations)	Week of November 21, 2016

EXHIBIT “C” COMPENSATION



Detailed and itemized pricing

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Cost proposal

Our competitive pricing for these projects is shown below.

Phase	Partner	Project Manager	Manager	Senior	Total
1. Project planning and communication	10	32	16	8	66
2. PACE Program Operational Analysis/Audit	32	120	120	240	512
3. Reporting	40	40	60	64	204
Total hours	82	192	196	312	782
Hourly rate	\$250	\$200	\$190	\$155	
Total fees	\$20,500	\$38,400	\$37,240	\$48,360	\$144,500
Estimated travel expenses					\$20,000
Total costs					\$164,500

* Expenses including actual travel expenses (airfare, car rental, hotels, meals)

** Maximum contract price – Firm price not to exceed

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Administration of Additional Property Assessed Clean Energy Programs in the WRCOG Subregion

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: October 3, 2016

Requested Action:

1. Direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Spruce under WRCOG's PACE umbrella.

Additional Property Assessed Clean Energy (PACE) Providers in the WRCOG Subregion

Background: On June 6, 2016, the WRCOG Executive Committee established an Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE providers under the WRCOG "umbrella" for the subregion. The Ad Hoc Committee consists of representation from the Cities of Banning, Jurupa Valley, Moreno Valley, and Wildomar, with assistance from WRCOG staff and WRCOG's Bond Counsel (Best Best & Krieger).

In mid-June 2016, WRCOG staff distributed a solicitation to PACE providers to provide an opportunity for them, if interested, to operate their Program in the WRCOG subregion under the WRCOG PACE "umbrella." Under this structure, WRCOG would serve as the bond issuer. WRCOG would then retain oversight of the Program and be responsible for Program management, ensuring the application of consistent consumer protections and other operational factors among these Programs throughout the subregion, and recording the assessments on the property.

To date, WRCOG has received documentation from three PACE Providers: CaliforniaFIRST, PACE Funding, and Spruce, and has begun the vetting process for these Programs to operate under WRCOG's umbrella. On August 3, 2016, the Ad Hoc Committee met with each of the interested providers to seek additional information regarding their respective Programs and learn how the interaction between the Provider and WRCOG would occur. On August 22, 2016, WRCOG received a letter from PACE Funding rescinding its interest in pursuing a relationship with WRCOG until a later date.

WRCOG staff conducted site visits of both of Spruce's locations, located in San Francisco and Anaheim. At the Ad Hoc Committee meeting on September 12, 2016, the Ad Hoc Committee recommended to the WRCOG Administration & Finance Committee to bring Spruce under WRCOG's PACE umbrella.

The Administration & Finance Committee, at its meeting on September 14, 2016, approved the Ad Hoc Committee's recommendation to request that the WRCOG Executive Committee move forward with accepting Spruce under the WRCOG PACE umbrella.

On September 15, 2016, the WRCOG Technical Advisory Committee received a staff report that reflected the Administration & Finance Committee's recommendation to the WRCOG Executive Committee to include Spruce under WRCOG's PACE umbrella.

The following is an overview of general information on Spruce:

- Spruce: Spruce is based in San Francisco, with an office in Anaheim, and is in the process of developing a residential PACE Program. Spruce anticipates having its documents, computer platform, and processes in place for a late 2016 launch. The company has over 200 employees and is strong in currently offering consumer financing for solar and energy efficient projects in excess of \$880 million nationwide. Spruce is working on its interest rates and fees but believe they will be in line with the other Providers. Spruce already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program. WRCOG staff conducted a site visit on August 23 and 29, 2016.

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee received a staff report that included WRCOG Administration & Finance Committee's recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Spruce under WRCOG's PACE umbrella.

September 14, 2016: The WRCOG Administration & Finance Committee supported the Ad Hoc Committee recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Spruce under WRCOG's PACE umbrella.

June 6, 2016: The WRCOG Executive Committee 1) approved for WRCOG member agencies to place a 60-day review in considering requests by additional PACE Providers to implement Programs in WRCOG jurisdictions; 2) directed WRCOG staff to reach out to PACE Providers that wish to operate in the subregion and seek agreements for WRCOG to act as Program bond issuer and administrator, as it does with the HERO Program, for these additional Programs; 3) directed staff to return to the WRCOG Executive Committee with additional PACE Provider agreements that meet the criteria (i.e., practices and policies are consistent with WRCOG's Consumer Protection Policies and Program Report and are able to demonstrate compliance) to operate under the WRCOG PACE umbrella; 4) directed staff to regularly notify members regarding which Provider programs are and are not under the WRCOG administrative umbrella; 5) directed the WRCOG Executive Director to make any necessary changes to the WRCOG / Renovate America Administrative Agreement to allow WRCOG to provide oversight to additional PACE Providers in the subregion; and 6) created an Ad Hoc Committee to address all of the comments, concerns, and thoughts provided today by the Committee members and speakers.

WRCOG Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated annually in the Fiscal Year Budget under the Energy Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Draft 2016 Air Quality Management Plan

Contacts: Wayne Nistri, Acting Executive Officer, South Coast Air Quality Management District, wnistri@aqmd.gov, (909) 396-2000
Henry Hogo, Assistant Deputy Executive Officer, South Coast Air Quality Management District, hhogo@aqmd.gov, (909) 396-2000

Date: October 3, 2016

Requested Action:

1. Receive and file.
-

This item is reserved for a presentation from the South Coast Air Quality Management District on the Draft 2016 Air Quality Management Plan.

The 2016 Air Quality Management Plan (Plan) is a regional blueprint for achieving the federal air quality standards and healthful air. The South Coast Air Quality Management District is responsible for clean air in the South Coast Air Basin (Basin), an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino Counties. While air quality has dramatically improved over the years, the Basin still exceeds federal public health standards for both ozone and particulate matter and experiences some of the worst air pollution in the nation. The Plan represents a thorough analysis of existing and potential regulatory control options, includes available, proven and cost-effective strategies, and seeks to achieve multiple goals in partnership with other entities promoting reductions in greenhouse gases and toxic risk, as well as efficiencies in energy use, transportation, and goods movement. The Plan recognizes the critical importance of working with other agencies to develop funding and incentives that encourage the accelerated transition to cleaner vehicles, and the modernization of buildings and industrial facilities to cleaner technologies in a manner that benefits not only air quality, but also local businesses and the regional economy. These “win-win” scenarios are key to implementation of this Plan with broad support from a wide range of stakeholders.

Prior WRCOG Action:

None.

WRCOG 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: 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: October 3, 2016

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior WRCOG Action:

September 15, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG 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: Community Choice Aggregation Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.coq.ca.us, (951) 955-8313

Date: October 3, 2016

Requested Action:

1. Direct staff to move forward with the development of a Community Choice Aggregation Program and to return to the Executive Committee with recommendations from the WRCOG Administration & Finance Committee on governance and operational structures.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing formation of CCAs as a way to lower energy costs and/or provide "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue the feasibility of Community Choice Aggregation for Western Riverside County. WRCOG, the San Bernardino Associated Governments (SANBAG) and Coachella Valley Association of Governments (CVAG) have funded a joint, two-county feasibility study in response to the Executive Committee's direction; the study has recently been completed.

CCA Activities Update

In January 2016, WRCOG staff received direction from the WRCOG Executive Committee to pursue a Feasibility Study for the potential formation of a Community Choice Aggregation (CCA) Program. To achieve economies of scale and resource efficiencies, San Bernardino Associated Governments (SANBAG) and the Coachella Valley Association of Governments (CVAG) joined WRCOG's effort to have a multi-county study completed. To complete the Feasibility Study, WRCOG entered into an agreement with BKi.

On September 13, 2016, staff received the 2nd Draft Feasibility Study (Attachment 1). During the September 2016 WRCOG Administration & Finance and Technical Advisory Committee meetings, staff and its consultant presented the preliminary data and key findings regarding the feasibility of a CCA for the two-county region, including data and findings for the WRCOG, SANBAG and CVAG subregion geographies as well.

On balance, the Study concluded that formation of a CCA for CVAG, SANBAG and WRCOG is financially feasible and results in beneficial economic and environmental impacts. The Study concludes that the formation of a CCA in the combined service areas of CVAG, SANBAG and WRCOG (TRICOG) will yield considerable benefits for TRICOG's residents and businesses. These benefits include a conservatively estimated minimum 3.7 percent lower rate for electricity than is charged by Southern California Edison (SCE), while receiving nearly twice the amount of renewable energy. Once fully operational, the CCA would reduce greenhouse gas emissions by as much as 2.34 million metric tons of CO₂ equivalent per year, add over 500 jobs, generate over \$54 million annually in additional GDP, and provide the Cities, Counties and its residents

local control and additional choices regarding their power supply and energy efficiency programs. Smaller, subregional CCAs encompassing the current COG subregion geographies were also found to be feasible.

Some highlights from the Study include:

Consumer cost savings: The combined savings for the two counties (taking into account the generation savings with the SCE distribution cost assumptions) are:

- 4.5% savings with a 33% renewable energy
- 3.7% savings with a 50% renewable energy (11% lower than SCE's 50% Green Rate)
- 3.9% higher with a 100% renewable energy (11% lower than SCE's 100% Green Rate)

The savings for the WRCOG subregion (taking into account the generation savings with the SCE distribution cost assumptions) are:

- 4.4% savings with a 33% renewable energy
- 3% savings with a 50% renewable energy (11% lower than SCE's 50% Green Rate)
- 4.2% higher with a 100% renewable energy (11% lower than SCE's 100% Green Rate)

Revenues: Based on very conservative numbers, assuming an opt-out rate of 25% (e.g., that 25 percent of residents would elect to stay with SCE), a two-county CCA would generate approximately \$59 million in annual net revenues. (The Counties of Marin and Sonoma, and the City of Lancaster are reporting an opt-out rate of approximately 10% to 12%). If Western Riverside County moved forward in forming a CCA only for the subregion, it would generate approximately \$31 million in annual revenues. Revenues generated from the CCA could be used to increase the savings to the customers, increase rebates or incentives, offer a higher level of energy efficiency programs that would be available to residents instead of having to be in the "pool" with SCE's customers for programs, and/or provide increased rate incentives to attract businesses.

	Gross Revenues		Costs	Net Annual Revenues
	2017*	2018	2018	2018
TRICOG	\$12 million	\$970 million	\$911 million	\$59 million
WRCOG	\$3.5 million	\$330 million	\$299 million	\$31 million
CVAG	\$1.6 million	\$124 million	\$115 million	\$9 million
SANBAG	\$7 million	\$550 million	\$507 million	\$43 million

Economic Development Impacts: The Study also outlines enhanced local economic development that would result with the formation of a CCA. The analysis contained in this Study focused primarily on the direct effects of this formation. However, in addition to direct effects, indirect economic effects also result. The indirect effects of creating a CCA include the effects of increased local investments, increased disposable income due to utility bill savings, and improved environmental and health conditions.

In total, approximately 547 jobs are expected to be created in the TRICOG region through formation of a CCA. The TRICOG region is also projected to have an annual labor income impact of over \$24.0 million, a total annual value added impact of approximately \$37.2 million, and an output impact over \$54.9 million.

Governance Structure: The Report indicated that a JPA governance model is being used by most functioning CCAs in California. A JPA provides a flexible framework and historically has been the preferred structure. Additionally, a JPA provides financial risk mitigation for its local government members. The governance of a JPA anticipates that a Board of Directors will be appointed to set policies and procedures for an Executive Director that will be entrusted to manage the day-to-day operations.

If the recommendation from the WRCOG Executive Committee is for staff to move forward with the development of a CCA, staff would return to the Administration & Finance Committee with various governance

options, including geographic considerations, voting, etc., for review. This would include an analysis of a “turnkey” operation, similar to what the County of Riverside has expressed interest in.

On September 26, 2016, CVAG's Executive Committee authorized staff to proceed in moving forward. Should the WRCOG Executive Committee direct staff to move forward with the development of a CCA, staff will be returning to the Administration & Finance Committee with additional information on the various operational options so that the Committee can provide direction on the best path forward. Staff will continue to work with staff from CVAG, SANBAG, and the County of Riverside on this task.

Next Steps: In addition to issues of identifying governance options, there are other steps that need to be developed in moving forward. These are listed include:

1. Vet business plan and finalize
2. Determine governance preference
3. Decision on moving forward
4. Select power supply and data management vendor
5. File Implementation Plan with CPUC
6. File Notice of Intent with SCE
7. Arrange financing of start-up costs
8. SCE data testing
9. Opt-out notice – 1 and 2
10. Launch phase 1
11. Opt-out notices – 3 and 4

Prior WRCOG Actions:

September 15, 2016: The WRCOG Technical Advisory Committee recommend to the WRCOG Executive Committee to direct staff to move forward with the development of a Community Choice Aggregation Program and to return to the Committee with additional information and recommendations on selection of governance and operational structures.

September 14, 2016: The WRCOG Administration & Finance Committee recommended to the WRCOG Executive Committee to direct staff to move forward with the development of a Community Choice Aggregation Program and to return to the Committee with additional information and recommendations on selection of governance and operational structures.

WRCOG Fiscal Impact:

WRCOG's portion for Phase 1 is estimated to be \$130,000 to cover the costs of the CCA Feasibility Study, SCE data request, and WRCOG staffing. The costs for this will come from existing carryover funds and will be reflected in the Fiscal Year 2016/2017 1st Quarter Budget Amendment.

Attachment:

1. 2nd Draft Customer Choice Aggregation Business Plan (Feasibility Study) dated September 13, 2016.

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Item 7.E

Community Choice Aggregation
Program Activities Update

Attachment 1

2nd Draft Customer Choice
Aggregation Business Plan
(Feasibility Study) dated
September 13, 2016

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2nd DRAFT

Inland Choice Energy Customer Choice Aggregation Business Plan

September 13, 2016

Prepared by:



A registered professional engineering and management consulting firm with
offices in Kirkland, WA and Portland, OR

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September 13, 2016

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Riverside, CA 92501

SUBJECT: Inland Choice Energy Aggregation Business Plan

Dear Ladies and Gentleman:

Please find attached EES Consulting, Inc.'s (EES) Draft Community Choice Aggregation (CCA) Business Plan (Plan) for Inland Choice Energy (ICE). This Plan represents the work product of EES and BKi in evaluating the prudence of implementing a CCA organization for Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG) and Western Riverside Council of Governments (WRCOG).

We want to thank you and your staff for your assistance in preparing this Plan. It has been a pleasure working with all of you on this project.

Please contact us directly if you have questions or if we may be of any further assistance. We will finalize this Plan after it has been reviewed and critiqued by all stakeholders, and meets with your final approval.

Very truly yours,

Gary Saleba
President/CEO

570 Kirkland Way, Suite 100
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A registered professional engineering corporation with offices in Kirkland, WA and Portland, OR

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Executive Summary

Background

The California legislature passed AB 117 in 2002 (amended in 2011 by SB 790) allowing all Cities, Counties, or groups of Cities and Counties to provide an electric power supply source to customers within their jurisdictions that are currently served by Southern California Edison, Pacific Gas & Electric or San Diego Gas & Electric (IOUs). Community Choice Aggregation (CCA) or Community Choice Energy (CCA) is a customer opt-out program where the CCA provides power supply and behind the meter services¹, and the incumbent IOUs provide transmission and distribution (wires) service.

This Business Plan (Plan) evaluates the prudence of forming a CCA within three government associations: Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG) and Western Riverside Council of Governments (WRCOG). Collectively, this CCA is referred to in this Plan as Inland Choice Energy (ICE). The proposed CCA will provide power supply and behind the meter services, while Southern California Edison (SCE) will continue to provide transmission and distribution services. Customers will be part of the ICE program until they proactively opt-out.

This Plan estimates ICE's power supply costs, administrative costs, electric loads, and future retail rates and compares ICE's rates to the incumbent SCE. These forecast rates are compared to determine if a CCA can offer competitive rates, better products and superior customer service while also improving the environment and creating local jobs.

Description of ICE

The Plan and structure of ICE are currently being analyzed by CVAG, SANBAG and WRCOG collectively. CVAG is the regional planning agency coordinating government services in the Coachella Valley, and has 10 Cities, Riverside County, the Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians as members. SANBAG is the council of governments and transportation planning agency for San Bernardino County. SANBAG's members include 24 cities and San Bernardino County. WRCOG's purpose is to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members and it consists of 17 Cities, Riverside County Board of Supervisors, the Eastern and Western Municipal Water Districts, and the Morongo Band of Mission Indians. The geographic area and customer base covered by CVAG, SANBAG and WRCOG are collectively called TRICOG.

¹ For example, energy efficiency programs, net energy metering or other programs that promote the deployment of distributed energy resources.

Two organizational scenarios are explored in this Plan. For the Plan’s base case, results are provided assuming one organization will operate a CCA for all three entities. This scenario is referred to as the “TRICOG” scenario. In addition, results are provided assuming three separate CCA’s will be formed. This scenario is referred to in the Plan as the “Three CCA” scenario.

For this Plan, it is assumed that service will be offered to customers in two phases. Phase 1 will include the members of TRICOG’s own municipal facilities in addition to 5 percent of non-municipal commercial facilities. In Phase 2, all customers located in the service area of TRICOG will be included in ICE. Exhibit ES-1 summarizes this phased approach to forming ICE, including the number of customers and load attendant with each phase. ICE’s total loads will represent roughly 30 percent of SCE’s total current electrical loads.

Exhibit ES-1 CCA Load, Customers, and Revenue by Phase in 2017*						
Phase	Assumed Start	Eligibility	Customer Accounts	Peak Load*** (MW)	Average Load*** (aMW)	ICE Annual Revenues
TRICOG						
Phase 1**	July, 2017	Municipal + 5% Commercial	69,667	73	49	\$12 million
Phase 2	January 2018	All Customers	960,975	3,951	1,720	\$970 Million
CVAG						
Phase 1**	July, 2017	Municipal + 5% Commercial	10,121	7	6	\$1.6 Million
Phase 2	January 2018	All Customers	108,576	517	209	\$124 Million
SANBAG						
Phase 1**	July, 2017	Municipal + 5% Commercial	41,207	44	29	\$7.0 Million
Phase 2	January 2018	All Customers	517,628	2,126	955	\$550 Million
WRCOG						
Phase 1**	July, 2017	Municipal + 5% Commercial	18,339	22	14	\$3.5 Million
Phase 2	January 2018	All Customers	334,771	1,343	555	\$330 Million

*Estimates assume a 75% participation rate for residential customers, and a 65% participation rate for non-residential customers.

**Phase 1 is assumed to run July – December of 2017. Therefore, load and revenue for this phase reflect only the 6-month duration.

***Loads are expressed as wholesale, including losses of 6%.

This phasing strategy enables ICE to manage any start-up and operational issues before full scale operations are undertaken. In addition, this phasing strategy will allow ICE’s third party electricity suppliers, scheduling agents and data management entities to ramp up power supply procurement and bill processing over several months. It will also minimize the possibility of customers not participating in ICE. Finally, bad debt expense exposure should be minimal in Phase 1.

Within the base case, this Plan explores the prudence of full participation of all three COGs as one operating CCA over a 20-year forecast period. The results for the individual COG's CCA option is also analyzed and provides insight into CCA operations if not all Cities participate. It is anticipated that the results of this Plan are scalable.

Governance

It is anticipated that a JPA will be formed to provide the legal structure for ICE. A JPA provides a flexible framework for CCAs and historically has been the preferred structure for an organization like ICE. Additionally, a JPA provides financial risk mitigation for its local government members. The governance of a JPA anticipates that a Board of Directors will be appointed to set policies and procedures for an Executive Director that will be entrusted to manage the day-to-day operations of ICE. This same JPA governance model is being used by most functioning CCAs in California.

Plan Uncertainties/Risks

The results of this Plan are subject to uncertainties. These uncertainties are evaluated in the Plan's sensitivity analysis section. The list below provides a summary discussion of the key uncertainties of this Plan.

- **Market Price Forecasts** – Market prices (and forecasts) are continually changing. The market price forecasts for electricity and natural gas utilized in this Plan are based on the best currently available information regarding future natural gas and electricity prices, and have been confirmed by recent wholesale power transactions in southern California. These types of forecasts vary over time. Thus, a range of market price forecasts are evaluated in the Plan's sensitivity analysis.
- **Rate Forecasts** – The Plan forecasts both ICE and SCE rates over a 20-year study period. These forecasts are based on current information regarding inflation and other cost drivers. Unexpected impacts on rates are discussed in more detail in the Plan's sensitivity analysis.
- **Forecasted Load and Customer Growth** – The Plan bases the load forecasts on customer growth. Each of these forecasts includes a level of uncertainty. To illustrate the impacts of load uncertainty, low, medium, and high load forecasts are analyzed in the Plan's sensitivity analysis.
- **Regulatory Risks** – Unforeseen changes in legislation (California Public Utility Commission, State legislation and Federal Energy Regulatory Commission) may impact the results of this Plan. Sensitivities on these risks are also provided.

This sensitivity analysis shows that the ICE rate could be greater than SCE rates if:

- The Power Charge Indifference Adjustment (PCIA) becomes much larger. The PCIA is a charge assessed by the IOU to cover generation costs acquired prior to CCA formation,
- ICE loads are much less than forecast
- Wholesale market prices are much less than current experience

Each of these three scenarios has a low probability of actually occurring. For example, wholesale market prices for natural gas/electricity are at all-time lows. The probability of any significant further lowering of these prices is judged to be very small. The PCIA level should be fairly stable going forward as regulatory remedies are in play to stabilize the CCA and because the CCA community has become very vigilant in this area. Finally, this plan assumes a relatively low customer participation rate of 75% for residential customers and 65% for non-residential customers, compared to the roughly 85% -95% participation rates seen in California's currently operating CCAs. It is very unlikely ICE loads will not meet or exceed those assumed in the Plan. Thus, the major risks of forming a CCA are manageable and small.

Retail Rate Construct

This Plan evaluates the costs and resulting rates of operating ICE, and compares these rates to a rate forecast for SCE. The analysis begins with a 20-year forecast of electrical loads and customers, incorporates several power supply resource portfolio options, and allows for the sensitivity or stress testing of input assumptions. ICE customers will see no obvious changes in electric service other than lower prices and potential increases in renewable resources in their power supply resource mix. Customers will pay the power supply charges set by ICE and no longer pay the costs of SCE power supply.

ICE's power supply rate consists of power supply costs, ICE start-up costs, ICE staffing and operating costs, consulting support, SCE billing and regulatory charges, financing costs, reserves and SCE pass-through charges, such as the Power Cost Indifference Adjustment (PCIA) Charge, franchise charges, and other non-bypassable charges from SCE.

In addition to paying ICE's power supply rate, ICE customers will pay the SCE delivery (wires) rate and all other non-power supply related charges on the SCE bill including the Utility User Taxes.

ICE will establish rates sufficient to recover all costs related to operation of the CCA. It is anticipated that ICE's rate designs initially will mirror the structure of SCE's rates so that rates similar to SCE's can be provided to ICE's customers. In setting rates, the Plan's financial analysis assumes the customer phase-in schedule noted above and assumes that the implementation costs are largely financed via a start-up loan.

The information above is used to determine the retail rates for ICE. ICE rates are then compared to the SCE projected rates for ICE service area.

Retail Rate Forecast of SCE versus ICE

The first consequence for forming ICE is the retail rate impact as illustrated on ES-2. ES-2 compares SCE's current total bundled rates (with 28 percent renewable power), SCE's 50% Green Rate and 100% Green Rate compared to three comparable ICE rate options.

For reference, the column headers noted on ES-2 are summarized below.

- RPS Bundled – ICE rates with the same share (currently 28 percent) of renewables as SCE’s current power supply.
- 50% Green Bundled Rate – ICE rates with 50 percent renewable power.
- 100% Green Bundled Rates – ICE rates with 100 percent renewable power.

A rate schedule comparison of ICE’s rates and SCE’s rates follows.

Exhibit ES-2 Indicative Rate Comparison in ¢/kWh							
Rate Class	Customer Type	SCE Bundled Rate*	ICE RPS Bundled Rate	SCE 50% Green Bundled Rate	ICE 50% Green Bundled Rate	SCE 100% Green Bundled Rate	ICE 100% Green Bundled Rate
Residential	Domestic	20.55	19.66	22.30	19.81	24.05	21.33
Residential Care	Domestic	12.22	11.70	13.97	11.79	15.72	13.47
GS-1	Commercial	17.03	16.29	18.78	16.42	20.53	17.68
GS-2	Commercial	16.57	15.86	18.32	15.98	20.07	17.21
GS-3	Industrial	14.71	14.08	16.46	14.19	18.21	15.28
PA-2	Public Authority	13.08	12.52	14.83	12.62	16.58	13.58
PA-3	Public Authority	11.31	10.82	13.06	10.90	14.81	11.74
TOU-8 Secondary	Domestic	13.07	12.51	14.82	12.61	16.57	13.58
TOU-8 Primary	Commercial	11.84	11.33	13.59	11.42	15.34	12.29
TOU-8 Substation	Industrial	7.76	7.43	9.51	7.48	11.26	8.06
Total ICE Rate Savings over Comparable SCE Rates of 50% or 100% Green			4.5%		11.0%		11.0%
Total ICE Rate Savings over SCE’s Standard Bundled Rate			4.5%		3.7%		-3.7%

*SCE bundled average rate based on SCE’s ERRR 2017 Draft Filing

As can be seen on Exhibit ES-2, the ICE RPS residential rate with an equal amount of renewable power (28 percent) to what SCE currently offers is 0.9¢/kWh or 4.3 percent lower. The ICE residential rate with 50 percent renewable power (compared to SCE’s 50 percent optional rate) is 2.5¢/kWh or 11.2 percent lower. The ICE residential rate with 100 percent green power (compared to SCE’s 100 percent) is 2.7¢/kWh or 11.3 percent lower. Appendix B contains the final proformas to support Exhibit ES-2.

The difference between the ICE bundled rate for residential consumers of 19.66¢/kWh and the ICE 50 percent renewable rate forecast of 19.81¢/kWh is close enough that the base case rate for this Plan is the ICE 50 percent renewable rate forecast. The difference in retail rates between the ICE RPS and the 50 percent green rate forecast is de minimis, and there are additional greenhouse gas (GHG) and economic development benefits associated with the 50% green power option being the Plan's baseline; however, the final decision of the baseline rate scenario for ICE will ultimately rest with ICE's governing board. The 50 percent green baseline portfolio results in a savings over SCE's RPS rate of 3.7 percent.

Renewable Energy Impacts

A second consequence of forming ICE could be the potential for an increase in the proportion of energy supplied by renewable resources. The majority of this renewable energy will be met by renewable energy purchased on the wholesale market or newly constructed renewable resources. By 2020, SCE must procure a minimum of 33 percent of its customers' annual electricity usage from renewable resources due to the State's RPS mandate and the Energy Action Plan requirements of the California Public Utilities Commission (CPUC). In contrast, ICE customers will procure at least 50 percent renewable power from day one of ICE's operation under the Plan's base case which will come from new and local renewable resources.

Energy Efficiency Programs

A third consequence of the Plan is a potential increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by SCE are not expected to change as a result of ICE. ICE customers will continue to pay the Public Goods Charges to SCE which funds energy efficiency programs for all customers, regardless of power supply provider. The energy efficiency programs ultimately planned by ICE will be in addition to the level of energy efficiency investment currently provided by SCE. Thus, ICE has the potential to increase energy savings with an attendant reduction in emissions due to expanded energy efficiency programs.

Economic Development

The fourth consequence of ICE is increased economic development. So far, the Plan's analyses focuses on the direct rate impacts of forming ICE. However, in addition to these direct effects, indirect economic effects will also be encountered. The indirect effects of creating ICE include increased local investments, increased disposable income due to bill savings, and improved environmental and health conditions.

Exhibit ES-3 shows the economic impact resulting from \$100 million in electric bill savings across the ICE service area. The \$100 million rate savings represents the minimum bill savings per year achievable by ICE once Phase 2 operations are at steady state. It is estimated that these savings will create approximately 547 additional jobs in the TRICOG region and over \$24.0 million in labor income. It is also projected that the total value added (revenues less cost of inputs) will be

approximately \$37.2 million and the total additional revenues and sales in the economy (output) is estimated to be over \$54.9 million.

Exhibit ES-3 \$100 Million Rate Savings Effects on TRICOG Economy				
Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	388.0	\$18,166,656	\$26,716,167	\$36,512,050
Indirect Effect ²	60.3	\$2,105,059	\$3,462,091	\$6,306,939
Induced Effect ³	98.3	\$3,793,548	\$7,040,577	\$12,129,463
Total Effect	546.6	\$24,065,263	\$37,218,836	\$54,948,451

In addition to increased economic activity due to electric bill savings, potential local projects can also create job and economic growth within the TRICOG service territory. As an example of the macroeconomic activity caused by local distributed energy resource (DER) deployment, this Plan analyzes the installation of 50 crystalline silicon, fixed mount solar systems with nameplate capacities of 1 MW each for a total capacity of 50 MW. Overall, the building of a 50 MW solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing. ICE could examine installing a number of larger utility scale solar projects such as the one described.

Green House Gas Impacts

The fifth consequence of forming ICE could be environmental benefits. The amount of renewable power in SCE's power supply portfolio is currently 28 percent⁴ and is scheduled to increase to 33 percent by 2020. Assuming ICE achieves a base case 50 percent RPS target at start-up, GHG emissions reductions attributable to ICE operations in 2019 will range from 1.33 to 2.34 million metric tons CO₂ equivalent (CO₂e) per year. ES-4 details these reductions.

Exhibit ES-4 Baseline Comparison of GHG Reduction by ICE in 2018				
	TRICOG	CVAG	SANBAG	WRCOG
Forecast Renewables (50% Renewables) ICE (GWH) – Phase 2	7,533	916	4,184	2,433
ICE RPS (GWH) – Phase 2	4,219	513	2,343	1,362
Additional Green Power	3,315	403	1,841	1,070
CO ₂ reduction – Low (Million Metric tons CO ₂ e)	1.33	0.16	0.74	0.43
CO ₂ reduction – High (Million Metric tons CO ₂ e)	2.34	0.28	1.30	0.76

² The Indirect effect describes the business-to-business transactions resulting from the direct effect outcomes. For example, the creation of ICE would directly create 388 additional jobs, and indirectly 60 jobs to support those 388 direct employees through increased demand for products and services in the area.

³ The Induced effect measure the effects of the changes in household income. For example, ICE will save all households and businesses in its service area on energy costs. As a result, households will have more money to spend in the local economy.

⁴ http://www.cpuc.ca.gov/RPS_Homepage/

The reduction in GHG emissions associated with ICE operations is significant. This amount of reduced emissions represents a reduction in the emissions from the in-State generation resources of 2.6 to 4.6 percent.

Operational Options

There are several options for how to setup and organize a CCA. For this Plan, we have assumed three organizational options for ICE. These options are:

- One CCA for the Three COGs

This option consolidates workload by having one CCA perform all “back office” duties, including power procurement and data management. At the same time, this option allows each COG to design locally-targeting branding, programs, and customer outreach.

- Three CCAs Working Independently

This option entails each of the three COGs providing a full service CCA to include power procurement, data management and local program development/outreach.

- Outsource the Entire CCA Operation

Under this option, the COGs would hire a third-party entity to operate the CCA through “turnkey” CCA service with the guarantee of a fixed income stream.

Each option is critiqued and compared below.

The CCA operational option of one JPA for back office functions and have the local COGs brand and develop locally-specific programs and outreach is recommended for the following reasons:

- Retail rates will be the lowest possible.
- Local control and choice in programs will be maintained.
- A JPA organization provides a liability buffer between the CCA and its members.
- This business model is currently being used by the four operating CCAs in California with success.

The option to form three CCAs within TRICOG also has some initial appeal. If each COG formed a CCA, more local control would be achieved and potential thorny governance issues are avoided; however, the goal of lowest possible rates would likely not be achieved. The back office functions (i.e., power procurement and data management) are fairly consistent on a per unit basis; however, the internal costs are about the same for a 100,000-meter utility, and a 1,000,000-meter utility. Based on the operating CCAs in California, CCA operation requires between 15 and 20 full-time equivalent employees (FTEs). As such, forming three CCAs versus one for back office functions costs the CCA customers an additional \$7-8 million per year. This is a material amount of economic inefficiency.

The turnkey option is initially attractive given it is zero-cost to the CCA and the ease of administration. The primary issue with a turnkey operation is that rates will likely be higher for customers. The utility industry is highly capital-intensive, so the cost of capital becomes a major driver of utility operating costs. Private third-parties incur roughly twice the cost of capital as would a city, county, or JPA-owned CCA. Therefore, the publicly-operated CCA will almost certainly be able to offer lower rates due to its favorably low borrowing costs. In addition, giving CCA operation to a third-party often compromises the CCA's control over its power supply and other policies. The third-party operator typically guarantees the CCA owner an income stream but in exchange is given liberty to dictate the power supply options, energy efficiency programs, rates, staffing levels, and programs available to the CCA customers

Summary

This Plan concludes that the formation of ICE in the service areas of CVAG, SANBAG and WRCOG is financially prudent and will yield considerable benefits for TRICOG's residents and businesses. These benefits include at least a 3.7 percent lower rate for electricity than is charged by SCE while receiving nearly twice the amount of renewable energy. With the achievement of Phase 2 level of operations, ICE will reduce GHG emissions by as much as 2.34 million metric tons of CO₂e per year, add over 500 jobs, generate over \$54 million in additional GDP, and give residents and businesses local control over their power supply and energy efficiency programs. There are risks associated with a CCA which are manageable. On balance, the formation of a CCA for CVAG, SANBAG and WRCOG is financially feasible and results in beneficial environmental/economic impacts. A joint CCA with common back office functions is the most economical operational option and is recommended.

Introduction

Background

California’s legislature passed AB 117 in 2002 (amended in 2011 by SB 790) which allows all Cities, Counties, or groups of Cities and Counties to provide electric service to customers currently served by Investor-Owned Utilities (IOUs). Community Choice Aggregation (CCA) is the legislative organization empowered to provide this service. California CCAs are customer opt-out programs that provide power supply, data management and behind the meter services, while the incumbent IOUs continue to provide transmission and distribution (wires) service. This legislation states that CCAs will enable California to experience more competitive electricity rates, a more renewable power supply mix, and growth in local resources and associated economic activity. Currently, there are four CCAs operating in California and these utilities offer competitive rates for power supply that have a higher percentage of renewable resources. CCAs have also proven to promote local economic activity and their associated benefits. Several other California Cities and Counties are currently evaluating the feasibility of CCA formation within their jurisdictions. This information can be found in Appendix A.

There are several potential benefits of the CCA model in addition to competitive rates. Other benefits include local control over energy resources selection including renewable local projects, energy efficiency, a reduction in greenhouse gases (GHG), and more economic development. In addition, CCAs can minimize power supply rates and maximize renewable energy utilization with the attendant local jobs in the local community.

Objective

This Business Plan (Plan) evaluates the feasibility of forming a CCA within the SCE service area of Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG) and Western Riverside Council of Governments (WRCOG), collectively named Inland Choice Energy (ICE). The proposed CCA will continue to provide power supply, data management and behind the meter services⁵, and Southern California Edison (SCE) will provide transmission and distribution (wires) services. This Plan estimates ICE’s power supply costs, administrative costs, electric loads, and future retail rates for ICE and the incumbent Investor-Owned Utility (IOU), Southern California Edison (SCE). These forecast rates are compared to determine if the proposed CCA can offer competitive rates, better products, and superior customer service. A sound financial and operational foundation for ICE must be achievable before the other desirable attributes of a CCA can be enjoyed.

⁵ For example, energy efficiency programs, net energy metering or other programs that promote the deployment of distributed energy resources.

Regarding the possible membership of ICE, CVAG is the regional planning agency coordinating government services in the Coachella Valley and has 10 Cities, Riverside County, the Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians as members. SANBAG is the council of government and transportation planning agency for San Bernardino County. SANBAG's members include 24 cities and San Bernardino County. WRCOG's purpose is to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members and it consists of 17 Cities, Riverside County Board of Supervisors, the Eastern and Western Municipal Water Districts, and the Morongo Band of Mission Indians. Combined, these three organizations are referred to in this Plan as TRICOG.

Three governance scenarios are explored in this Plan. This provides information to each of the three COGs on the benefits and costs of implementing a CCA in their individual service area. It also provides information to the reader about the benefit and cost of different sizes of CCA load. For the base case in this Plan, results are provided assuming one organization will operate a CCA for all three entities. This scenario is referred to as the "TRICOG" scenario. In addition, results will be provided assuming three separate CCA's will be implemented. This scenario is referred to as the "Separate CCA" scenario. Finally, we explore use of a "turnkey" CCA operator, wherein a third-party would bear the financial burden of operation in exchange for a share of revenues.

ICE Description

In 2015, before opt-outs, CVAG's average annual wholesale load is 288 aMW (average Megawatts) with a peak load of 697 MW. SANBAG's 2015 average annual wholesale load, before opt-outs, is 1,339 aMW with a peak demand of 2,950 MW, while WRCOG's 2015 average wholesale annual load before opt-outs is 765 aMW with a peak demand of 1,819 MW. Energy consumption for the entire TRICOG area served by SCE is equal to more than 30 percent of SCE's total retail load.

For this Plan, it is assumed that service will be offered to customers in two phases. Phase 1 assumes that municipal facilities within each COG in addition to 5 percent of each COG's commercial accounts will be included into ICE. Phase 2 assumes all customers within TRICOG's service area are included in ICE. Exhibit 1 summarizes this phased approach to starting ICE and the amount of load attendant with each phase.

Exhibit 1
CCA Load, Customers, and Revenue by Phase in 2017*

Phase	Assumed Start	Eligibility	Customer Accounts	Peak Load*** (MW)	Average Load*** (aMW)	ICE Annual Revenues
TRICOG						
Phase 1**	July, 2017	Municipal + 5% Commercial	69,667	73	49	\$12 million
Phase 2	January 2018	All Customers	960,975	3,951	1,720	\$970 Million
CVAG						
Phase 1**	July, 2017	Municipal + 5% Commercial	10,121	7	6	\$1.6 Million
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WRCOG						
Phase 1**	July, 2017	Municipal + 5% Commercial	18,339	22	14	\$3.5 Million
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*Estimates assume a 75% participation rate for residential customers, and a 65% participation rate for non-residential customers.

**Phase 1 is assumed to run July – December of 2017. Therefore, load and revenue for this phase reflect only the 6-month duration.

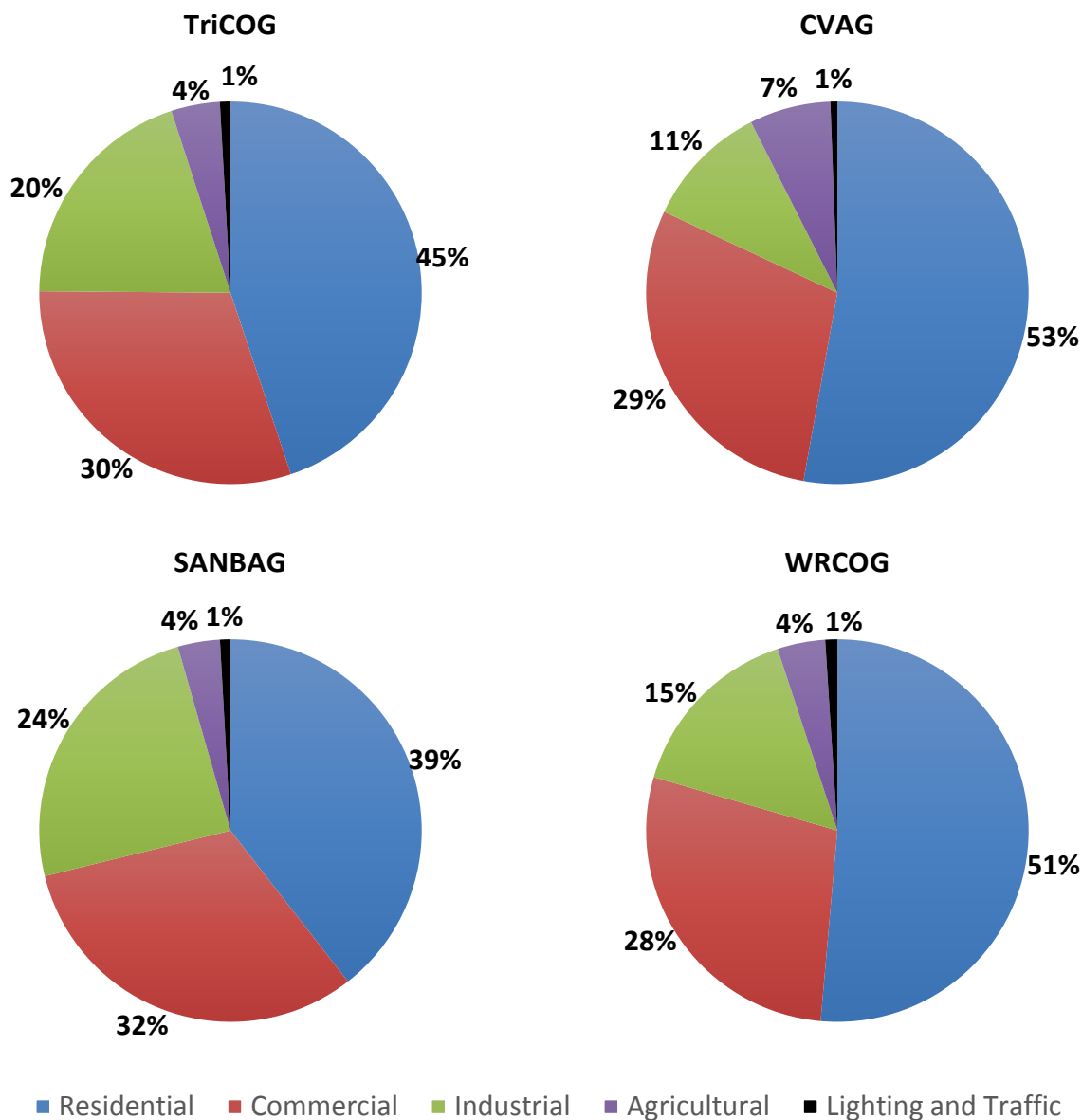
***Loads are expressed as wholesale, including losses of 6%.

Customer Participation Schedule

Because of the number of Cities in TRICOG and the size of their associated loads, a phasing strategy is assumed for this Plan. This phasing strategy enables ICE to address any start-up and operational issues before full scale operations are undertaken. In addition, this strategy will allow ICE's third party electricity suppliers, scheduling agents and data managers to ramp up their activities.

By 2036, ICE is projected to serve almost 1.16 million retail customers after opt-outs with annual electricity sales potential of over 17,392 GWh. Annual ICE revenues at Phase 2 build-out are projected to be \$1,500 million. In the same period, CVAG will serve over 132,000 customers with an average annual load of 2,110 GWh and revenues of \$300 million. SANBAG will serve over 633,000 customers, a load of 9,677 GWh, and earn revenues of \$550 million. WRCOG will serve almost 410,000 customers, a load of 5,605 GWh per year, and \$330 million. The breakdown of projected sales in Phase 2 by major customer class is shown in the following Exhibit 2.

Exhibit 2
Retail Energy Share by Rate Class



Summary of ICE's Proposed Governance and Operations

ICE will likely be established under the terms of a Joint Powers Authority (JPA), which will promote, develop and conduct electricity-related projects and programs for TRICOG's residences and businesses. The JPA agreement will dictate the governance provisions of ICE.

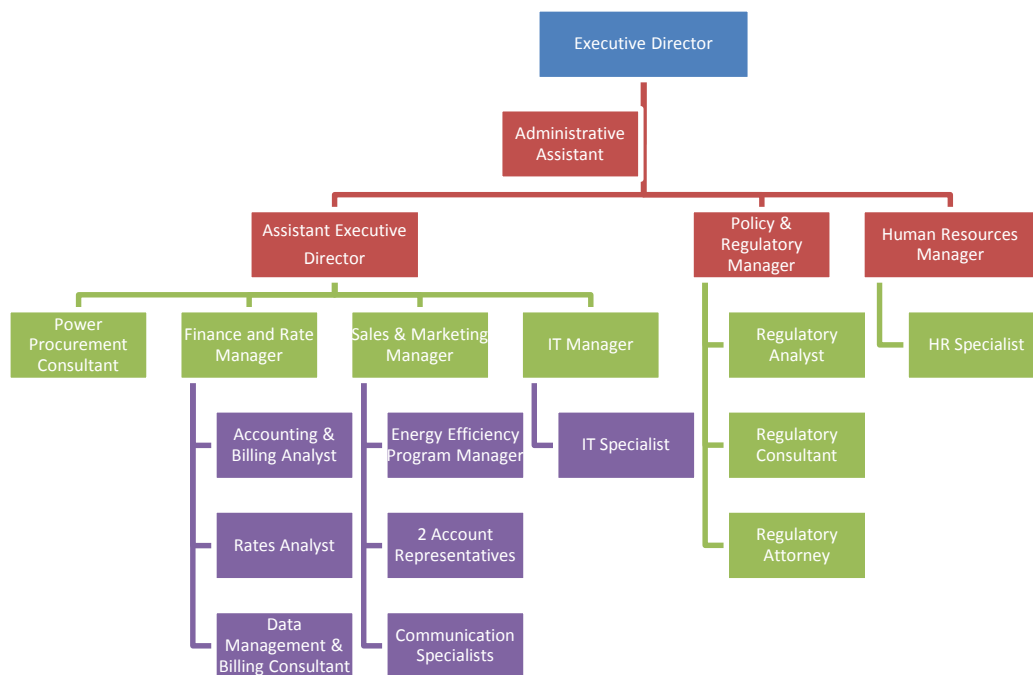
ICE activities will be overseen by the new JPA's Board of Directors (Board). This Board will have primary responsibility for managing all aspects of ICE programs. The JPA will adopt an

Implementation Plan, as required by the CCA legislation (AB 117), and register with the California Public Utilities Commission (CPUC) as a Community Choice Aggregator (CCA).

Operations of ICE programs will be the responsibility of an Executive Director, appointed by ICE's Board. The Executive Director will manage staff, contractors and third party providers, in accordance with the general policies established by the Board. ICE has responsibilities over the functional areas of Finance, Legal/Regulatory, and Operations. This Plan assumes that ICE will utilize a combination of internal staff and contractors. Certain specialized functions are needed within ICE operations, namely those of electric supply procurement and data management.

When ICE transitions some of its administrative and operational responsibilities to internally staffed positions, ICE will likely have a full time staff of approximately 15 – 20 employees to perform its responsibilities, primarily related to program and contract management, legal and regulatory, finance and accounting, energy efficiency, marketing and customer service. Technical functions associated with managing and scheduling power suppliers and those related to retail customer billings will likely be performed by an experienced third party contractor. The proposed organization chart for ICE is provided below in Exhibit 3.

Exhibit 3
Sample Organization Chart



Plan Methodology

This Plan evaluates the cost and resulting rates of operating ICE and compares these rates to a SCE rate forecast. This pro forma 20-year feasibility analysis models the following cost components:

- Power Supply Costs:
 - Wholesale purchase
 - Renewable purchases
 - Procurement of resource adequacy capacity
 - Other power supply and charges
- Non-Power Supply Costs:
 - Start-up costs
 - ICE staffing and administration costs
 - Consulting support
 - SCE and regulatory charges
 - Financing costs
- Pass-Through Charges from SCE:
 - Transmission and distribution charges
 - Power Cost Indifference Adjustment (PCIA) Charge
 - Other SCE non-bypassable charges

The information above is used to determine the retail rates for ICE. ICE rates are then compared to the SCE projected rates for ICE service area.

Plan Organization

This Plan is organized into the following main sections:

- Load Requirements
- Power Supply Strategy and Costs
- ICE Cost of Service
- Products, Services, Rates Comparison and Environmental/Economic Considerations
- Sensitivity Analysis
- Summary and Recommendations

Each section is discussed in more detail below.

Load Requirements

The viability of ICE depends to various degrees on the number of customers that participate in the CCA and the amount of energy they consume. This section of the Plan provides an overview of these projected values and the methodology used to estimate them.

Historical Consumption

SCE has provided monthly historical data on energy use (kWh), non-coincident peak load (kW), and number of accounts aggregated by rate class for both direct access (DA) and bundled customers for Cities expected to participate in ICE as well as unincorporated areas in the three council of government associations for the 2015 calendar year. These include 7 cities in CVAG, 21 in SANBAG, 16 in WRCOG, as well as both the Riverside and San Bernardino county unincorporated areas. Collectively, CVAG, SANBAG, WRCOG, and the unincorporated counties used almost 20,000 GWh of electricity in 2015. Of this, SANBAG used 56 percent, WRCOG 32 percent, and CVAG 12 percent.

Bundled and Direct Access Customers

Bundled customers (full service) make up over 93 percent of total customer accounts across the three government associations and comprise approximately 85 percent of the total energy use. Direct access customers account for under 7 percent of customers, but use nearly 15 percent of the annual energy. Exhibits 4 and 5 summarize historic energy consumption and number of accounts for bundled and DA customers within the three COGs.

Exhibit 4 Bundled and Direct Access Customer Accounts by COG in 2015				
Government Association	Bundled Accounts	DA Accounts	Bundled Accounts (% of total)	DA Accounts (% of total)
CVAG	142,715	1,299	99%	1%
SANBAG	678,524	38,236	95%	5%
WRCOG	438,019	55,235	89%	11%
Total	1,259,258	89,545	93%	7%

Exhibit 5 Bundled and Direct Access Retail Load by COG in 2015				
Government Association	Bundled Load (MWh)	DA Load (MWh)	Bundled Load (% of total)	DA Load (% of total)
CVAG	2,370,751	79,197	97%	3%
SANBAG	11,085,138	2,043,264	84%	16%
WRCOG	6,312,021	1,285,402	83%	17%
Total	19,767,910	3,407,864	85%	15%

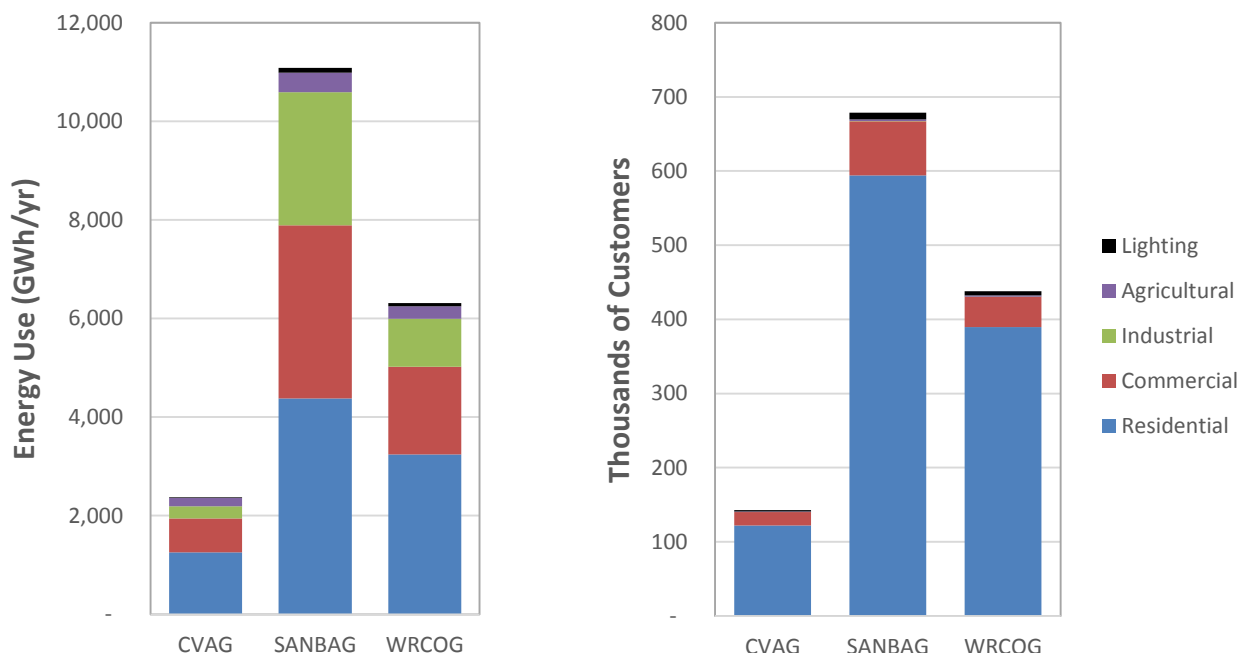
Direct access customers purchase their power supply and other services from an electric service provider (ESP), rather than the incumbent utility. In California, eligibility for DA enrollment is currently limited to retail non-residential customers and enrollment is based on an annual lottery.⁶ Customers classified as taking service under direct access arrangements are not included in this Plan, as it is assumed that these customers will remain with their current ESPs.

City and Unincorporated Loads

Among bundled customers, approximately 79 percent are located within the 44 cities and account for 81 percent of annual energy usage in the three COGs as shown in Exhibit 6. Potential customers and energy consumption are shown in Exhibit 7 aggregated for each COG including the respective unincorporated load. Exhibit 8 illustrates the distribution of load by sector for each jurisdiction.

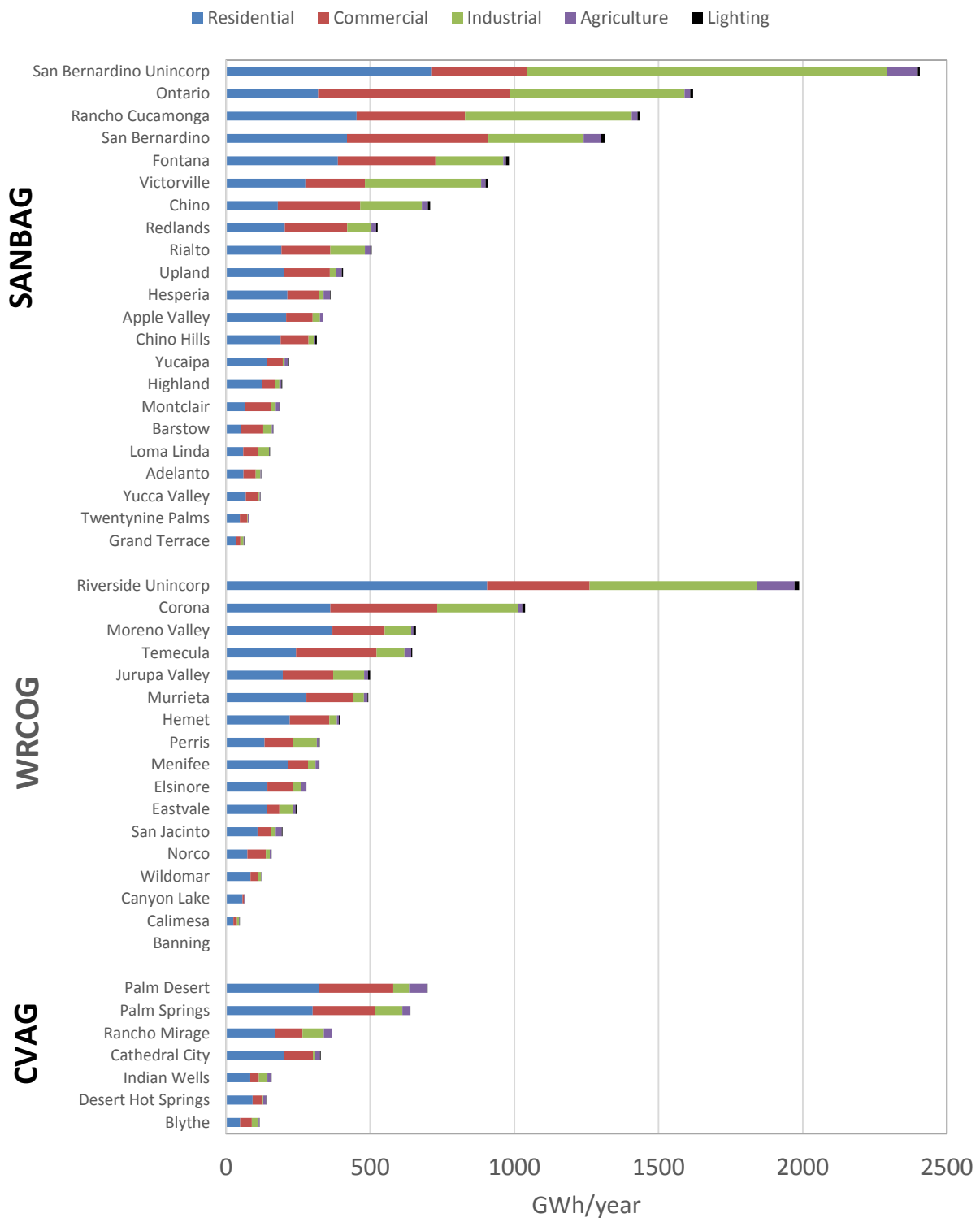
Exhibit 6 Bundled Load and Accounts by Jurisdiction Type in 2015				
Jurisdiction	Customer Accounts	Customer Accounts (% of total)	Annual Wholesale Load (GWh)	Energy Use (% of total)
Cities	994,814	79%	16,975	81%
Unincorporated	264,444	21%	3,982	19%
Total	1,259,258	100%	20,957	100%

Exhibit 7
Bundled Load and Accounts by Sector and COG



⁶ S.B. 286 (CA, 2015-2016 Reg. Sess.)

Exhibit 8
Bundled Energy Use by Jurisdiction and Sector



Note: Riverside County unincorporated areas were split up between WRCOG and CVAG for the 3-CCA scenarios, but are represented as a single entity in this figure for comparison.

ICE Launch Phases

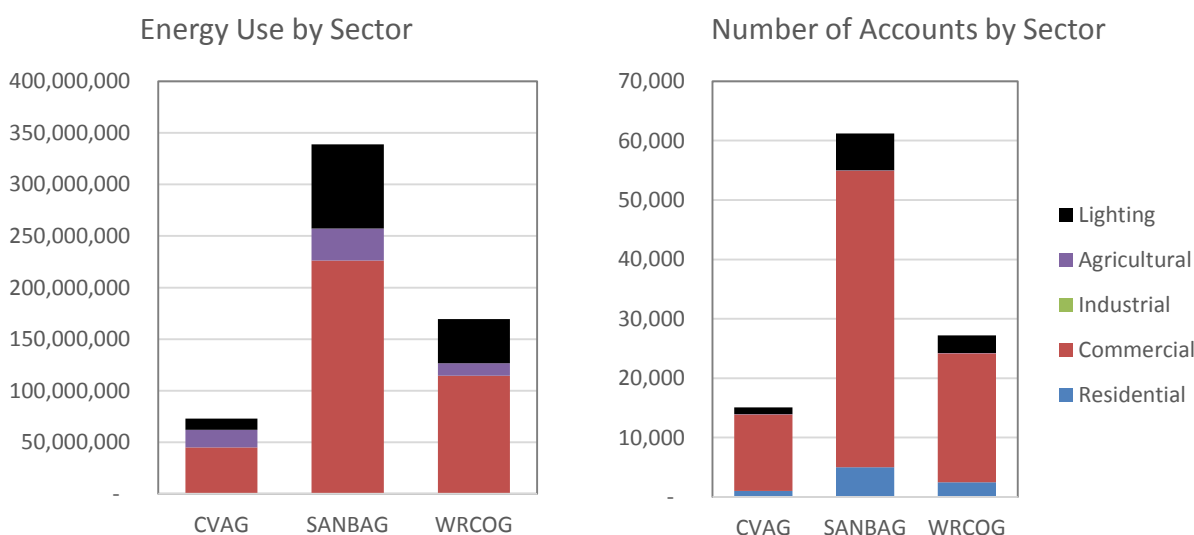
For the purpose of this Plan, it has been assumed that the development of ICE will occur using a two-phase implementation schedule. Phase 1 will include all municipal facilities as well as 5 percent of private commercial accounts within the three COGs. Phase 1 includes the 5 percent non-municipal accounts to balance out the daily load profile of the municipal accounts, which on their own would not be representative of ICE as a whole. These non-municipal accounts will be recruited for participation in Phase 1 during the start-up of ICE. Phase 2 will enroll all remaining customers in the three COGs.

Municipal facility energy use and number of accounts was provided by CVAG, SANBAG, and WRCOG. That data, in combination with 5 percent of non-municipal commercial accounts, is summarized in Exhibit 10. This data provides the basis for Phase 1 of ICE's Implementation Plan. Exhibit 9 shows the total number of eligible municipal facilities in the three COGs and their consumption.

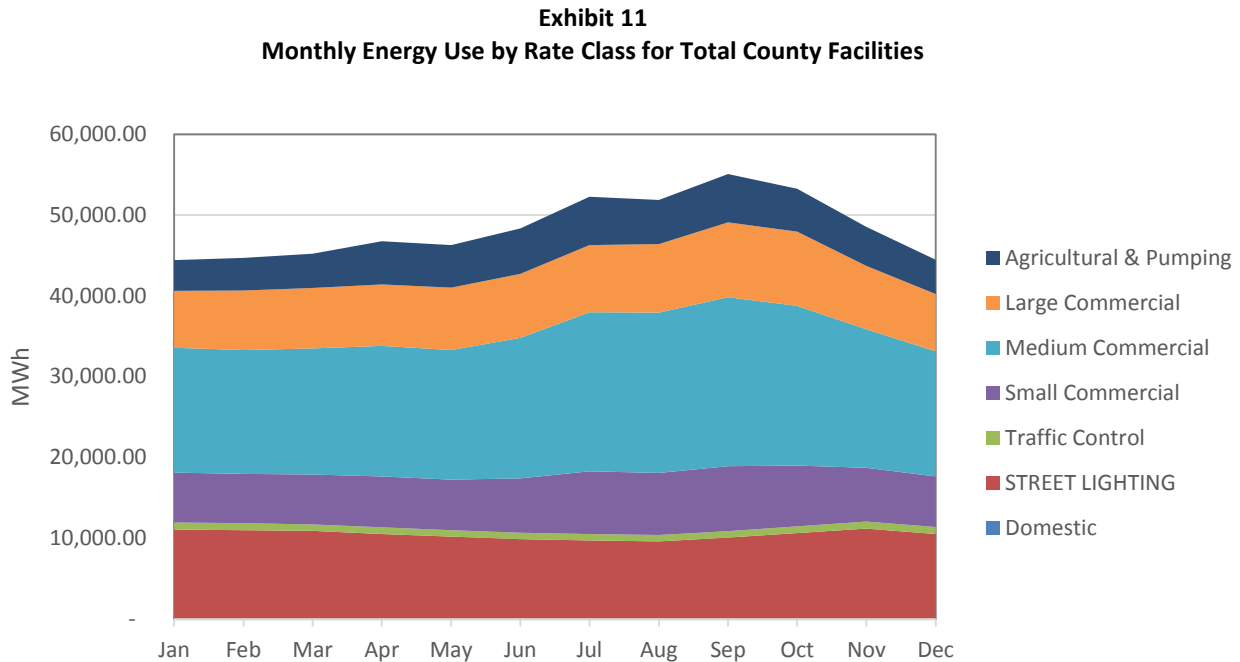
Exhibit 9 Phase 1 Accounts and Load, July 2017				
Location	Customer Accounts	Customer Accounts (% of total)	Annual Wholesale Load (MWh)	Load (% of total)
CVAG	10,121	15%	51,678	13%
SANBAG	41,207	59%	239,845	58%
WRCOG	18,339	26%	119,963	29%
Total	69,667	100%	411,486	100%

Exhibit 10 shows energy consumption and customer distribution by sector for Phase 1 facilities.

Exhibit 10
Phase 1 Load Data by Rate Schedule



The monthly energy distribution of Phase 1 customers is illustrated in Exhibit 11.



ICE Customer Participation Rates

Before customers are served by ICE, they will receive two notices at 60 and 30 days before ICE's launch that will provide information needed to understand the terms and conditions of service from ICE and explain how customers can opt-out, if desired. Subsequent to commencement of service, customers will be given two additional opportunities to opt-out and return to SCE at 60 and 30 days before ICE's launch. Customers that opt-out between the initial switchover date and the close of the post enrollment opt-out period will be responsible for ICE charges for the time they are served by ICE but will not otherwise be subject to any charges for leaving ICE. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled into ICE. Customers automatically enrolled will continue to have their electric meters read and billed for electric service by SCE. ICE bills processed by SCE will show separate charges for power supply procured by ICE, all other charges related to delivery of the electricity by SCE and other utility charges that will continue to be assessed.

This Plan anticipates an overall customer participation rate of 100 percent during Phase 1, as service is being offered to municipal facilities and selectively recruited private commercial customers. For Phase 2, it is assumed that approximately 75 percent of residential customers and 65 percent of non-residential customers will remain with ICE. These opt-out assumptions are conservative estimates when compared to participation rates in other CCAs. For operating CCAs in California, at least 85 percent of the potential customers have stayed with the CCA.

Forecast Consumption and Customers

Going forward, projections for customers enrolled in ICE and retail energy consumption have been forecast to increase at 1.13 percent per year. This forecast is based on the mid-case electricity demand forecasts for the SCE planning area, as reported to the California Energy Commission (CEC).⁷ Hourly electric consumption and peak demands have been estimated based on SCE's hourly load profiles for each customer classification.

The forecast of load served by ICE over the next 20 years is shown in Exhibit 12. This exhibit reflects an estimated annual growth of 1.13 percent. The ICE forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. Annual energy requirements are shown below in Exhibit 13.

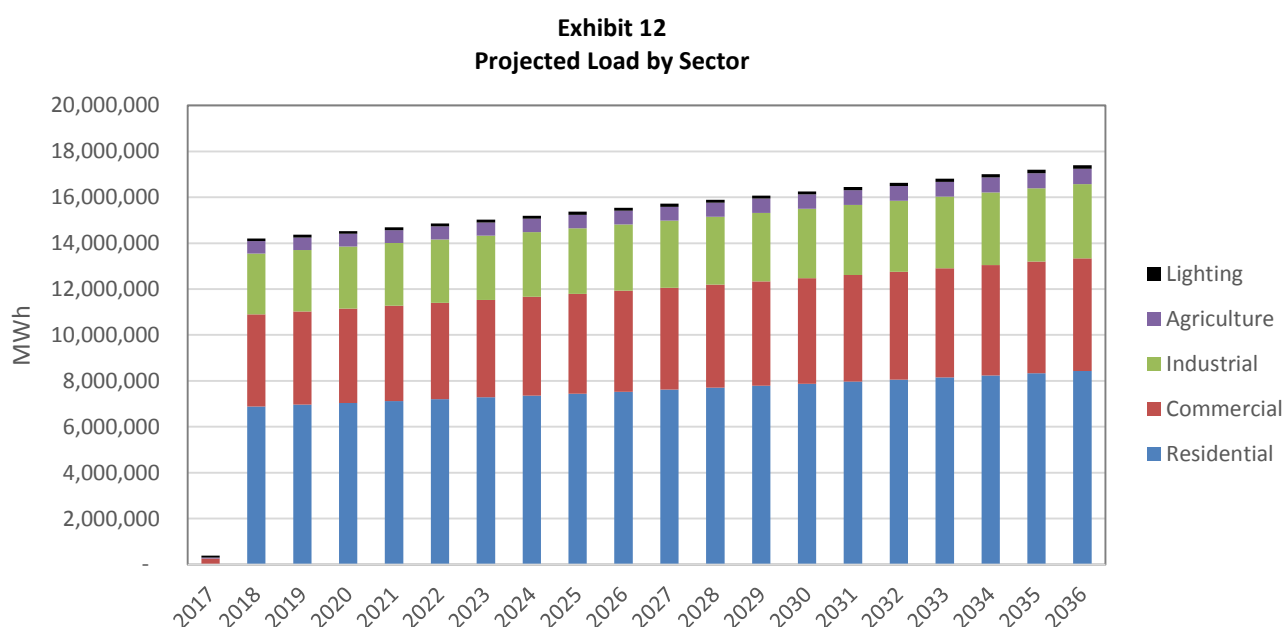


Exhibit 13 ICE Projected Annual Energy Requirements									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Sales (MWh)	386,383	14,207,376	14,367,920	14,530,277	14,694,469	14,860,517	15,028,441	15,198,262	15,370,003
Losses (MWh)	25,103	858,741	868,445	878,258	888,183	898,219	908,369	918,634	929,014
Total Load Requirements (MWh)	411,486	15,066,118	15,236,365	15,408,536	15,582,652	15,758,736	15,936,810	16,116,896	16,299,017

⁷ Southern California Edison. *California Energy Demand Forecast, 2015-2025*. July 2015. Sacramento, CA: California Energy Commission.

Renewable Resource Requirement

In addition to estimating the potential retail loads and customers, current legislation requires that a certain percent of annual retail electric sales be supplied from qualified renewable energy resources.

SBX1 2 passed in April, 2011 established a 33 percent Renewable Portfolio Standard (RPS) requirement by 2020 with certain procurement targets prior to 2020. SBX1 2 also defined three types of renewable categories (or Buckets) that can be used to meet the RPS target.

Bucket 1 – Renewable resources located in California or out-of-state renewable resources that can meet strict scheduling requirement ensuring deliverability into California. According to SBX1 2 there are no limits on Bucket 1 renewable resources.

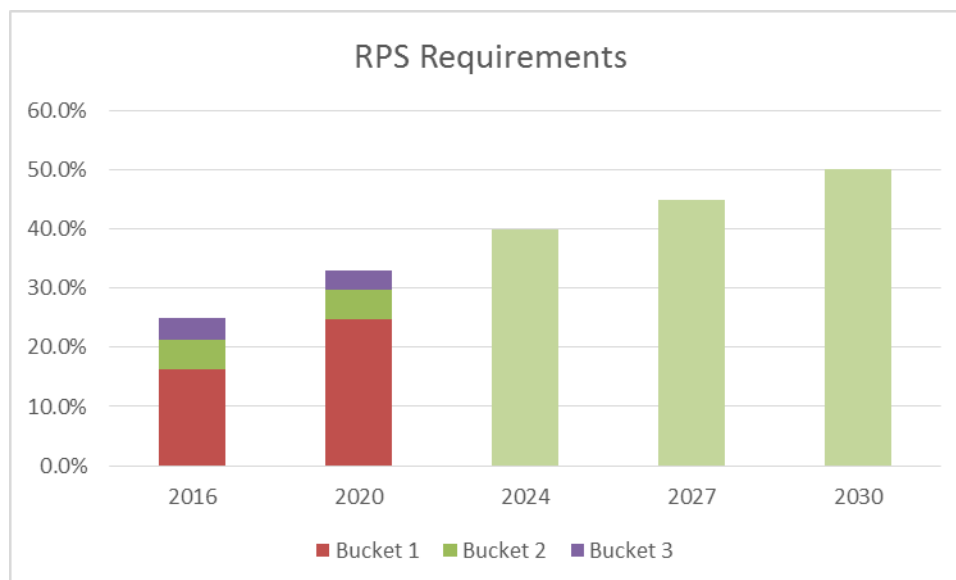
Bucket 2 – Bucket 2 renewable resources are firmed or shaped renewable resources not necessarily delivered to California, but an equivalent amount of energy is delivered from a different non-renewable resource and then bundled with Renewable Energy Certificates (RECs). Bucket 2 resources are limited to annual maximum of 20 percent of total RPS procurement through 2016 and 15 percent through 2020.

Bucket 3 – Bucket 3 consists of unbundled Renewable Energy Certificates which are separated from the actual electric energy. Bucket 3 resources are limited to an annual maximum of 15 percent of total RPS procurement through 2016 and 10 percent through 2020.

In addition, SB350 increased the RPS requirement to 50 percent by 2030. At this time, the amount of REC's that can be used to meet the 50 percent RPS requirement has not been finalized.

Exhibit 14 provides an overview of the RPS requirements until 2030.

Exhibit 14
California RPS Requirements as a Percent of Total Power Supply



ICE's Plan has been developed assuming ICE will meet a 50 percent RPS target as soon as possible through contracts, distributed generation and local resources.

ICE will exceed SCE's renewable energy percentage from the first day of its operations when it meets its 50 percent goal. ICE will therefore significantly exceed the minimum RPS requirements and significantly exceed the renewable power share provided by SCE.

Resource Adequacy Requirements

In addition to determining the renewable resource requirement, ICE will also need to demonstrate it has sufficient physical power supply capacity to meet its projected peak demand plus a 15 percent planning reserve margin. This requirement is in accordance with resource adequacy regulation administered by the CPUC and the California Energy Commission (CEC).

The CPUC's resource adequacy standards applicable to ICE require a demonstration one year in advance that ICE has secured physical capacity for 90 percent of its projected peak demand for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, ICE must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

The Plan's load forecast estimates capacity needs, including resource capacity requirements, to be used for the power supply cost forecasting.

Power Supply Strategy and Costs

This section of the Plan provides a discussion of the power supply resource cost forecasts, potential power supply strategies that could be implemented by ICE and provides power supply portfolio pricing based on the loads projected for ICE.

ICE will be charged with developing both short (one and two-year) and long-term (five to twenty years) resource plans. ICE will develop the resource plan under the guidance provided by its Joint Power Authority (JPA), in compliance with California law, and other requirements of California regulatory bodies (CPUC and CEC).

Long-term resource planning includes load forecasting and supply planning on a 10- to 20-year time horizon. ICE's planners will develop Integrated Resource Plans (IRPs) that meet their supply objectives and balance cost, risk, and environmental considerations. Integrated resource planning considers demand side energy efficiency and demand response programs as well as traditional supply options. ICE will require a planning function even if the day-to-day supply operations are contracted to third parties. This will ensure that local preferences regarding the future composition of supply and demand resources are planned for, developed and implemented.

Resource Strategy

ICE may want to seek to maximize the use of local, cost-effective renewable generation resources in its IRP. The ability to invest capital in power supply and demand-side resources using tax-exempt financing is an important factor in ICE's ability to increase the use of renewable energy while offering rates that are competitive with SCE. Power purchases from renewable and non-renewable resources will supply the remaining majority of the resource mix. ICE's power supply portfolio will be managed by a third party electric supplier, at least during the initial implementation period. Through a power services agreement, the Plan assumes that ICE will obtain full service requirements electricity for its customers, including providing for all electric, ancillary services and the scheduling arrangements necessary to provide delivered electricity.

Resource Costs

For this Plan, individual resource costs are estimated and other energy providers based on current market condition, recent power supply contracts for renewable energy as well as a review of the applicable regulatory requirements.

Market Purchases

Natural gas-fired power plants are typically the marginal power supply resource that sets the electricity market price in southern California and elsewhere in the Western Energy Coordinating Council (WECC) footprint. WECC guides power supply resources west of the Rocky Mountains. As the market price of electricity is usually set by the cost of the marginal unit, a wholesale market

price forecast has been developed using a forecast of natural gas prices and the projected relationship between gas prices and electricity prices (also defined as market-implied heat rates or spark spreads). The projected market-implied heat rates reflect the average efficiency of gas-fired power plants in California. Projected heat rates are based on historic market-implied heat rates which are calculated by dividing historic southern California (SP15) wholesale market prices by historic southern California natural gas prices. A natural gas price forecast has been developed based on NYMEX forward gas prices for the Henry Hub trading hub and southern California basis differentials. Projected market heat rates have then been applied to the southern California natural gas price forecast to calculate a wholesale electric market price forecast for southern California.

The following steps have been taken to produce the wholesale electric market price forecast:

1. Forward prices for natural gas at Henry Hub are available through June 2025.
2. The southern California basis differential is used to adjust the Henry Hub forward prices to southern California prices. Southern California forward natural gas prices are equal to NYMEX forward prices (Henry Hub) plus the southern California basis. The southern California basis forward curve is available through December 2020. After December 2020, the monthly southern California basis is assumed to increase at 5 percent.
3. Projected monthly market-implied heat rates are multiplied by forecast southern California natural gas prices to calculate forecast southern California wholesale market prices.
4. Projected heat rates are based on historic heat rates (southern California wholesale electricity prices divided by SoCal natural gas prices).
5. Monthly market-implied heat rates are held constant in all years.
6. Forecast southern California wholesale electric market prices are escalated by a 3.5 percent annual growth rate after June 2025.
7. Forecast southern California wholesale electric market prices are benchmarked against other market price forecasts.

Based on the methodology detailed above, southern California wholesale market prices are projected to escalate annually at an average rate of 3.7 percent over 2017 through 2036.

Exhibit 15 shows the forecast southern California natural gas prices.

Exhibit 15
Forecast SoCal Natural Gas Price (\$/MMBtu)

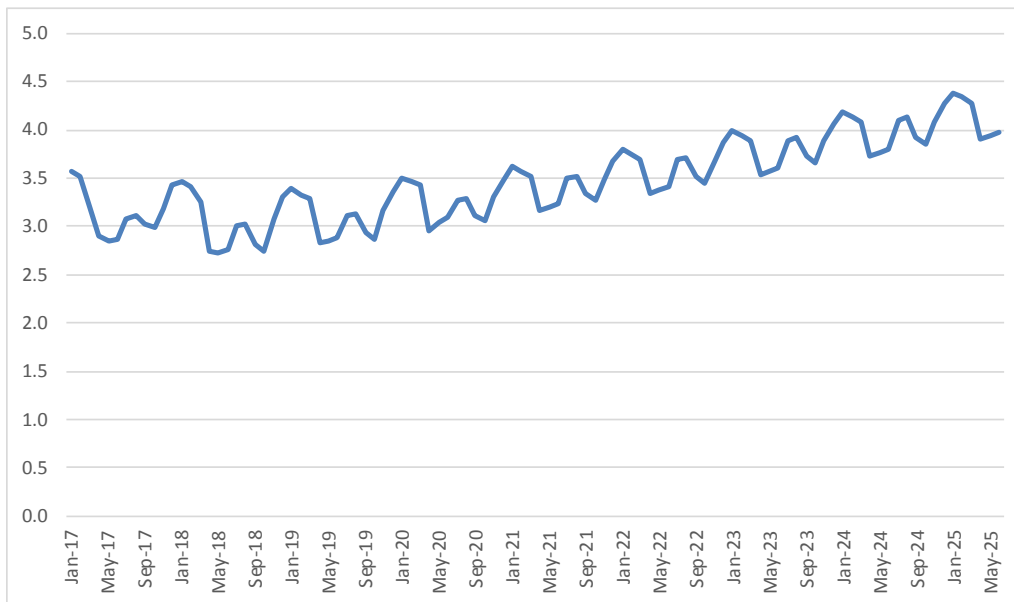
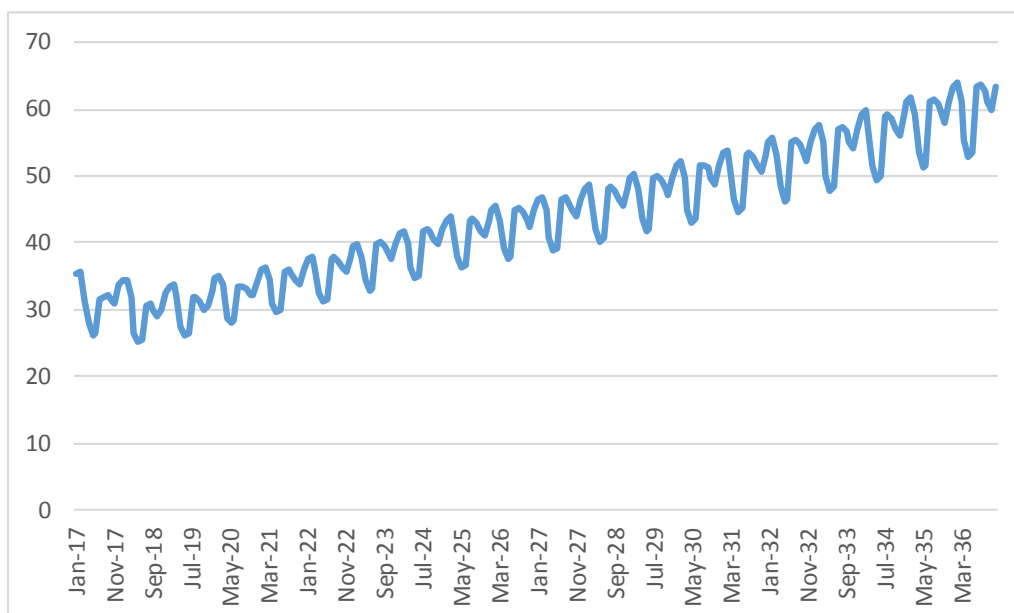


Exhibit 16 shows the resulting monthly southern California wholesale electric market price forecast. The levelized value of market prices over the study period is \$41.6/MWh (2016\$).

Exhibit 16
Forecast Southern California Wholesale Market Prices (\$/MWh)



Wholesale power prices have been used to calculate balancing market purchases and sales. When ICE's loads are greater than its resource capabilities, ICE's scheduling agent will schedule balancing purchases and ICE will incur balancing market purchase costs. When ICE's loads are less than its resource capabilities, ICE's scheduling agent will transact balancing sales and ICE will receive market

sales revenue. Balancing market purchases and sales can be transacted on a monthly, daily and hourly pre-schedule basis.

Renewable Energy

The wholesale market prices shown above are for “brown” power (i.e., this product does not come with any renewable energy credit (REC) attributes). The cost of renewable resources varies greatly. Wind and solar levelized project costs vary from \$35 to \$60/MWh. Geothermal project costs can vary from \$70 to \$100/MWh. The availability of off-shore wind and ocean power in the marketplace is fairly minimal and, as such, these resources were not included in the assessment of renewable energy market prices.

Based on a survey of renewable resources currently in operation and new projects coming on-line, a base case renewable energy market price of \$42/MWh has been determined. Renewable energy prices may increase in the future as the demand for renewable energy increases due to California’s RPS. However, renewable prices are being driven down by solar project costs which have declined sharply over the past few years and are expected to continue to decrease over the next 10 to 20 years. Again, the renewable energy prices have been independently confirmed by current market tenders in southern California.

Projected power costs in this Plan are calculated using the base case renewable energy market price of \$42/MWh. The amount of renewable energy purchased will be assumed to be equal to the RPS requirements in the base case. A higher case of 50 and 100 percent renewable energy will also be considered later in this Plan. In the “100 percent renewables” case the renewable energy market price was increased to \$52/MWh. The \$42/MWh price was based on an assumption that renewable purchases would be served almost exclusively with the output from solar projects. In the “100 percent renewables” case a higher price was assumed in recognition that a more diverse, and therefore more expensive, renewable energy portfolio would be needed. As such, the \$52/MWh is a blend of projected solar, geothermal and wind project costs. This is a conservative assumption as current solar contracts have a market value of \$35 - \$40/MWh.

Renewable Energy Credits (RECs)

As noted earlier, California load serving entities must purchase renewable energy or attributes that meet certain eligibility requirements across three categories or buckets. Each of the buckets represents a different type of renewable energy and can be used to meet a specific percent of the total. The shares of each bucket also changes over time. The three buckets and the type of energy included in each bucket can be summarized as follows:

- Bucket 1: In-state renewable generation
- Bucket 2: Firmed and shaped renewable energy products from a generator that has its first point of interconnection with a California Balancing Authority (such as the CAISO)
- Bucket 3: Energy is not included with the RECs (also known as unbundled RECs)

Under the current guidelines, the amount of RECs procured through Buckets 1 and 2 is limited and decreases over time. Historically, the first bucket has been the most expensive type of energy to purchase and load serving entities were only procuring the minimum they need to meet the RPS requirement. However, with the decrease in solar project costs, Bucket 1 has become relatively less expensive (compared to Buckets 2 and 3).

RECs are not viewed as good for the development of new projects. In addition, the REC market is not as liquid as it once was. For the Plan's base case, unbundled REC prices are assumed to increase from \$10/REC in 2017 to \$20 in 2036 (3.7 percent annual escalation). Due to the decline in solar project costs, the cost of unbundled RECs to meet RPS requirements and wholesale market purchases to meet load are negligible. Due to this shift in market dynamics, Bucket 3 RECs are no longer the least expensive option (as they were historically).

The Plan assumes that ICE will not rely on REC purchases to meet RPS requirements. The REC market can, however, be used to balance RPS requirements with renewable energy acquisitions. If ICE is short of RECs in a given compliance year, RECs could be purchased to meet the requirements. If the CCA is long on RECs in a given compliance year, surplus RECs could be sold.

Transmission

ICE will pay the CAISO for transmission congestion and ancillary services. Transmission congestion occurs when there is insufficient capacity to meet the demands of all transmission customers. Congestion refers to a shortage of transmission capacity to supply a waiting market, and is marked by systems running at full capacity and still being unable to serve the needs of all customers. The transmission system is not allowed to run above its rated capacities. Congestion is managed by the CAISO by charging congestion charges in the day-ahead market. Congestion charges can be managed through the use of Congestion Revenue Rights (CRR). CRRs are financial instruments made available through a CRR allocation, a CRR auction, and a secondary registration system. CRR holders manage variability in congestion costs. The CCA's congestion charges will depend on the transmission paths used to bring resources to load. As such, the location of generating resources used to serve ICE load will impact these congestion costs.

The Grid Management Charge (GMC) is the vehicle through which the CAISO recovers its administrative and capital costs from the entities that utilize the CAISO's services. ICE's Grid Management Charges are expected to near \$0.5/MWh.

The CAISO performs annual studies to identify the minimum local resource capacity required in each local area to meet established reliability criteria. Load serving entities receive a proportional allocation of the minimum required local resource capacity by transmission access charge area, and submit resource adequacy plans to show that they have procured the necessary capacity. Depending on these results of the annual studies, there may be costs associated with local capacity requirements for ICE.

Because generation is delivered as it is produced and particularly with respect to renewables can be intermittent, deliveries need to be firmed using ancillary services to meet ICE's load

requirements. Ancillary services will need to be purchased from the CAISO. Regulation and operating reserves are described below.

- *Regulation Service:* Regulation service is necessary to provide for the continuous balancing of resources with load and for maintaining scheduled interconnection frequency at 60 cycles per second (60 Hertz). Regulation and frequency response service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load.
- *Operating Reserves - Spinning Reserve Service:* Spinning reserve service is needed to serve load immediately in the event of a system contingency. Spinning reserve service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service.
- *Operating Reserves – Non-Spinning Reserve Service:* Non-spinning reserve service is available within a short period of time to serve load in the event of a system contingency. Non-spinning reserve service may be provided by generating units that are on-line but not providing power, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service.

Based on a survey of ancillary service costs currently paid by CAISO participants, ICE's ancillary service costs are estimated to be near \$5/MWh. The Plan's base case will assume the CCA's ancillary service costs are \$5/MWh in 2017, escalating by 1.5 percent annually thereafter. Serving a greater percentage of load with renewables will likely result in increased grid congestion and higher ancillary service costs. For this reason, the ancillary service costs have been increased in the 50 percent and 100 percent renewables cases included in this Plan. For the 50 percent renewables case, ancillary service costs are assumed to be \$5.5/MWh in 2017, escalating by 1 percent. For the 100 percent renewables case, ancillary service costs are assumed to be \$8/MWh in 2017, escalating by 2.5 percent.

Power Management/Scheduling Agent

Given the likely complexity of ICE's resource portfolio, ICE will want to rely on a reputable scheduling agent to economically manage ICE's power purchases and wholesale market transactions. ICE's resource portfolio will ultimately include market purchases, shares of some relatively large power supply projects, as well as shares of smaller, most likely renewable, resources with intermittent output. Managing a diverse resource portfolio with metered loads that will be heavily influenced by distributed generation will be one of the most important functions of ICE. As such, ICE needs a dependable, established scheduling agent with a proven track record in the industry. ICE's scheduling agent will be one of its most important business partners.

ICE should initially contract with a third party with the necessary experience (and balance sheet) to perform most of ICE's portfolio operation requirements. This will include the procurement of

energy and ancillary services, scheduling coordinator services, and day-ahead and real-time trading. Portfolio operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of ICE customers.
- *Risk Management* – standard industry risk management techniques will be employed to reduce exposure to the volatility of energy markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long term for resource planning, and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

ICE should approve and adopt a set of protocols that will serve as the risk management tools for ICE and any third party involved in ICE portfolio operations. Protocols will define risk management policies and procedures, and a process for ensuring compliance throughout the organization. During the initial start-up period, the chosen full requirements electric suppliers will bear the majority of risks and be responsible for their management. Development of protocols can take place during the first few months of ICE operations to cover electricity procurement activities.

A scheduling agent provides day-ahead and real-time power and transmission scheduling services. Scheduling agents bear the responsibility for accurate and timely load forecasting and resource scheduling including wholesale power purchases and sales required to maintain hourly load/resource balances. A scheduling agent needs to provide the marketing expertise and analytical tools required to optimally dispatch ICE's surplus resources on a monthly, daily and hourly basis.

Inside each hour, the CAISO Energy Imbalance Market (EIM) takes over load/resource balancing duties. The EIM automatically balances loads and resources every fifteen minutes and dispatches least-cost resources every 5-minutes. The EIM allows balancing authorities to share reserves, and more reliably and efficiently integrate renewable resources across a larger geographic region.

Within a given hour, metered energy (i.e. actual usage) may differ from supplied power due to hourly variations in resource output or unexpected load deviations. Deviations between metered energy and supplied power are accounted for by the EIM. The imbalance market is used to resolve imbalances between supply and demand. The EIM deals only with energy, not ancillary services or reserves (which are addressed in the next section).

The EIM optimally dispatches participating resources to maintain load/resource balance in real-time. The EIM uses the CAISO's real-time market which uses Security Constrained Economic Dispatch (SCED). SCED finds the lowest cost generation to serve the load taking into account operational constraints such as limits on generators or transmission facilities. The five-minute market automatically procures generation needed to meet future imbalances. The purpose of the

five-minute market is to meet the very short term load forecast. Dispatch instructions are effectuated through the Automated Dispatch System (ADS).

The CAISO is the market operator, and runs and settles EIM transactions. ICE's scheduling agent will submit ICE's load and resource information to the market operator. EIM processes are running continuously for every fifteen-minute and five-minute intervals, producing dispatch instructions and prices.

Participating resource scheduling coordinators submit energy bids to let the market operator know that they are available to participate in the real-time market to help resolve energy imbalances. Resource schedulers may also submit an energy bid to declare that resources will increase or decrease generation if a certain price is struck. An energy bid is comprised of a megawatt value and a price. For every increase in megawatt level, the settlement price also increases.

The CAISO calculates financial settlements based on the difference between schedules and actual meter data, and bid prices during each hour. Locational Marginal Prices (LMP) are used in settlement calculations. The LMP is the price of a unit of energy at a particular location at a given time. LMPs are influenced by nearby generation, load level, and transmission constraints and losses.

ICE's scheduling agent will need to forecast ICE's hourly loads as well as ICE's hourly resources including shares of any hydro, wind, solar and other resources in which ICE is a participant/purchaser. Forecasting the output of hydro, wind and solar projects involves more variables than forecasting loads. Scheduling agents already have models set up to forecast accurately hourly hydro, wind and solar generation. Accurate load and resource forecasting will be a key element in assuring ICE's power supply costs are minimized.

A scheduling agent also needs to provide monthly checkout and after-the-fact reconciliation services. This requires scheduling agents to agree on the amount of energy purchased and/or sold and the purchase costs and/or sales revenue associated with each counterparty with which ICE transacted in a given month.

Based on conversations with scheduling agents currently working the CAISO footprint, the estimated cost of scheduling services is in the \$1 to \$2/MWh range. For the base case, the Plan has assumed a cost of \$1.5/MWh, escalating at 2.5 percent annually.

Resource Portfolios

In order to develop pricing options for ICE customers and evaluate the impact of varying levels of renewable resources in ICE's portfolios, three resource portfolios were developed: RPS Portfolio, 50 percent renewable portfolio and 100 percent renewable portfolio.

Resource Options

For each of the resource portfolios, a combination of resources has been assumed in order to meet the renewable energy target, resource adequacy targets, and ancillary and balancing requirements.

Exhibit 17 shows the 20-year levelized resource costs included in this Plan.

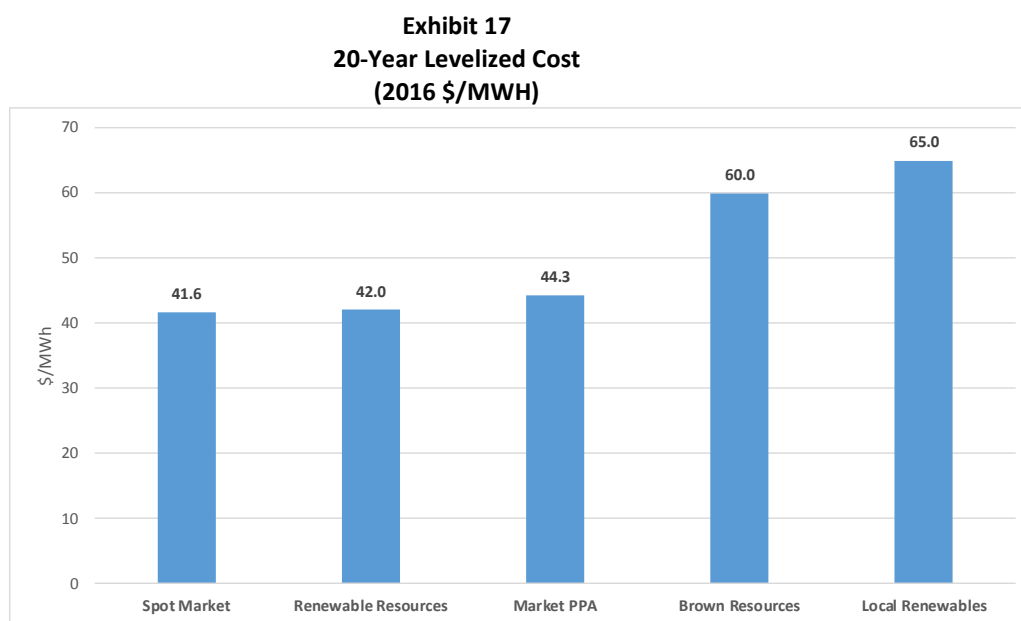


Exhibit 17 above includes both spot market and market PPA costs. It is assumed that these costs are primarily for natural gas resources although the specific resource source cannot be determined from a spot market purchase. Market PPA costs are greater than spot market costs in recognition of the cost of the PPA supplier absorbing the market price risk associated with providing a long-term PPA contract price.

The capacity factor for market PPA purchases is assumed to be 100 percent (flat monthly blocks of power). The average monthly capacity factor for renewable resources and local renewables is assumed to be 33 percent. The capacity factor for non-renewable resources is assumed to be 80 percent. As noted above, the cost of renewable resources was increased from \$42/MWh to \$52/MWh in the 100 percent renewables case in recognition of the need for a more diverse mix of renewable resources. Again, this higher price may be mitigated if large solar projects continue to be pursued in California.

As shown above, the base case 20-year levelized cost of renewable resources is comparable to the 20-year levelized cost of market purchases. The cost of solar projects has declined significantly over the past few years. The \$42/MWh projection is based on the cost of relatively new solar projects that reflect the decreased costs, on a \$/watt basis, of solar projects and the extension of the Federal production tax credit. The \$/watt is expected to continue to decrease in future years. As such, the cost of the output of solar projects is expected to continue to decrease.

On a \$/watt basis, the cost of smaller scale solar projects is greater than the cost of large scale solar projects. The \$65/MWh cost associated with local renewables reflects this trend. The advantage of local renewable projects is lower transmission costs and less stress on the congested transmission grid.

A more detailed description of each ICE power supply portfolio option follows.

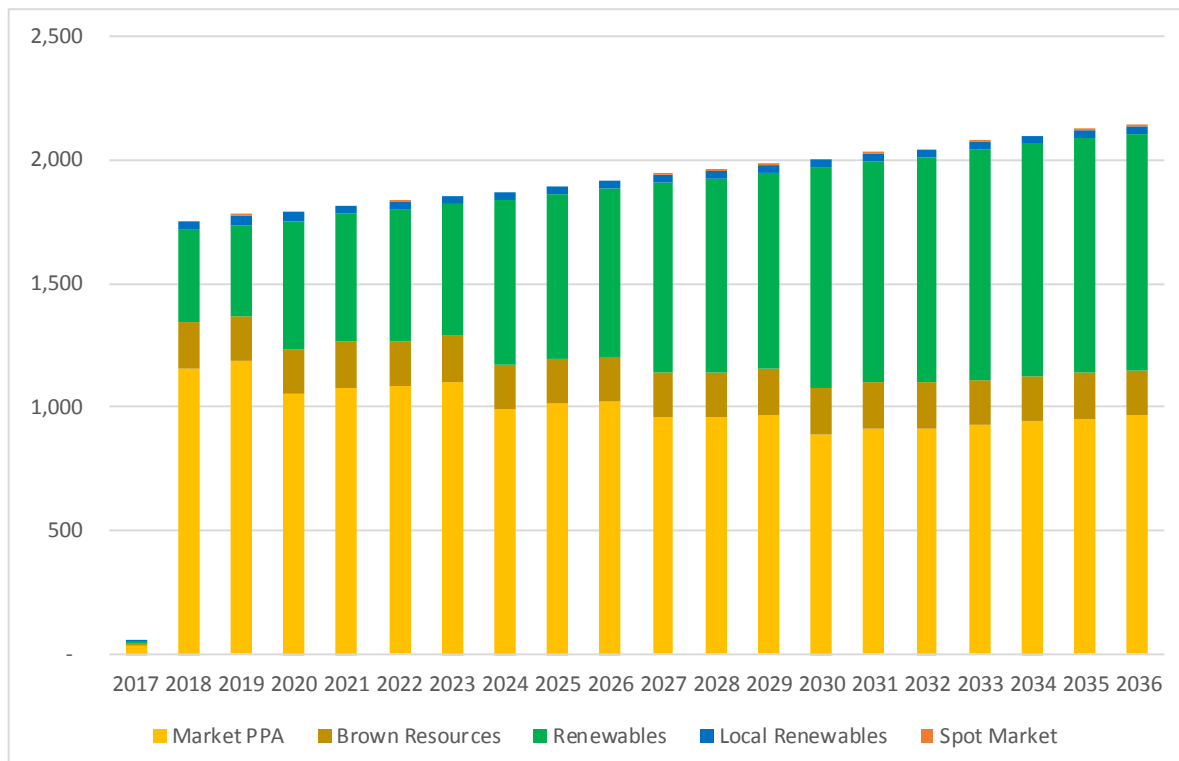
Portfolio 1: Meet Current RPS Requirements (Baseline Portfolio, similar to current SCE resource mix)

In the first portfolio, ICE will meet the State RPS requirements shown below:

- 2017-19: 25 percent
- 2020-23: 33 percent
- 2024-26: 40 percent
- 2027-29: 45 percent
- 2030 - 50 percent

As shown above, due to the decrease in the cost of solar projects, the projected cost of renewables is comparable to the cost of market power and less than the cost of greenfield brown resources (e.g. natural gas fired generation). Exhibit 18 shows the power supply portfolio used to serve load in Portfolio 1.

Exhibit 18
Portfolio 1: Meet RPS Requirements (aMW)

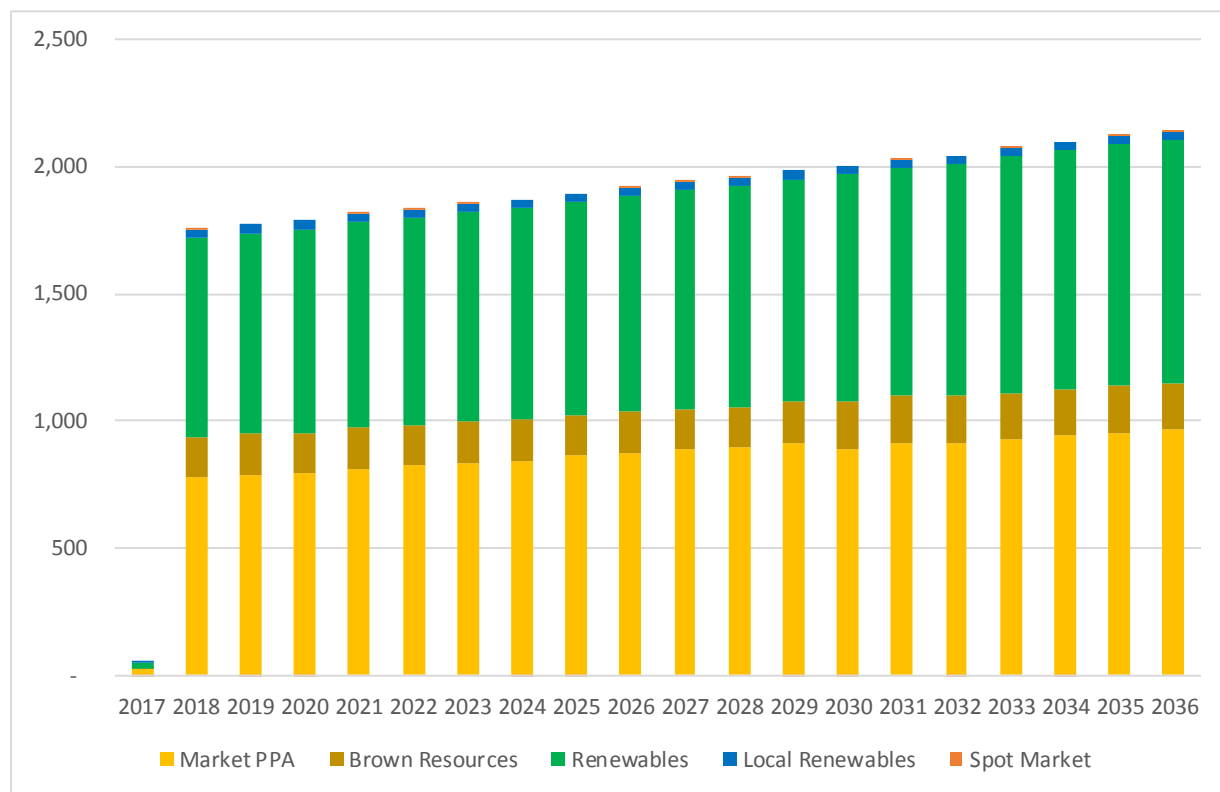


The green bars increase each year along with California’s RPS requirements. The costs associated with this portfolio could be reduced if it was assumed that more power was purchased from market PPAs instead of brown resources. The percent of non-renewable energy purchased via market PPAs, as opposed to brown resources, is the same in each of the three portfolios.

Portfolio 2: Serve 50% of Retail Load with Renewables Starting on Day 1

In this portfolio, the 50 percent renewable energy purchase requirement in the RPS is effectively moved up from 2030 to January 1, 2017. Beginning in 2018, the amount of power purchased from the relatively expensive (\$65/MWh 20-year levelized cost) local renewables is held constant at 100 MW with an average monthly capacity factor of 33 percent in each of the three portfolios. As shown below in Exhibit 19 the green bars showing renewable energy purchases in 2017 through 2029 increased compared to those shown above in Exhibit 18.

Exhibit 19
Portfolio 2: Serve 50% of Retail Load with Renewables (aMW)



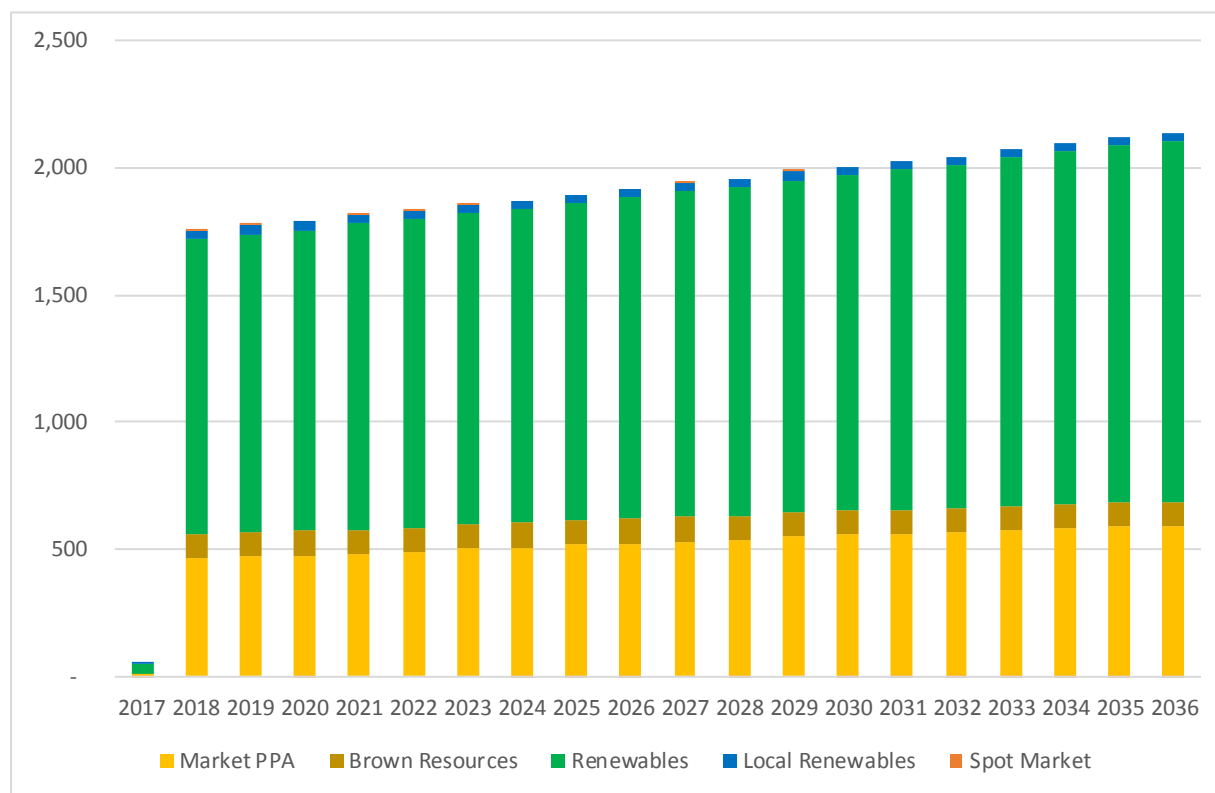
The percentage of non-renewable energy purchased from the more expensive brown resources is approximately the same as Portfolio 1. In all three portfolios, approximately 15 percent of non-renewable energy is purchased from brown resources, which has a base case 20-year levelized cost of \$60/MWh. In all three portfolios, 85 percent of non-renewable energy is purchased at the lower \$44.3/MWh levelized cost associated with market PPA purchases.

Portfolio 3: Serve 100% of Retail Load with Renewables Starting on Day 1

In this portfolio retail loads are served entirely with renewable energy purchases. As in Portfolios 1 and 2, it is assumed that 100 MW of capacity from local renewable energy projects is available beginning in 2018. Exhibit 20 below shows the resource mix used to serve load in Portfolio 3.

The renewable energy requirements in the State's RPS are based on retail energy sales. To be consistent, it was assumed that the 100 percent renewable energy target would only apply to retail energy sales. The same concept applies to Portfolios 1 and 2. For example, renewable energy purchases in Portfolio 2 are equal to 50 percent of projected retail energy sales in all years.

Exhibit 20
Portfolio 3: Serve 100% of Retail Load with Renewables (aMW)



There is a significant amount of market PPA and brown resource power included in Portfolio 3 due to the mismatch between seasonal solar generation and seasonal loads. Solar generation is relatively low in winter months and peaks during summer months. Loads are also lower in the winter and higher in the summer. However, beginning in March solar generation ramps up faster than loads. This could put utilities in a position of having to find a market for relatively large amounts of surplus energy during the months of March through June when market prices are typically the lowest. Many utilities and generators will likely be surplus in the spring because of the mismatch between seasonal solar generation and loads in the spring. In addition, utilities and generators located in the Northwest also have surplus energy in the spring due to increased

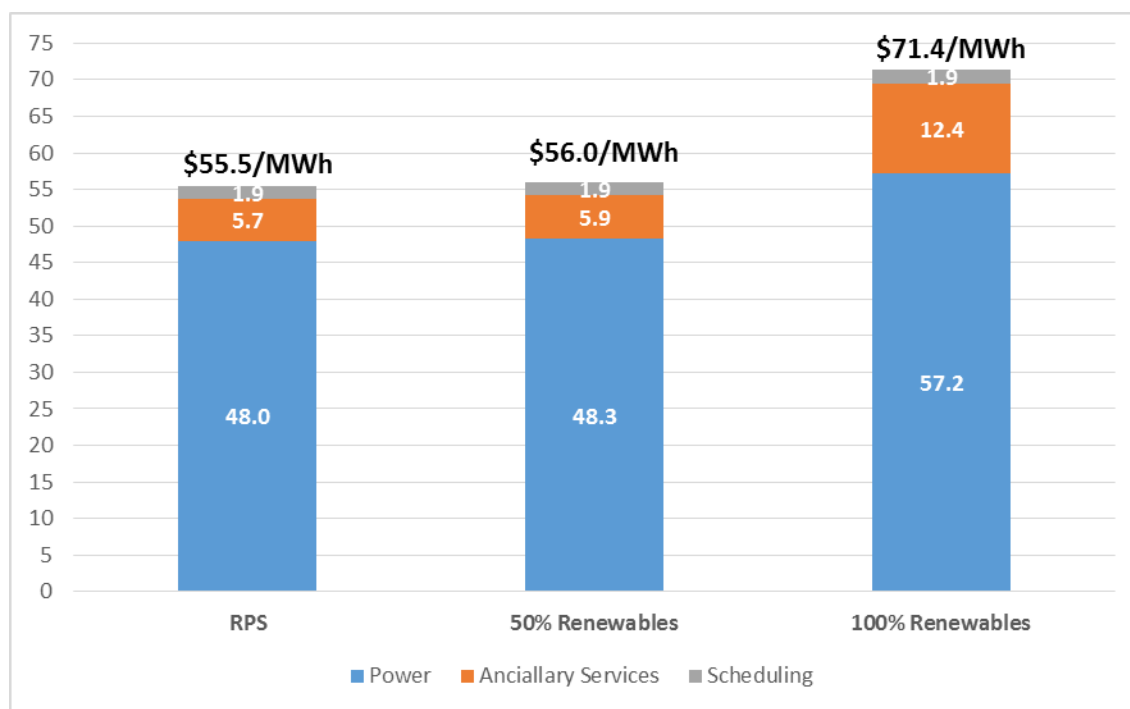
hydroelectric generation (due to melting snow) and wind. Non-renewable resources are included in Portfolio 3 in order to reduce ICE's exposure to low market prices during periods in which there is an abundance of surplus energy available in the region.

Non-renewable resources are needed in Portfolio 3 to serve load during hours when renewable resources are not capable of generating power (e.g., when the wind is not blowing or the sun is not shining). Purchasing large amounts of renewable generation, as in Portfolio 3, will likely result in over-supply in on-peak hours when solar projects are generating power and under-supply in off-peak hours when solar projects are not generating. As such, during some periods, on-peak energy may need to be exchanged for off-peak energy. The cost of exchanging or firming some of the solar generation into off-peak blocks of energy is reflected in higher ancillary service costs in Portfolio 3.

20-Year Levelized Portfolio Costs

The 20-year levelized costs have been calculated based on the base case assumptions detailed above regarding resource costs and resource compositions under the three portfolios. Exhibit 21 shows a breakdown of power, ancillary service and scheduling costs associated with each portfolio.

Exhibit 21
20-year Levelized Base Case Portfolio Costs (\$/MWh)



As shown above Portfolio 1 and 2 power costs are fairly similar. There is not a large variance in power costs in these two portfolios because the majority of power is supplied by market PPA and renewable energy purchases in each portfolio. The projected costs of renewable energy and market PPA purchases are very close. Exhibit 23 shows that the projected 20-year levelized cost of renewables is \$42/MWh while the projected 20-year levelized cost of market PPA purchases is

\$44.3/MWh. While the 20-year levelized cost of market PPA purchases is greater than the 20-year levelized cost of renewables, market PPA purchase prices are assumed to escalate from \$31/MWh in 2017 to \$47/MWh in 2029. Portfolios 1 and 2 are identical beginning in 2030 when the RPS increases to 50 percent. Portfolio 1 has a lower 20-year levelized cost because the cost of PPA market purchases is less than the cost renewables in 2017 through 2029.

Total costs under Portfolio 3 are approximately \$15/MWh greater than Portfolios 1 and 2. The costs of renewables have been assumed to be \$10/MWh greater in Portfolio 3 than in Portfolios 1 and 2 in recognition of the need for a more diverse mix of renewable resources. This translates into greater power costs (the blue bar) for Portfolio 3.

Each portfolio assumes that 15 percent of non-renewable energy is purchased from brown, natural gas-fired resources with a projected 20-year levelized cost of \$60/MWh. However, since more non-renewable energy is purchased in Portfolio 1 it has the highest percentage of brown resource purchases. In Portfolio 1, 10 percent of power purchases are brown resource purchases, compared to 9 percent in Portfolio 2 and 5 percent in Portfolio 3.

ICE Cost of Service

This section of the Plan describes the financial pro forma analysis and cost of service for ICE. It includes estimates of start-up costs, staffing and administrative costs, consultant costs, power supply costs, and SCE charges. In addition, it provides an estimate of start-up working capital and longer-term financial needs. The analysis and assumptions are first described for the TRICOG scenario. The financial impacts of three separate COGs are next described. The cost of a turnkey operation is detailed at the end of this section.

Cost of Service for ICE Base Case Operations

The first category of the pro forma analysis is the cost of service for ICE operations. To estimate the overall costs associated with ICE operations, the following components have been included:

- Power Supply Costs
- Non-Power Supply Costs
 - Start-up costs
 - ICE staffing and administration costs
 - Consulting Support
 - SCE and regulatory charges
 - Financing costs
- Pass-Through Charges from SCE
 - Transmission and distribution charges
 - Power Cost Indifference Adjustment (PCIA) Charge
 - Other non-bypassable charges

Once the costs of ICE operations have been determined, the total costs can be compared to SCE's projected rates.

Power Supply Costs

A key element of the cost of service analysis is the assumption that electricity will be procured under a power purchase arrangement (PPA) for both renewable and non-renewable power until local ICE resources can be developed. Power supply must be obtained by ICE's procurement contractor prior to commencing operations. The products required from the third party procurement are energy, capacity, renewable energy, load forecasting and scheduling coordination.

The calculated starting cost of electric power supply, including the cost of the scheduling coordinator and all regulatory power requirements, is between \$45 and \$65 per MWh. This price

represents the price needed for a full requirements, load following electricity contract. The variation in price is a function of the desired level of renewable resources.

Non-Power Supply Costs

While power supply costs make up the majority of costs associated with operating ICE (roughly 80 percent), there are several additional cost components that must be considered in the pro forma financial analysis. These additional non-power supply costs are noted below.

Startup Activities and Costs

Monthly costs associated with ICE start-up and phasing of customer enrollments include expenditures for program staff/contract staff, associated infrastructure, contractor costs and fees payable to SCE by ICE. The estimated startup costs include capital expenditures and one-time expenses as well as ongoing expenses that will be accrued before significant revenues from ICE operations are realized. These cost components are quantified in Exhibit 22 and Exhibit 23 below.

Exhibit 22 Monthly Start-Up Cost Summary (TRICOG)						
	Pre-Start					
	January	February	March	April	May	June
Start-Up Costs						
Infrastructure	\$0	\$0	\$0	\$0	\$55,000	\$35,000
Consultants	\$70,000	\$100,000	\$100,000	\$100,000	\$125,000	\$125,000
Staffing	\$0	\$0	\$0	\$0	\$57,500	\$77,500
Utility Trans. Fee	\$0	\$0	\$780	\$0	118,636	130,749
Total Start-Up	\$70,000	\$100,000	\$100,780	\$100,000	\$356,136	\$368,249

Exhibit 23 Start-Up Costs Summarized by Phase (TRICOG)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Start-Up Costs			
Infrastructure	\$90,000	\$260,000	\$350,000
Consultants (incl. Data Manager)	\$620,000	\$1,471,529	\$15,724,632
Staffing	\$135,000	\$1,455,000	\$3,732,500
Utility Trans. Fee	\$250,165	\$3,574,050	\$8,197,628
Total Start-Up	\$1,095,165	\$6,760,579	\$28,004,760

Other costs related to starting up ICE's program will be the responsibility of ICE's contractors. These include capital requirements paid by others, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs. The costs payable by ICE are contained in Exhibit 23.

Estimated Staffing Costs

Staffing is a key component of the start-up. Staff will be added incrementally to match workloads involved in forming ICE, managing contracts, and initiating customer outreach/marketing during the pre-operations period.

Exhibit 24 provides the estimated staffing budgets for the startup period (Phase 1 and Phase 2 of ICE implementation). Staffing budgets include direct salaries and benefits. For start-up, we assume an operating team will be employed prior to the board's selection of an Executive Director, per the example of other CCAs in California thus far. This operating team includes one assistant Executive Director and one manager of policy and regulatory affairs and one administrative assistant. The remaining functions will be performed by consultants. Exhibit 24 details the anticipated staffing of ICE.

Exhibit 24 Staffing Plan (TRICOG)			
Number of Staff	Pre Start-Up	2017	2018
Executive Director	0	1	1
Assistant Executive Director	1	1	1
Policy & Regulatory Manager	1	0	1
Regulatory Analyst	0	1	1
Administrative Assistant	1	1	2
Finance & Rates Manager	0	1	1
Rates Analyst	0	1	1
Accounting & Billing Analyst	0	1	2
Human Resources Manager	0	1	1
HR Specialist	0	1	1
Sales & Marketing Manager	0	1	1
Energy Efficiency Program Manager	0	0	1
Account Representatives	0	2	2
Communication Specialists	0	2	2
IT Manager	0	1	1
IT Specialist	0	0	1
Total Number of Employees	3	15	20
Total Staffing Costs	\$135,000*	\$1,455,000*	\$3,732,500

*Represents only partial year.

Based on this staffing plan, ICE will initially employ 3 staff members. Once ICE has expanded its service area and operated for one year or so, it is anticipated that staffing will increase to approximately 20 employees. These positions to be hired by ICE over the first two years are described below:

Executive Director

The Executive Director will be responsible for overseeing ICE operation and ensuring that the vision of the JPA Board is followed. The Executive Director will ultimately be responsible for all ICE programs, finances and communication programs plus be accountable to the Board.

Assistant Executive Director

The Assistant Executive Director will oversee the day to day operation of ICE. In particular, this staff position will work closely with outside consultants, and oversee hedging and power procurement, resource portfolio strategy, CAISO settlements and other financial planning and rate setting analysis. Behind the meter ICE programs will also be coordinated through this position.

Policy and Regulatory Manager

The Policy and Regulatory Manager will oversee the legal and regulatory functions of ICE. This position will work closely with the CPUC and State/Federal legislators. ICE will require ongoing regulatory representation to file resource plans, resource adequacy compliance, compliance with California RPS, and overall representation on issues that will impact ICE and its customers. ICE should plan on maintaining an active role at the CPUC, CEC, FERC and the California legislature.

Finance and Rates Manager

The Finance and Rates Manager oversees ICE's budgets and accounting functions. In addition, this person will develop annual budgets, rates and credit policies for approval by the Board. Managing the overall financial aspects of ICE is expected to be a significant work activity.

Sales and Marketing Manager

The Sales and Marketing Manager is responsible for the enrollment and notification of new customers. In addition, this staff person will market ICE, and provide on-going communication with ICE's communities and customers. A significant amount of customer service and key account representation will be necessary in addition to regular marketing services. This position will be the point person for the outsourced data management and customer service consultants.

Administrative Assistant

The staffing plan assumes a full-time administrative assistant will be added during the pilot phase to provide administrative assistance to management.

Future Staff

As additional customers join ICE, duties can be shifted from third-party consultants to in-house staff if internal staffing is more cost effective.

Estimated Infrastructure Costs

Infrastructure or overhead needed to support the organization includes computers and other equipment, office furnishings, office space and utilities. These expenses are estimated at \$90,000 during program pre-startup. Office space and utilities are ongoing monthly expenses that will begin to accrue before revenues from program operations commence and are therefore assumed to be financed as shown in Exhibit 25 and Exhibit 26.

Exhibit 25 Monthly Estimated Infrastructure Costs (TRICOG)						
	Pre-Start					
	January	February	March	April	May	June
Infrastructure Costs						
Computers	\$0	\$0	\$0	\$0	\$15,000	\$5,000
Furnishings	\$0	\$0	\$0	\$0	\$15,000	\$5,000
Office Space	\$0	\$0	\$0	\$0	\$15,000	\$15,000
Utilities/Other Office Supplies	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Total Start-Up	\$0	\$0	\$0	\$0	\$55,000	\$35,000

Exhibit 26 Estimated Infrastructure Cost by Phase (TRICOG)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Infrastructure Costs			
Computers	\$20,000	\$55,000	\$25,000
Furnishings	\$20,000	\$55,000	\$25,000
Office Space	\$30,000	\$90,000	\$180,000
Utilities/Other Office Supplies	\$20,000	\$60,000	\$120,000
Total Infrastructure Costs	\$90,000	\$260,000	\$350,000

It is estimated that the per employee start-up cost is approximately \$10,000. This expense covers computer and furniture needs. An additional annual expense of \$180,000 for office space, and approximately \$120,000 per year in office supplies and utilities costs is expected. In addition, it is assumed that computers will need to be replaced every 5 years.

Utility Implementation and Transaction Charges

The estimated costs payable to SCE for services related to ICE start-up include costs associated with initiating service with SCE, processing of customer opt-out notices, customer enrollment, post enrollment opt-out processing, and billing fees. These distribution utilities fees are explicitly stated in the relevant SCE tariffs.

Customers who establish service with ICE will be automatically enrolled in the program and have sixty days from the date of enrollment to customer opt-out of the program. Such customers will be provided with two opt-out notices within this sixty-day post enrollment period. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. Following automatic enrollment, two

additional opt-out notices will be provided within the sixty-day period following customer enrollment. It is estimated that the enrollment charges will be approximately \$3.4 million for 2017 and \$3.5 million for 2018, as shown in Exhibit 27 and Exhibit 28.

Exhibit 27 Monthly Utility Transaction Fees (TRICOG)						
	Pre-Start					
	January	February	March	April	May	June
Enrollment Charges	0	0	780	0	\$118,636	\$130,749
Ongoing Charges	0	0	0	0	0	0
Total SCE Transaction Fee	\$0	\$0	\$780	\$0	\$118,636	\$130,749

Exhibit 28 Utility Transaction Fees by Phase (TRICOG)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Enrollment Charges	\$250,165	\$3,402,449	\$3,469,521
Ongoing Charges	0	171,601	\$4,728,107
Total SCE Transaction Fees	\$250,165	\$3,574,050	\$8,197,628

Estimates of Third Party Contractor Costs

Contractor costs include outside assistance for advertising, legal services, resource and financial planning, implementation support, customer enrollment, customer service, and payment processing/accounts receivable and verification. The latter three will be provided by ICE's customer account services provider, and these preliminary estimates will be refined as the services and costs provided by the selected contractor are negotiated. Exhibit 29 and Exhibit 30 show the estimated contractor costs during the startup period.

Exhibit 29 Monthly Estimated Consultant Costs (TRICOG)						
	Pre-Start					
	January	February	March	April	May	June
Legal/Regulatory	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Communication	\$0	\$0	\$0	\$0	\$25,000	\$25,000
Data Management	\$0	\$0	\$0	\$0	\$0	\$0
Financial Consulting	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Consultant Costs	\$70,000	\$100,000	\$100,000	\$100,000	\$125,000	\$125,000

Exhibit 30 Estimated Consultant Costs by Phase (TRICOG)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Legal/Regulatory	\$270,000	\$300,000	\$480,000
Communication	\$50,000	\$150,000	\$300,000
Data Management	\$0	\$731,529	\$14,414,632
Financial Consulting	\$300,000	\$290,000	\$530,000
Total Consultant Costs	\$620,000	\$1,471,529	\$15,724,632

The estimate for each of the services is based on costs experienced by other CCAs. Consultant costs are increased by inflation every year.

Cash Flow Analysis and Working Capital

This cash flow analysis estimates the level of working capital that will be required until full operation of ICE is achieved. For the purposes of this analysis, it is assumed that ICE pre-operations begin in January 2017 and continue through June 2017. In general, the components of the cash flow analysis can be summarized into two distinct categories: (1) Cost of ICE operations, and (2) Revenues from ICE operations. The cash flow analysis identifies and provides monthly estimates for each of these two categories. A key aspect of the cash flow analysis is to focus primarily on the monthly costs and revenues associated with ICE and specifically account for the transition or “Phase-In” of ICE customers. The cash flow analysis assumes the phase-In schedule for ICE as described previously.

The cash flow analysis also provides estimates for revenues generated from ICE operations or from electricity sales to customers. In determining the level of revenues, the cash flow analysis assumes the customer phase-in schedule noted above, and assumes that ICE provides a discount of 3.7 percent from the existing rates for each customer class, where pre-operations run from January 1, 2017 to June 31, 2017. Thereafter, Phase 1 starts in July 2017.

The results of the cash flow analysis provide an estimate of the level of working capital required for ICE to move through the pre-operations period. This estimated level of working capital is determined by examining the monthly cumulative net cash flows (revenues minus cost of operations) based on assumptions for payment of costs by ICE, along with an assumption for when customer payments will be received. The cash flow analysis assumes that customers will make payments within 60 days of the service month, and that ICE will make payments to suppliers within 30 days of the service month. This analysis is somewhat conservative because customer payments begin to come in soon after the bill is issued, and most are received before the due date. At the same time, some customer payments are received well after the due date. The 30-day net lag is a conservative assumption for cash flow purposes.

For purposes of determining working capital requirements related to power purchases, ICE will be responsible for providing the working capital needed to support electricity procurement unless the electricity provider can provide the working capital as part of the contract services. In addition, ICE will be obligated to meet working capital requirements related to program management. For this Plan, it is assumed that this working capital requirement is included in the short term financing associated with start-up funding.

A summary of working capital needs is presented below on Exhibit 31.

Exhibit 31		
Working Capital Needs (TRICOG)		
	2017	2018
Working Capital (TRICOG)	\$12 Million	\$150 Million

Total Financing Requirements

The start-up of the ICE program will require a significant amount of capital for three major functions: (1) staffing and contractor costs; (2) program initiation; and (3) working capital. Each of these anticipated requirements is discussed below.

Staffing costs for the pre-implementation period (January 2017 through June 2017) are estimated to be approximately \$135,000. Contractor costs for the same time period are estimated to be approximately \$620,000. These costs include: advertising/communications, consulting, legal, and data management.

ICE initiation costs include the infrastructure that ICE will require (office space, utilities, computers) as well as the distribution utility fees for initiating ICE. Infrastructure costs are estimated to be approximately \$90,000 and the distribution utility fees are estimated to be approximately \$250,165.

The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to SCE service under certain circumstances. In addition, SCE requires a bond equivalent to two months of transaction fees.

For the TRICOG scenario, the total financing requirement, including working capital, during the start-up and pilot periods, are estimated to be approximately \$20 million, increasing to approximately \$175 million following full enrollment. The first \$20 million is needed in Spring 2017.

Financing Plan

The initial start-up funding will be provided via short-term financing. ICE will recover the principal and interest costs associated with the start-up funding via subsequent retail rates. It is anticipated that the start-up costs will be fully recovered within the first five years of ICE operations.

The anticipated start-up and working capital requirements for ICE through Phase 1 are approximately \$20 million. Once ICE program is up and running, these costs would be recovered through retail rates. Actual recovery of these costs will be dependent on third-party electricity purchase prices and decisions regarding initial rates for Phase 1 customers.

Additional financing will be needed at the beginning of Phase 2. Depending on market conditions and payment terms established with the third-party suppliers, the loan may need to be increased to approximately \$175 million for the start of Phase 2. This number will be refined as the ICE program becomes operational, and bids are received from power providers.

Based on recent information regarding financing options for CCA's, the Plan's financial analysis assumes that ICE can obtain a loan for the first \$20 million with a term of 5 years at a rate of 5.5 percent. The second loan for \$175 million is assumed for a 20-year term at 5.5 percent.

The detail of the base case financial analysis is provided in Appendix B.

Cost of Service for Three CCA Operations

There are several options for how to setup and organize a CCA. In addition to forming one CCA as outlined as the base case in the Plan, three CCAs (one for each COG) is an option. This option would entail each of the three COGs providing a full service CCA including power procurement, data management and local program development/outreach.

In order to develop this three CCA scenario, each major cost component has been reviewed to determine the appropriate cost structure for each individual CCA based on the size of load. Power procurement, SCE charges and data management costs follow load and number of customers in each CCA. However, the internal costs (staffing, office space, consulting) are about the same for a 100,000-meter utility, and a 1,000,000-meter utility.

“Three Separate CCA” Assumptions

It is anticipated that if the three COG’s operate separately, staffing would be fairly similar to the TRICOG scenario for each of the CCA’s. Exhibit 32 provides the estimated staffing and annual cost under the separate CCA scenario.

Exhibit 32 Staffing Plan (Three CCAs)			
Number of Staff	CVAG	SANBAG	WRCOG
Executive Director	1	1	1
Assistant Executive Director	1	1	1
Policy & Regulatory Manager	1	1	1
Regulatory Analyst	0	1	1
Administrative Assistant	2	2	2
Finance & Rates Manager	1	1	1
Rates Analyst	0	1	1
Accounting & Billing Analyst	2	2	2
Human Resources Manager	0	1	1
HR Specialist	0	1	0
Sales & Marketing Manager	0	1	0
Energy Efficiency Program Manager	1	1	1
Account Representatives	0	2	2
Communication Specialists	0	2	0
IT Manager	0	1	1
IT Specialist	0	1	1
Total Number of Employees	9	20	16
Total Staffing Costs	\$1,785,000	\$3,732,500	\$2,556,250

The estimated start-up costs for each of the COGs and the combined “Three CCA” scenario are shown in Exhibit 33.

For the separate scenarios, computers, furnishings and supplies were forecast based on employees in each CCA. In the WRCOG scenario, staff is added slower than in the SANBAG scenario, thus delaying some staffing and infrastructure costs from 2017 to 2018.

Exhibit 33			
Estimated Infrastructure Cost by Phase (Three CCAs)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Infrastructure Costs			
CVAG	\$90,000	\$150,000	\$350,000
SANBAG	\$90,000	\$260,000	\$350,000
WRCOG	\$90,000	\$150,000	\$420,000
Total Infrastructure Costs	\$270,000	\$560,000	\$1,120,000

The estimated costs payable to SCE for services related to ICE start-up include costs associated with initiating service with SCE, processing of customer opt-out notices, customer enrollment, post enrollment opt-out processing, and billing fees. These distribution utilities fees are explicitly stated in the relevant SCE tariffs. The utility transaction fees for each of the COGs separately, are shown in Exhibit 34.

Exhibit 34			
Utility Transaction Fees by Phase (Three CCAs)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
CVAG	\$39,557	\$413,653	\$918,803
SANBAG	\$149,501	\$1,939,421	\$4,405,258
WRCOG	\$68,749	\$1,228,726	\$2,873,783
Total SCE Transaction Fees	\$257,807	\$3,581,800	\$8,197,844

Exhibit 35 shows the estimated contractor costs during the startup period for the “Three CCA” scenario. These are costs assumed for financial and accounting assistance, legal assistance, data management and communication.

Exhibit 35			
Estimated Consultant Costs by Phase (Three CCAs)			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
CVAG	\$620,000	\$606,215	\$2,398,639
SANBAG	\$620,000	\$1,172,679	\$9,074,423
WRCOG	\$620,000	\$932,634	\$6,331,569
Total Consultant Costs	\$1,860,000	\$2,711,528	\$17,804,631

Estimated non-power supply costs associated with ICE start-up and phasing of customer enrollments for the “Three CCA” scenarios are provided in Exhibit 36.

Exhibit 36 Start-Up Costs for Three CCAs Summarized by Phase						
	CVAG	CVAG	SANBAG	SANBAG	WRCOG	WRCOG
	2017	2018	2017	2018	2017	2018
Start-Up Costs						
Infrastructure	\$240,000	\$350,000	\$350,000	\$350,000	\$240,000	\$420,000
Consultants	\$1,226,215	\$2,398,639	\$1,792,679	\$9,074,423	\$1,552,634	\$6,331,569
Staffing	\$600,000	\$1,785,000	\$1,590,000	\$3,732,500	\$600,000	\$2,556,250
Utility Trans. Fee	\$453,211	\$918,803	\$2,088,921	\$4,405,258	\$1,297,475	\$2,873,783
Total Start-Up	\$2,519,426	\$5,452,443	\$5,821,601	\$17,562,182	\$3,690,109	\$12,181,602

Each CCA will be responsible for providing the working capital needed to support electricity procurement unless the electricity provider can provide the working capital as part of the contract services. In addition, each CCA will be obligated to meet working capital requirements related to program management. It is assumed that this working capital requirement is included in the short term financing associated with start-up funding. A summary of working capital needs for the three CCAs is presented below on Exhibit 37.

Exhibit 37 Working Capital Needs		
	2017	2018
Working Capital (CVAG)	\$2.5 Million	\$34.5 Million
Working Capital (SANBAG)	\$4.2 Million	\$75.0 Million
Working Capital (WRCOG)	\$3.5 Million	\$50.0 Million

For the “Three CCA” scenario, the total financing requirements, during the start-up and pilot periods, are estimated to be approximately \$22 million with \$5 from CVAG, \$10 million from SANBAG and \$7 million from WRCOG. Before full enrollment, additional capital in the order of \$190 million will be needed from the three COGs following full enrollment. The first \$22 million is needed in Spring 2017.

The option to form three CCAs within TRICOG has some initial appeal. If each COG formed a CCA, each would achieve greater local control and avoid potential governance issues. However, the goal of providing the lowest possible rates would not be achieved. As such, forming three CCAs versus one for back office functions would cost the CCA customers an additional \$7-\$9 million per year. This is a material amount of economic inefficiency.

Exhibit 38 Comparison between Organizational Structures			
	Total Start-Up Costs	Operating Costs	Estimated Rate Savings
	2017	2018	2018
CVAG	\$2,519,426	\$115,306,595	2.1%
SANBAG	\$5,821,601	\$507,012,641	3.4%
WRCOG	\$3,690,109	\$299,188,121	3.0%
Three COGs Combined	\$12,031,136	\$921,507,357	
TRICOG	\$7,855,744	\$911,795,255	3.7%
Savings/Year	\$4,175,392	\$9,712,102	

Turnkey

The turnkey option is initially attractive given its zero-cost to the CCA and the ease of administration. The primary issue with a turnkey operation is that rates will likely be higher for customers. Power purchase is highly capital-intensive, so the cost of capital becomes a major driver of CCA-operating costs. Private third-parties incur roughly twice the cost of capital as would a city, county, or JPA-owned CCA. Therefore, the publicly-operated CCA will almost certainly be able to offer lower rates. In addition, giving CCA operation to a third-party often compromises the CCA's control over its power supply. The third-party guarantees the CCA owner an income stream but in exchange is given liberty to dictate the power supply options, energy efficiency programs, rates, staffing levels, and programs available to the CCA customers.

Products, Services, Rates Comparison and Environmental/Economic Impacts

This section of the Plan provides a comparison of service and rates between SCE and ICE. Rates are evaluated based on total ICE electric total bundled rates as compared to SCE's total bundled rates. Total bundled electric rates include the rates charged by ICE, including non-bypassable charges, plus SCE's delivery charges. This section also includes the environmental impacts based on the reduction in Green House Gases (GHG), and the economic development impact on local jobs and overall economic activity created by ICE programs.

Rates Paid by SCE Bundled Customers

The average customer weighted SCE rates have been calculated based on current rate schedules and ICE's projected customer mix. SCE's current 2016 rates and surcharges have been applied to customer load data aggregated by major rate schedules to form the basis for the SCE rate forecast.

The average SCE delivery rate, which is paid by both SCE bundled customers and ICE customers, has been calculated based on the forecasted customer mix for ICE. For future years, the SCE rate forecast assumes the delivery costs will increase by 2 percent per year, a conservative assumption given the history of SCE rate increases.

Similarly, the current average power supply rate component for SCE bundled customers has been calculated based on the estimated ICE customer mix. The SCE power supply rate component has been forecast to increase based on SCE's most recent filings and incorporating the increased RPS requirement mandated by SB 350. The most recent Energy Resource Recovery Account (ERRA) filing has been used to determine the 2017 SCE generation rates for each rate category. Finally, the SCE power supply rates have been projected to increase based on the renewable and non-renewable market price forecast, regulatory requirement for RPS, storage requirement and resource adequacy objectives.

Rates Paid by ICE Customers

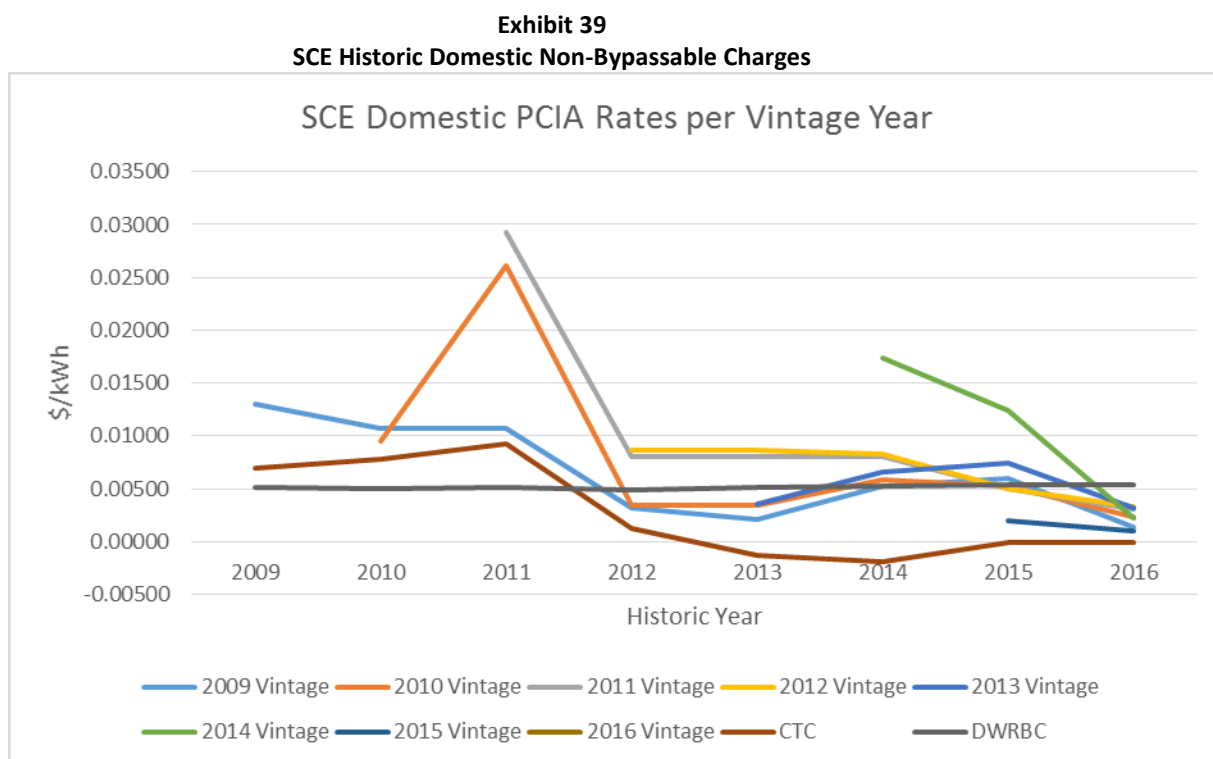
It is anticipated that ICE's rate designs will initially mirror the structure of SCE's rates so that similar rates can be provided to ICE's customers. In determining the level of ICE rates, the financial analysis assumes the customer phase-in schedule noted above and that the implementation phase costs are financed via a start-up loan.

In addition to paying ICE's power supply rate, ICE customers will pay the SCE delivery rate and non-bypassable charges. The calculation of the delivery rate is described earlier. The non-bypassable charges that are payable to SCE by ICE customers include:

- Power Cost Indifference Adjustment (PCIA)
- Department of Water Resources Bond Charge (DWRBC)
- Competition Transition Charge (CTC)
- Generation Municipal Surcharge (or Franchise Charge)

The DWRBC is the charge to recover the interest and principal of the California Department of Water and Resources (DWR) bonds. This charge is scheduled to end in 2023. The CTC is the ongoing charge, which recovers the above market costs of utility generation. The PCIA is a charge that is designed to keep bundled customers indifferent when other customers leave bundled service. The PCIA is calculated annually by subtracting the market price of wholesale power from the incumbent utility's average cost of power supply based on a methodology determined by the CPUC.⁸

Exhibit 39 provides the historic values of the PCIA, CTC and DWRBC for the residential class. It is important to note that the non-by passable charges differ by the vintage of a CCA. The vintage of the CCA depends on when the CCA provides a binding notice of intent to SCE.



Note that CARE and medical base line customers do not pay the DWRBC or PCIA charges.

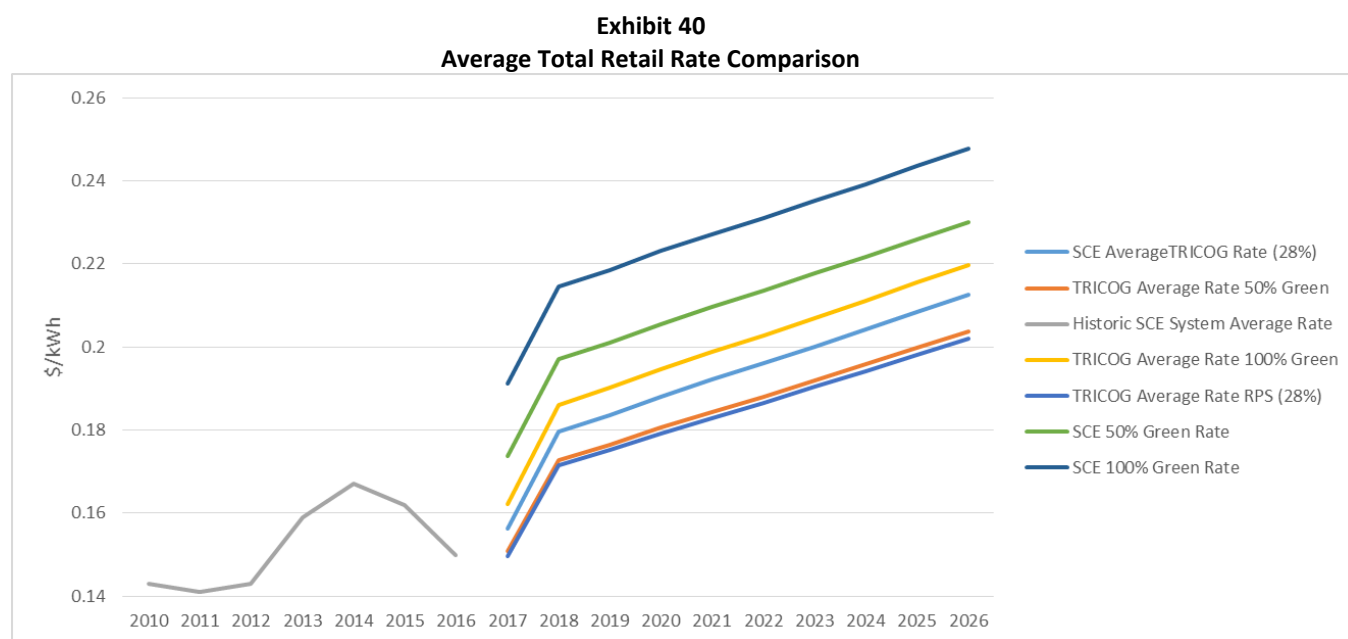
For this Plan, it was assumed in the base case that the PCIA changes based on the differential between SCE's generation cost and market prices. For this Plan, PCIA is forecast to increase initially due to the end of offsetting credits that expire in 2018. Post-2018, the PCIA is expected to grow

⁸ See D.-6-07-030 as modified by D. 11-12-018.

based on the inverse of the market price growth rate. The PCIA is calculated based on the difference between SCE's surplus resource cost and the market price. Therefore, as market prices increase, SCE's PCIA rate decreases as their surplus resources become more cost effective relative to market prices.

Rate Impacts

Based on ICE's projected power supply costs and operating costs, and SCE's power supply and delivery costs, forecasts of ICE and SCE total rates have been developed. These rates are illustrated below on Exhibit 40.



The ICE RPS residential rate with an equal amount of renewable power (28 percent) to what SCE currently offers is 0.9¢/kWh or approximately 4.3 percent lower as can be seen in Exhibit 40. The ICE residential rate with 50 percent renewable power (compared to SCE's 50 percent) is 2.5¢/kWh or 11.2 percent lower. The ICE residential rate with 100 percent green power (compared to SCE's 100 percent) is 2.7¢/kWh or 11.3 percent lower. The rates calculated under this Plan are for comparison to SCE rates only. Under formal operations, the ICE policymakers will determine the actual rates to be offered to its customers.

These rate calculations assume all bill savings associated with forming ICE will be refunded to the residences and businesses within TRICOG. Based upon final ICE policy direction, some of these savings could be retained by ICE to build up *additional* financial reserves and/or build more local renewable energy projects.

Based on these assumed ICE discounts off the comparable SCE rate, Exhibit 41 provides a comparison of the indicative bundled rates for ICE's products with the current SCE rate.

Exhibit 41 Indicative Rate Comparison in ¢/kWh							
Rate Class	Customer Type	SCE Bundled Rate*	ICE RPS Bundled Rate	SCE 50% Green Bundled Rate	ICE 50% Green Bundled Rate	SCE 100% Green Bundled Rate	ICE 100% Green Bundled Rate
Residential	Domestic	20.55	19.66	22.30	19.81	24.05	21.33
Residential Care	Domestic	12.22	11.70	13.97	11.79	15.72	13.47
GS-1	Commercial	17.03	16.29	18.78	16.42	20.53	17.68
GS-2	Commercial	16.57	15.86	18.32	15.98	20.07	17.21
GS-3	Industrial	14.71	14.08	16.46	14.19	18.21	15.28
PA-2	Public Authority	13.08	12.52	14.83	12.62	16.58	13.58
PA-3	Public Authority	11.31	10.82	13.06	10.90	14.81	11.74
TOU-8 Secondary	Domestic	13.07	12.51	14.82	12.61	16.57	13.58
TOU-8 Primary	Commercial	11.84	11.33	13.59	11.42	15.34	12.29
TOU-8 Substation	Industrial	7.76	7.43	9.51	7.48	11.26	8.06
Total ICE Rate Savings over SCE's Standard Bundled Rate			4.5%		11.0%		11.0%

*SCE bundled average rate based on SCE's ERRR 2017 Draft Filing

A financial proforma in support of these rates can be referenced in Appendix B.

Local Resources/Behind the Meter ICE Programs

ICE may wish to plan to establish a Net Energy Metering ("NEM") program for qualified customers in their service territory to encourage DER. In addition, ICE should work with State agencies and SCE to promote deployment of distributed energy resources (DER) within ICE's service territory, with the goal of maximizing use of the available incentives that are funded through current utility distribution rates and public goods surcharges.

ICE should also consider establishing a program which offers a combination of retail tariffs, rebates, incentives and other bundled offerings intended to increase customer participation in demand-side programs including: renewable distributed generation, energy storage, energy efficiency, demand response, electric vehicle charging, and other clean energy benefits defined as Distributed Energy Resources (DER). ICE can work with State agencies and SCE to promote deployment of DERs in specific and targeted locations throughout SCE's distribution grid in order to help support efficient grid operations and maintenance as part of development of the future "smart grid".

Impact of Resource Plan on Greenhouse Gas (GHG) Emissions

The amount of renewable power in SCE's power supply portfolio is 28 percent⁹ and will rise to 33 percent by 2020. Based on power supply strategy described previously, the estimated GHG emission reductions attributable to forming ICE are forecast to range from 1.33 to 2.34 million metric tons CO₂e per year by 2018 assuming a 50 percent RPS target is achieved. The baseline for comparison is the resource mix used by SCE versus the resource mix that will be utilized by ICE. Exhibit 42 details these reductions.

Exhibit 42 Baseline Comparison of GHG Reduction by ICE by 2018				
	TRICOG	CVAG	SANBAG	WRCOG
Forecast Renewables (50% Renewables) ICE (GWH) – Phase 2	7,533	916	4,184	2,433
ICE RPS (GWH) – Phase 2	4,219	513	2,343	1,362
Additional Green Power	3,315	403	1,841	1,070
CO ₂ reduction – Low (Million Metric tons CO ₂ e)	1.33	0.16	0.74	0.43
CO ₂ reduction – High (Million Metric tons CO ₂ e)	2.34	0.28	1.30	0.76

The reductions in GHG associated with ICE operations are significant. This amount of reduced emissions represents a reduction in the emissions from the in-State generation resources from 2.6 to 4.6 percent.

Economic Development

The analyses contained in this Plan for forming ICE has focused on the direct rate effects of this formation. However, in addition to direct effects, indirect microeconomic effects are also encountered.

The indirect effects of creating ICE include the effects of increased commerce, and improved environmental and health conditions. Within this Plan, an Input/Output (IO) analysis is undertaken to analyze these indirect effects. The IO model turns on the assumption that forming ICE will lead to lower energy rates for their customers. Three types of impacts are analyzed in the IO model. These are described below.

Local Investment - ICE may choose to implement programs to incentivize investments in local distributed energy resources (DER). These resources can be behind the meter or community projects where several customers participate in a centrally located project. This demand for local resources will lead to an increase in the manufacturing and installation of DER, and lead to an increase in employment in the manufacturing and construction sectors.

⁹ http://www.cpuc.ca.gov/RPS_Homepage/

Increased Disposable Income - Establishing ICE will lead to reduced customer rates for energy, more disposable income for individuals and greater revenues for businesses. These cost savings would then lead to more investment by individuals and businesses for personal or business purposes. This increase in spending will then lead to increased employment for multiple sectors such as retail, construction, and manufacturing.

Environmental and Health Impacts - With the creation of ICE, other non-commerce indirect effects will occur. These may be largely environmental such as improved air quality or improved human health due to ICE adopting mainly renewable energy sources versus continuing use of traditional energy sources. This resource strategy significantly reduces GHG emissions compared with SCE's current resource mix. While the change in GHG emissions is not modeled directly in economic development models used in this Plan, the reduction of these GHGs may be captured in indirect effects projected by the models.

Input-Output Modeling (IO modeling)

IO modeling is a quantitative analysis representing relationships (dependence) between industries in an economy. IO models are based on the implicit assumption that each basic sector has a multiplier, or ripple effect, on the wider economy because each sector purchases goods and services to support that sector. IO modeling estimates the inter-industry transactions and uses those transactions to estimate the economic impacts of any change to the economy.

The IO model used in the Plan, IMPLAN, displays the economic impacts of changes in rates into four categories: employment, labor income, value added, and output. Employment is the number of jobs gained or lost. Labor income involves the increase in salaries and wages for current and newly gained or lost employees. Value added, similar to Gross Domestic Product (GDP), is the payment to labor and capital used in production of a particular industry.

IO models are made up of matrices of multipliers between each industry present in an economy. Each column shows how an industry is dependent on other industries for both its inputs to production and outputs. The tables of multipliers can be used to estimate the effects in changes in spending for various industries, household consumption, or labor income. Both positive and negative impacts can be measured using IO modeling. IO modeling produces results broken down into several categories. Each of these is described below:

- **Direct Effects** – Increased purchases of inputs used to produce final goods and services purchased by residents. Direct effects are the input values in an IO model, or first round effects.
- **Indirect Effects** – Value of inputs used by firms affected by direct effects (inputs). Economic activity that supports direct effects.
- **Induced Effects** – Results of Direct and Indirect effects (calculated using multipliers). Represents economic activity from household spending.
- **Total Effects** – Sum of Direct, Indirect, and Induced effects.
- **Total Output** – Value of all goods and services produced by industries.

- **Value Added** – Total Output less value of inputs, or the Net Benefit/Impact to an economy.
- **Employment** – Number of additional/reduced full time employment resulting from direct effects.

This Plan uses value added and employment figures to represent the total additional economic impact for each Project Alternative. IMPLAN has been used in this Plan to gauge the impacts on the TRICOG region of retail rate reductions associated with forming ICE. These impacts are discussed in detail below.

Increase in Disposal Income Associated with Rate Reduction Impacts

Exhibit 43 shows the effects \$100 million in rate savings will have on the TRICOG economy. The \$100 million rate savings represents the minimum bill savings per year achievable by ICE once in full operation. Direct effects from reduced rates are expected to add 388 jobs. Indirect effects are expected to add about 60 jobs. The induced effects of the project create approximately 98 jobs. In total, approximately 547 jobs are expected to be created in the TRICOG region. The TRICOG region is also projected to have a labor income impact of over \$24.0 million, a total value added impact of approximately \$37.2 million, and an output impact over \$54.9 million. Exhibit 43 details the macroeconomics on the TRICOG region of the anticipated ICE customer bill reductions.

Exhibit 43 \$100 Million Rate Savings Effects on TRICOG Economy				
Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	388.0	\$18,166,656	\$26,716,167	\$36,512,050
Indirect Effect	60.3	\$2,105,059	\$3,462,091	\$6,306,939
Induced Effect	98.3	\$3,793,548	\$7,040,577	\$12,129,463
Total Effect	546.6	\$24,065,263	\$37,218,836	\$54,948,451

These savings are based on the economic construct that households will spend some share of the increased disposable income on more goods and services. This increased spending on goods and services will then lead to producers either increasing the wages of their current employees or hiring additional employees to handle the increased demand. This in turn will give the employees a larger disposable income which they spend on goods and services and thus repeating the cycle of increased demand.

DER Development Impacts

The economic impacts of DER development are estimated using the Jobs and Economic Development Impact (JEDI) model. JEDI estimates the effects of DER development on construction industries and the local economy. JEDI was initially developed by the National Renewable Energy Laboratory to demonstrate the economic benefits associated with constructing and operating wind and photovoltaic systems in the United States. JEDI has since been expanded to analyze similar economic impacts for various energy sources such as biofuels, coal, concentrating solar power, geothermal, marine and hydrokinetic power, and natural gas. A primary goal of JEDI is that it is being used as a tool for system developers, renewable energy advocates, government officials,

decision makers, and others to easily identify the local economic impacts associated with constructing and operating these systems on the economy as a whole, whether through direct and indirect effects.

Users input general information about a particular energy project, such as the project location, the type of system being installed, nameplate capacity, annual operations and maintenance costs, and others. JEDI has default but modifiable data regarding various aspects of each energy system type, such as equipment costs, tax parameters, and labor costs. JEDI then uses the input general information and the data, default or modified, to run calculations on the types of economic effects produced by the proposed project. This model can output projected direct job creation by industry, indirect job and business increases due to the project, projected operation costs, and more.

In order for JEDI to provide information, it must be populated with detailed data for the assumed DER project. Projected system data, type of solar cell, nameplate capacity (kW), and the number of systems. As an example of the macroeconomic activity caused by local DER deployment, this Plan explores the impact of ICE installing of a 50 crystalline silicon, fixed mount solar systems with nameplate capacities of 1 MW each for a total capacity of 50 MW. ICE could install a number of larger local solar projects such as the one described above. Exhibit 44 describes the macroeconomic impacts of constructing only one of these local solar projects.

Exhibit 44 Projected Solar Systems Impacts on TRICOG's Economy			
Description	Jobs	Earnings, \$000	Output (GDP), \$000
During Construction and Installation Period			
*Project Development and Onsite Labor Impacts			
Construction and Installation Labor	342.5	\$22,182	
Construction and Installation Related Services	374.3	\$20,007	
Subtotal	716.8	\$42,189	\$67,620
*Module and Supply Chain Impacts			
Manufacturing Impacts	0.0	\$0	\$0
Trade (Wholesale and Retail)	79.4	\$4,425	\$12,887
Finance, Insurance and Real Estate	0.0	\$0	\$0
Professional Services	53.9	\$2,326	\$6,908
Other Services	141.4	\$15,048	\$42,364
Other Sectors	317.1	\$10,656	\$19,428
Subtotal	591.7	\$32,455	\$81,587
Induced Impacts	326.7	\$13,067	\$39,092
Total Impacts	1,635.3	\$87,710	\$188,298
During Operating Years			
*Onsite Labor Impacts			
PV Project Labor Only	9.2	\$555	\$555
*Local Revenue and Supply Chain Impacts	2.7	\$145	\$458
*Induced Impacts	1.9	\$74	\$221
Total Impacts	13.8	\$774	\$1,235

Exhibit 44 shows the construction and ongoing effects of building a 50 MW solar power project. It is projected that roughly 1,635 jobs will be created during construction and installation. Of this total, about 719 jobs will be directly involved in construction and installation while roughly 592 jobs will be indirectly involved with the building of the project. Induced impacts of the construction and installation will create approximately 327 jobs. These induced effects may include anything from increased employment in restaurants, retail, education, and others. Overall, the building of this sample 50 MW solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing.

Sensitivity Analysis

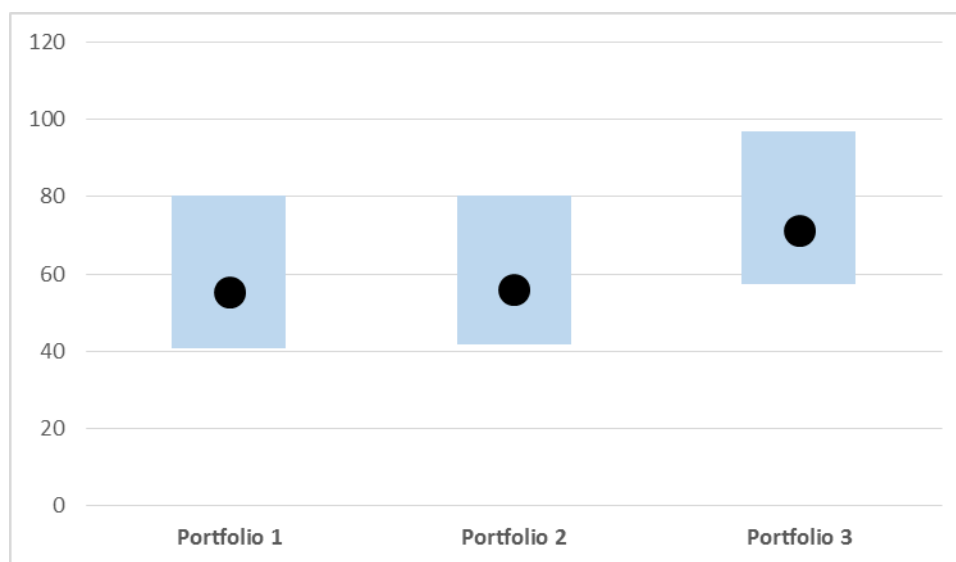
The aforementioned economic analysis provides the base case analysis of forming ICE. This base case is predicated on numerous assumptions and estimates that influence the overall results. This section of the Plan will provide the range of impacts that could result from changes in the most significant variables for the TRICOG scenario. In addition, this section will address risks that cannot be quantified, but should be addressed and mitigated to the maximum amount possible. Each key assumption is discussed, a band of uncertainty is established and ICE's rate impacts associated with factoring in this uncertainty is developed for each key variable.

Since resource costs are based on forecast natural gas, wholesale market and renewable market prices, it is prudent to look at the sensitivity of the 20-year levelized cost calculation to fluctuations in these projections. Exhibit 45 below shows a summary of low, base, and high resource costs.

Exhibit 45 Low, Base and High 20-year Levelized Resource Costs (\$/MWh)					
Case	Market PPA	Portfolio 1 and 2 Renewables	Portfolio 3 Renewables	Brown Resources	Local Renewables
Low Case	26.3	32	40	45	45
Base Case	44.3	42	52	60	65
High Case	73.3	62	76	80	85

The 20-year levelized costs of each portfolio has been calculated using the range of resource costs shown above. The base case costs are depicted by the black dots in Exhibit 46.

Exhibit 46
Sensitivity of Portfolio 20-year Levelized Costs



Portfolio 3, which relies on renewable energy purchases to serve all retail loads, has the highest projected costs that range from a low of \$57/MWh to a high of \$97/MWh. The low case for Portfolio 3 (\$57/MWh) is greater than the base case for both Portfolios 1 and 2. The likelihood of solar costs increasing to the point that 20-year levelized costs are near \$62/MWh seems unlikely. All signs point to decreases in solar equipment costs on a \$/watt basis. There have been significant decreases in solar costs over the past few years. Given the financial incentives targeted at the solar industry as well as the continuing advances in technology, it seems very unlikely that solar costs will increase over the next 10 to 20 years. The study assumes that Production Tax Credits (PTCs) will continue based on the number of times it has been renewed and expanded since 1992.

The potential for market PPA prices to increase to the high case of \$73/MWh has a much higher likelihood. Wholesale market prices are dependent on many factors the most notable of which are natural gas prices. Natural gas prices are at historic lows and wholesale market prices have followed. However, natural gas prices are subject to variety of local, national and international forces that could drastically alter the current market place. For one, increased regulation of the natural gas industry with respect to the deployment of fracking technology could cause decreases in natural gas supplies and commensurate increases in natural gas prices. If natural gas prices increased, it is highly likely that electric wholesale market prices would also increase.

When evaluating risks, it is important to note that power supply costs are approximately 81 percent of the total CCA costs, SCE non-bypassable charges account for 13 percent and CCA operating costs account for 6 percent of total CCA revenue requirement.

Loads and Customer Participation Rates

The Plan bases the 20-year load forecasts on expected load growth, load profiles and participation rates. In order to evaluate the potential impact of varying loads, low, medium, and high load forecasts have been developed for the sensitivity analysis. SCE made available load shape profiles by customer class for the entire SCE service area. These load profiles were applied to all customer loads despite the varying climate zones within the County.

Another assumption that can impact the costs of ICE is the overall ICE customer participation rates. This Plan uses a conservative participation rate of 75% for residential customers and 65% for non-residential customers as its base case. A higher participation rate, such as has been experienced by all of California's operating CCAs to date, will increase energy sales relative to the base case and decrease the fixed costs paid by each customer. On the other hand, a reduced participation rate will increase the fixed costs to ICE participants. Sensitivity to changes in projected loads has been tested for the high and low load forecast scenarios. For the sensitivity analysis, the high case assumes an additional 10 percent participation rate, while the low case assumes the participation rate is reduced by 50 percent. The low case assumes a 0 percent growth in energy and customers after 2017, while the high scenario assumes a 5 percent growth in energy and customers.

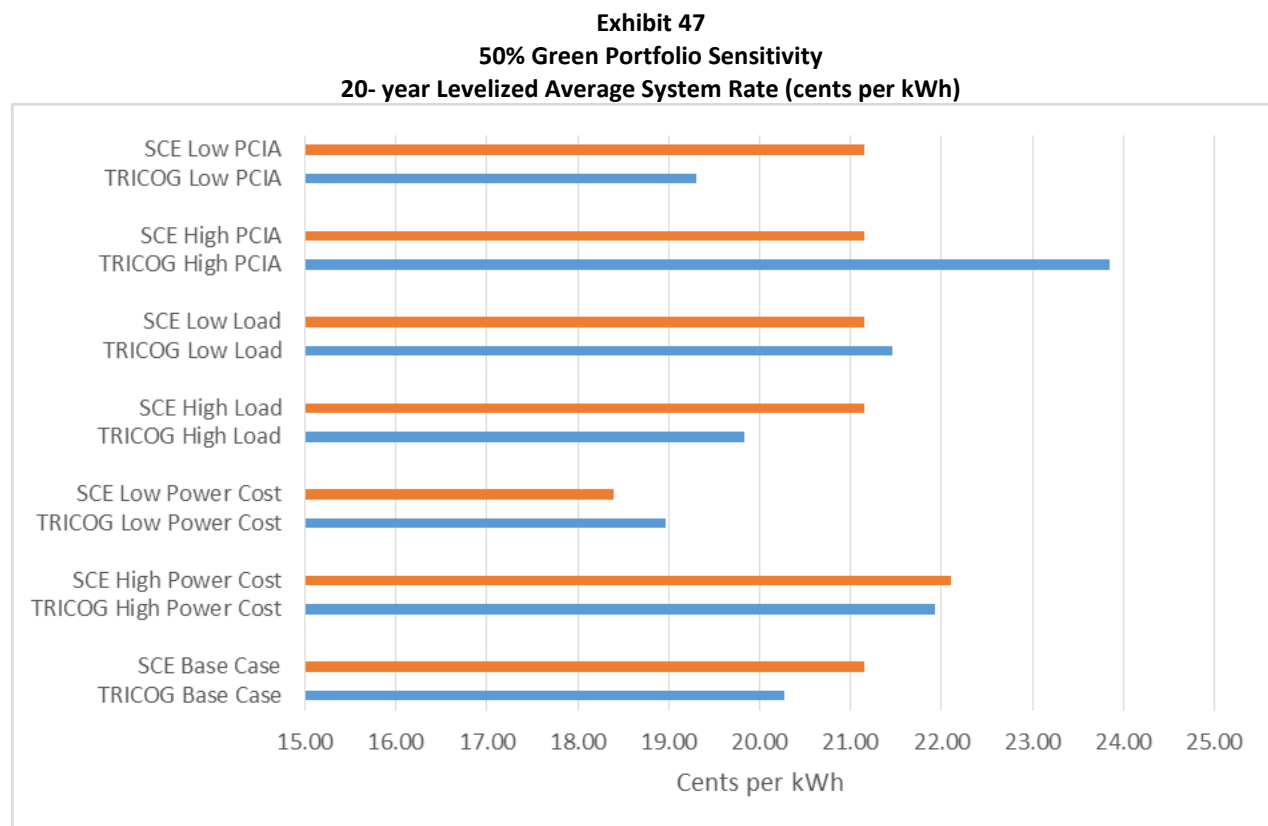
SCE Rates and Surcharges

The base case forecast of SCE rates assumes delivery rates increase at 2 percent per year and generation rates increase approximately 2.0 percent based on the projected market prices and renewable resource growth rates. In addition, SCE's generation cost was modeled in the high and low case by incorporating the expected range of market and renewable resource costs.

The level of the PCIA will impact the cost competitiveness of ICE. In order to be cost-effective, ICE power supply costs plus PCIA and other surcharges must be lower than SCE's generation rates. Over time, the PCIA will vary, but it is expected that it will decline as market prices increase. The PCIA reflects SCE's own resources and signed contracts. Once the contracts expire, the related PCIA will disappear. Sensitivity to the PCIA has been modeled in the high case by assuming the PCIA would increase to reflect a historic high of 2.5 cents per kWh and remain flat for the 20-year analysis period. For the low case, it was assumed that the PCIA decreases by 50 percent in year 1 and remains flat for the 20-year analysis period.

Sensitivity Results

Exhibit 47 provides the results of the sensitivity analysis for the 50% Green TRICOG scenario, which is the most likely portfolio for ICE to pursue. This sensitivity shows that the biggest risk to ICE is if the PCIA increases to historic levels, ICE does not achieve sufficient customer participation or if market prices fall significantly below their current historical low level.



This sensitivity analysis shows that ICE rate could be greater than SCE rates if:

- The PCIA becomes much larger
- ICE loads are much less than forecast
- Wholesale market prices are much less than current experience

Each of these three scenarios has a low risk of actually occurring. For example, wholesale market prices for natural gas/electricity are at all-time lows. The probability of any significant further lowering of these prices is judged to be very small. The PCIA level should be fairly stable going forward as regulatory remedies are in play to stabilize the PCIA and the CCA vigilance in this area has increased markedly. Finally, this Plan assumes a relatively high customer opt-out percentage (25% for residential customers and 35% for non-residential customers) compared to the more modest opt-out rates experienced by California's actively operating CCAs, which is closer to 5%-15%. It is very unlikely ICE loads will not meet or exceed those assumed in this Plan.

Risks

Regulatory Risks

There are numerous factors that could impact SCE's rates in addition to the market price impacts described above. Regulatory changes, plant or technology retirements or additions, and the long-term impact of the Aliso Canyon leak all can impact SCE rates in the future. However, the impact of these factors is difficult to assess and model quantitatively.

Regulatory issues continue to arise that may impact the competitiveness of ICE. However, California's operating CCAs have worked hard to address any potentially detrimental changes through effective lobbying and technical support.

New legislation can also impact ICE. For example, new legislation that recently affected CCAs are SB 350 and AB 1110. In addition, there are several changes that impact CCAs regarding power supply procurement and contracting. The CCA-specific changes reflected in SB 350 are generally positive, providing for ongoing autonomy with regard to resource planning and procurement. CCAs must be aware, however, of the long term contracting requirement associated with renewable energy procurement.

Regulatory risks also include the potential for utility generation costs to be shifted to non-bypassable and delivery charges. ICE will need to continually monitor and lobby at the Federal, State and local levels to ensure fair and equitable treatment related to non-bypassable charges.

Operational Options

There are several options for how to setup and organize a CCA. For this Plan, we have assumed three options for ICE. These options are:

- One CCA for the Three COGs

This option consolidates workload by having one CCA perform all “back office” duties, including power procurement and data management. At the same time, this option allows each COG to design locally-targeting branding, programs, and customer outreach.

- Three CCAs Working Independently

This option entails each of the three COGs providing a full service CCA to include power procurement, data management and local program development/outreach.

- Outsource the Entire CCA Operation

Under this option, the COGs would hire a third-party entity to operate the CCA through “turnkey” CCA service with the guarantee of a fixed income stream.

Each option is critiqued and compared below.

The CCA operational option of one JPA for back office functions and have the local COGs brand and develop locally-specific programs and outreach is suggested. This option is recommended for the following reasons:

- Retail rates will be the lowest possible.
- Local control and choice in programs will be maintained.
- A JPA organization provides a liability buffer between the CCA and its members.
- This business model is currently being used by the four operating CCAs in California with success.

The option to form three CCAs within TRICOG also has some initial appeal. If each COG formed a CCA, more local control would be achieved and potential thorny governance issues are avoided; however, the goal of lowest possible rates would likely not be achieved. The back office functions (i.e., power procurement and data management) are fairly consistent on a per customer basis; however, the internal costs are about the same for a 100,000-meter utility, and a 1,000,000-meter utility. Based on the operating CCAs in California, CCA operation requires between 15 and 20 full-time equivalent employees (FTEs). As such, forming three CCAs versus one for back office functions costs the CCA customers an additional \$7-9 million per year. This is a material amount of economic inefficiency.

Finally, there is the turnkey option. The turnkey option is initially attractive given its zero-cost to the CCA and the ease of administration. The primary issue with a turnkey operation is that rates will likely be higher for customers. Power purchase is highly capital-intensive, so the cost of capital becomes a major driver of CCA-operating costs. Private third-parties incur roughly twice the cost of capital as would a city, county, or JPA-owned CCA. Therefore, the publicly-operated CCA will almost certainly be able to offer lower rates. In addition, giving CCA operation to a third-party often compromises the CCA's control over its power supply. The third-party guarantees the CCA owner an income stream but in exchange is given liberty to dictate the power supply options, energy efficiency programs, rates, staffing levels, and programs available to the CCA customers.

Summary and Recommendations

Rate Impacts and Comparisons

The first impact associated with forming ICE will be lower electricity bills for ICE customers. ICE customers should see no obvious changes in electric service other than the lower price and increased procurement of renewable power. Customers will pay the power supply charges set by ICE and no longer pay the higher costs of SCE power supply.

Given this Plan's findings, ICE's rate setting can establish a goal of providing rates that are lower than the equivalent rates offered by SCE even under the 50 percent renewable portfolio. Under the 100 percent renewable portfolio, ICE customers will pay 11 percent less for their power compared to the comparable product offered by SCE. The projected ICE and SCE rates are illustrated in Exhibit 48.

Exhibit 48 Indicative Rate Comparison in ¢/kWh							
Rate Class	Customer Type	SCE Bundled Rate*	ICE RPS Bundled Rate	SCE 50% Green Bundled Rate	ICE 50% Green Bundled Rate	SCE 100% Green Bundled Rate	ICE 100% Green Bundled Rate
Residential	Domestic	20.55	19.66	22.30	19.81	24.05	21.33
Residential Care	Domestic	12.22	11.70	13.97	11.79	15.72	13.47
GS-1	Commercial	17.03	16.29	18.78	16.42	20.53	17.68
GS-2	Commercial	16.57	15.86	18.32	15.98	20.07	17.21
GS-3	Industrial	14.71	14.08	16.46	14.19	18.21	15.28
PA-2	Public Authority	13.08	12.52	14.83	12.62	16.58	13.58
PA-3	Public Authority	11.31	10.82	13.06	10.90	14.81	11.74
TOU-8 Secondary	Domestic	13.07	12.51	14.82	12.61	16.57	13.58
TOU-8 Primary	Commercial	11.84	11.33	13.59	11.42	15.34	12.29
TOU-8 Substation	Industrial	7.76	7.43	9.51	7.48	11.26	8.06
Total ICE Rate Savings over Comparable SCE Rates of 50% or 100% Green			4.5%		11.0%		11.0%
Total ICE Rate Savings over SCE's Standard Bundled Rate			4.5%		3.7%		-3.7%

*SCE bundled average rate based on SCE's ERRRA 2017 Draft Filing

Once ICE gives notice to SCE that it will commence service, ICE customers will not be responsible for costs associated with SCE's future electricity procurement contracts or power plant investments.¹⁰ This is a distinct advantage to ICE customers as they will now have local control of power supply costs through ICE.

Renewable Energy Impacts

A second consequence of forming ICE will be an increase in the proportion of energy generated and supplied by renewable resources. The Plan includes procurement of renewable energy sufficient to meet 50 percent or more of ICE's electricity needs. The majority of this renewable energy will be met by new renewable resources. By 2020, SCE must procure a minimum of 33 percent of its customers' annual electricity usage from renewable resources due to the State Renewable Portfolio Standard and the Energy Action Plan requirements of the CPUC. In contrast, ICE will target 50 percent renewable by 2018 and these resources will likely be new renewable resources.

Energy Efficiency Programs

A third consequence of forming ICE could be an increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by SCE are not expected to change as a result of forming ICE. ICE customers will continue to pay the public goods charges to SCE which funds energy efficiency programs for all customers, regardless of supplier. The energy efficiency programs ultimately planned for ICE will be in addition to the level of investment that would continue in the absence of ICE. Thus, ICE has the potential for increased energy investment and savings with an attendant further reduction in emissions due to expanded energy efficiency programs.

Economic Development Impacts

The fourth consequence of forming ICE will be enhanced local economic development. The analyses contained in this Plan has focused primarily on the direct effects of this formation. However, in addition to direct effects, indirect economic effects are also encountered. The indirect effects of creating ICE include the effects of increased local investments, increased disposable income due to bill savings and improved environmental and health conditions.

Exhibit 49 shows the effects \$100 million in rate savings will have on the TRICOG economy. The \$100 million rate savings represents the minimum bill savings per year achievable by ICE once in

¹⁰ CCAs may be liable for a share of unbundled stranded costs from new generation, but would then receive associated Resource Adequacy credits.

full operation. Direct effects from reduced rates are expected to add 388 jobs. Indirect effects are expected to add about 60 jobs. The induced effects of the project create approximately 98 jobs. In total, approximately 547 jobs are expected to be created in the TRICOG region. The TRICOG region is also projected to have a labor income impact of over \$24.0 million, a total value added impact of approximately \$37.2 million, and an output impact over \$54.9 million. Exhibit 49 details the macroeconomics on the TRICOG region of the anticipated ICE customer bill reductions.

Exhibit 49 \$100 Million Rate Savings Effects on TRICOG Economy				
Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	388.0	\$18,166,656	\$26,716,167	\$36,512,050
Indirect Effect	60.3	\$2,105,059	\$3,462,091	\$6,306,939
Induced Effect	98.3	\$3,793,548	\$7,040,577	\$12,129,463
Total Effect	546.6	\$24,065,263	\$37,218,836	\$54,948,451

These savings are based on the economic construct that households will spend some share of the increased disposable income on more goods and services. This increased spending on goods and services will then lead to producers either increasing the wages of their current employees or hiring additional employees to handle the increased demand. This in turn will give the employees a larger disposable income which they spend on goods and services and thus repeating the cycle of increased demand.

In addition to increased economic activity due to electric bill savings, potential local projects can also create job and economic growth in the local economy. As an example of the macroeconomic activity caused by local DER deployment, this Plan assumes the installation of fifty crystalline silicon, fixed mount solar systems with nameplate capacities of 1 MW each for a total capacity of 50 MW. Overall, the building of this one solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing. It is anticipated that ICE will ultimately install a number of larger local solar projects such as the one described.

Impact of Resource Plan on Greenhouse Gas (GHG) Emissions

The last consequence of forming ICE would be environmental benefits. The share of renewable power in SCE's power supply portfolio is currently 28 percent¹¹ and is scheduled to shift to 33 percent by 2020. Assuming ICE adopts a base case 50 percent RPS target at start-up, GHG emissions reductions attributable to ICE operations in 2019 will range from 1.33 to 2.34 million

¹¹ http://www.cpuc.ca.gov/RPS_Homepage/

metric tons CO₂ equivalent (CO₂e) per year relative to SCE's projected resource mix over the same period. Exhibit 50 details these reductions.

Exhibit 50 Baseline Comparison of GHG Reduction by ICE by 2018				
	TRICOG	CVAG	SANBAG	WRCOG
Forecast Renewables (50% Renewables) ICE (MWH) – Phase 2	7,533	916	4,184	2,433
ICE RPS (MWH) – Phase 2	4,219	513	2,343	1,362
Additional Green Power	3,315	403	1,841	1,070
CO ₂ reduction – Low (Metric Tons of CO ₂ e)	1.33	0.16	0.74	0.43
CO ₂ reduction – High (Metric tons of CO ₂ e)	2.34	0.28	1.30	0.76

The reduction in GHG emissions associated with ICE operations is significant. This amount of reduced emissions represents a reduction in the emissions from the in-State generation resources of 2.6 to 4.6 percent.

Summary

This Plan concludes that the formation of ICE in the service areas of CVAG, SANBAG and WRCOG is financially prudent and will yield considerable benefits for TRICOG's residents and businesses. These benefits include at least a 3.7 percent lower rate for electricity than is charged by SCE while receiving nearly twice the amount of renewable energy. With the achievement of sustained Phase 2 level operations, ICE will reduce GHG emissions by as much as 2.34 million metric tons of CO₂e per year, add over 500 jobs, generate over \$54 million in additional GDP, and give the Cities, Counties and its residents local control over their power supply and energy efficiency programs. There are risks associated with a CCA which are manageable. On balance, the formation of a CCA for CVAG, SANBAG and WRCOG is financially feasible and results in beneficial environmental/economic impacts. A joint CCA with common back office functions is the most economical option and is recommended.

Appendix A – Cities/Counties Evaluating CCA Feasibility

	CCA Name	Service Area	Start Date	IOU
Operational				
	Marin Clean Energy	Marin County, Napa County, part of Contra Costa and Solano Counties	May 2010	PG&E
	Sonoma Clean Power	Sonoma County	May 2014	PG&E
	Lancaster Choice Energy	City of Lancaster	May 2015	SCE
	Clean Power San Francisco	City of San Francisco	May 2016	PG&E
Exploring/In Process				
	Redwood Coast Energy Authority	Humboldt County	May 2017	PG&E
	Peninsula Clean Energy	San Mateo County	October 2016	PG&E
	East Bay Community Energy	Alameda County		PG&E
	TBD	Butte County		PG&E
	TBD	City of San Jose		PG&E
	TBD	Contra Costa County		PG&E
	TBD	Humboldt County		PG&E
	LA Community Choice Energy	LA County		SCE
	TBD	Mendocino County		PG&E
	TBD	Monterey County		PG&E
	TBD	Placer County		PG&E
	TBD	Riverside County		SCE
	TBD	San Benito County		PG&E
	TBD	San Bernardino County		SCE
	TBD	San Diego County		SDG&E
	TBD	San Luis Obispo County		PG&E
	TBD	Santa Barbara County		SCE/PG&E
	Silicon Valley Clean Energy	Santa Clara County	April 2017	PG&E
	TBD	Santa Cruz County		PG&E

Appendix B – Proforma Analyses

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio - RPS**

Load Data	2017											
	Jan - June	July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Customer Accounts												
Domestic	0	6,563	857,965	867,660	877,464	887,379	897,407	907,548	917,803	928,174	938,662	949,269
Commercial	0	56,243	88,543	89,543	90,555	91,578	92,613	93,660	94,718	95,788	96,871	97,965
Industrial	0	0	457	462	467	472	478	483	488	494	500	505
Lighting & Traffic Control	0	6,801	11,029	11,154	11,280	11,407	11,536	11,666	11,798	11,931	12,066	12,203
Agricultural	0	63	3,146	3,182	3,218	3,254	3,291	3,328	3,366	3,404	3,442	3,481
Total Customers	0	69,669	961,139	972,000	982,983	994,091	1,005,324	1,016,685	1,028,173	1,039,791	1,051,541	1,063,423
Energy Sales (MWh)												
Domestic	0	95	6,882,813	6,960,589	7,039,244	7,118,787	7,199,230	7,280,581	7,362,851	7,446,052	7,530,192	7,615,283
Commercial	0	136,839	4,018,999	4,064,414	4,110,342	4,156,789	4,203,760	4,251,263	4,299,302	4,347,884	4,397,015	4,446,702
Industrial	0	0	2,640,375	1,642,324	1,660,882	1,679,650	1,698,680	1,717,825	1,737,236	1,756,867	1,776,720	1,796,797
Lighting & Traffic Control	0	44,238	118,280	119,616	120,968	122,335	123,717	125,115	126,529	127,959	129,405	130,867
Agricultural	0	21,702	546,909	553,089	559,339	565,659	572,051	578,515	585,052	591,663	598,349	605,111
Total Energy Sales (MWh)	0	202,873	14,207,376	13,340,032	13,490,774	13,643,220	13,797,389	13,953,299	14,110,971	14,270,425	14,431,681	14,594,759
CCE Operating Costs												
Power Supply	\$0	\$9,073,595	\$707,645,195	\$733,748,921	\$765,582,666	\$792,385,834	\$818,332,855	\$846,659,904	\$874,361,323	\$903,459,966	\$931,873,882	\$961,012,268
Billing & Data Management	\$0	\$731,529	\$14,414,632	\$14,577,517	\$14,742,243	\$14,908,830	\$15,077,300	\$15,247,674	\$15,419,972	\$15,594,218	\$15,770,433	\$15,948,639
SCE Fees	\$250,165	\$3,574,050	\$8,197,628	\$4,781,534	\$4,835,564	\$4,890,204	\$4,945,462	\$5,001,345	\$5,057,859	\$5,115,012	\$5,172,810	\$5,231,261
Technical Services	\$620,000	\$740,000	\$1,310,000	\$1,356,600	\$1,383,732	\$1,411,407	\$1,439,635	\$1,468,027	\$1,497,796	\$1,527,752	\$1,558,307	\$1,589,473
Staffing	\$135,000	\$1,455,000	\$3,732,500	\$3,948,318	\$4,027,284	\$4,107,830	\$4,189,987	\$4,273,786	\$4,359,262	\$4,446,447	\$4,535,376	\$4,626,084
General & Administrative expenses	\$90,000	\$260,000	\$350,000	\$306,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,606	\$351,498	\$358,528
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$2,341,764	\$19,327,411	\$19,327,411	\$19,327,411	\$19,327,411	\$16,985,647	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$5,476	\$103,991	\$4,380,112	\$4,502,295	\$4,670,035	\$4,812,724	\$4,940,276	\$4,672,344	\$4,814,996	\$4,964,940	\$5,111,515	\$5,262,519
Total Operating Costs	\$1,100,641	\$820,071	\$759,357,479	\$782,548,597	\$814,881,056	\$842,162,604	\$866,385,892	\$892,348,587	\$920,492,941	\$950,096,823	\$979,017,704	\$1,008,822,655
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$1,100,641	\$820,071	\$759,357,479	\$782,548,597	\$814,881,056	\$842,162,604	\$866,385,892	\$892,348,587	\$920,492,941	\$950,096,823	\$979,017,704	\$1,008,822,655
Average CCE Rate (\$/kWh)		\$0.0014	\$0.0534	\$0.0545	\$0.0561	\$0.0573	\$0.0583	\$0.0594	\$0.0606	\$0.0618	\$0.0630	\$0.0642
Average SCE Generation Rate (\$/kWh)		\$0.0575	\$0.0690	\$0.0707	\$0.0730	\$0.0747	\$0.0763	\$0.0780	\$0.0797	\$0.0814	\$0.0830	\$0.0847
Total CCE Charges												
SCE Non-bypassable Charges	\$0	\$1,722,191	\$121,044,967	\$122,412,775	\$123,796,040	\$125,194,935	\$126,609,638	\$128,047,977	\$129,512,333	\$130,996,064	\$132,500,838	\$134,026,722
CCE Revenue Requirement	\$1,100,641	\$820,071	\$759,357,479	\$782,548,597	\$814,881,056	\$842,162,604	\$866,385,892	\$892,348,587	\$920,492,941	\$950,096,823	\$979,017,704	\$1,008,822,655
Total CCE Generation Revenue Requirement	\$1,100,641	\$202,120	\$880,402,446	\$904,961,372	\$938,677,096	\$967,357,539	\$992,995,529	\$939,141,164	\$967,814,274	\$997,952,887	\$1,027,414,541	\$1,057,766,377
Bundled SCE Revenues	\$0	\$32,500,966	\$2,492,090,079	\$2,575,911,573	\$2,669,172,535	\$2,757,015,564	\$2,845,271,634	\$2,938,473,662	\$3,032,510,433	\$3,130,237,483	\$3,228,826,383	\$3,330,286,114
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$31,143,060	\$2,369,696,059	\$2,447,870,743	\$2,534,141,288	\$2,616,184,170	\$2,698,847,467	\$2,785,902,136	\$2,873,944,774	\$2,965,354,661	\$3,057,793,672	\$3,152,939,034
Savings	\$0	\$1,357,906	\$122,394,020	\$128,040,830	\$135,031,246	\$140,831,394	\$146,424,167	\$152,571,526	\$158,565,659	\$164,882,823	\$171,032,711	\$177,347,080
Percent Savings		4.2%	4.9%	5.0%	5.1%	5.1%	5.1%	5.2%	5.2%	5.3%	5.3%	5.3%

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio - RPS**

Load Data	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts									
Domestic	959,996	970,844	981,814	992,909	1,004,129	1,015,475	1,026,950	1,038,555	1,050,291
Commercial	99,072	100,192	101,324	102,469	103,627	104,798	105,982	107,180	108,391
Industrial	511	517	523	528	534	540	547	553	0
Lighting & Traffic Control	12,341	12,480	12,621	12,764	12,908	13,054	13,201	13,350	0
Agricultural	3,520	3,560	3,601	3,641	3,682	3,724	3,766	3,809	0
Total Customers	1,075,440	1,087,593	1,099,882	1,112,311	1,124,880	1,137,591	1,150,446	1,163,446	1,158,681
Energy Sales (MWh)									
Domestic	7,701,336	7,788,361	7,876,369	7,965,372	8,055,381	8,146,407	8,238,461	8,331,556	8,425,703
Commercial	4,496,949	4,547,765	4,599,155	4,651,125	4,703,683	4,756,834	4,810,587	4,864,946	4,919,920
Industrial	1,817,100	1,837,634	1,858,399	1,879,399	1,900,636	1,922,113	1,943,833	1,965,798	1,988,012
Lighting & Traffic Control	132,346	133,842	135,354	136,884	138,430	139,995	141,576	143,176	144,794
Agricultural	611,948	618,863	625,857	632,929	640,081	647,314	654,628	662,026	669,507
Total Energy Sales (MWh)	14,759,680	14,926,464	15,095,133	15,265,708	15,438,211	15,612,663	15,789,086	15,967,502	16,147,935
CCE Operating Costs									
Power Supply	\$990,057,690	\$1,021,103,132	\$1,046,331,881	\$1,082,093,730	\$1,114,321,376	\$1,149,294,280	\$1,187,432,515	\$1,226,128,522	\$1,267,265,121
Billing & Data Management	\$16,128,858	\$16,311,114	\$16,495,430	\$16,681,828	\$16,870,333	\$17,060,968	\$17,253,757	\$17,448,724	\$17,645,895
SCE Fees	\$5,290,374	\$5,350,154	\$5,410,609	\$5,471,748	\$5,533,577	\$5,596,105	\$5,659,340	\$5,723,290	\$5,787,961
Technical Services	\$1,621,263	\$1,653,688	\$1,686,762	\$1,720,497	\$1,754,907	\$1,790,005	\$1,825,805	\$1,862,321	\$1,899,568
Staffing	\$4,716,606	\$4,812,978	\$4,909,237	\$5,007,422	\$5,107,570	\$5,209,722	\$5,313,916	\$5,420,195	\$5,528,598
General & Administrative expenses	\$415,698	\$373,012	\$380,473	\$388,082	\$395,844	\$403,761	\$411,836	\$420,072	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$5,408,062	\$5,567,673	\$5,698,510	\$5,882,070	\$6,048,770	\$6,228,006	\$6,423,380	\$6,621,856	\$6,832,597
Total Operating Costs	\$1,038,284,433	\$1,069,815,633	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Other Revenues									
Total CCE Revenue Requirement	\$1,038,284,433	\$1,069,815,633	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Average CCE Rate (\$/kWh)	\$0.0653	\$0.0665	\$0.0674	\$0.0688	\$0.0701	\$0.0714	\$0.0729	\$0.0743	\$0.0759
Average SCE Generation Rate (\$/kWh)	\$0.0863	\$0.0865	\$0.0891	\$0.0912	\$0.0928	\$0.0947	\$0.0967	\$0.0988	\$0.1009
Total CCE Charges									
SCE Non-bypassable Charges	\$48,735,979	\$49,286,696	\$49,843,635	\$50,406,868	\$50,976,466	\$51,552,500	\$52,135,043	\$52,724,169	\$53,319,952
CCE Revenue Requirement	\$1,038,284,433	\$1,069,815,633	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Total CCE Generation Revenue Requirement	\$1,087,020,412	\$1,119,102,329	\$1,145,400,419	\$1,182,296,128	\$1,215,802,726	\$1,251,829,229	\$1,291,099,475	\$1,330,993,031	\$1,373,352,050
Bundled SCE Revenues									
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$3,433,543,297	\$3,541,557,705	\$3,643,564,853	\$3,762,275,864	\$3,878,272,416	\$4,000,321,101	\$4,129,074,697	\$4,260,994,562	\$4,398,764,102
Savings	\$184,394,186	\$191,153,780	\$196,537,487	\$204,395,142	\$211,414,230	\$219,073,311	\$227,471,227	\$235,993,900	\$245,084,605
Percent Savings	5.4%	5.4%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.6%

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable**

Load Data	2017											
	Jan - June	July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Customer Accounts												
Domestic	0	6,563	857,965	867,660	877,464	887,379	897,407	907,548	917,803	928,174	938,662	949,269
Commercial	0	56,243	88,543	89,543	90,555	91,578	92,613	93,660	94,718	95,788	96,871	97,965
Industrial	0	0	457	462	467	472	478	483	488	494	500	505
Lighting & Traffic Control	0	6,801	11,029	11,154	11,280	11,407	11,536	11,666	11,798	11,931	12,066	12,203
Agricultural	0	63	3,146	3,182	3,218	3,254	3,291	3,328	3,366	3,404	3,442	3,481
Total Customers	0	69,669	961,139	972,000	982,983	994,091	1,005,324	1,016,685	1,028,173	1,039,791	1,051,541	1,063,423
Energy Sales (MWh)												
Domestic	0	95	6,882,813	6,960,589	7,039,244	7,118,787	7,199,230	7,280,581	7,362,851	7,446,052	7,530,192	7,615,283
Commercial	0	136,839	4,018,999	4,064,414	4,110,342	4,156,789	4,203,760	4,251,263	4,299,302	4,347,884	4,397,015	4,446,702
Industrial	0	0	2,640,375	1,642,324	1,660,882	1,679,680	1,698,630	1,717,825	1,737,236	1,756,867	1,776,720	1,796,797
Lighting & Traffic Control	0	44,238	118,280	119,616	120,968	122,335	123,717	125,115	126,529	127,959	129,405	130,867
Agricultural	0	21,702	546,909	553,089	559,339	565,659	572,051	578,515	585,052	591,663	598,349	605,111
Total Energy Sales (MWh)	0	202,873	14,207,376	13,340,032	13,490,774	13,643,220	13,797,389	13,953,299	14,110,971	14,270,425	14,431,681	14,594,759
CCE Operating Costs												
Power Supply	\$0	\$10,381,996	\$738,881,822	\$759,553,192	\$780,672,276	\$803,406,868	\$826,270,323	\$850,038,727	\$874,560,745	\$900,023,370	\$926,876,984	\$954,872,057
Billing & Data Management	\$0	\$731,529	\$14,414,632	\$14,577,517	\$14,742,243	\$14,908,830	\$15,077,300	\$15,247,674	\$15,419,972	\$15,594,218	\$15,770,433	\$15,948,639
SCE Fees	\$250,165	\$3,574,050	\$8,197,628	\$4,781,534	\$4,835,564	\$4,890,204	\$4,945,462	\$5,001,345	\$5,057,859	\$5,115,012	\$5,172,810	\$5,231,261
Technical Services	\$620,000	\$740,000	\$1,310,000	\$1,356,600	\$1,383,732	\$1,411,407	\$1,439,635	\$1,468,027	\$1,497,796	\$1,527,752	\$1,558,307	\$1,589,473
Staffing	\$135,000	\$1,455,000	\$3,732,500	\$3,948,318	\$4,027,284	\$4,107,830	\$4,189,987	\$4,273,786	\$4,359,262	\$4,446,447	\$4,535,376	\$4,626,084
General & Administrative expenses	\$90,000	\$260,000	\$350,000	\$306,000	\$312,120	\$318,362	\$324,730	\$331,244	\$337,849	\$344,606	\$351,498	\$358,528
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$2,341,764	\$19,327,411	\$19,327,411	\$19,327,411	\$19,327,411	\$16,985,647	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$5,476	\$106,033	\$4,536,295	\$4,631,317	\$4,745,483	\$4,867,829	\$4,979,964	\$5,089,238	\$5,195,993	\$5,301,757	\$5,408,631	\$5,516,818
Total Operating Costs	\$1,100,641	\$20,018,628	\$790,750,288	\$808,481,889	\$830,046,114	\$853,238,743	\$874,363,048	\$895,744,305	\$920,693,359	\$946,643,044	\$973,995,821	\$1,002,651,743
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$1,100,641	\$20,018,628	\$790,750,288	\$808,481,889	\$830,046,114	\$853,238,743	\$874,363,048	\$895,744,305	\$920,693,359	\$946,643,044	\$973,995,821	\$1,002,651,743
Average CCE Rate (\$/kWh)	\$0.0034	\$0.0557	\$0.0563	\$0.0571	\$0.0581	\$0.0588	\$0.0596	\$0.0606	\$0.0616	\$0.0627	\$0.0638	\$0.0647
Average SCE Generation Rate (\$/kWh)	\$0.0575	\$0.0690	\$0.0707	\$0.0714	\$0.0730	\$0.0747	\$0.0763	\$0.0780	\$0.0797	\$0.0814	\$0.0830	\$0.0847
Total CCE Charges	\$0	\$1,722,191	\$121,044,967	\$122,412,775	\$123,796,040	\$125,194,935	\$126,609,638	\$128,049,277	\$129,514,037	\$131,002,817	\$132,524,644	\$134,080,521
SCE Non-bypassable Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCE Revenue Requirement	\$1,100,641	\$2,444,382	\$121,044,967	\$122,412,775	\$123,796,040	\$125,194,935	\$126,609,638	\$128,049,277	\$129,514,037	\$131,002,817	\$132,524,644	\$134,080,521
Total CCE Generation Revenue Requirement	\$1,100,641	\$1,121,563	\$911,795,255	\$930,894,664	\$953,842,154	\$978,433,678	\$1,000,972,685	\$942,536,882	\$968,014,692	\$994,499,108	\$1,022,392,659	\$1,051,595,465
Bundled SCE Revenues	\$0	\$32,500,966	\$2,492,090,079	\$2,575,911,573	\$2,669,172,535	\$2,757,015,564	\$2,845,271,634	\$2,938,473,662	\$3,032,510,433	\$3,130,237,483	\$3,228,826,383	\$3,330,286,114
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$31,493,045	\$2,399,101,376	\$2,478,360,768	\$2,565,954,125	\$2,649,110,778	\$2,732,852,272	\$2,812,084,037	\$2,910,277,772	\$3,002,896,817	\$3,096,516,533	\$3,192,872,705
Savings	\$0	\$1,007,921	\$92,988,703	\$97,550,805	\$103,218,410	\$107,904,785	\$112,419,362	\$117,389,625	\$122,232,660	\$127,340,666	\$132,309,849	\$137,413,409
Percent Savings		3.1%	3.7%	3.8%	3.9%	3.9%	4.0%	4.0%	4.1%	4.1%	4.1%	4.1%

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable**

Load Data	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts									
Domestic	959,996	970,844	981,814	992,909	1,004,129	1,015,475	1,026,950	1,038,555	1,050,291
Commercial	99,072	100,192	101,324	102,469	103,627	104,798	105,982	107,180	108,391
Industrial	511	517	523	528	534	540	547	553	0
Lighting & Traffic Control	12,341	12,480	12,621	12,764	12,908	13,054	13,201	13,350	0
Agricultural	3,520	3,560	3,601	3,641	3,682	3,724	3,766	3,809	0
Total Customers	1,075,440	1,087,593	1,099,882	1,112,311	1,124,880	1,137,591	1,150,446	1,163,446	1,158,681
Energy Sales (MWh)									
Domestic	7,701,336	7,788,361	7,876,369	7,965,372	8,055,381	8,146,407	8,238,461	8,331,556	8,425,703
Commercial	4,496,949	4,547,765	4,599,155	4,651,125	4,703,683	4,756,834	4,810,587	4,864,946	4,919,920
Industrial	1,817,100	1,837,634	1,858,399	1,879,399	1,900,636	1,922,113	1,943,833	1,965,798	1,988,012
Lighting & Traffic Control	132,346	133,842	135,354	136,884	138,430	139,995	141,576	143,176	144,794
Agricultural	611,948	618,863	625,857	632,929	640,081	647,314	654,628	662,026	669,507
Total Energy Sales (MWh)	14,759,680	14,926,464	15,095,133	15,265,708	15,438,211	15,612,663	15,789,086	15,967,502	16,147,935
CCE Operating Costs									
Power Supply	\$983,522,942	\$1,013,839,299	\$1,046,331,881	\$1,082,093,730	\$1,114,321,376	\$1,149,294,280	\$1,187,432,515	\$1,226,128,522	\$1,267,265,121
Billing & Data Management	\$16,128,858	\$16,311,114	\$16,495,430	\$16,681,828	\$16,870,333	\$17,060,968	\$17,253,757	\$17,448,724	\$17,645,895
SCE Fees	\$5,290,374	\$5,350,154	\$5,410,609	\$5,471,748	\$5,533,577	\$5,596,105	\$5,659,340	\$5,723,290	\$5,787,961
Technical Services	\$1,621,263	\$1,653,688	\$1,686,762	\$1,720,497	\$1,754,907	\$1,790,005	\$1,825,805	\$1,862,321	\$1,899,568
Staffing	\$4,716,606	\$4,812,978	\$4,909,237	\$5,007,422	\$5,107,570	\$5,209,722	\$5,313,916	\$5,420,195	\$5,528,598
General & Administrative expenses	\$415,698	\$373,012	\$380,473	\$388,082	\$395,844	\$403,761	\$411,836	\$420,072	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$5,375,388	\$5,531,354	\$5,698,510	\$5,882,070	\$6,048,770	\$6,228,006	\$6,423,380	\$6,621,856	\$6,832,597
Total Operating Costs	\$1,031,717,011	\$1,062,515,481	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Other Revenues									
Total CCE Revenue Requirement	\$1,031,717,011	\$1,062,515,481	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Average CCE Rate (\$/kWh)	\$0.0649	\$0.0661	\$0.0674	\$0.0688	\$0.0701	\$0.0714	\$0.0729	\$0.0743	\$0.0759
Average SCE Generation Rate (\$/kWh)	\$0.0863	\$0.0880	\$0.0891	\$0.0912	\$0.0928	\$0.0947	\$0.0967	\$0.0988	\$0.1009
Total CCE Charges									
SCE Non-bypassable Charges	\$48,735,979	\$49,286,696	\$49,843,635	\$50,406,868	\$50,976,466	\$51,552,500	\$52,135,043	\$52,724,169	\$53,319,952
CCE Revenue Requirement	\$1,031,717,011	\$1,062,515,481	\$1,095,556,784	\$1,131,889,260	\$1,164,826,260	\$1,200,276,729	\$1,238,964,432	\$1,278,268,862	\$1,320,032,097
Total CCE Generation Revenue Requirement	\$1,080,452,990	\$1,111,802,177	\$1,145,400,419	\$1,182,296,128	\$1,215,802,726	\$1,251,829,229	\$1,291,099,475	\$1,330,993,031	\$1,373,352,050
Bundled SCE Revenues									
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$3,433,543,297	\$3,541,557,705	\$3,643,564,853	\$3,762,275,864	\$3,878,272,416	\$4,000,321,101	\$4,129,074,697	\$4,260,994,562	\$4,398,764,102
Savings	\$143,253,569	\$148,723,108	\$153,058,465	\$159,430,082	\$165,109,990	\$171,315,815	\$178,128,944	\$185,043,653	\$192,424,978
Percent Savings	4.2%	4.2%	4.2%	4.2%	4.3%	4.3%	4.3%	4.3%	4.4%

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio -100% Renewable**

Load Data	2017											
	Jan - June	July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Customer Accounts												
Domestic	0	6,563	857,965	867,660	877,464	887,379	897,407	907,548	917,803	928,174	938,662	949,269
Commercial	0	56,243	88,543	89,543	90,555	91,578	92,613	93,660	94,718	95,788	96,871	97,965
Industrial	0	0	457	462	467	472	478	483	488	494	500	505
Lighting & Traffic Control	0	6,801	11,029	11,154	11,280	11,407	11,536	11,666	11,798	11,931	12,066	12,203
Agricultural	0	63	3,146	3,182	3,218	3,254	3,291	3,328	3,366	3,404	3,442	3,481
Total Customers	0	69,669	961,139	972,000	982,983	994,091	1,005,324	1,016,685	1,028,173	1,039,791	1,051,541	1,063,423
Energy Sales (MWh)												
Domestic	0	95	6,882,813	6,960,589	7,039,244	7,118,787	7,199,230	7,280,581	7,362,851	7,446,052	7,530,192	7,615,283
Commercial	0	136,839	4,018,999	4,064,414	4,110,342	4,156,789	4,203,760	4,251,263	4,299,302	4,347,884	4,397,015	4,446,702
Industrial	0	0	2,640,375	1,642,324	1,660,882	1,679,650	1,698,630	1,717,825	1,737,236	1,756,867	1,776,720	1,796,797
Lighting & Traffic Control	0	44,238	118,280	119,616	120,968	122,335	123,717	125,115	126,529	127,959	129,405	130,867
Agricultural	0	21,702	546,909	553,089	559,339	565,659	572,051	578,515	585,052	591,663	598,349	605,111
Total Energy Sales (MWh)	0	202,873	14,207,376	13,340,032	13,490,774	13,643,220	13,797,389	13,953,299	14,110,971	14,270,425	14,431,681	14,594,759
CCE Operating Costs												
Power Supply	\$0	\$13,812,233	\$965,273,392	\$988,855,853	\$1,013,033,065	\$1,038,816,390	\$1,064,978,225	\$1,092,187,159	\$1,120,292,984	\$1,149,278,806	\$1,179,609,155	\$1,211,057,134
Billing & Data Management	\$0	\$731,529	\$14,414,632	\$14,577,517	\$14,742,243	\$14,908,830	\$15,077,300	\$15,247,674	\$15,419,972	\$15,594,218	\$15,770,433	\$15,948,639
SCE Fees	\$250,165	\$3,574,050	\$8,197,628	\$4,781,534	\$4,835,564	\$4,890,204	\$4,945,462	\$5,001,345	\$5,057,859	\$5,115,012	\$5,172,810	\$5,231,261
Technical Services	\$620,000	\$1,310,000	\$1,356,600	\$1,383,732	\$1,411,407	\$1,439,635	\$1,468,027	\$1,497,796	\$1,527,752	\$1,558,307	\$1,589,473	\$1,589,473
Staffing	\$135,000	\$1,455,000	\$3,732,500	\$3,943,318	\$4,027,284	\$4,107,830	\$4,189,987	\$4,273,786	\$4,359,262	\$4,446,447	\$4,535,376	\$4,626,084
General & Administrative expenses	\$90,000	\$260,000	\$350,000	\$306,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,606	\$351,498	\$358,528
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$2,341,764	\$19,327,411	\$19,327,411	\$19,327,411	\$19,327,411	\$16,985,647	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$5,476	\$123,184	\$5,668,253	\$5,777,830	\$5,907,287	\$6,044,877	\$6,173,503	\$5,899,980	\$6,044,655	\$6,194,034	\$6,350,191	\$6,512,744
Total Operating Costs	\$1,100,641	\$3,037,760	\$10,181,273,817	\$10,381,931,064	\$10,633,568,707	\$10,891,825,312	\$11,114,264,489	\$11,391,103,479	\$11,671,654,260	\$11,971,144,758	\$1,227,991,653	\$1,260,117,745
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$1,100,641	\$3,037,760	\$10,181,273,817	\$10,381,931,064	\$10,633,568,707	\$10,891,825,312	\$11,114,264,489	\$11,391,103,479	\$11,671,654,260	\$11,971,144,758	\$1,227,991,653	\$1,260,117,745
Average CCE Rate (\$/kWh)	\$0.0204	\$0.0717	\$0.0723	\$0.0717	\$0.0732	\$0.0742	\$0.0750	\$0.0758	\$0.0768	\$0.0779	\$0.0790	\$0.0802
Average SCE Generation Rate (\$/kWh)	\$0.0575	\$0.0575	\$0.0690	\$0.0707	\$0.0730	\$0.0747	\$0.0763	\$0.0780	\$0.0797	\$0.0814	\$0.0830	\$0.0847
Total CCE Charges	\$0	\$1,722,191	\$121,044,967	\$122,412,775	\$123,796,040	\$125,194,935	\$126,609,638	\$128,047,277	\$129,521,333	\$131,042,333	\$132,609,838	\$134,228,722
SCE Non-bypassable Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCE Revenue Requirement	\$1,100,641	\$3,037,760	\$10,181,273,817	\$10,381,931,064	\$10,633,568,707	\$10,891,825,312	\$11,114,264,489	\$11,391,103,479	\$11,671,654,260	\$11,971,144,758	\$1,227,991,653	\$1,260,117,745
Total CCE Generation Revenue Requirement	\$1,100,641	\$4,759,950	\$11,139,318,784	\$11,161,343,839	\$11,187,364,747	\$11,215,020,247	\$11,240,874,126	\$11,185,896,956	\$11,114,975,593	\$1,245,000,822	\$1,276,388,491	\$1,309,061,467
Bundled SCE Revenues	\$0	\$32,500,966	\$2,492,090,079	\$2,575,911,573	\$2,669,172,535	\$2,757,015,564	\$2,845,271,634	\$2,938,473,662	\$3,032,510,433	\$3,130,237,483	\$3,228,826,383	\$3,330,286,114
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$34,292,925	\$2,634,343,912	\$2,722,280,967	\$2,820,456,818	\$2,912,523,650	\$3,004,890,713	\$3,102,539,241	\$3,200,941,761	\$3,303,234,069	\$3,406,299,426	\$3,512,342,073
Savings	\$0	(\$1,791,960)	(\$142,253,833)	(\$146,369,394)	(\$151,284,283)	(\$155,008,087)	(\$159,619,080)	(\$164,065,579)	(\$168,431,328)	(\$172,996,586)	(\$177,473,043)	(\$182,055,959)
Percent Savings		-5.5%	-5.7%	-5.7%	-5.7%	-5.7%	-5.6%	-5.6%	-5.6%	-5.5%	-5.5%	-5.5%

**TRICOG Community Choice Aggregation
Financial Proforma
Portfolio -100% Renewable**

Load Data	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts									
Domestic	959,996	970,844	981,814	992,909	1,004,129	1,015,475	1,026,950	1,038,555	1,050,291
Commercial	99,072	100,192	101,324	102,469	103,627	104,798	105,982	107,180	108,391
Industrial	511	517	523	528	534	540	547	553	0
Lighting & Traffic Control	12,341	12,480	12,621	12,764	12,908	13,054	13,201	13,350	0
Agricultural	3,520	3,560	3,601	3,641	3,682	3,724	3,766	3,809	0
Total Customers	1,075,440	1,087,593	1,099,882	1,112,311	1,124,880	1,137,591	1,150,446	1,163,446	1,158,681
Energy Sales (MWh)									
Domestic	7,701,336	7,788,361	7,876,369	7,965,372	8,055,381	8,146,407	8,238,461	8,331,556	8,425,703
Commercial	4,496,949	4,547,765	4,599,155	4,651,125	4,703,683	4,756,834	4,810,587	4,864,946	4,919,920
Industrial	1,817,100	1,837,634	1,858,399	1,879,399	1,900,636	1,922,113	1,943,833	1,965,798	1,988,012
Lighting & Traffic Control	132,346	133,842	135,354	136,884	138,430	139,995	141,576	143,176	144,794
Agricultural	611,948	618,863	625,857	632,929	640,081	647,314	654,628	662,026	669,507
Total Energy Sales (MWh)	14,759,680	14,926,464	15,095,133	15,265,708	15,438,211	15,612,663	15,789,086	15,967,502	16,147,935
CCE Operating Costs									
Power Supply	\$1,243,478,415	\$1,277,923,815	\$1,313,160,531	\$1,349,217,248	\$1,386,279,882	\$1,425,852,830	\$1,466,789,205	\$1,508,492,221	\$1,551,453,949
Billing & Data Management	\$16,128,858	\$16,311,114	\$16,495,430	\$16,681,828	\$16,870,333	\$17,060,968	\$17,253,757	\$17,448,724	\$17,645,895
SCE Fees	\$5,290,374	\$5,350,154	\$5,410,609	\$5,471,748	\$5,533,577	\$5,596,105	\$5,659,340	\$5,723,290	\$5,787,961
Technical Services	\$1,621,263	\$1,653,688	\$1,686,762	\$1,720,497	\$1,754,907	\$1,790,005	\$1,825,805	\$1,862,321	\$1,899,568
Staffing	\$4,716,606	\$4,812,978	\$4,909,237	\$5,007,422	\$5,107,570	\$5,209,722	\$5,313,916	\$5,420,195	\$5,528,598
General & Administrative expenses	\$415,698	\$373,012	\$388,082	\$545,844	\$453,761	\$411,836	\$420,072	\$428,474	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883	\$14,643,883
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$6,675,165	\$6,851,777	\$7,032,653	\$7,217,688	\$7,408,562	\$7,610,799	\$7,820,164	\$8,033,674	\$8,253,541
Total Operating Costs	\$1,292,972,262	\$1,327,920,420	\$1,363,719,577	\$1,400,348,395	\$1,438,144,558	\$1,478,218,072	\$1,519,717,905	\$1,562,044,380	\$1,605,641,869
Other Revenues									
Total CCE Revenue Requirement	\$1,292,972,262	\$1,327,920,420	\$1,363,719,577	\$1,400,348,395	\$1,438,144,558	\$1,478,218,072	\$1,519,717,905	\$1,562,044,380	\$1,605,641,869
Average CCE Rate (\$/kWh)	\$0.0813	\$0.0826	\$0.0839	\$0.0852	\$0.0865	\$0.0879	\$0.0894	\$0.0908	\$0.0923
Average SCE Generation Rate (\$/kWh)	\$0.0863	\$0.0880	\$0.0891	\$0.0912	\$0.0928	\$0.0947	\$0.0967	\$0.0988	\$0.1009
Total CCE Charges									
SCE Non-bypassable Charges	\$48,735,979	\$49,286,696	\$49,843,635	\$50,406,868	\$50,976,466	\$51,552,500	\$52,135,043	\$52,724,169	\$53,319,952
CCE Revenue Requirement	\$1,292,972,262	\$1,327,920,420	\$1,363,719,577	\$1,400,348,395	\$1,438,144,558	\$1,478,218,072	\$1,519,717,905	\$1,562,044,380	\$1,605,641,869
Total CCE Generation Revenue Requirement	\$1,341,708,241	\$1,377,207,116	\$1,413,563,212	\$1,450,755,264	\$1,489,121,024	\$1,529,770,572	\$1,571,852,949	\$1,614,768,549	\$1,658,961,811
Bundled SCE Revenues									
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$3,433,543,297	\$3,541,557,705	\$3,643,564,853	\$3,762,275,864	\$3,878,272,416	\$4,000,321,101	\$4,129,074,697	\$4,260,994,562	\$4,398,764,102
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$3,619,414,668	\$3,732,279,974	\$3,838,338,560	\$3,962,566,268	\$4,083,596,350	\$4,211,065,254	\$4,345,684,017	\$4,483,552,889	\$4,627,616,147
Savings	(\$185,871,370)	(\$190,722,269)	(\$194,773,707)	(\$200,290,404)	(\$205,323,934)	(\$210,744,153)	(\$216,609,320)	(\$222,558,328)	(\$228,852,045)
Percent Savings	-5.4%	-5.4%	-5.3%	-5.3%	-5.3%	-5.3%	-5.2%	-5.2%	-5.2%

SANBAG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable

	2017	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Load Data	Jan - June	July - Dec											
Customer Accounts													
Domestic	0	3,864	461,002	466,212	471,480	476,808	482,196	487,644	493,155	498,727	504,363	510,062	510,062
Commercial	0	33,205	48,808	49,359	49,917	50,481	51,051	51,628	52,212	52,802	53,398	54,002	54,002
Industrial	0	279	285	292	285	292	299	302	299	305	309	309	309
Lighting & Traffic Control	0	4,096	5,952	6,020	6,088	6,156	6,226	6,296	6,367	6,439	6,512	6,586	6,586
Agricultural	0	43	1,675	1,694	1,713	1,733	1,752	1,772	1,792	1,812	1,833	1,853	1,853
Total Customers	0	41,208	517,717	523,567	529,483	535,466	541,517	547,636	553,824	560,083	566,412	572,812	572,812
Energy Sales (MWh)													
Domestic	0	48	3,394,200	3,432,554	3,471,342	3,510,568	3,550,238	3,590,355	3,630,926	3,671,956	3,713,449	3,755,411	3,755,411
Commercial	0	80,550	2,361,973	2,388,663	2,415,655	2,442,952	2,470,558	2,498,475	2,526,708	2,555,259	2,584,134	2,613,335	2,613,335
Industrial	0	1,817,576	944,524	955,197	965,990	976,906	987,945	999,109	1,010,399	1,021,816	1,033,363	1,033,363	1,033,363
Lighting & Traffic Control	0	26,827	65,824	66,568	67,320	68,081	68,850	70,415	71,211	72,015	72,829	73,643	73,643
Agricultural	0	11,057	265,359	268,357	271,390	274,456	277,558	280,694	283,866	287,074	290,318	293,598	293,598
Total Energy Sales (MMWh)	0	118,482	7,904,931	7,100,666	7,180,904	7,262,048	7,344,109	7,427,098	7,511,024	7,595,899	7,681,732	7,768,536	7,768,536
2017													
CCE Operating Costs													
Power Supply	\$0	\$6,032,329	\$409,940,751	\$421,359,492	\$433,117,927	\$445,534,854	\$458,291,916	\$471,270,295	\$484,786,278	\$498,634,313	\$513,387,229	\$528,761,063	\$528,761,063
Billing & Data Management	\$0	\$432,679	\$7,764,423	\$7,852,161	\$7,940,891	\$8,030,623	\$8,121,369	\$8,213,140	\$8,305,949	\$8,399,806	\$8,494,724	\$8,590,714	\$8,590,714
SCE Fees	\$149,501	\$1,939,421	\$4,405,258	\$2,575,617	\$2,604,720	\$2,634,152	\$2,663,917	\$2,694,018	\$2,724,459	\$2,754,244	\$2,786,377	\$2,817,862	\$2,817,862
Technical Services	\$620,000	\$740,000	\$1,310,000	\$1,356,600	\$1,401,003	\$1,465,319	\$1,552,981	\$1,669,111	\$1,821,084	\$2,019,393	\$2,278,936	\$2,620,965	\$2,620,965
Staffing	\$135,000	\$145,500	\$3,732,500	\$3,948,318	\$4,027,284	\$4,167,330	\$4,189,987	\$4,273,786	\$4,359,262	\$4,446,447	\$4,535,376	\$4,626,084	\$4,626,084
General & Administrative expenses	\$90,000	\$260,000	\$350,000	\$306,000	\$312,120	\$318,362	\$474,730	\$381,224	\$337,849	\$344,606	\$351,498	\$508,528	\$508,528
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$1,170,882	\$9,872,904	\$9,872,904	\$9,872,904	\$9,872,904	\$8,702,022	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$4,973	\$65,152	\$2,575,719	\$2,639,583	\$2,770,983	\$2,706,897	\$486,767,905	\$486,641,846	\$512,545,777	\$526,883,503	\$542,195,496	\$558,368,535	\$558,368,535
Total Operating Costs	\$999,473	\$2,095,463	\$439,898,288	\$449,846,812	\$461,916,432	\$474,670,941	\$486,767,905	\$498,641,846	\$512,545,777	\$526,883,503	\$542,195,496	\$558,368,535	\$558,368,535
Total Revenues													
Total CCE Revenue Requirement	\$999,473	\$2,095,463	\$439,898,288	\$449,846,812	\$461,916,432	\$474,670,941	\$486,767,905	\$498,641,846	\$512,545,777	\$526,883,503	\$542,195,496	\$558,368,535	\$558,368,535
Average CCE Rate (\$/kWh)		\$0.0261	\$0.0556	\$0.0563	\$0.0571	\$0.0581	\$0.0589	\$0.0596	\$0.0606	\$0.0616	\$0.0627	\$0.0638	\$0.0638
Average SCE Generation Rate (\$/kWh)		\$0.0571	\$0.0681	\$0.0698	\$0.0720	\$0.0737	\$0.0752	\$0.0769	\$0.0786	\$0.0803	\$0.0827	\$0.0834	\$0.0834
Total CCE Charges													
SCE Non-bypassable Charges	\$0	\$1,000,043	\$67,114,353	\$67,872,745	\$68,639,707	\$69,415,336	\$70,199,729	\$70,983,617	\$71,767,509	\$72,551,401	\$73,335,293	\$74,119,185	\$74,903,077
SCE Revenue Requirement	\$999,473	\$2,095,463	\$439,898,288	\$449,846,812	\$461,916,432	\$474,670,941	\$486,767,905	\$498,641,846	\$512,545,777	\$526,883,503	\$542,195,496	\$558,368,535	\$558,368,535
Total CCE Generation Revenue Requirement	\$999,473	\$3,095,505	\$507,012,641	\$517,719,557	\$530,556,139	\$544,086,277	\$556,967,634	\$572,435,464	\$588,630,862	\$603,263,349	\$618,878,735	\$634,497,935	\$634,497,935
Bundled SCE Revenues													
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$18,296,669	\$1,351,759,556	\$1,397,071,297	\$1,447,722,341	\$1,495,125,726	\$1,542,903,988	\$1,593,385,654	\$1,644,803,337	\$1,697,848,344	\$1,751,837,051	\$1,805,291,234	\$1,805,291,234
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$17,776,245	\$1,306,158,609	\$1,349,189,033	\$1,396,972,863	\$1,442,042,787	\$1,487,553,868	\$1,535,535,483	\$1,584,453,681	\$1,634,913,687	\$1,686,324,653	\$1,737,404,554	\$1,737,404,554
Percent Savings	\$0	\$520,424	\$45,600,947	\$47,882,263	\$50,749,479	\$53,082,939	\$55,350,120	\$57,850,170	\$60,349,655	\$62,934,657	\$65,512,398	\$67,886,680	\$67,886,680
		2.8%	3.4%	3.5%	3.5%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.8%	3.8%

SANBAG Community Choice Aggregation Financial Proforma Portfolio - 50% Renewable									
Load Data	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts									
Domestic	515,826	521,655	527,550	533,511	539,540	545,636	551,802	558,037	564,343
Commercial	54,612	55,229	55,853	56,484	57,122	57,768	58,421	59,081	59,749
Industrial	312	316	319	323	327	330	334	338	0
Lighting & Traffic Control	6,660	6,735	6,812	6,889	6,966	7,045	7,125	7,205	0
Agricultural	1,874	1,896	1,917	1,939	1,960	1,983	2,005	2,028	0
Total Customers	579,285	585,831	592,451	599,145	605,916	612,763	619,687	626,689	624,092
Energy Sales (MWh)									
Domestic	3,797,847	3,840,763	3,884,163	3,928,054	3,972,442	4,017,330	4,062,726	4,108,635	4,155,062
Commercial	2,642,865	2,672,730	2,702,932	2,733,475	2,764,363	2,795,600	2,827,191	2,859,138	2,891,446
Industrial	1,045,040	1,056,849	1,068,791	1,080,869	1,093,082	1,105,434	1,117,926	1,130,558	1,143,334
Lighting & Traffic Control	73,652	74,484	75,326	76,177	77,038	77,909	78,789	79,679	80,580
Agricultural	296,916	300,271	303,664	307,095	310,566	314,075	317,624	321,213	324,843
Total Energy Sales (MWh)	7,856,320	7,945,097	8,034,876	8,125,670	8,217,490	8,310,348	8,404,255	8,499,223	8,595,264
CCE Operating Costs									
Power Supply	\$544,480,927	\$561,496,738	\$580,875,978	\$599,067,291	\$617,551,808	\$637,671,875	\$658,180,175	\$679,537,499	\$701,816,578
Billing & Data Management	\$8,687,789	\$8,785,961	\$8,885,243	\$8,985,646	\$9,087,184	\$9,189,869	\$9,293,715	\$9,398,734	\$9,504,939
SCE Fees	\$2,849,703	\$2,881,903	\$2,914,468	\$2,947,400	\$2,980,704	\$3,014,385	\$3,048,446	\$3,082,893	\$3,117,728
Technical Services	\$3,076,034	\$3,688,515	\$4,523,600	\$5,678,260	\$7,298,639	\$9,608,019	\$12,952,350	\$17,875,422	\$25,244,683
Staffing	\$4,718,606	\$4,812,978	\$4,909,237	\$5,007,422	\$5,107,570	\$5,209,722	\$5,313,916	\$5,420,195	\$5,528,598
General & Administrative expenses	\$415,698	\$373,012	\$380,473	\$388,082	\$545,844	\$453,761	\$411,836	\$420,072	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140	\$7,531,140
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$2,993,209	\$3,083,779	\$3,187,565	\$3,287,043	\$3,391,103	\$3,505,571	\$3,627,441	\$3,761,738	\$3,912,912
Total Operating Costs	\$574,753,105	\$592,654,026	\$613,207,703	\$632,892,283	\$653,493,992	\$676,184,341	\$700,359,019	\$727,027,692	\$757,085,052
Other Revenues									
Total CCE Revenue Requirement	\$574,753,105	\$592,654,026	\$613,207,703	\$632,892,283	\$653,493,992	\$676,184,341	\$700,359,019	\$727,027,692	\$757,085,052
Average CCE Rate (\$/kWh)	\$0.0650	\$0.0663	\$0.0678	\$0.0692	\$0.0706	\$0.0723	\$0.0740	\$0.0760	\$0.0782
Average SCE Generation Rate (\$/kWh)	\$0.0851	\$0.0868	\$0.0881	\$0.0898	\$0.0915	\$0.0935	\$0.0954	\$0.0974	\$0.0995
Total CCE Charges									
SCE Non-bypassable Charges	\$26,881,816	\$27,185,580	\$27,492,777	\$27,803,446	\$28,117,624	\$28,435,354	\$28,756,673	\$29,081,624	\$29,410,246
CCE Revenue Requirement	\$574,753,105	\$592,654,026	\$613,207,703	\$632,892,283	\$653,493,992	\$676,184,341	\$700,359,019	\$727,027,692	\$757,085,052
Total CCE Generation Revenue Requirement	\$601,634,920	\$619,839,606	\$640,700,481	\$660,695,729	\$681,611,616	\$704,619,694	\$729,115,693	\$756,109,316	\$786,495,298
Bundled SCE Revenues									
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$1,861,813,136	\$1,921,066,891	\$1,977,048,485	\$2,039,210,466	\$2,102,947,810	\$2,170,138,209	\$2,239,109,425	\$2,310,532,679	\$2,384,548,303
Savings	\$1,790,889,047	\$1,847,290,566	\$1,900,992,087	\$1,960,221,884	\$2,020,978,286	\$2,084,899,734	\$2,150,536,382	\$2,218,477,347	\$2,288,850,040
Total CCE	\$70,924,090	\$73,776,325	\$76,056,398	\$78,988,582	\$81,969,524	\$85,238,475	\$88,573,044	\$92,055,332	\$95,698,263
Percent Savings	3.8%	3.8%	3.8%	3.9%	3.9%	3.9%	4.0%	4.0%	4.0%

WRCOG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable

	2017	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Load Data	Jan - June	July - Dec												
Customer Accounts														
Domestic	0	1,919	302,231	305,647	309,100	312,593	316,125	319,698	323,310	326,964	330,658	334,395	338,173	
Commercial	0	14,460	27,489	27,799	28,113	28,431	28,752	29,077	29,406	29,738	30,074	30,414	30,758	
Industrial	0	0	144	146	148	149	151	153	154	156	158	160	162	
Lighting & Traffic Control	0	1,955	3,925	3,969	4,014	4,059	4,105	4,152	4,199	4,246	4,294	4,342	4,392	
Agricultural	0	11	1,039	1,051	1,063	1,087	1,099	1,112	1,124	1,137	1,150	1,163	1,176	
Total Customers	0	18,346	334,828	338,612	342,438	346,308	350,221	354,179	358,181	362,228	366,321	370,461	374,647	
Energy Sales (MWh)														
Domestic	0	31	2,516,796	2,545,236	2,573,997	2,603,084	2,632,498	2,662,246	2,692,329	2,722,752	2,753,519	2,784,634	2,816,101	
Commercial	0	40,038	1,192,869	1,206,348	1,219,980	1,233,766	1,247,707	1,261,806	1,276,065	1,290,484	1,305,067	1,319,814	1,334,728	
Industrial	0	0	654,313	485,502	490,988	496,536	502,147	507,821	513,560	519,363	525,232	531,169	537,169	
Lighting & Traffic Control	0	13,960	43,153	43,641	44,134	44,633	45,137	45,647	46,163	46,685	47,212	47,746	48,285	
Agricultural	0	4,688	171,918	173,861	175,826	177,812	179,822	181,854	183,909	185,987	188,089	190,214	192,363	
Total Energy Sales (MWh)	0	58,716	4,579,049	4,454,588	4,504,925	4,555,831	4,607,311	4,659,374	4,712,025	4,765,271	4,819,118	4,873,574	4,928,646	
2017														
CCE Operating Costs														
Power Supply	\$0	\$3,042,266	\$239,817,771	\$246,529,453	\$253,410,401	\$260,765,453	\$268,145,822	\$275,831,414	\$283,833,176	\$291,963,329	\$300,514,540	\$309,463,593	\$318,781,912	
Billing & Data Management	\$0	\$192,634	\$5,021,569	\$5,078,313	\$5,135,698	\$5,193,731	\$5,252,420	\$5,311,773	\$5,371,796	\$5,432,497	\$5,493,884	\$5,555,965	\$5,618,748	
SCE Fees	\$68,749	\$1,228,726	\$2,873,783	\$1,665,795	\$1,684,617	\$1,703,652	\$1,722,902	\$1,742,369	\$1,762,057	\$1,781,967	\$1,802,102	\$1,822,465	\$1,843,057	
Technical Services	\$620,000	\$740,000	\$1,310,000	\$1,356,600	\$1,383,732	\$1,411,407	\$1,439,635	\$1,468,427	\$1,497,796	\$1,527,752	\$1,558,307	\$1,589,473	\$1,621,263	
Staffing	\$135,000	\$465,000	\$2,556,250	\$3,121,200	\$3,183,624	\$3,247,296	\$3,312,242	\$3,378,487	\$3,446,057	\$3,514,978	\$3,585,278	\$3,656,983	\$3,730,123	
General & Administrative expenses	\$90,000	\$150,000	\$420,000	\$306,000	\$312,120	\$318,362	\$364,730	\$451,224	\$337,849	\$344,606	\$351,498	\$398,528	\$485,698	
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$819,618	\$6,659,995	\$6,659,995	\$6,659,995	\$6,659,995	\$5,840,377	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	
Start-Up Capital	\$0	(\$6,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Uncollectibles	\$4,569	\$35,648	\$1,488,498	\$1,520,994	\$1,558,489	\$1,598,393	\$1,634,566	\$1,541,556	\$1,582,734	\$1,625,179	\$1,669,755	\$1,716,544	\$1,764,079	
Total Operating Costs	\$918,318	\$673,892	\$260,147,866	\$266,238,349	\$273,328,675	\$280,898,290	\$287,712,694	\$294,746,011	\$302,852,224	\$311,211,068	\$319,996,123	\$329,224,311	\$338,865,639	
Other Revenues														
Total CCE Revenue Requirement	\$918,318	\$673,892	\$260,147,866	\$266,238,349	\$273,328,675	\$280,898,290	\$287,712,694	\$294,746,011	\$302,852,224	\$311,211,068	\$319,996,123	\$329,224,311	\$338,865,639	
Average CCE Rate (\$/kWh)		\$0.0271	\$0.0568	\$0.0575	\$0.0584	\$0.0584	\$0.0593	\$0.0601	\$0.0609	\$0.0618	\$0.0628	\$0.0639	\$0.0650	
Average SCE Generation Rate (\$/kWh)		\$0.0572	\$0.0701	\$0.0718	\$0.0741	\$0.0741	\$0.0758	\$0.0775	\$0.0792	\$0.0810	\$0.0826	\$0.0843	\$0.0858	
Total CCE Charges														
SCE Non-Bypassable Charges	\$0	\$491,389	\$39,040,255	\$39,481,410	\$39,927,550	\$40,378,731	\$40,835,011	\$41,291,291	\$41,748,571	\$42,206,851	\$42,665,131	\$43,123,411	\$43,581,691	
SCE Revenue Requirement	\$918,318	\$673,892	\$260,147,866	\$266,238,349	\$273,328,675	\$280,898,290	\$287,712,694	\$294,746,011	\$302,852,224	\$311,211,068	\$319,996,123	\$329,224,311	\$338,865,639	
Total CCE Generation Revenue Requirement	\$918,318	\$1,165,282	\$299,188,121	\$305,719,759	\$313,256,225	\$321,277,021	\$328,547,705	\$336,037,302	\$343,494,582	\$350,951,862	\$358,409,142	\$365,866,422	\$373,323,702	
Bundled SCE Revenues														
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$9,149,294	\$833,422,747	\$861,196,970	\$889,470,098	\$921,633,162	\$951,485,800	\$982,347,021	\$1,010,490,088	\$1,046,156,636	\$1,079,653,180	\$1,112,475,447	\$1,147,726,447	
Savings	\$0	\$8,920,215	\$809,205,068	\$835,746,983	\$865,430,893	\$893,322,854	\$921,888,556	\$951,410,800	\$981,780,193	\$1,012,507,578	\$1,044,568,962	\$1,076,114,927	\$1,109,613,003	
Percent Savings	\$0	\$229,079	\$24,217,679	\$25,449,987	\$27,039,205	\$28,310,308	\$29,597,244	\$30,926,221	\$32,309,895	\$33,694,057	\$35,084,218	\$36,360,520	\$37,636,822	

**WRCOG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable**

Load Data	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts								
Domestic	341,995	345,859	349,768	353,720	357,717	361,759	365,847	369,981
Commercial	31,105	31,457	31,812	32,172	32,535	32,903	33,275	33,651
Industrial	163	167	169	171	173	175	177	0
Lighting & Traffic Control	4,441	4,491	4,542	4,593	4,645	4,698	4,751	0
Agricultural	1,176	1,189	1,203	1,216	1,230	1,244	1,258	0
Total Customers	378,881	383,162	387,492	391,870	396,298	400,777	405,305	403,632
Energy Sales (MWh)								
Domestic	2,847,922	2,880,104	2,912,649	2,945,562	2,978,847	3,012,508	3,046,549	3,080,975
Commercial	1,349,810	1,365,063	1,380,488	1,396,088	1,411,864	1,427,818	1,443,952	1,460,269
Industrial	543,239	549,378	555,586	561,864	568,213	574,634	581,127	587,694
Lighting & Traffic Control	48,831	49,383	49,941	50,505	51,076	51,653	52,237	52,827
Agricultural	194,537	196,735	198,958	201,207	203,480	205,780	208,105	210,456
Total Energy Sales (MWh)	4,984,340	5,040,663	5,097,622	5,155,225	5,213,479	5,272,392	5,331,970	5,392,221
CCE Operating Costs								
Power Supply	\$328,536,021	\$339,780,613	\$350,560,224	\$361,621,599	\$373,280,365	\$385,469,911	\$398,069,919	\$411,358,419
Billing & Data Management	\$5,682,239	\$5,746,449	\$5,811,384	\$5,877,052	\$5,943,463	\$6,010,624	\$6,078,544	\$6,147,232
SCE Fees	\$1,863,883	\$1,884,943	\$1,906,242	\$1,927,781	\$1,949,564	\$1,971,593	\$1,993,870	\$2,016,400
Technical Services	\$1,653,688	\$1,686,762	\$1,720,497	\$1,754,907	\$1,790,005	\$1,825,805	\$1,862,321	\$1,899,568
Staffing	\$3,804,725	\$3,880,820	\$3,958,436	\$4,037,605	\$4,118,357	\$4,200,724	\$4,284,739	\$4,370,434
General & Administrative expenses	\$373,012	\$380,473	\$388,082	\$435,844	\$523,761	\$411,836	\$420,072	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760	\$5,020,760
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$1,814,130	\$1,872,261	\$1,928,093	\$1,985,561	\$2,046,243	\$2,108,607	\$2,173,651	\$2,242,167
Total Operating Costs	\$348,748,459	\$360,253,079	\$371,293,717	\$382,661,108	\$394,672,517	\$407,019,859	\$419,903,877	\$433,483,452
Other Revenues								
Total CCE Revenue Requirement	\$348,748,459	\$360,253,079	\$371,293,717	\$382,661,108	\$394,672,517	\$407,019,859	\$419,903,877	\$433,483,452
Average CCE Rate (\$/kWh)	\$0.0673	\$0.0687	\$0.0701	\$0.0714	\$0.0728	\$0.0743	\$0.0758	\$0.0773
Average SCE Generation Rate (\$/kWh)	\$0.0894	\$0.0905	\$0.0924	\$0.0942	\$0.0962	\$0.0982	\$0.1003	\$0.1025
Total CCE Charges								
SCE Non-bypassable Charges	\$15,891,714	\$16,071,291	\$16,252,896	\$16,436,554	\$16,622,287	\$16,810,119	\$17,000,073	\$17,192,174
CCE Revenue Requirement	\$348,748,459	\$360,253,079	\$371,293,717	\$382,661,108	\$394,672,517	\$407,019,859	\$419,903,877	\$433,483,452
Total CCE Generation Revenue Requirement	\$364,640,173	\$376,324,370	\$387,546,613	\$399,097,663	\$411,294,804	\$423,829,979	\$436,903,950	\$450,675,626
Bundled SCE Revenues								
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$1,184,428,365	\$1,218,321,871	\$1,256,825,188	\$1,296,461,281	\$1,337,694,117	\$1,380,454,747	\$1,424,599,990	\$1,470,543,601
Savings	\$39,695,085	\$40,854,324	\$42,478,696	\$44,148,221	\$45,915,755	\$47,770,116	\$49,691,121	\$51,725,328
Percent Savings	3.4%	3.4%	3.4%	3.4%	3.4%	3.5%	3.5%	3.5%

CVAG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable

	2017		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027	
	Jan	June	July	Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027										
Load Data																								
Customer Accounts																								
Domestic	0	780	94,731	95,801	96,884	97,979	99,086	100,205	101,338	102,483	103,641	104,812	105,999	107,196	108,397	109,602	110,812	112,027	113,247	114,472	115,697	116,922	118,147	119,372
Commercial	0	8,577	12,246	12,385	12,525	12,666	12,809	12,954	13,100	13,248	13,398	13,550	13,703	13,857	14,011	14,166	14,321	14,477	14,633	14,790	14,947	15,105	15,263	15,422
Industrial	0	0	33	33	34	34	35	35	36	36	37	37	38	38	39	40	40	41	42	42	43	44	44	45
Lighting & Traffic Control	0	750	1,152	1,165	1,178	1,191	1,205	1,218	1,232	1,246	1,260	1,274	1,289	1,303	1,318	1,333	1,348	1,363	1,378	1,393	1,408	1,423	1,438	1,453
Agricultural	0	9	432	437	442	447	452	457	462	467	473	478	483	488	493	498	503	508	513	518	523	528	533	538
Total Customers	0	10,116	108,594	109,821	111,062	112,317	113,586	114,870	116,168	117,481	118,808	120,151	121,504	122,857	124,210	125,563	126,916	128,269	129,622	130,975	132,328	133,681	135,034	136,387
Energy Sales (MWh)																								
Domestic	0	15	971,817	982,799	993,904	1,005,135	1,016,493	1,027,980	1,039,596	1,051,343	1,063,224	1,075,238	1,087,281	1,099,359	1,111,472	1,123,620	1,135,803	1,148,021	1,160,274	1,172,561	1,184,883	1,197,240	1,209,632	1,222,059
Commercial	0	16,251	464,157	469,402	474,707	480,071	485,496	490,982	496,530	502,141	507,815	513,553	519,355	525,220	531,149	537,142	543,190	549,293	555,451	561,664	567,932	574,255	580,634	587,068
Industrial	0	0	168,487	214,698	217,124	219,577	222,058	224,568	227,105	229,672	232,267	234,896	237,549	240,226	242,928	245,655	248,407	251,184	253,986	256,813	259,665	262,542	265,444	268,371
Lighting & Traffic Control	0	3,451	9,302	9,408	9,514	9,621	9,730	9,840	9,951	10,064	10,177	10,292	10,407	10,522	10,638	10,754	10,871	10,988	11,105	11,223	11,341	11,459	11,578	11,696
Agricultural	0	5,957	109,632	110,870	112,123	113,390	114,672	115,967	117,278	118,603	119,943	121,299	122,661	124,029	125,403	126,783	128,169	129,561	130,959	132,363	133,773	135,188	136,609	138,036
Total Energy Sales (MWh)	0	25,675	1,723,396	1,784,778	1,804,946	1,825,342	1,845,968	1,866,827	1,887,922	1,909,256	1,930,831	1,952,649	1,974,692	1,996,971	2,019,485	2,042,234	2,065,217	2,088,434	2,111,885	2,135,570	2,159,489	2,183,642	2,208,030	2,232,653
2017																								
CCE Operating Costs																								
Power/Supply	\$0	\$1,330,076	\$89,872,073	\$92,484,855	\$95,103,582	\$97,924,199	\$100,729,211	\$103,611,908	\$106,609,724	\$109,653,650	\$112,870,312	\$116,216,850	\$119,699,259	\$123,299,448	\$126,999,259	\$130,799,259	\$134,699,259	\$138,699,259	\$142,799,259	\$146,999,259	\$151,299,259	\$155,699,259	\$160,199,259	\$164,799,259
Billing & Data Management	\$0	\$1,062,215	\$1,628,639	\$1,665,654	\$1,684,476	\$1,703,511	\$1,722,761	\$1,742,128	\$1,761,615	\$1,781,225	\$1,801,959	\$1,819,959	\$1,838,225	\$1,856,666	\$1,875,283	\$1,894,066	\$1,912,916	\$1,931,833	\$1,950,816	\$1,969,865	\$1,988,980	\$2,008,161	\$2,027,408	\$2,046,721
SCE Fees	\$39,557	\$413,653	\$918,803	\$546,443	\$552,616	\$558,860	\$565,173	\$571,559	\$578,016	\$584,546	\$591,151	\$597,829	\$604,571	\$611,378	\$618,250	\$625,187	\$632,189	\$639,256	\$646,388	\$653,485	\$660,647	\$667,774	\$674,866	\$681,923
Technical Services	\$620,000	\$500,000	\$770,000	\$867,000	\$884,340	\$902,027	\$920,067	\$938,469	\$957,238	\$976,383	\$995,910	\$1,015,829	\$1,036,049	\$1,056,471	\$1,077,095	\$1,097,923	\$1,118,955	\$1,139,191	\$1,159,631	\$1,180,275	\$1,201,123	\$1,222,175	\$1,243,431	\$1,264,892
Staffing	\$135,000	\$465,000	\$1,785,000	\$1,932,141	\$1,894,256	\$1,970,784	\$2,010,200	\$2,050,404	\$2,091,412	\$2,133,240	\$2,175,905	\$2,218,416	\$2,261,771	\$2,305,471	\$2,349,516	\$2,393,905	\$2,438,638	\$2,483,715	\$2,529,136	\$2,574,901	\$2,621,009	\$2,667,460	\$2,714,254	\$2,761,391
General & Administrative expenses	\$90,000	\$150,000	\$350,000	\$306,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,498	\$351,166	\$357,854	\$364,571	\$371,317	\$378,092	\$384,897	\$391,732	\$398,596	\$405,489	\$412,411	\$419,362	\$426,342	\$433,351	\$440,389
Debt Service (CCE Bonds & Start-up Costs)	\$0	\$585,441	\$4,518,055	\$4,518,055	\$4,518,055	\$4,518,055	\$3,932,614	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173
Start-Up/Capital	\$4,423	\$18,906	\$573,665	\$586,395	\$600,766	\$616,164	\$628,773	\$592,346	\$607,875	\$623,897	\$640,794	\$658,553	\$677,283	\$696,986	\$717,663	\$738,314	\$758,940	\$779,541	\$799,117	\$818,668	\$838,194	\$857,695	\$877,171	\$896,622
Uncollectibles	\$888,980	-\$1,430,709	\$100,416,236	\$102,806,800	\$105,525,217	\$108,448,041	\$110,808,550	\$113,169,254	\$116,224,050	\$119,377,051	\$122,705,299	\$126,205,948	\$129,888,259	\$133,649,259	\$137,489,259	\$141,409,259	\$145,409,259	\$149,489,259	\$153,649,259	\$157,889,259	\$162,209,259	\$166,609,259	\$171,089,259	\$175,649,259
Total Operating Costs	\$888,980	-\$1,430,709	\$100,416,236	\$102,806,800	\$105,525,217	\$108,448,041	\$110,808,550	\$113,169,254	\$116,224,050	\$119,377,051	\$122,705,299	\$126,205,948	\$129,888,259	\$133,649,259	\$137,489,259	\$141,409,259	\$145,409,259	\$149,489,259	\$153,649,259	\$157,889,259	\$162,209,259	\$166,609,259	\$171,089,259	\$175,649,259
Other Revenues																								
Total CCE Revenue Requirement	\$888,980	-\$1,430,709	\$100,416,236	\$102,806,800	\$105,525,217	\$108,448,041	\$110,808,550	\$113,169,254	\$116,224,050	\$119,377,051	\$122,705,299	\$126,205,948	\$129,888,259	\$133,649,259	\$137,489,259	\$141,409,259	\$145,409,259	\$149,489,259	\$153,649,259	\$157,889,259	\$162,209,948	\$166,609,259	\$171,089,259	\$175,649,259
Average CCE Rate (\$/kWh)		-\$0.0211	\$0.0583	\$0.0590	\$0.0599	\$0.0608	\$0.0615	\$0.0621	\$0.0630	\$0.0640	\$0.0651	\$0.0662	\$0.0673	\$0.0684	\$0.0695	\$0.0706	\$0.0717	\$0.0728	\$0.0739	\$0.0750	\$0.0761	\$0.0772	\$0.0783	\$0.0794
Average SCE Generation Rate (\$/kWh)		\$0.0599	\$0.0708	\$0.0726	\$0.0750	\$0.0767	\$0.0784	\$0.0802	\$0.0820	\$0.0836	\$0.0854	\$0.0868	\$0.0882	\$0.0896	\$0.0910	\$0.0924	\$0.0938	\$0.0952	\$0.0966	\$0.0980	\$0.0994	\$0.1008	\$0.1022	\$0.1036
Total CCE Charges																								
SCE Non-bypassable Charges	\$0	\$230,758	\$14,890,359	\$15,058,620	\$15,228,783	\$15,400,868	\$15,574,898	\$5,892,314	\$5,958,897	\$6,026,232	\$6,094,329	\$6,163,195	\$6,231,829	\$6,300,329	\$6,368,589	\$6,436,609	\$6,504,389	\$6,571,929	\$6,639,229	\$6,706,279	\$6,773,079	\$6,839,629	\$6,905,929	\$6,971,979
SCE Revenue Requirement	\$888,980	-\$1,430,709	\$100,416,236	\$102,806,800	\$105,525,217	\$108,448,041	\$110,808,550	\$113,169,254	\$116,224,050	\$119,377,051	\$122,705,299	\$126,205,948	\$129,888,259	\$133,649,259	\$137,489,259	\$141,409,259	\$145,409,259	\$149,489,259	\$153,649,259	\$157,889,259	\$162,205,948	\$166,609,259	\$171,089,259	\$175,649,259
Total CCE Generation Revenue Requirement	\$888,980	-\$1,199,950	\$115,306,595	\$117,865,420	\$120,753,999	\$123,848,909	\$126,383,448	\$119,061,568	\$122,182,947	\$125,403,284	\$128,799,628	\$132,369,142	\$136,109,259	\$139,919,259	\$143,799,259	\$147,749,259	\$151,769,259	\$155,859,259	\$159,919,259	\$164,049,259	\$168,249,259	\$172,509,259	\$176,829,259	\$181,209,259
Bundled SCE Revenues	\$0	\$3,832,608	\$316,552,316	\$327,229,345	\$339,198,608	\$350,357,259	\$361,694,778	\$373,261,195	\$385,558,469	\$397,716,797	\$410,450,428	\$422,904,017	\$435,119,259	\$447,119,259	\$458,919,259	\$470,519,259	\$481,919,259	\$493,119,259	\$504,119,259	\$514,919,259	\$525,519,259	\$535,919,259	\$546,119,259	\$556,119,259
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$0	\$3,770,608	\$309,928,815	\$320,214,626	\$331,683,499	\$342,443,494	\$353,385,779	\$364,736,037	\$376,406,710	\$388,155,674	\$400,446,473	\$412,510,041	\$424,359,259	\$435,999,259	\$447,449,259	\$458,719,259	\$469,819,259	\$480,749,259	\$491,519,259	\$502,119,259	\$512,519,259	\$522,749,259	\$532,819,259	\$542,749,259
Savings	\$0	\$62,000	\$6,623,500	\$7,014,720	\$7,515,109	\$7,913,765	\$8,308,999	\$8,725,158	\$9,151,759	\$9,561,123	\$10,003,955	\$10,393,976	\$10,799,259	\$11,209,259	\$11,619,259	\$12,029,259	\$12,439,259	\$12,849,259	\$13,259,259	\$13,669,259	\$14,079,259	\$14,489,259	\$14,899,259	\$15,309,259
Percent Savings		1.6%	2.1%	2.1%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%

**CVAG Community Choice Aggregation
Financial Proforma
Portfolio - 50% Renewable**

Load Data	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts									
Domestic	105,996	107,194	108,405	109,630	110,869	112,122	113,389	114,670	115,966
Commercial	13,703	13,857	14,014	14,172	14,333	14,495	14,658	14,824	14,991
Industrial	37	37	38	38	39	39	40	40	0
Lighting & Traffic Control	1,289	1,303	1,318	1,333	1,348	1,363	1,379	1,394	0
Agricultural	483	489	494	500	506	511	517	523	0
Total Customers	121,508	122,881	124,270	125,674	127,094	128,530	129,983	131,452	130,958
Energy Sales (MWh)									
Domestic	1,087,388	1,099,676	1,112,102	1,124,669	1,137,378	1,150,230	1,163,227	1,176,372	1,189,665
Commercial	519,356	525,225	531,160	537,162	543,232	549,371	555,578	561,857	568,205
Industrial	234,891	237,546	240,230	242,945	245,690	248,466	251,274	254,113	256,985
Lighting & Traffic Control	10,409	10,526	10,645	10,766	10,887	11,010	11,135	11,261	11,388
Agricultural	122,669	124,055	125,457	126,875	128,309	129,758	131,225	132,708	134,207
Total Energy Sales (MWh)	1,974,714	1,997,028	2,019,595	2,042,416	2,065,495	2,088,835	2,112,439	2,136,310	2,160,450
CCE Operating Costs									
Power Supply	\$119,761,096	\$123,386,432	\$127,608,173	\$131,633,023	\$135,819,990	\$140,182,348	\$144,729,275	\$149,470,270	\$154,412,499
Billing & Data Management	\$1,822,321	\$1,842,913	\$1,863,738	\$1,884,799	\$1,906,097	\$1,927,636	\$1,949,418	\$1,971,446	\$1,993,724
SCE Fees	\$597,829	\$604,584	\$611,414	\$618,322	\$625,308	\$632,373	\$639,517	\$646,742	\$654,049
Technical Services	\$1,036,145	\$1,056,868	\$1,078,006	\$1,099,566	\$1,121,557	\$1,143,988	\$1,166,868	\$1,190,205	\$1,214,009
Staffing	\$2,219,423	\$2,263,812	\$2,309,088	\$2,355,270	\$2,402,375	\$2,450,422	\$2,499,431	\$2,549,420	\$2,600,408
General & Administrative expenses	\$415,698	\$373,012	\$380,473	\$388,082	\$435,844	\$453,761	\$411,836	\$420,072	\$428,474
Debt Service (CCE Bonds & Start-up Costs)	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173	\$3,347,173
Start-Up Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$676,584	\$695,305	\$717,271	\$738,266	\$760,284	\$783,042	\$806,437	\$831,065	\$856,714
Total Operating Costs	\$129,876,271	\$133,570,100	\$137,915,336	\$142,064,499	\$146,418,627	\$150,920,742	\$155,549,954	\$160,426,395	\$165,507,051
Other Revenues									
Total CCE Revenue Requirement	\$129,876,271	\$133,570,100	\$137,915,336	\$142,064,499	\$146,418,627	\$150,920,742	\$155,549,954	\$160,426,395	\$165,507,051
Average CCE Rate (\$/kWh)	\$0.0674	\$0.0685	\$0.0699	\$0.0712	\$0.0726	\$0.0740	\$0.0754	\$0.0769	\$0.0784
Average SCE Generation Rate (\$/kWh)	\$0.0886	\$0.0905	\$0.0916	\$0.0934	\$0.0953	\$0.0973	\$0.0993	\$0.1014	\$0.1036
Total CCE Charges									
SCE Non-bypassable Charges	\$6,117,154	\$6,186,278	\$6,256,183	\$6,326,877	\$6,398,371	\$6,470,673	\$6,543,791	\$6,617,736	\$6,692,517
CCE Revenue Requirement	\$129,876,271	\$133,570,100	\$137,915,336	\$142,064,499	\$146,418,627	\$150,920,742	\$155,549,954	\$160,426,395	\$165,507,051
Total CCE Generation Revenue Requirement	\$135,993,424	\$139,756,377	\$144,171,519	\$148,391,377	\$152,816,999	\$157,391,415	\$162,093,746	\$167,044,131	\$172,199,568
Bundled SCE Revenues									
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$436,353,110	\$450,279,924	\$463,112,047	\$477,714,771	\$492,827,740	\$508,478,593	\$524,689,456	\$541,483,196	\$558,879,668
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$425,379,450	\$438,819,548	\$451,301,587	\$465,405,172	\$479,996,848	\$495,102,384	\$510,742,617	\$526,939,075	\$543,710,612
Savings	\$10,973,660	\$11,460,376	\$11,810,459	\$12,309,599	\$12,830,892	\$13,376,209	\$13,946,840	\$14,544,121	\$15,169,056
Percent Savings	2.5%	2.5%	2.6%	2.6%	2.6%	2.6%	2.7%	2.7%	2.7%

Appendix C – Glossary

aMW: Average annual Megawatt. A unit of energy output over a year that is equal to the energy produced by the continuous operation of one megawatt of capacity over a period of time (8,760 megawatt-hours).

Basis Difference (Natural Gas): The difference between the price of natural gas at the Henry Hub natural gas distribution point in Erath, Louisiana, which serves as a central pricing point for natural gas futures, and the natural gas price at another hub location (such as for Southern California).

Brown Power: Electricity generated from non-renewable sources or that does not come with a Renewable Energy Credit (REC).

Buckets: Buckets 1-3 refer to different types of renewable energy contracts according to the Renewable Portfolio Standards requirements. Bucket 1 are traditional contracts for delivery of electricity directly from a generator within or immediately connected to California. These are the most valuable and make up the majority of the RECS that are required for LSEs to be RPS compliant. Buckets 2 and 3 have different levels of intermediation between the generation and delivery of the energy from the generating resources.

Bundled Customers: Electricity customers who receive all their services (transmission, distribution and supply) from the Investor-Owned Utility.

CAISO: The California Independent System Operator. The organization responsible for managing the electricity grid and system reliability within the former service territories of the three California IOUs.

California Clean Power (CCP): A private company providing wholesale supply and other services to CCAs.

California Energy Commission (CEC): The state regulatory agency with primary responsibility for enforcing the Renewable Portfolio Standards law as well as a number of other, electric-industry related rules and policies.

California Public Utilities Commission (CPUC): The state agency with primary responsibility for regulating IOUs, as well as Direct Access (ESP) and CCA entities.

Capacity Factor: the ratio of an electricity generating resource's actual output over a period of time to its potential output if it were possible to operate at full nameplate capacity continuously over the same period. Intermittent renewable resources, like wind and solar, typically have lower

capacity factors than traditional fossil fuel plants because the wind and sun do not blow or shine consistently.

CCEAC: Community Choice Energy Advisory Committee - a committee formed to advise the City of Davis on the best options for pursuing a CCA.

Climate Zone: A geographic area with distinct climate patterns necessitating varied energy demands for heating and cooling.

Coachella Valley Association of Governments (CVAG): CVAG is the regional planning agency coordinating government services in the Coachella Valley. It includes 10 Cities, Riverside County, the Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians as members.

Coincident Peak: Demand for electricity among a group of customers that coincides with peak total demand on the system.

Community Choice Aggregation: Method available through California law to allow Cities and Counties to aggregate their citizens and become their electric generation provider.

Community Choice Energy: A City, County or Joint Powers Agency procuring wholesale power to supply to retail customers.

Community Choice Partners: A private company providing services to CCAs in California.

Congestion Revenue Rights (CRRs): Financial rights that are allocated to Load Serving Entities to offset differences between the prices where their generation is located and the price that they pay to serve their load. These rights may also be bought and sold through an auction process. CRRs are part of the CAISO market design.

Demand Response (DR): Electric customers who have a contract to modify their electricity usage in response to requests from a utility or other electric entity. Typically, will be used to lower demand during peak energy periods, but may be used to raise demand during periods of excess supply.

Direct Access: Large power consumers which have opted to procure their wholesale supply independently of the IOUs through an Electricity Service Provider.

EI (Edison Electric Institute) Agreement: A commonly used enabling agreement for transacting in wholesale power markets.

Electric Service Providers (ESP): An alternative to traditional utilities. They provide electric services to retail customers in electricity markets that have opened their retail electricity markets to competition. In California the Direct Access program allows large electricity customers to opt-

out of utility-supplied power in favor of ESP-provided power. However, there is a cap on the amount of Direct Access load permitted in the state.

Electric Tariffs: The rates and terms applied to customers by electric utilities. Typically have different tariffs for different classes of customers and possibly for different supply mixes.

Enterprise Model: When a City or County establish a CCA by themselves as an enterprise within the municipal government.

Federal Tax Incentives: There are two Federal tax incentive programs. The Investment Tax Credit (ITC) provides payments to solar generators. The Production Tax Credit (PTC) provides payments to wind generators.

Feed-in Tariff: A tariff that specifies what generators who are connected to the distribution system are paid.

Forward Prices: Prices for contracts that specify a future delivery date for a commodity or other security. There are active, liquid forward markets for electricity to be delivered at a number of Western electricity trading hubs, including NP15 which corresponds closely to the price location which the City of Davis will pay to supply its load.

Implied Heat Rate: A calculation of the day-ahead electric price divided by the day-ahead natural gas price. Implied heat rate is also known as the ‘break-even natural gas market heat rate,’ because only a natural gas generator with an operating heat rate (measure of unit efficiency) below the implied heat rate value can make money by burning natural gas to generate power. Natural gas plants with a higher operating heat rate cannot make money at the prevailing electricity and natural gas prices.

Inland Choice Energy (ICE): The name of the proposed CCA that would serve the TRICOG areas of CVAG, SANBAG, and WRCOG.

Integrated Resource Plan: A utility's plan for future generation supply needs.

Investor-Owned Utility: For profit regulated utilities. Within California there are three IOUs - Pacific Gas and Electric, Southern California Edison and San Diego Gas and Electric.

ISDA (International Swaps and Derivatives Association): Popular form of bilateral contract to facilitate wholesale electricity trading.

Joint Powers Agency (JPA): A legal entity comprising two or more public entities. The JPA provides a separation of financial and legal responsibility from its member entities.

Lancaster Choice Energy (LCE): The most recent California CCA to go-live, exclusively serving the City of Lancaster in Southern California.

LEAN Energy (Local Energy Aggregation Network): A not-for-profit organization dedicated to expanding Community Choice Aggregation nationwide.

Load Forecast: A forecast of expected load over some future time horizon. Short-term load forecasts are used to determine what supply sources are needed. Longer-term load forecasts are used for budgeting and long-term resource planning.

Marginal Unit: An additional unit of power generation to what is currently being produced. At and electric power plant, the cost to produce a marginal unit is used to determine the cost of increasing power generation at that source.

MCE: Formerly Marin Clean Energy - the first CCA in California serving Cities within and the Counties of Marin and Napa.

MRTU: CAISO's Market Redesign and Technology Upgrade. The redesigned, nodal (as opposed to zonal) market that went live in April of 2009.

Net Energy Metering: The program and rates that pertain to electricity customers who also generate electricity, typically from rooftop solar panels.

Non-Coincident Peak: Energy demand by a customer during periods that do not coincide with maximum total system load.

NP15: Refers to a wholesale electricity pricing hub - North of Path 15 - which roughly corresponds to PG&E's service territory. Forward and Day-Ahead power contracts for Northern California typically provide for delivery at NP15. It is not a single location, but an aggregate based on the locations of all the generators in the region.

On-Bill Repayment (OBR): Allows electric customers to pay for financed improvements such as energy efficiency measures through monthly payments on their electricity bills.

Operate on the Margin: Operation of a business or resource at the limit of where it is profitable.

Opt-Out: Community Choice Aggregation is, by law, an opt-out program. Customers within the borders of a CCA are automatically enrolled within the CCA unless they proactively opt-out of the program.

Power Cost Indifference Adjustment (PCIA): A charge applied to customers who leave IOU service to become Direct Access or CCA customers. The charge is meant to compensate the IOU for costs that it has previously incurred to serve those customers.

PPA (Power Purchase Agreement): The standard term for bilateral supply contracts in the electricity industry.

Renewable Energy Credits (RECs): The renewable attributes from RPS-qualified resources which must be registered and retired to comply with RPS standards.

Resource Adequacy (RA): The requirement that a Load-Serving Entity own or procure sufficient generating capacity to meet its peak load plus a contingency amount (15 percent in California) for each month.

RPS (Renewable Portfolio Standards): The state-based requirement to procure a certain percentage of load from RPS-certified renewable resources.

San Bernardino Associated Governments (SANBAG): SANBAG is the council of government and transportation planning agency for San Bernardino County. SANBAG's members include 24 cities and San Bernardino County.

Scheduling Coordinator: An entity that is approved to interact directly with CAISO to schedule load and generation. All CAISO participants must be or have an SC.

Scheduling Agent: A person or service that forecasts and monitors short term system load requirements and meets these demands by scheduling power resource to meet that demand.

Sonoma Clean Power (SCP): A CCA serving Sonoma County and Sonoma County Cities.

Spark Spread: The theoretical gross margin of a gas-fired power plant from selling a unit of electricity, having bought the fuel required to produce this unit of electricity. All other costs (capital, operation and maintenance, etc.) must be covered from the spark spread.

Supply Stack: Refers to the generators within a region, stacked up according to their marginal cost to supply energy. Renewables are on the bottom of the stack and peaking gas generators on the top. Used to provide insights into how the price of electricity is likely to change as the load changes.

TriCOG: Refers collectively to the three councils of governments: Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG), and Western Riverside Council of Governments (WRCOG).

Weather Adjusted: Normalizing energy use data based on differences in the weather during the time of use. For instance, energy use is expected to be higher on extremely hot days when air conditioning is in higher demand than on days with comfortable temperature. Weather adjustment normalizes for this variation.

Western Electric Coordinating Council (WECC): The organization responsible for coordinating planning and operation on the Western electric grid.

Western Riverside Council of Governments (WRCOG): WRCOG is the council of governments in Western Riverside County consisting of 17 Cities, Riverside County, and the Morongo Band of Mission Indians.

Wholesale Power: Large amounts of electricity that are bought and sold by utilities and other electric companies in bulk at specific trading hubs. Quantities are measured in MWs, and a standard wholesale contract is for 25 MW for a month during heavy-load or peak hours (7am to 10 pm, Mon-Sat), or light-load or off-peak hours (all the other hours).

WSPP (Western States Power Pool) Agreement: Common, standardized enabling agreement to transact in the wholesale power markets.