Western Riverside Council of Governments
WRCOG Executive Committee

AGENDA

Monday, October 2, 2023
2:00 PM

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

Remote Location:

French Valley Airport Conference Room
37600 Sky Canyon Road
Murrieta, CA 92563

Committee members are asked to attend this meeting in person unless remote accommodations have previously been requested and noted on the agenda. The below Zoom link is provided for the convenience of members of the public, presenters, and support staff.

Public Zoom Link
Meeting ID: 893 7088 6219
Passcode: 20230206
Dial in: 669-444-9171 U.S.

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 405-6706. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior

to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 200, Riverside, CA, 92501.

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

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

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

1. CALL TO ORDER (Chris Barajas, Chair)

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENTS

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

5. CONSENT CALENDAR

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

A. Action Minutes from the September 11, 2023, Executive Committee Meeting

Requested Action(s):

1. Approve the Action Minutes from the September 11, 2023, Executive Committee meeting.

B. Finance Department Activities Update and Budget Amendment

Requested Action(s):

1. Approve the Fiscal Year 2023/2024 Budget Amendment.

C. WRCOG Committees and Agency Activities Update

Requested Action(s):

1. Receive and file.

D. Report out of WRCOG Representatives on Various Committees

Requested Action(s):

1. Receive and file.

E. Approval of 2023 TUMF Central, Hemet / San Jacinto, and Pass Zones' 5-Year Transportation Improvement Programs

Requested Action(s):

1. Approve the 2023 TUMF Central Zone 5-Year Transportation Improvement Program.
2. Approve the 2023 TUMF Hemet / San Jacinto Zone 5-

Year Transportation Improvement Program.
3. Approve the 2023 TUMF Pass Zone 5-Year Transportation Improvement Program.

F. Approval of one TUMF Reimbursement Agreement and two TUMF Reimbursement Agreement Amendments

Requested Action(s):

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Corona for all of the phases of the Ontario Avenue Widening at I-15 Project in an amount not to exceed $6,160,000.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Lake Elsinore for the Plans, Specification and Estimate and Right-of-Way Phases of the SR-74 / I-15 Interchange Project in an amount not to exceed $5,000,000. The total amount of the TUMF Reimbursement Agreement will now not exceed $7,634,251.
3. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Lake Elsinore for the Right-of-Way Phase with the I-15/Franklin Street Interchange Improvement Project in an amount not to exceed $5,500,000. The total amount of the TUMF Reimbursement Agreement will now not exceed $11,500,000.

6. REPORTS / DISCUSSION

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

A. Professional Services Agreement with Yunex, LLC, for Streetlight Operations & Maintenance

Requested Action(s):

1. Award a Professional Services Agreement to Yunex, LLC, for Streetlight Operations & Maintenance, pursuant to Request for Proposals Number 23-02.
2. Authorize the Executive Director to execute a Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with Yunex, LLC, for Streetlight Operations & Maintenance,
3. Authorize the Executive Director to execute the Letters regarding the Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with member agencies in the Regional Streetlight Program and Yunex, LLC, for Streetlight Operations & Maintenance,
4. Authorize the Executive Director to execute a First Amendment to the Implementation Agreements, subject to legal counsel's and member agencies' review and approval, with participating member agencies in the Regional Streetlight Program.

B. PACE Programs Activities Update: Unclaimed Refunds Escheatment Update

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

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR
Rod Butler, City of Jurupa Valley

8. REPORT FROM COMMITTEE REPRESENTATIVES
CALCOG, Brian Tisdale
SANDAG Borders Committee, Crystal Ruiz
SAWPA OWOW Steering Committee, Wes Speake
SCAG Regional Council and Policy Committee Representatives
WRCOG Ad Hoc Committees

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR
Chris Barajas, City of Jurupa Valley

10. REPORT FROM THE EXECUTIVE DIRECTOR
Dr. Kurt Wilson

Access the report here.

11. ITEMS FOR FUTURE AGENDAS
Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

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

13. NEXT MEETING
The next Executive Committee meeting is scheduled for Monday, November 6, 2023, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

14. ADJOURNMENT

WRCOG Executive Committee

Action Minutes

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1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Chris Barajas at 2:00 p.m. on September 11, 2023, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

2. PLEDGE OF ALLEGIANCE

Chair Chris Barajas led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

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

Absent:

- City of Banning - Reuben Gonzales
- City of Menifee - Bob Karwin
- City of Temecula - James Stewart
- County, District 3 - Chuck Washington
- Riverside Co. Superintendent of Schools - Dr. Edwin Gomez

4. PUBLIC COMMENTS

Daniel Bringhurst, Euergetes Group, indicated that California population has declined by 500,000 people in the last two years. He highlighted a HUD grant, Pathways to Removing Obstacles to Housing, which would secure up to $85M to help prevent the population decline. He offered the Euergetes Group services to act as labor, under the Committee's direction. He will follow up with Committee members to talk further on the topic.

Yvette Macias from SCAG stated she is now officially the Government Affairs representative for the Counties of Riverside and San Bernardino. She invited the Committee to attend the 34th Demographic Workshop, which partners with USC, and will focus on the generational shift. The event will take place on September 20, 2023, and members may attend virtually, or in person at SCAG's downtown Los Angeles office. Workshop fees for elected officials are complementary, and interested parties may register online at SCAG's website.

5. CONSENT CALENDAR

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

A. Action Minutes from the August 7, 2023, Executive Committee Meeting

Action:
1. Approved the Action Minutes from the August 7, 2023, Executive Committee meeting.

B. WRCOG Committees and Agency Activities Update

Action:
1. Received and filed.

C. Report out of WRCOG Representatives on Various Committees

Action:
1. Received and filed.

D. TUMF Program Activities Update: Approval of Credit Agreement

Action:
1. Authorized the Executive Director to execute a TUMF Credit Agreement with the City of Perris and IDIL Perris North 3 L.P.

E. Appointment to the Riverside County Emergency Medical Care Committee

Action:
1. Appointed Technical Advisory Committee member Lori Sassoon, City Manager for the City of Norco, as the WRCOG alternate representative to the Riverside County Emergency Medical Care Committee.

F. Approval of General Assembly and Executive Committee Meeting Schedules for 2024

Action:
1. Approved the schedules of the General Assembly and Executive Committee meetings for 2024.

6. REPORTS / DISCUSSION

A. PACE Programs Activities Update: Deferral of Judicial Foreclosures on Delinquent PACE Properties

Action:
1. Adopted Resolution Number 27-23; A Resolution of the Executive Committee of the Western Riverside Council of Governments to defer foreclosure proceedings.

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

B. TUMF Collections for Fiscal Year 2022/2023

Actions:
1. Received and filed.

7. REPORT FROM THE TECHNIAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chair was not present.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Crystal Ruiz reported that SCAG's Greenprint Technical Advisory Committee is currently updating its data standards, revising the tools, functionality, and beta testing its the Greenprint Tool. There is one more meeting before it goes to the SCAG Committees for approval.

Committee member Ruiz, SCAG Transportation Policy Committee representative, also reported that SCAG's Transportation Committee discussed the SoCal 2024 RTP/SCS draft review.

Committee member Joseph Morabito, SCAG's Community, Economic and Human Development Policy Committee representative, reported that 13 recommendations were presented at the meeting, some of which will require legislation to be implemented; others will be evaluated as part of the 7th RHNA Cycle. As part of the state-wide RHNA reform, HCD is soliciting comments until September 15, 2023. See the

RHNA Program on SCAG's website for details.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Barajas did not have an update for the Committee.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson stated that a written report is included in the agenda. A Strategic Planning session is scheduled for January 12, 2024, to review WRCOG's progress; staff would like to have as many Committee members present as possible. Similarly, the annual Agency survey will be emailed, and he encouraged all Committee members to respond. There are a number of Ad Hoc Committees, which will report at this Committee going forward.

11. ITEMS FOR FUTURE AGENDAS

Committee member Morabito asked staff to coordinate with other agencies when creating the meeting schedule for next year, preferably the same day, for the convenience of Committee members who drive from farther away.

12. GENERAL ANNOUNCEMENTS

There were no general announcements.

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, October 2, 2023, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

14. CLOSED SESSION

There were no reportable actions.

15. ADJOURNMENT

The meeting was adjourned at 3:08 p.m.

Item 5.B

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Finance Department Activities Update and Budget Amendment**

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

Date: **October 2, 2023**

Recommended Action(s):

1. Approve the Fiscal year 2023/2024 Agency Budget Amendment.

Summary:
The Finance Department is currently working through its year-end close, which includes analyzing all of its accounts, accruing revenues and expenditures, and preparing year-end schedules in preparation for the annual audit. A budget amendment is also being requested in this item, related to an approved settlement offer in the HERO Program.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:
The purpose of this item is to provide information regarding Finance Department activities and any action needed on budget-specific items. This effort addresses WRCOG 2022-2027 Strategic Plan Goal #3 (Ensure fiscal solvency and stability of the Western Riverside Council of Governments).

Discussion:
Background

The Finance Department provides regular updates to WRCOG Committees regarding the financial status of WRCOG and also provides summaries of on-going activities that might be of interest to member jurisdictions. The financial reports document agency revenues and expenditures through the current fiscal year, as reported by various programs, funds, and other administrative divisions. On-going activities include the preparation of the Agency audit, budget amendment, and preparation of the WRCOG budget for consideration and approval by WRCOG Committees.

Present Situation

Fiscal Year 2022/2023 Year End and Agency Audit

In September 2023, consultant VLF will conduct the first phase of the audit, known as the interim audit, which involves preliminary audit work that is conducted prior to the books being fully closed. The interim audit tasks are conducted in order to gain an understanding of the Agency's processes during the year and to compress the period needed to complete the final audit after the books have been closed. The final audit is scheduled for October 2023 and it is anticipated to be completed with the Agency's Annual Comprehensive Financial Report (ACFR) to be issued by November 2023.

Financial Documents

All of WRCOG's most recent financial statements, budget, monthly financials, amendments, etc. are located on the Agency's website **here**.

Fiscal Year 2023/2024 Budget Amendment

The Executive Committee recently authorized a settlement related to the HERO Program in the amount of $35,000; however, the budget for settlements is $25,000, so a budget amendment is being brought forward to increase the budget by $10,000.

Prior Action(s):
None.

Financial Summary:
The budget amendment will increase expenditures in the HERO Program (5000) under the General Fund (110) by $10,000. There is an assigned fund balance specific to the HERO Program in the General Fund based on carryover funds from prior years, but in order to be as clear and transparent as possible, staff are working to break out the HERO Program's remaining dollars into its own separate fund going forward.

Attachment(s):
Attachment 1 - Fiscal Year 2023/2024 HERO Budget Amendment

Attachment

FY 2023/2024
Budget Amendment

Energy & Environment FY 23/24 Budget		CA HERO (5000)		
Revenues		**Budget**	**Amendment**	**Revised**
HERO Admin Revenue	40603	764,000		
Total Revenues		**$ 764,000**		
Expenses		**Budget**		
Salaries	60001	$ 314,578		
Fringe Benefits	61000	150,558		
Overhead	63000	284,942		
Legal	65101	300,000		
Bank Fees	65505	5,000		
Parking Validations	73102	50		
Computer Software	73110	3,510		
Membership Dues	73113	250		
Subscriptions	73114	1,000		
Meeting Support Services	73115	100		
Postage	73116	750		
Computer Equipment/Supplies		1,000		
Communications		1,500		
Data Processing Support	73504	21,000		
PACE Residential Recording	73506	7,500		
Seminars/Conferences	73601	500		
Travel Related Expenses		1,000		
Training	73650	500		
Compliance Settlements	81010	25,000	10,000	35,000
Total Expenses		**$ 1,158,738**	**$ 10,000**	**$ 1,168,738**

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **WRCOG Committees and Agency Activities Update**

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

Date: **October 2, 2023**

Recommended Action(s):
Receive and file.

Summary:
Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the month of September 2023.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:
The purpose of this item is to inform the Committee of actions and activities from WRCOG standing Committee meetings. This item aligns with Goal #4 of the Strategic Plan (Communicate proactively about the role and activities of the Council of Governments).

Discussion:
Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the month of September 2023.

Prior Action(s):
September 11, 2023: The Executive Committee received and filed.

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

Attachment(s):
Attachment 1 - WRCOG Committees Activities Update September 2023

Western Riverside Council of Governments
Executive Committee Meeting Recap
September 11, 2023

Following is a summary of key items discussed at the last Executive Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/9985/ec-0923-agendapacket-Revised

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/9995/EC-0923-PPT

Executive Director's Report: https://wrcog.us/DocumentCenter/View/9990/ED-Report-0911

PACE Program Activities Update: Deferral of Judicial Foreclosures on Delinquent PACE Properties

- Every year, the Executive Committee reviews the number and dollar amount of delinquencies resulting from property owners not fully paying their property taxes, including their PACE assessment.
- In order to ensure a PACE delinquency does not result in a foreclosure, WRCOG partners with First National Assets (FNA), a third party which purchases the PACE delinquency receivables to ensure bond payments are made on time.
- Partnering with FNA ensures ***no*** property owners will be subject to a foreclosure due to a delinquency

TUMF Collections for FY 2022/2023

- WRCOG collected $70M in TUMF Revenue for FY 2022/2023. This revenue was down slightly from FY 2021/2022 but represents an increase over the past five years, with average collections over this period of $65M.
- Most of this revenue was generated by single-family residential (63%), with industrial (17%), multi-family residential (16%), and retail/service-commercial (4%) accounting for the remaining amount.
- All WRCOG jurisdictions reported TUMF revenue, with increased activity in the TUMF Pass and the Hemet/San Jacinto Zones, accounting for 30% of the total collections.

Next Meeting

The next Executive Committee meeting is scheduled for Monday October 2, 2023, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
September 13, 2023

Following is a summary of key items discussed at the last Administration & Finance Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/9994/AF-0923-Agenda-Packet

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10001/af0923ppt

PSA with Yunex for Streetlight Operations & Maintenance

- WRCOG's current agreement with Yunex for streetlight O&M services expires on December 1, 2023.
- A RFP was issued in July 2023 and only one bid was received - from Yunex - by the closing date. A bid review committee consisting of staff from Streetlight Program member agencies was established to review the bid and conduct interviews. Member agencies in the Streetlight Program are satisfied with Yunex and have recommended WRCOG to continue working with Yunex for streetlight O&M services.
- Staff are continuing to work with member agencies of the Streetlight Program to develop a not-to-exceed contract amount which would be based on historic costs and approved budget allocations for streetlight O&M from each member agency. Staff are also working on integrating additional requirements that member agencies have asked for into the final agreement. Staff will be providing administrative support for each member agency in the Program to seek their individual City Council's or Board of Directors' approval of the new Agreements.

CARB Grant Opportunity: Regional Zero Emissions Vehicle Deployment Support and Toolkit

- CARB has made $215M available through competitive grant solicitation to support deployment of ZEVs throughout the state.
- WRCOG staff are seeking funding from the Advanced Technology Demonstration and Pilot Projects Program to support ZEV deployment for multiple municipalities in the subregion. This money would support 50% of the purchase of zero emissions vehicles, infrastructure, and other technology; provide technical support, training, and outreach; create a zero-emissions transition toolkit. Staff expect the WRCOG project to request $2.5M in funding, with another $2.5M in matched funding supplied by participating agencies.
- WRCOG staff will utilize a grant preparation consultant at a cost of approximately $40,000 total. The grant application is due on October 12, 2023.

Advocacy Ad Hoc Committee Update

- Advocacy Ad Hoc Committee meetings will occur monthly.
- Items will be first addressed by the Ad Hoc Committee and then either reported out or brought for further consideration by the Administration & Finance Committee.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, October 11, 2023, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200.

Item 5.D

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Report out of WRCOG Representatives on Various Committees**

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

Date: **October 2, 2023**

Recommended Action(s):

1. Receive and file.

Summary:
One key function of the Executive Committee is that it appoints representatives to various outside agencies, groups, and committees to represent WRCOG. This Staff Report summarizes activities related to CALCOG, the SANDAG Borders Committee, and the SAWPA OWOW Steering Committee.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:
The purpose of this item to provide information regarding various external agencies, groups, and committees related to WRCOG where WRCOG has appointed one or more representative(s) to serve as its representative. This item supports Strategic Plan Goal 4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:
CALCOG Board of Directors (Brian Tisdale)

The CALCOG Board of Directors met on September 18, 2023. Agenda highlights include:

1. TIRCP-ZETCP Program update.
2. Legislative update.
3. IIJA Regional Infrastructure Accelerator Grant.
4. Board Strategic Retreat.
5. Officer Nominations.

The next CALCOG Board of Directors meeting and retreat is scheduled for December 7 & 8, 2023.

SANDAG Borders Committee (Crystal Ruiz)

The SANDAG Borders Committee met on September 22, 2023. Agenda highlights include:

1. 2023 Bike Anywhere and Tijuaneando en Bici Crossborder Celebration update.

2. San Diego and Imperial Counties Sustainable Freight Implementation Strategy.
3. Zero Emission Freight Transition at the California-Baja California Border Study.
4. Reimagining Tijuana.
5. Tijuana – San Diego 2024 World Design Capital.

The next SANDAG Borders Committee meeting is scheduled for October 27, 2023.

SAWPA OWOW Steering Committee

The SAWPA OWOW Steering Committee meeting of September 28, 2023, was cancelled. The next SAWPA OWOW Steering Committee meeting is scheduled for November 16, 2023.

Prior Action(s):
September 11, 2023: The Executive Committee received and filed.

Financial Summary:
Appointed Committee members are paid $150 to attend their respective meetings. WRCOG stipends are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the Administration Department in the General Fund (Fund 110).

Attachment(s):
Attachment 1 - CALCOG agenda 091823
Attachment 2 - SANDAG Borders Committee agenda 092223

Attachment

CALCOG agenda 091823

Effective Regions Through Partnership

California Association of Councils of Governments

BOARD OF DIRECTORS

MEETING AGENDA

September 18, 2023
2:00 P.M. - 3:30 P.M.

Meeting Connection Information:

Zoom Link:

https://us02web.zoom.us/j/6759856183

Meeting ID: 675 985 6183

Having trouble? Email Natalie at nzoma@calcog.org

BOARD MEETING AGENDA

TIME	ITEM	DESCRIPTION	PURPOSE	PAGE
2:00 pm	1	**Welcome & Roll Call.** Staff will mark attendance as members enter the virtual meeting space. Please type your name in the Zoom identifier. For agency staff monitoring the meeting, please type in your name and turn off your video.		
2:05 pm	2	**Approval of the Minutes.**	Action	5
2:12 pm	3	**Executive Director Report.**	Information	6
		POLICY ITEMS		
2:20 pm	4	**TIRCP-ZETCP Program.** Update on CALCOG actions related to the implementation of this $5 billion program.	Information	8
2:30 pm	5	**Legislative Update.** Staff will provide an update on key bills.	Information	17
		Organization Items		
2:50 pm	6	**IIJA Regional Infrastructure Accelerator Grant.** Staff will give an overview of CALCOG's involvement in a joint grant application with 5 of our members and Caltrans.	Information	21
3:00 pm	7	**Board Strategic Retreat.** Staff will present a summary for the Board's strategic retreat and take comments and recommendations for the agenda**.**	Information	n/a
3:15 pm	8	**Officer Nominations.**	Information	n/a

Board Calendar Look Ahead

September 27: (10 am to 12 pm). **COG Directors Group (CDAC)** Update Briefing. **Virtual**

December 7 & 8: Fall **Board** Meeting and Retreat. **In Person** (Riverside)

December 14: **Board** &/or **CDAC**: Policy Update (Hold: use if needed) **Virtual**

February 7: (3:00 to 4:30 pm). **Board** at Regional Leadership Forum. **In Person** (Monterey)

February 7- 9: **Regional Leadership Forum** (Annual Conference). **In Person** (Monterey)

BOARD OF DIRECTORS ROSTER

- ☐ President, **Brian Tisdale,** Council Member, City of Lake Elsinore, Western Riverside Council of Gov'ts
- ☐ First Vice President, **Robert Poythress,** Supervisor, Madera County, Madera County Transportation Commission
- ☐ Second Vice President**, Jesse Arreguin,** Mayor, City of Berkeley, Association of Bay Area Governments
- ☐ Immediate Past President, **Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- ☐ **John Bauters,** Council Member, City of Emeryville, Alameda County Transportation Commission
- ☐ **Scott Funk,** Mayor Pro Tem, City of Gonzales, Association of Monterey Bay Area Governments
- ☐ **Jan Harnik,** Council Member, City of Palm Desert, Coachella Valley Association of Governments
- ☐ **Loella Haskew,** Council Member, City of Walnut Creek, Contra Costa Transportation Authority
- ☐ **Wendy Thomas,** Supervisor, El Dorado County, El Dorado County Transportation Commission
- ☐ **Gary Yep**, Mayor, City of Kerman, Fresno Council of Governments
- ☐ **Stacy Atkins-Salazar,** Council Member, City of Arcata, Humboldt County Association of Governments
- ☐ **Mike Goodsell,** Councilmember, City of Holtville, Imperial County Transportation Commission
- ☐ **Bob Smith**, Council Member, City of Bakersfield, Kern Council of Governments
- ☐ **Doug Verboon,** Supervisor, Kings County, Kings County Association of Governments
- ☐ **Russell Cremer,** Councilmember, City of Clearlake, Lake County/City Area Planning Council
- ☐ **John Haschak,** Supervisor, Mendocino County, Mendocino Council of Governments
- ☐ **Josh Pedrozo,** Supervisor, Merced County, Merced County Association of Governments
- ☐ **James P. Spering,** Commissioner Representing Solano County and Cities, Metropolitan Transportation Commission
- ☐ **Alfredo Pedroza**, Supervisor, Napa County, Napa Valley Transportation Authority
- ☐ **Patrick Harper,** Council Member, City of Fountain Valley, Orange County Transportation Authority
- ☐ **Paul Joiner,** Council Member, City of Lincoln, Placer County Transportation Planning Agency
- ☐ **Lisa Middleton,** Council Member, City of Palm Spring, Riverside County Transportation Commission
- ☐ **Michael Saragosa,** Mayor, City of Placerville, Sacramento Area Council of Governments
- ☐ **Bea Gonzales,** Supervisor, San Benito County, San Benito Council of Governments
- ☐ **Alan Wapner,** Council Member, City of Ontario, San Bernardino County Transportation Authority
- ☐ **Sandy Naranjo**, Vice Chair, Port of San Diego, San Diego Association of Governments
- ☐ **Tim Hepburn,** Mayor, City of La Verne, San Gabriel Valley Council of Governments
- ☐ **Dan Wright,** City of Stockton, San Joaquin Council of Governments
- ☐ **Jenelle Osborne,** Mayor, City of Lompoc, Santa Barbara County Association of Governments
- ☐ **Zach Friend,** Supervisor, Santa Cruz County, Santa Cruz County Regional Transportation Commission
- ☐ **Tenessa Audette,** Councilmember, City of Redding, Shasta Regional Transportation Agency
- ☐ **Steve Young,** Mayor, City of Benicia, Solano Transportation Authority
- ☐ **Britt Huff,** Council Member, City of Rolling Hills Estates, South Bay Cities Council of Governments
- ☐ **Chris Rogers**, Mayor, City of Santa Rosa, Sonoma County Transportation Authority
- ☐ **Margaret Finlay,** Council Member, City of Duarte, Southern California Association of Governments
- ☐ **Richard O'Brien,** mayor, City of Riverbank, Stanislaus Council of Governments
- ☐ **Steve Teshara,** Board Representative, Tahoe Transportation District
- ☐ **Michael LeBarre**, Mayor, City of Kings City, Transportation Agency for Monterey County,
- ☐ **Amy Shuklian,** Supervisor, Tulare County, Tulare County Association of Governments
- ☐ **Mike Johnson,** Councilmember, City of Ventura, Ventura County Transportation Commission

* Designates Executive Committee Member

Quorum. A quorum requires a majority of active directors. A member has an active director when it has had a representative attend a board meeting within the last twelve months (including attendance at the current meeting). Staff develops a list of active members prior to each meeting and makes adjustments to the count if a formerly inactive member attends the current meeting.

Current Vacancies: Butte County Association of Governments, Calaveras Council of Governments, City/County Association of San Mateo Governments, Los Angeles County Metropolitan Transportation Authority, Orange County Council of Governments, Santa Clara Valley Transportation Authority, Tahoe Regional Planning Agency, Transportation Agency of Marin, Tuolumne County Transportation Council

DRAFT
CALCOG Board Meeting Minutes
June 30, 2023

1. ATTENDANCE

Attendance was taken visually as members logged into their accounts via the Zoom meeting platform:

- President, **Brian Tisdale**, Council Member, City of Lake Elsinore, Western Riverside Council of Governments
- First Vice President, **Robert Poythress**, Supervisor, Madera County, Madera County Transportation Commission
- Second Vice President, **Jesse Arreguin**, Mayor, City of Berkeley, Association of Bay Area Governments
- Immediate Past President, **Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- **John Bauters**, Alameda County Transportation Commission
- **Scott Funk**, Mayor Pro Tem, City of Gonzales, Association of Monterey Bay Area Governments
- **Jan Harnik**, Council Member, City of Palm Desert, Coachella Valley Association of Governments
- **Loella Haskew**, Council Member, City of Walnut Creek Contra Costa Transportation Authority
- **Wendy Thomas**, Supervisor, El Dorado County, El Dorado County Transportation Commission
- **Gary Yep**, Mayor, City of Kerman, Fresno COG
- **Stacy Atkins-Salazar**, Council Member, City of Arcata, Humboldt County Association of Governments
- **Mike Goodsell**, Council Member, City of Holtville, Imperial County Transportation Commission
- **Russell Cremer**, Council Member, City of Clearlake, Lake County/City Area Planning Council
- **John Haschak**, Supervisor, Mendocino County, Mendocino Council of Governments
- **Josh Pedrozo**, Supervisor, Merced County, Merced County Association of Governments
- **Patrick Harper**, Council Member, City of Fountain Valley, Orange County Transportation Authority
- **Paul Joiner**, Council Member, City of Lincoln, Placer County Transportation Planning Agency
- **Michael Saragosa**, Mayor, City of Placerville, Sacramento Area Council of Governments
- **Alan Wapner**, Council Member, City of Ontario, San Bernardino County Transportation Authority
- **Sandy Naranjo**, Vice Chair, Port of San Diego, San Diego Association of Governments
- **Becky Shevlin**, Mayor, City of Monrovia, San Gabriel Valley Council of Governments
- **Jenelle Osborne**, Mayor, City of Lompoc, Santa Barbara County Association of Governments
- **Tenessa Audette**, Council Member, City of Redding, Shasta Regional Transportation Agency
- **Steve Young**, Mayor, City of Benicia, Solano Transportation Agency
- **Britt Huff**, Council Member, City of Rolling Hills Estates, South Bay Cities Council of Governments
- **Margaret Finlay**, Council Member, City of Duarte, Southern California Association of Governments
- **Richard O'Brien**, Mayor, City of Riverbank, Stanislaus Council of Governments
- **Steve Teshara**, Board Representative, Tahoe Transportation District
- **Michael LeBarre**, Mayor, City of Kings City, Transportation Agency of Monterey County
- **Amy Shuklian**, Supervisor, Tulare County, Tulare County Association of Governments
- **Mike Johnson**, Council Member, City of Ventura, Ventura County Transportation Commission

2. APPROVAL OF MINUTES — ACTION

- The minutes of June 6, 2023 were approved. Motion by Britt Huff, Seconded by Sandy Naranjo.

3. EXECUTIVE DIRECTOR REPORT — INFORMATION

- The executive director provided a brief report for information only. There were no materials.

4. STATE BUDGET UPDATE — INFORMATION

- Staff provided an oral overview of key provisions of the state budget, which includes a significant role for RTPAs in administering $5.1 billion in TIRCP and other transit funding.

5. BUDGET AND DUES — ACTION

- The CALCOG Board adopts a budget and dues schedule annually. The final budget retained the previous dues schedule and largely tracked with the previous year's budget. The board adopted the budget and dues schedule as recommended by the Fiscal Committee. Motion to approve the budget by John Bauters, seconded by Paul Joiner.

3. EXECUTIVE DIRECTOR'S REPORT **INFORMATION**

A. BACKGROUND

The Executive Director's Report is a summary of recent actions, accomplishments, and issues related to the implementation of CALCOG's work program. Although intended to be informational, questions are welcomed and even encouraged. Sometimes the informal discussions that occur during these reports help inform staff and improve our work program. For this meeting, the Executive Director intends to report on the items listed below.

B. ITEMS TO BE HIGHLIGHTED

- **Sixth Cohort of Leadership Academy to Begin**. We are pleased to start our sixth (6th) cohort of the California Academy for Regional Leaders program, which we affectionately refer to as CARL. This is our biggest class to date with over 30 participants.

- **Leadership through Coaching Workshop.** In one of our first efforts to offer continued leadership development opportunities beyond CARL (see above), CALCOG hosted a two day in-person advance leadership training last week. The program focused on developing coaching skills and how to apply them in leadership roles. The 18 participants were given the opportunity to test and practice the skills with one another as they were learning new concepts. Initial feedback was very positive. We will look for opportunities to provide more sessions like this.

- **EV Webinar on September 26 at 10AM:** CALCOG is hosting a sponsored webinar with So Cal Edison on EV charging infrastructure. Regional governments are emerging as key partners in identifying gaps in service and providing local governments with additional resources to site and install chargers. We would like to thank our members Susan Freedman from SANDAG and Janet Orth from Mendocino COG for joining the panel discussion with So Cal Edison and Go Biz. Anyone interested in hearing how some of our members are developing the EV market can sign up on our website.

- ***Regional Leadership Forum***. Mark your calendars. The Regional Leadership Forum is coming back to Monterey in the first week of February 7-9. More details to follow.

- ***Administrative Issues In Which We Are Monitoring & Commenting.*** At any given time, staff is tracking several issues to assure that our members are informed and to make recommendations when necessary. Here are some of those current processes.
  - <u>California Transportation Commission, SB 1121 Needs Assessment</u>. The Legislature charged the CTC to develop a new transportation needs assessment that will also consider the full cost of achieving state goals, including lost gas tax revenues.

- CAPTI-CSIS Implementation. We co-hosted a workshop with the Self Help Counties Coalition with the Director of Modal Programs at Caltrans to ensure that the draft guidelines reflect the capabilities and constraints of current systems.
- RHNA Reform. The administration is due to develop a report that will address issues related to housing and RHNA at the end of the year.
- OPR Local Government Implementation Issues. The Governor's Office of Planning and Research has asked CALCOG and its members to help identify issues and local government officials to invite for a summit on local government implementation issues related to transportation, housing, climate, and other issues.
- Regional Transportation Plan Guidelines. The Guidelines are regulatory. We always review the process to assure that the Guidelines follow the traditional "shall-may" rule, which is that although the Guidelines may suggest best practices, they may not require MPOs and RTPAs to take actions that are substantially beyond the scope of what is required by statute.

- ***CALCOG Operations.*** Here are some items related to the administration of our organization.
  - Extended Term of our Summer Intern, Caroline Hammond. We are extending the term of our summer UC Riverside Intern, Caroline Hammond. In addition to helping with some of our planning related to webinars and our leadership academy, Caroline was also doing research to document the accomplishments of our COG members under the Regional Early Action Program for Housing program (REAP 1). We have extended her work because there is still a lot to do. This position is funded by contract funds related to the REAP 1 program that must be expended by the end of the year.
  - Making Website ADA Accessible. Recent changes in the law require websites to be accessible to people with all abilities. We recently added a service to the website to make our information more accessible.
  - Bill Tracking Software Group License Discount for Members. Staff negotiated a group license deal with Capital Track (the service that provides our bill tracking) that will allow our members to purchase licenses for a discounted amount. We will be marketing it during the fall in advance of the Legislature reconvening in January
  - Office Lease is Up. Our office lease is up in April and we will be looking to downsize our office space given (and pay less rent). Staff is looking at options now.

4: TIRCP-ZETCP PROGRAM UPDATE INFORMATION

A. BACKGROUND

In June of 2022, the state budget included $4 billion to be distributed regionally under the Transit and Inter-City Rail Program (TIRCP). Frankly, CALCOG staff was never certain that those funds would be realized given the looming deficit. Fortunately, we were incorrect. The current year budget includes all $4 billion for the program ($2 billion a year for two years). In addition, an additional $1.1 billion was added for a Zero Emission Transit Capital Program (ZETCP) to be distributed over 4 years. The wrinkle that the Legislature added (and the Governor agreed to) was to allow the Regional Transportation Planning Agencies that receive the funds (which are largely CALCOG's members) to redirect a portion of the funding to cover transit operations if needed. The timing is quick. Despite just being approved in June, final Guidelines will be posted by the end of September.

B. For Information

This agenda item provides an opportunity to discuss the program as well as CALCOG's work to date on the implementation.

C. Documents, Actions, and Observations

- ***CALCOG Policy Brief Attached.*** Upon adoption, CALCOG put out the first comprehensive "plain English" summary that included the first estimate of funding amounts. We understand that this document was cited by Senior Caltrans executives and others as a good summary of the program.
- ***First Meeting with CalSTA.*** CALCOG organized the first meeting with CalSTA Undersecretary Mark Tollefson and Deputy Secretary and TIRCP Program to provide an overview of the program—even before they hosted their own workshops. This gave senior RTPA staff the opportunity to pose questions and raise potential issues.
- ***Draft Guidelines Look Pretty Good.*** These program Guidelines are pretty remarkable insofar as they delegate a great deal of decision-making to the regions. In addition, funding will be provided up front, which not only eases the process for all involved but also allows the RTPAs to realize the interest for additional program investments. Contrast this with the REAP program, where the entire budget has to be approved by state agencies and then funds are distributed on a reimbursement basis.
- ***CALCOG Guideline Comment Letter Attached.*** We really had one major issue with the Guidelines. Making sure that there is sufficient funding to cover the costs of administrating the program. CALCOG received oral clarification from Deputy Secretary that project management costs would not count toward the limit on administrative costs. While that addresses a major concern, we still made the point that the limitation they created was not enough for small and medium sized agencies (see attachment).

California Association of Councils of Governments

POLICY BRIEF

July 21, 2023

The RTPA Role in Distributing New Transit Capital (and Operations) Funding in FY 23-24 State Budget

The State's Fiscal Year 23-24 Budget includes significant new funding for transit capital that may also be applied to cover transit operational needs on a region-by-region basis. Over $5 Billion in funds will be allocated directly to Regional Transportation Planning Agencies for these purposes through a formula Transit and Intercity Rail Capital Program (TIRCP) and a new Zero Emission Transit Capital Program (ZETCP). Accompanying this funding, however, are obligations to conduct financial and transit service quality analysis that will be new to most RTPAs. This Policy Brief is meant to provide a quick overview of what is in the budget, how much will be allocated to each RTPA, and what issues still need to be addressed. We welcome your input.

A. CAPITAL FUNDING PROGRAM OVERVIEW

- ***TIRCP + ZETCP = $5.1 Billion!*** Together, the two capital programs provide $5.1 billion over four years (but most allocated in the next two years). There is $4 billion for a regional Transit & Intercity Rail Capital Program (TIRCP) and $1.1 billion for a new Zero Emission Transit Capital Program (ZETCP).

- ***With Option to Use Funds for Transit Operating Costs.*** An RTPA may opt to use all or any portion of the funds from either program for transit operating expenses consistent with an approved regional short-term financial plan or a long-term financial plan (see below). The Legislature's goal is to provide those regions that need it with a one-time multiyear bridge funding to address operational costs until long-term transit sustainability solutions are identified. Funds can be used to prevent service cuts and increase ridership; prioritize the availability of transit for riders who are transit dependent; and to prioritize transit agencies representing a significant percentage of the region's ridership.

- ***Formula Allocations Coming to an RTPA Near You!*** The TIRCP funding will be allocated to the 49 eligible RTPAs each year under the following formula: each agency to receive $300,000 "off the top" with the remainder allocated by population as provided by Public Utilities Code § 99313. The ZETCP funding will be allocated half by population and half by revenue as provided by PUC § 99312.1(a). Our estimated **funding allocations for each RTPA are on the next page**. (Note that these are not official allocations, just our best guess based on the formulas and past practice).

CALCOG's Estimate of Funding Allocations for TIRCP and ZETCP Programs

	RTPA	TIRCP FY 23-24 $ 2,000,000,000	TIRCP FY 24-25 $ 2,000,000,000	ZETCP FY 23-24 $ 410,000,000	ZETCP FY 24-25 $ 230,000,000	ZETCP FY 25-26 $ 230,000,000	ZETCP FY 26-27 $ 230,000,000	TIRCP + ZETCP Total RTPA
1	MTC Bay Area	$384,225,402	$384,225,402	$ 149,492,128	$ 83,861,438	$ 83,861,438	$ 83,861,438	$ 1,169,527,245
2	Alpine	$360,217	$360,217	$ 6,680	$ 3,747	$ 3,747	$ 3,747	$ 738,356
3	Amador	$2,326,077	$2,326,077	$ 216,555	$ 121,482	$ 121,482	$ 121,482	$ 5,233,155
4	Butte	$10,756,241	$10,756,241	$ 1,138,142	$ 638,470	$ 638,470	$ 638,470	$ 24,566,035
5	Calaveras	$2,583,069	$2,583,069	$ 238,606	$ 133,852	$ 133,852	$ 133,852	$ 5,806,299
6	Colusa	$1,407,255	$1,407,255	$ 119,404	$ 66,983	$ 66,983	$ 66,983	$ 3,134,863
7	Del Norte	$1,652,803	$1,652,803	$ 147,050	$ 82,491	$ 82,491	$ 82,491	$ 3,700,131
8	El Dorado	$9,912,691	$9,912,691	$ 1,054,868	$ 591,755	$ 591,755	$ 591,755	$ 22,655,516
9	Fresno	$51,744,014	$51,744,014	$ 6,270,636	$ 3,517,674	$ 3,517,674	$ 3,517,674	$ 120,311,685
10	Glenn	$1,756,404	$1,756,404	$ 154,671	$ 86,767	$ 86,767	$ 86,767	$ 3,927,779
11	Humboldt	$7,117,521	$7,117,521	$ 821,884	$ 461,057	$ 461,057	$ 461,057	$ 16,440,097
12	Imperial	$9,428,003	$9,428,003	$ 1,031,909	$ 578,876	$ 578,876	$ 578,876	$ 21,624,543
13	Inyo	$1,261,035	$1,261,035	$ 99,235	$ 55,669	$ 55,669	$ 55,669	$ 2,788,312
14	Kern	$46,453,489	$46,453,489	$ 5,057,036	$ 2,836,874	$ 2,836,874	$ 2,836,874	$ 106,474,636
15	Kings	$7,980,652	$7,980,652	$ 824,961	$ 462,783	$ 462,783	$ 462,783	$ 18,174,615
16	Lake	$3,697,393	$3,697,393	$ 368,764	$ 206,867	$ 206,867	$ 206,867	$ 8,384,153
17	Lassen	$1,738,043	$1,738,043	$ 155,216	$ 87,072	$ 87,072	$ 87,072	$ 3,892,520
18	Los Angeles	$496,747,176	$496,747,176	$ 119,168,466	$ 66,850,603	$ 66,850,603	$ 66,850,603	$ 1,313,214,629
19	Madera	$8,343,278	$8,343,278	$ 857,946	$ 481,287	$ 481,287	$ 481,287	$ 18,988,364
20	Mariposa	$1,161,300	$1,161,300	$ 91,564	$ 51,365	$ 51,365	$ 51,365	$ 2,568,261
21	Mendocino	$4,834,808	$4,834,808	$ 502,724	$ 282,016	$ 282,016	$ 282,016	$ 11,018,389
22	Merced	$14,812,007	$14,812,007	$ 1,569,895	$ 880,673	$ 880,673	$ 880,673	$ 33,835,927
23	Modoc	$733,676	$733,676	$ 48,655	$ 27,294	$ 27,294	$ 27,294	$ 1,597,891
24	Mono	$969,103	$969,103	$ 170,727	$ 95,774	$ 95,774	$ 95,774	$ 2,396,256
25	Monterey	$22,188,165	$22,188,165	$ 2,966,850	$ 1,664,331	$ 1,664,331	$ 1,664,331	$ 52,336,173
26	Nevada	$5,422,537	$5,422,537	$ 553,857	$ 310,700	$ 310,700	$ 310,700	$ 12,331,033
27	Orange	$159,853,601	$159,853,601	$ 22,405,800	$ 12,569,107	$ 12,569,107	$ 12,569,107	$ 379,820,325
28	Placer	$21,167,778	$21,167,778	$ 2,392,582	$ 1,342,180	$ 1,342,180	$ 1,342,180	$ 48,754,678
29	Plumas	$1,266,121	$1,266,121	$ 115,128	$ 64,584	$ 64,584	$ 64,584	$ 2,841,122
30	Riverside	$124,357,451	$124,357,451	$ 14,896,853	$ 8,356,771	$ 8,356,771	$ 8,356,771	$ 288,682,068
31	Sacramento	$100,744,956	$100,744,956	$ 13,924,633	$ 7,811,379	$ 7,811,379	$ 7,811,379	$ 238,848,683
32	San Benito	$3,639,719	$3,639,719	$ 350,304	$ 196,512	$ 196,512	$ 196,512	$ 8,219,278
33	San Bernardino	$111,277,588	$111,277,588	$ 13,879,567	$ 7,786,099	$ 7,786,099	$ 7,786,099	$ 259,793,038
34	San Diego (Not MTS)	$48,261,380	$48,261,380	$ 6,173,566	$ 3,463,220	$ 3,463,220	$ 3,463,220	$ 113,085,987
35	San Diego (MTS)	$118,635,691	$118,635,691	$ 17,246,818	$ 9,675,044	$ 9,675,044	$ 9,675,044	$ 283,543,332
36	San Joaquin	$40,282,693	$40,282,693	$ 5,057,317	$ 2,837,031	$ 2,837,031	$ 2,837,031	$ 94,133,798
37	San Luis Obispo	$14,456,552	$14,456,552	$ 1,562,741	$ 876,660	$ 876,660	$ 876,660	$ 33,105,824
38	Santa Barbara	$22,706,370	$22,706,370	$ 2,901,177	$ 1,627,490	$ 1,627,490	$ 1,627,490	$ 53,196,386
39	Santa Cruz	$13,627,700	$13,627,700	$ 2,631,639	$ 1,476,285	$ 1,476,285	$ 1,476,285	$ 34,315,896
40	Shasta	$9,425,969	$9,425,969	$ 991,204	$ 556,041	$ 556,041	$ 556,041	$ 21,511,265
41	Sierra	$462,393	$462,393	$ 17,408	$ 9,766	$ 9,766	$ 9,766	$ 971,492
42	Siskiyou	$2,514,816	$2,514,816	$ 238,464	$ 133,772	$ 133,772	$ 133,772	$ 5,669,413
43	Stanislaus	$28,066,012	$28,066,012	$ 3,030,401	$ 1,699,981	$ 1,699,981	$ 1,699,981	$ 64,262,367
44	Tahoe RPA	$5,131,622	$5,131,622	$ 531,302	$ 298,047	$ 298,047	$ 298,047	$ 11,688,689
45	Tehama	$3,568,771	$3,568,771	$ 344,533	$ 193,274	$ 193,274	$ 193,274	$ 8,061,897
46	Trinity	$1,110,645	$1,110,645	$ 86,449	$ 48,496	$ 48,496	$ 48,496	$ 2,453,226
47	Tulare	$24,461,367	$24,461,367	$ 2,757,890	$ 1,547,109	$ 1,547,109	$ 1,547,109	$ 56,321,953
48	Tuolumne	$3,076,403	$3,076,403	$ 294,003	$ 164,928	$ 164,928	$ 164,928	$ 6,941,593
49	Ventura	$42,292,038	$42,292,038	$ 5,041,790	$ 2,828,321	$ 2,828,321	$ 2,828,321	$ 98,110,830
	TOTALS	$2,000,000,000	$2,000,000,000	$410,000,000	$230,000,000	$230,000,000	$ 230,000,000	$5,100,000,000

Methodologies. **(1) <u>For TIRCP</u>**: For each year, $300,000 was taken off the top to each agency; the remainder ($1.863 Billion) is allocated by population using DOF 2023 county populations. But figures for the two entities in San Diego County and the Tahoe Regional Planning Agency are estimates based on previous distributions under this formula made by the State Controller. We are least certain about the Tahoe number. **(2) <u>For ZETCP</u>**: In each year, half of the funds are distributed by population formula using the same method as TIRCP, the second half are distributed by transit revenues (e.g. farebox). These figures are proportional to the previous year's allocation by the State Controller.

- ***TIRCP Eligibility.*** Eligibility for TIRCP tracks with the existing competitive program: rail capital projects (including acquisition of rail cars and locomotives, that expand, enhance, and improve existing systems and connectivity); intercity, commuter, and urban rail that increase service levels, improve reliability or decrease travel times; rail, bus, and ferry integration; and bus rapid transit and other bus and ferry investments that increase ridership and reduce GHG emissions.

- ***ZETCP Eligibility.*** Funds may be allocated for funding zero-emission transit equipment, including, but not limited to, zero-emission vehicles and refueling infrastructure; and funding transit operations expenditures that prevent service reduction or elimination in order to maintain or increase transit ridership (if consistent with an approved regional short-term or long-term financial plan).

- ***Guidelines (Coming Quick!).*** CalSTA to establish Guidelines by **September 30, 2023** in consultation with transportation planning agencies, county transportation commissions, transit development boards, and transit operators.

- ***Three Steps for RTPAs to Access Funds in FY 23-24.*** Prior to December 31, 2023, the RTPA must: (1) Submit compiled transit operator data (see below); then (2) Determine whether funds will be applied to transit operations either in FY 23-24 or prior to the end of FY 26-27. (If no funds will be applied to operations, then no further steps are necessary); If funds will be applied, then (3) the RTPA must submit a regional short-term financial plan (see below). Agencies that do not submit complete information will have until April 30 to remedy their filings.

- ***Two Steps for RTPAs to Accessing Funds in FY 24-25.*** Each RTPA must submit compiled operator data and a regional short-term financial plan (regardless of whether any funds will be used to support transit operations prior to the end of FY 26-27).

- ***Submitting Compiled Transit Operator Data.*** The submission of data must be consistent with adopted guidelines, but at minimum must include: operator fleet and asset management plans; revenue collection methods and annual collection costs by operator; the existing service plan and planned changes; expenditures on security and safety measures; opportunities for restructuring, eliminating redundancies, and improving coordination amongst transit operators (including consolidation of agencies or reevaluation of network management and governance structure); and schedule data in General Transit Feed Specification (GTFS) format.

- ***Contents of a Regional Short-Term Financial Plan.*** The plan shall: demonstrate how the region will address any operational deficit using all available funds through FY 2025–26; justify how the region's funding is proposed to be allocated to capital and operational expenses; justify and breakdown how the funding distributed between transit operators and among projects is consistent with program guidelines; demonstrate how the plan mitigates service cuts, fare increases, or layoffs to achieve short-term financial sustainability; summarize how the plan supports ridership improvement strategies.

- ***Timing and Contents of a Regional Long-Term Financial Plan.*** By June 30, 2026, RTPAs shall submit a plan to sustain transit operations absent additional discretionary or nonformula state funding. The plan should demonstrate the implementation of ridership retention and recovery strategies, including, policies that prioritize safety and cleanliness and streamlined coordination between transit operators, such as schedule coordination, operational management, and site sharing, to improve rider experience. The plan must also include a five-year forecast of operating funding requirements with detail on all sources of funding proposed for operations, including any new local and regional funding sources being pursued and the progress and improvements implemented since the last submitted regional short-term financial plan.

- ***Transit Data Posted.*** RTPAs must post on its website a summary of monthly ridership data, consistent with the data submitted to the National Transit Database, from all its transit operators during the period of time for which it receives those moneys.

- ***ZETCP Use of Funds Report.*** By October 31 of each year, RTPAs shall submit a report to CalSTA that describes how much funding was used for operating costs; the number, type, date, and location of zero-emission buses, trains, or other vehicles purchased; the number, type, data, and location of electric charging stations or hydrogen fueling stations installed; the nameplate capacity of installed equipment in kilowatts for electric charging stations and kilograms per day for hydrogen fueling stations; and the total costs and the source of funding for vehicles and equipment purchased using these funds.

- ***CalSTA Responsibilities.*** Provide technical assistance to transit operators to transition to GTFS Real Time; work with Caltrans and regions to identify improvements that could grow ridership (including transit priority); work with Caltrans and regions to identify costs of revenue collections (including Cal-ITP);

B. New Transit Transformation Task Force (Gov't Code § 13979.3)

- ***To Be Convened By The End of the Year.*** Membership includes Caltrans, local governments, MPOs, RTPAs, public transit advocacy organizations, labor, academia, Legislative Committee representatives, and others at the discretion of CalSTA. Operators shall represent bus, rail, ferry, and multi-modal services.

- ***Goal***: grow transit ridership and improve the transit experience for all users

- ***Timeline.*** CalSTA shall publish a report of recommendations by October, 2025.

- ***Data to Collect.*** The report must include: details of current services provided, demographics, funding source breakdowns (and limitation) for capital and operations, use of TDA funds for other modes, 10 year costs estimates that include costs of local, state, and federal mandates (e.g, ADA and Clean Transit regulations, workforce challenges, state and local policies that effect service and ridership, such as transit prioritization on roads, land use, housing, and pricing policies, state agency responsibilities and COVID service responses.

- ***Recommendations to Be Made.*** The report must also include recommendations to improve mobility and increase ridership (e.g., service and fare integration between agencies, providing safe and clean experiences, increasing service frequency and reliability, first and last mile access, fleet management, land use, housing and pricing policy changes, workforce development challenges, TDA reform (fare box recovery), new options for revenue, and options to value captur*e of property near transit.*

C. SOME INITIAL OBSERVATIONS (And Please Share Yours With Us!)

- ***Clean Up Legislation?*** We have heard differing opinions about the need for clean up Legislation. There is at least one instance where a specific date in the statute does not make sense, which suggests the need for some clean up. There are also some undefined terms, like "transit operator," where further clarification could provide better certainty. If there is any clean up Legislation, it will likely be part of a "baby budget" bill that includes clean up across several budget items.

- ***Guidelines ASAP!*** CalSTA must develop program Guidelines by September 30 that will be immediately applicable to $2.4 billion allocated this budget in consultation with RTPAs and transit operators (among others).

- ***Scope of CalSTA Authority.*** The statute could be read many ways. But CalSTA is clearly required to "approve" the short- and long-term plans upon which funding is dependent. And the plan requires, among other things, that the RTPA provide "justification for how the region's funding is proposed to be allocated to capital and operational expenses." Some have expressed concern than the language invites general scrutiny beyond TIRCP and ZETCP funds to the general budget decisions of the RTPAs and transit operators in the region. We also find it interesting that the RTPA may be in the role of "justifying" specific decisions of transit operators.

- ***Basic Definitions.*** There is some question of whether basic terms like transit operator need more definition. The quick development of the Guidelines provides some opportunity for clarity, but significant policy decisions (like determining which operators are eligible for funding) are less likely to be accomplished in Guidelines.

- ***Other Remaining Uncertainties.*** There are no doubt a large number of questions that either the Guidelines or clean up legislation could/should address. Here is our start:
  - What level of review or deference will CalSTA apply in reviewing plans submitted by or projects selected by the RTPA?
  - What happens when CalSTA disagrees with an RTPA demonstration or justification; what level of deference will be applied?
  - What unexpected issues may arise by requiring this new level of coordination between RTPAs and transit providers within such a short time period?
  - How will RTPA's cover the costs of managing funds, developing short- and long-term plans, compiling data, and undertaking other obligations?

California Association of
Councils of Governments
Effective Regions Through Partnership

September 14, 2023

Toks Omishakin, Secretary
California State Transportation Agency
400 Capitol Mall, Suite 2340
Sacramento, CA 95814

RE: Response to Formal Draft Guidelines for TIRCP and ZETCP

Dear Mr. Omishakin:

Thank you for the opportunity to comment on the formula TIRCP/ZETCP program authorized under SB 125 from the current legislative session. This program represents a transformative investment in the state's rail and bus infrastructure. The state's Regional Transportation Planning Agencies (RTPAs) are pleased to partner with CalSTA on this mode-shifting investment.

1. CALCOG Concurs with the Flexible Approach in the Draft Guidelines.

We appreciate how the draft Guidelines leverage the existing partnerships between regional agencies and CalSTA. This framework is entirely consistent with legislative intent. Thank you. Our remaining comments are focused on the limits on RTPA administrative costs included in the Guidelines.

2. Project Management Costs Should Be Budgeted as Project Costs.

The draft Guidelines should clarify that project management expenses incurred by the RTPA may be directly attributed to a project. This is important because unlike the competitive TIRCP program, Caltrans local assistance will not be involved in the contracting and oversight of the project. Those duties will fall to the awarding RTPA. Our understanding is that these are appropriately attributed to the cost of the project. The Guidelines, however, could clarify this more directly to avoid any confusion that such cost must be included in the program administration costs addressed in the next paragraph.

3. Confirming Scope of RTPA Administration of SB 125 Funding.

The draft Guidelines state that a "*maximum of 5% of total multi-year ZETCP funding, or $5 million, whichever is lower, may be programmed by the RTPA for RTPA administration of SB 125 funding across both the TIRCP and ZETCP, and for planning expenses related to developing the long-term financial plan.*" See page 10-11. We interpret that to mean that those funds may be applied to the following actions required under the TIRCP and ZETCP programs:

- Developing an initial allocation package.
- Providing detailed project descriptions that meet the requirements of the Guidelines.
- Providing additional information, such as co-benefit modelling, for ZETCP Projects.
- Although implied, a process for determining how to distribute the funds between capital projects and to cover operational deficits.
- Collection and confirming the accuracy of regional transit data that includes fleet assessments, revenue collection information, planned service changes and schedule data, and expenditures on security and safety measures.
- Submission of a long-term financial plan that demonstrates implementation of ridership retention and recovery strategies and a detailed five year forecast of operating funding requirements.
- Annual reports documenting activities and progress made toward implementation.
- A final delivery report.

Not included in this list are project management and oversight costs associated with a specific funded project.

4. The 5% Cap May Be Too Restrictive at Times, Particularly for Small Agencies.

We are concerned that the 5% limitation for administration of SB 125 funding may not be enough to cover the responsibilities listed above, particularly for smaller RTPA. For example, consider what the 5% cap is when applied to specific agencies:

Alpine	$526	Madera	$66,405
Butte	$86,886	Mendocino	$39,438
El Dorado	$75,846	San Benito	$27,161
Kings	$64,560	San Luis Obispo	$122,499

We are concerned that the multi-year costs of the administrative responsibilities in SB 125 could exceed the allowable funds for as many as half of the RTPAs. We note that 30 of the 49 recipients are at a level comparable to San Luis Obispo or lower, meaning that that the allocated funds for administering the duties may not be enough.

Similar to its approach in setting the $5 million dollar cap, CalSTA may want consider developing a minimum allocation that would assure that each RTPA had enough to responsibly administer the program and meet their obligations. This approach would be similar to the TIRCP formula, which created a minimum $300,000 allocation before applying a population-based distribution methodology.

Not surprisingly, we would oppose any recommendation to lower the 5% figure because it is already unrealistic for smaller agencies to accomplish all of their responsibilities under the current limitation.

Conclusion

Thank you for the opportunity to comment on the final Guidelines. We look forward to the successful implementation of this program.

Sincerely,

Bill Higgins

Bill Higgins
Executive Director

5. LEGISLATIVE REPORT INFORMATION

A. FOR INFORMATION

Staff will provide an update on the status bills as the Legislature adjourns for the year.

B. ENROLLED LEGISLATION Information

The following bills have been sent to the governor for signature. He has until October 14 to sign or veto legislation.

- **AB 744 (Carillo) CTC : data, modeling, and analytic software tools procurement.** This bill was amended late in the process to remove language referencing appropriation of funds; however the intent of the bill remains the same. Instead of requiring CTC to *acquire public domain or procure* commercially available or open-source licensed data, modeling, and analytic software tools, it now only requires CTC convene relevant state agencies to *assess* the procurement and implementation of such tools to support the state's sustainable transportation, congestion management, affordable housing, efficient land use, air quality, and climate change strategies and goals. **Support**.

- **ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.** This measure would allow for certain local governments to increase taxes, or issue bonds, for the construction, reconstruction, rehabilitation or replacement of public infrastructure, affordable housing, down payment assistance or permanent supportive housing projects if the proposition proposing that tax or bond is approved by either 55% of the voters or approved by a majority vote of the governing board of the local government. If approved, the Legislature may also enact accountability measures and laws for the down payment assistance programs. Finally, the measure would require a 55% majority of voters to approve a bond for the same activities if proposed at the same election as this measure.

- **SB 617 (Newman) Public contracts: progressive design-build: local and regional agencies: transit.** Existing law authorizes the progressive design-build process for up to 15 public works projects. "Progressive design-build" is a delivery process in which the design and construction are procured from a single entity that is selected through a qualifications-based selection at early stage. This bill would authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency to use the progressive design-build process. **Support**.

- **SB 695 (Gonzalez Department of Transportation: internet website: state highway system data and information.** Requires Caltrans to prepare data about activities on the state highway system over the last five years including: (1) The number of total lane miles, new lane miles, and the type of miles (e.g., general, auxiliary, HOV, or managed lanes); (2) a description of each project that added lanes; (3) number of miles that were relinquished or converted from one use to another; and (4) The number of new bike lane miles by class and number of sidewalk miles added or improved. In addition, going forward, Caltrans shall provide the following information for all planned and pending projects on the state highway system: project description, location, date project initiation document (PID) was completed, status of the project, and determination of primary purpose and need of the project. **Support**.

- **SB 825 (Limon) - Broadband Services.** Would add metropolitan planning organizations and regional transportation planning authorities to that list of local government agencies included in the definition of "local agency" and therefore eligible to participate in PUC funding programs. **Support**. **Status:** This bill has been signed by the Governor

B. TWO YEAR BILLS OF NOTE

The following bills have failed to meet deadlines and CALCOG will continue to track and engage on them.

- **AB 6 (Friedman) Sustainable Communities.** The current version would have set the year 2045 as a new target year under SB 375. It also included other language that would have weakened the limits placed on ARB in their review of whether an SCS would achieve the target. The author was also circulating additional language related to SB 375 reform ideas, including VMT mitigation banks. There was additional language that the author intended as amendments but could not get them in due to a procedural rule.

- **AB 1335 (Zbur) Local government: transportation planning and land use: sustainable communities strategy.** Currently, an early step in the RTP is to develop a growth forecast that reasonably estimates likely future outcomes over the 20 year (or more) RTP planning period. The SCS is then developed against this likely scenario. This law also requires that the Sustainable Communities Strategy (SCS) must account for the Regional Housing Needs Allocation (which includes an analysis of existing need and future need over the 8 year planning period). Existing law also requires a COG to certify that its RHNA allocation is consistent with an SCS. This bill would require MPOs to assume that all units in the RHNA would be built within the first 8 years of the SCS.

- **AB 1525 (Bonta) Transportation Projects: Priority Populations.** Would require the state Transportation Agency, the Department of Transportation, and the California Transportation Commission to jointly develop an evaluation process to jointly assess transportation projects to determine if the project would address an important need of priority populations.

- **SB 670 (Allen) ARB. VMT Maps**. Requires ARB to develop a methodology for assessing and spatially representing light-duty VMT and to develop maps to display average light-duty VMT per capita in the state at the local, regional, and statewide level.

- **AB 930 (Friedman) RISE Districts.** This bill introduces a new tax increment funding tool that relies largely on difference in sales tax revenues (where Redevelopment relied on property tax revenues. Locations would have to be sustainable (where average VMT would be reduced; Portions of the revenue would have to be used for affordable housing. (Staff note: the amount of revenues generated would make this tool of limited value).

- **AB 914 (Friedman) Electrical infrastructure: CEQA: review time period.** Requires a state agency, when acting as the lead agency, to complete its environmental review for an electrical infrastructure project and to approve or deny the project within 2 years of the submission and acceptance of a complete application for the issuance of a lease, permit, license, certificate, or other entitlement for use for electrical infrastructure to the state agency. If the state agency fails to meet this time period, the bill would require the state agency to submit to the Legislature a report setting forth the reasons for why the review could not be completed within the time period and identifying potential impacts to the electrical system that could result from the delay. **Support**.

- **SCR (13 (Roth) - Joseph Tavaglione Interchange.** Would designate the interchange where State Highway Routes 60 and 91 meet Interstate 215 in the County of Riverside as the Joseph Tavaglione Interchange. **Support**.

C. BROWN ACT LEGISLATION

One of our Legislative priorities this year was to support Brown Act reforms that would make remote participation a more reasonable option for regional agency officials. There are a number of bills that were introduced, but the ones we liked most were either amended to not be as favorable or became 2-year bills. Below is a list of the bills we tracked and where they landed. We will see if a change of leadership results in more flexibility in teleconferencing.

- **AB 557 (Hart D) Open meetings: local agencies: teleconferences.** Extends the current provisions that allow public agencies to use teleconferencing in emergencies and when certain health conditions are present for another two years (from 2024 to 2026) and extends the period in which the public agency may make a finding of a continued emergency from 30 to 45 days. **Status**: **Enrolled**

- **AB 817 (Pacheco) Open Meetings: local agencies: teleconferencing**. Would have provided subsidiary bodies (such as advisory committees) more flexibility for the members of the subsidiary body to teleconference into meetings. **Status:** **2-year bill**

- **AB 1379 (Papan) Open Meetings: teleconferencing: subsidiary body**. Permit public agencies to post agendas at a singular designated physical meeting location, rather than at all teleconference locations. Also removes requirements to notice each teleconference location and that each location be publicly accessible. A quorum must participate from locations within the boundaries of the territory. **Status:** **2-year bill**

- **SB 537 (Becker), Open meetings: multijurisdictional, cross-county agencies: teleconferences.** Would increase the flexibility of multijurisdictional, cross county agencies (essentially CALCOG members) to allow board members to participate by teleconference with less restriction if they live more than 40 miles away from the meeting location. However, it does require remote participation from accessible location and the location has to be posted. **Status**: **Enrolled**

- **SB 411 (Portantino), Open Meetings: teleconferencing: neighborhood councils**. Authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" as a city of 3,000,000 or more (essentially Los Angeles). **Status:** Enrolled

6: IIJA REGIONAL INFRASTRUCTURE GRANT INFORMATION

A. BACKGROUND

CALCOG was invited to join an application for a Regional Infrastructure Accelerator grant with five our members (SCAG, MTC, SACOG, SANDAG, and TRPA) and Caltrans. This is one of the smaller discretionary funding programs ($25 M) included in the Investment in Infrastructure and Jobs Act (IIJA). That is probably part of the reason why that only 30 days were given between the publication of the NOFA and the application due date. The application originally sought $4 million to study road pricing strategies related to tolling and other options on California highways.

Two weeks ago, FHWA asked that the project be re-scoped for $2 million. While not a guarantee, it would seem a good sign that some funds will be awarded. CALCOG's role in this arrangement will be limited to exploring public education options as well as reporting out the findings to other regional agencies and the public generally.

B. FOR INFORMATION

This item is offered for information. Questions and comments welcome.

C. SCOPE OF GRANT

- ***Problem Statement***: The state's climate goals (including the transition to Electric Vehicles) will require various forms of equitable road pricing in the near future.
- ***Project Type Focus.*** Supported projects and strategies will include traditional high occupancy toll (HOT) lanes, congestion pricing, cordon pricing, truck toll lanes, and other pricing strategies that are under consideration by individual project partners.
- ***Public Education Needed.*** Road pricing projects are often controversial. They require thoughtful, well-coordinated, and transparent communications. The Partnership will identify strategies that public agencies can use in communicating about the need and benefits of such project, including equity focused outreach in communities that have been unfairly affected by transportation policy in the past.
- ***Constraints Analysis.*** Pricing faces numerous legal, technical, and financial issues. Limited public support, equity concerns, and outdated technology are also problems. The partners will identify these challenges, summarize potential solutions, and create a long-term playbook that will promote more consistent processes to advance these types of projects in a way that accounts for statewide climate, transportation, and equity goals.
- ***Specific Projects to Study.*** The project study a select number of innovative road pricing projects that are underway in the Partner Regions that designed to move more people and freight through congested corridors in order to identify lessons learned and make recommendations for the planning, development, delivery of similar projects going forward.

- ***Ongoing Governance and Inter-Modal Coordination.*** Partners will also review governance and commercial structures needed to effectively deliver and manage these projects and strategies and seek to identify the most fiscally-feasible paths to delivering new or improved multimodal transportation options like public transit, commuter rail, active transportation facilities, and/or other transportation demand management strategies – in combination with pricing projects.

- ***VMT Considerations***. Support and guidance produced through this effort will include recommendations for new HOT or express lane extension projects to more effectively meet state goals and suggested uses of innovative technology to contribute to a more efficient multimodal system. Under current California law, project sponsors of pricing expansion projects must consider a range of VMT mitigation strategies, including additional transit service, active transportation investments, and transit-oriented development (TOD). These add significant costs to the projects. Thus, there is a significant need for less expensive alternatives that can accommodate more multimodal transportation options that will reduce VMT.

- ***Back to Public Education.*** Finally, partner agencies must address how these projects can be rescoped in ways that garner public and political support. Because of California's history of automobile focused land use and transportation development, many communities lack existing multimodal infrastructure. Particularly in rural areas traditional fixed route transit services are inefficient, and there is the need for piloting more sustainable and innovative mobility options.

D. SCOPE OF CALCOG's ROLE

CALCOG's specific role has not yet been fully defined. Assuming the grant is awarded, the parties will enter into grant agreements that will spell out the responsibilities in greater detail. In the discussions in developing the application, CALCOG's role was limited to public education elements of the project as well as reporting out on the findings and results of the work. Staff anticipates the grant contracts to reflect that role (if the funds are awarded).

E. COMMENTS & OBSERVATIONS

- ***Consistent With CALCOG's Statements on Pricing.*** CALCOG does not have a specific policy on pricing or a preference for methodology. We have focused our statements on the need to address lost gas tax revenues as more and more electric vehicles are sold on the market. Obviously, the gas tax is not sustainable as a long-term solution. And the need to fix potholes will continue. Accordingly, we have encouraged conversations about exploring various replacement strategies. To the extent that this project explores lessons and best practices around specific state goals, we would continue to have an interest in sharing this information broadly within our membership.

- ***Controversial Issue.*** How to price, and whether to use pricing as a means to reduce VMT, are very controversial subjects for which CALCOG has not yet developed a consensus. Accordingly, staff's role will be focused on information sharing.

- ***Consistent With Our Purpose***. One of our primary purposes expressed in the Bylaws is to serve as an information sharing organization and to partner with state agencies in the administration of new policies. While it is fair to say that there are differences in opinion within our membership about how (and even weather) to employ pricing strategies, all members have a need to be well informed on policy developments. CALCOG's reporting out role in this grant is consistent with that objective.
- ***Standing & Branding.*** CALCOG strives to be more than just an advocate for regions. We are also a thought leader for regional governance and policies that affect regional governance. For example, it was our willingness to engage in housing conversations around the Regional Housing Needs Allocation process that led to the opportunity to introduce the idea that would become the REAP program (that yielded $110 million to regional agencies). Partnering in a project like this enhances the credibility of our "brand" in future policy discussions
- ***Staff Capacity.*** CALCOG has limited staff capabilities. We are stretched under our current work program. Depending on the final scope of our role, CALCOG would either hire additional staff for a limited employment or retain appropriate consultants.
- ***Diversification of Revenues.*** One of the Board's ongoing objectives is to find ways to diversify our revenues that are consistent with our mission.

7 & 8 **INFORMATION**

Information about the Board Retreat and Officer Nominations will be available on the day of meeting.

Attachment

SANDAG Borders
Committee agenda 092223

Borders Committee Agenda

Friday, September 22, 2023
1 p.m.

Welcome to SANDAG. The Borders Committee (BC) meeting scheduled for Friday, September 22, 2023, will be held in person in the SANDAG Board Room. While BC members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: https://us02web.zoom.us/j/89915709296

Webinar ID: 899 1570 9296

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Public Comments: Members of the public may speak to the BC on any item at the time the BC is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference BC meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

If you desire to provide in-person verbal comment during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the “Raise Hand” function to request to provide public comment. On a computer, the “Raise Hand” feature is on the Zoom toolbar. By phone, enter *9 to “Raise Hand” and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other “housekeeping” matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

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To hear the verbatim discussion on any agenda item following the meeting, the audio/video recording of the meeting is accessible on the SANDAG website.

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Esta reunión se llevará a cabo en inglés, y se ofrecerá interpretación simultánea en español. Se ofrecerá interpretación en otros idiomas previa solicitud a ClerkoftheBoard@sandag.org al menos 72 horas antes de la reunión.

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fax (619) 699-1905 at least 72 hours in advance of the meeting.

Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

Borders Committee

Friday, September 22, 2023

Comments and Communications

1. **Public Comments/Communications/Member Comments**
Members of the public shall have the opportunity to address the Borders Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Borders Committee members and SANDAG staff may also present brief updates under this agenda item.

Consent

+2. **Approval of Meeting Minutes** — Approve
Francesca Webb, SANDAG

The Borders Committee is asked to approve the minutes from its July 28, 2023, meeting.

BC Minutes_July 28, 2023.pdf

+3. **2023 Bike Anywhere and Tijuaneando en Bici Crossborder Celebration Update** — Information
Hector Vanegas, SANDAG

This report provides a summary of this year's Bike Anywhere and Tijuaneando en Bici, held on Thursday, May 18, 2023, which included innovative activities to encourage biking across the border as a viable, fun, and healthy transportation choice to reduce vehicle mileage traveled and Greenhouse Gas emissions at border crossings.

2023 Bike Anywhere and Tijuaneando en Bici.pdf

Reports

+4. **San Diego and Imperial Counties Sustainable Freight Implementation Strategy** — Information
Mariela Rodriguez, SANDAG

Staff will present an overview of the San Diego and Imperial Counties Sustainable Freight Implementation Strategy.

SD and Imperial Counties SFIS.pdf
Att. 1 - SFIS_Fact Sheet.pdf
Supporting Materials.pdf

+5. **Zero Emission Freight Transition at the California-Baja California Border Study** — Information

Andrea Hoff, SANDAG

Staff will present an overview of the Zero-Emission Freight Transition at the California-Baja California Border Study that explores the benefits and challenges for our border region.

ZE Freight Transition at the CA_BC Border Study.pdf
Supporting Materials.pdf

6. Reimagining Tijuana — Information

Jose Galicot, Tijuana Innovadora

Tijuana Innovadora, a community organization in Tijuana, began a citizen consultation exercise about the city they want, and seeks to generate changes by showing what citizens want from their city. This effort brings together stakeholders from the public and private sectors and is planned to be concluded in July 2024.

7. Tijuana – San Diego 2024 World Design Capital — Information

Carlos de la Mora, 2024 World Design Capital

Every two years, the World Design Organization elects a “World Design Capital” –a yearlong designation that involves an array of public events and legacy projects and shines an international spotlight on one successful city. Carlos de la Mora will present an update on the San Diego-Tijuana 2024 World Design Capital, the first binational designation.

8. Upcoming Meetings

The next Borders Committee meeting is scheduled for Friday, October 27, 2023, at 1 p.m.

9. Adjournment

+ next to an agenda item indicates an attachment

Borders Committee Item: **2**

September 22, 2023

July 28, 2023, Meeting Minutes

View Meeting Video

Councilmember Vivian Moreno (City of San Diego) called the Borders Committee to order at 1:14 p.m.

1. Public Comments/Communications/Member Comments

Truth, member of the public, spoke regarding renewable energy sources.

2. Agency Report

This item was postponed.

Consent

3. Approval of Meeting Minutes

There were no public comments on this item.

Action: Upon a motion by Councilmember David Druker (North County Coastal) and a second by Councilmember Moreno, the Borders Committee voted to approve the minutes from its June 23, 2023, meeting.

The motion passed.

Yes: Supervisor Joel Anderson (County of San Diego), Councilmember Vivian Moreno (City of San Diego), Councilmember Druker, and Vice Mayor Laura Koval (East County).

No: None.

Abstain: None.

Absent: None.

Reports

4. State Route 11/Otay Mesa East Port of Entry Project Update

Project Development Program Manager Maria Molina-Rodriguez and Mario Orso and Nikki Tiongco, Caltrans, presented an update on the Otay Mesa East Port of Entry project.

Action: Information only.

5. Regional Plan Implementation: Advancing Blue Line and Purple Line Studies

5A. Blue Line Express Study

Zach Hernandez presented an update on the Blue Line Express Study.

5B. Purple Line Conceptual Planning

Cecily Taylor presented an update on the Purple Line Conceptual Planning Study.

Mario Lopez, Smart Border Coalition, spoke in support of the project updates and collaboration with the State of Baja.

Katheryn Rhodes, member of the public, spoke regarding tidelands reclamation.

Action: Information only.

6. Tijuana – San Diego 2024 World Design Capital

Carlos de la Mora, 2024 World Design Capital, presented an update on the San Diego-Tijuana 2024 World Design Capital, the first binational designation.

Katheryn Rhodes spoke regarding potential for a cross-border park and community meeting area.

Action: Information only.

7. Upcoming Meetings

The next Borders Committee meeting is scheduled for Friday, September 22, 2023, at 1 p.m.

8. Adjournment

Councilmember Moreno adjourned the meeting at 2:33 p.m.

Confirmed Attendance at Borders Committee Meeting

July 28, 2023

Jurisdiction	Name	Member/ Alternate	Attended
South County	Matthew Leyba-Gonzalez, Chair	Member	No
	Carolina Chavez	Alternate	No
East County	Laura Koval	Member	Yes
	Patricia Dillard	Alternate	Yes
City of San Diego	Vivian Moreno	Member	Yes
	Sean Elo-Rivera	Alternate	No
County of San Diego	Joel Anderson	Member	Yes
	Nora Vargas	Alternate	No
Imperial County	Jesus Eduardo Escobar, Vice Chair	Member	No
	Luis Plancarte	Alternate	No
North County Coastal	Dave Druker	Member	Yes
	Peter Weiss	Alternate	No
North County Inland	Dane White	Member	No
	Mike Morasco	Alternate	No
Advisory Members			
Riverside County	Crystal Ruiz	Member	No
	Yxstian Gutierrez	Alternate	No
Republic of Mexico	Carlos González Gutiérrez	Member	No
	Gilberto Luna	Alternate	No
	Natalia Figueroa	Alternate	Yes
Southern California Tribal Chairmen's Association	Raymond Welch	Member	No
	Cody Martinez	Alternate	No
Caltrans	Gustavo Dallarda	Member	No
	Ann Fox	Alternate	Yes
	Mario Orso	Alternate	No
San Diego County Water Authority	Valentine Macedo, Jr.	Member	No
	Steve Casteneda	Alternate	No
Southern California Association of Governments	Naresh Amatya	Member	No
	David C. Salgado	Alternate	No
Orange County	Vacant	Member	No
	Vacant	Alternate	No

SANDAG
Committee on Binational Regional Opportunities

Item: **3**

Action: **Information**

July 11, 2023

2023 Bike Anywhere and Tijuaneando en Bici Crossborder Celebration Update

Background

This year, *Bike Anywhere* and *Tijuaneando en Bici* were held on Thursday, May 18. *Bike Anywhere* was first celebrated in the San Diego region in 2021 as a transformed event resulting from the cancellation of the traditional *Bike to Work Day* during the COVID-19 pandemic. *Bike Anywhere* conserves the tradition of *Bike to Work* and is celebrated on the third week of May, which is National Bike Month in the United States. *Bike to Work Day* was originated by the League of American Bicyclists in 1956 to increase public interest in biking and to promote it as an alternative for commuting to work. South of the border, *Tijuaneando en Bici* is the local initiative envisioned by the community to pair the events and reflect the binational spirit of our shared region. The first *Tijuaneando en Bici* was held in 2011, making this year its thirteenth-year celebration. The purpose of this celebration is to remind and to encourage biking across the borders as a viable, fun, and healthy transportation choice for all types of trips, contributing to the reduction of GHG emissions, and to reduce vehicle miles traveled (VMT) in the most transited area of our international border.

Key Considerations

San Diego is part of a shared binational region with Baja California, Mexico, which has a shared population of almost 6 million people. This binational metropolis is connected throughout four unique and busy international land border crossings, where the concept of replacing trips taken by cars with those by some form of active mobility would be extremely beneficial, reducing the impact of the negative externalities linked to car traffic congestion that are felt by communities near the San Ysidro – Puerta México Land Ports of Entry, the busiest international land ports of entry in the world. In this way, for thirteen consecutive years, the crossborder community has joined in on Bike Month celebrations, adding innovative activities that included:

- partnering with the City of Tijuana and the private sector to offer free rides for cyclists using the newly implemented Binational SITT (Tijuana's Bus Rapid Transit Service);
- providing an interactive presentation of current bike infrastructure project for students of the Escuela Libre de Arquitectura of Tijuana;

- realizing a bike ride starting at the Terminal Centro of the city BRT (known locally as the SITT) along Tijuana's Avenida Revolución to the City Hall building in the Zona del Río, where a statement concerning the importance of reducing roadway fatalities in Tijuana (based on the report "Ni una Muerte Vial,") was read and delivered to City Council members.

The organizers, *Alianza por la Movilidad Activa*, A.C. (AMAAC), Tijuana Economic Development Council (CDT), and the San Ysidro Chamber of Commerce, observed the beginning of construction of the Border to Bayshore Bikeway in San Diego and the opportune timing in Mexico to promote intermodal mobility that can match related efforts in the San Diego region, including exploring possibilities for a future crossborder bike crossing, and joining efforts with the Tijuana – San Diego 2024 World Design Capital.

Next Steps:

Participants agreed to continue promoting bike projects and activities in our border region, including exchange of experiences and a visit of citizens and authorities to a selection of bike infrastructure projects that are currently under development in San Diego County.

SANDAG

Borders Committee

Item: **4**

September 22, 2023

San Diego and Imperial Counties Sustainable Freight Implementation Strategy

Action: Information

Staff will present an overview of the San Diego and Imperial Counties Sustainable Freight Implementation Strategy.

Fiscal Impact:

The project is funded by a $500,000 Caltrans Sustainable Transportation Planning Grant.

Schedule/Scope Impact:

The project is expected to be completed by February 2024.

Overview

SANDAG, in partnership with the Imperial County Transportation Commission (ICTC), was awarded a Caltrans Sustainable Transportation Planning Grant to conduct the San Diego and Imperial Counties Sustainable Freight Implementation Strategy (Sustainable Freight Strategy).This study will develop freight related strategies, projects, policies and programs that leverage innovative and multimodal technologies to meet climate, air quality, and public health goals.

Key Considerations

San Diego and Imperial Counties (collectively the Gateway Region) play a critical role in global supply chains by facilitating international trade. The freight industry transports billions of dollars' worth of goods annually through the Gateway Region's ports, highways, railroads, airports and land ports of entry. The demand for goods moving through the region is driven primarily by cross-border trade, industrial warehouses in the Inland Empire, the Ports of Los Angeles and Long Beach, and major intermodal rail yards in Los Angeles and San Bernadino Counties. With significant goods moving through the region, communities near major freight hubs are subject to public health, air quality, noise, congestion, and safety impacts. California's ambitious climate, air quality, and public health goals will require the freight sector to transition towards more sustainable technologies, operations, and infrastructure.

The Sustainable Freight Strategy kicked off by developing the project goal that will guide the development of the strategy: to create a more sustainable supply chain network through regional freight projects and policies that reduce emissions while fostering trade. As part of the research and evaluation of sustainable freight best practices around the world, the project development team (made up of representatives from SANDAG, Caltrans, ICTC, and the consulting team), reviewed projects, programs, and policies for San Diego and Imperial Counties that were included in adopted regional transportation plans and leveraged the best practice research to develop new, innovative ideas.

The development of the Sustainable Freight Strategy has employed numerous forms of outreach to engage stakeholders throughout the region, with a focus on communities near major freight hubs. Stakeholder engagement efforts include one-on-one interviews, focus groups, public surveys, working group discussions, and outreach events. The list of sustainable freight strategies developed for this study is being evaluated using environmental, equity, and economic criteria, and considering feedback from the stakeholder engagement efforts.

Next Steps

The evaluation process that is underway will result in the prioritization of strategies for implementation. Two additional deliverables will be prepared for this study: an implementation plan and a workforce development toolkit. The implementation plan will identify pilot opportunities, develop their high-level cost estimates and project schedules, and identify potential funding opportunities. The workforce development toolkit will identify occupational needs and opportunities along with available training programs. The final report is expected to be completed in early 2024.

Antoinette Meier, Senior Director of Regional Planning

Key Staff Contacts: Mariela Rodriguez, (619) 699-1936, mariela.rodriguez@sandag.org
Tim Garrett, (619) 595-5337, tim.garrett@sandag.org

Attachment 1. San Diego and Imperial Counties Sustainable Freight Implementation Strategy – Fact Sheet

Goods Movement and Clean Transportation

San Diego and Imperial Counties Sustainable Freight Implementation Strategy

FACT SHEET

About SANDAG

SANDAG is the regional planning agency for the San Diego area that invests local, state, and federal funds in infrastructure, programs, and technology to enhance quality of life so every person who visits, works, and lives here can thrive. SANDAG coordinates with public agencies and private companies to plan for a safe, equitable, efficient, economical, and environmentally sound movement of goods that continue to meet the region's needs.

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For more information

Contact:
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Overview

The San Diego and Imperial Counties region has a diverse and expansive freight system of ports, highways, railways, and airports. While this goods movement system supports a vibrant economy, it is also a major source of pollution and a contributor to roadway congestion.

California has established ambitious climate, air quality, and public health goals and has recently prioritized transitioning the freight sector to sustainable technologies, operations, and infrastructure. SANDAG and the Imperial County Transportation Commission are developing a Sustainable Freight Implementation Strategy to achieve these goals. This strategy will systematically implement multimodal freight projects and policies over the next 30 years, transitioning San Diego and Imperial Counties to a more sustainable, resilient, equitable, and economically competitive freight transportation system.

The Sustainable Freight Implementation Strategy will:

» Seek to pilot innovative technologies that might be firsts in the nation

» Engage stakeholders to understand needs, opinions, and aspirations regarding implementation

» Identify potential funding sources for implementation

» Develop and strengthen partnerships between public agencies, community members, and the private sector

» Create a workforce development toolkit highlighting training opportunities for constructing and maintaining these investments

Public engagement is instrumental in the creation of the Strategy. SANDAG and the consultant team will obtain input from diverse individuals and organizations in the most affected areas and related industries. Outreach will include stakeholder interviews, focus groups, and a survey.

The Sustainable Freight Strategy project kicked off in February 2022 and is expected to be complete in January 2024. The Strategy is funded by a Caltrans Sustainable Transportation Planning Grant.

SANDAG

San Diego and Imperial Counties Sustainable Freight Implementation Strategy

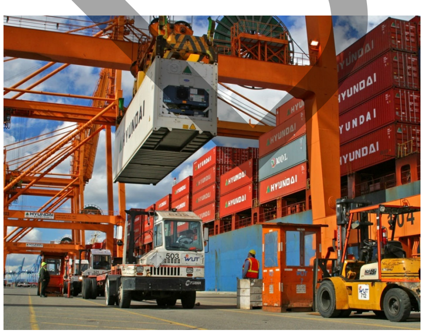
IMPERIAL COUNTY TRANSPORTATION COMMISSION | Caltrans

Borders Committee | September 22, 2023

1

Project Overview

Create a more sustainable supply chain network through regional freight projects and policies that reduce emissions while fostering trade



- Partnerships
- Environmental justice
- Innovative technology
- Funding for implementation
- Workforce gaps

2

Timeline

Feb – Mar 2022
- Work Plan and Schedule
- Public Engagement Plan

May – Jul 2022
- Existing Conditions Assessment
- Stakeholder Interviews

Aug – Dec 2022
- Innovative Strategies Development and Screening
- Focus Groups

Jan – May 2023
- Public Survey

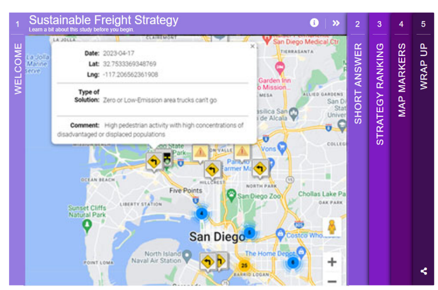
Jun – Oct 2023
- Implementation Plan
  - Cost Estimates, Schedules and Funding
  - Project Phasing Methodology
  - Workforce Development Toolkit

Oct – Nov 2023
- Draft Strategy
- Public Workshop

Dec – Jan 2024
- Final Strategy
- Presentations

Outreach Efforts

- Stakeholder Interviews
- Focus Groups
- Public Survey
- Committee and Working Group Presentations
- Community Events



Project Evaluation

Screening Criteria

- Equity
- Environment
- Economy and Competitiveness

Project Types

- Complete Corridor
- Marine Terminal
- Port of Entry
- Truck Parking
- Rail
- Grade Separation
- Airport

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High Priority Strategies

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Proposed Projects Examples

- Wireless electric charging for trucks in queue at Ports of Entry (POE)
- Commercial vehicle appointment window system at POE
- Zero-Emission truck charging/parking/staging
- SR 11, SR 905, and I-5, and Harbor Drive enhanced truck route: truck only lanes conversion
- Truck Bypass: SR 86/SR 78 Westmorland
- Amenities at rest areas: zero-emission truck charging, onsite electric generation and storage
- Passing lanes, turn pockets, safety improvements on interregional routes: SR 115 Corridor

7

Proposed Policies

- Toll discounts for zero-emissions trucks
- Low/zero-emissions zones
- Fill gaps in regional truck network
- Variable tolling at Otay Mesa East
- Industrial land use recommendations

8

Proposed Programs

- Truck traveler information system – NextGen 511
- Incentives to purchase Zero-Emission Trucks
- Last-mile delivery pilots
- Promotion of Cargo Bikes and Delivery Lockers
- Zero-emission locomotive incentives
- Funding for truck parking and charging

9

Next Steps

- Implementation Plan
  - Project Phasing
- Workforce Development Toolkit

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Thank you!

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IMPERIAL COUNTY TRANSPORTATION COMMISSION

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Zero Emission Freight Transition at the California-Baja California Border

Table of Contents

Preface

In January 2023, President Joseph R. Biden of the United States, President Andrés Manuel Lopez Obrador of Mexico, and Prime Minister Justin Trudeau of Canada met at the 2023 North American Leaders' Summit to promote a common vision for North America. The U.S., Mexico, and Canada recognize the urgency for rapid, coordinated and ambitious measures to build clean energy economies and respond to the climate crisis. To combat the climate crisis, the three leaders committed to multiple measures including developing a plan for operating standards and the installation of electric vehicle (EV) chargers along international borders to ensure a seamless EV charging transition from country to country.

This EV plan also builds upon the shared strategic economic and commercial priorities that the U.S. and Mexico relaunched with the U.S.-Mexico High-Level Economic Dialogue (HLED) in 2021. The HLED provides a platform for the U.S. and Mexico to leverage their strong economic integration to foster regional prosperity, expand job creation, promote investment in our people, and reduce inequality and poverty.

Around the same time period in September 2022, the Commission of the Californias convened state officials from California and Baja California to discuss California's planned transition towards zero-emission vehicles (ZEVs) and the wide-ranging regional impacts it will have on our neighbors to the south, including Baja California and Baja California Sur, and how the three states can work together to promote the transition to ZEV technology.

In an effort to facilitate and contribute to this high-level international and interregional dialogue, this document explores the benefits, challenges, and considerations associated with the transition to zero emission (ZE) heavy and medium duty trucks in the California-Baja California (CA-BC) border region.

Executive Summary

The California-Baja California border region is both essential for trade and impacted by poor air quality. Some of the largest supply chains in the nation are connected through the border region, the core of California's freight economy, generating billions per year in international trade. In 2021, the region's land ports of entry (POEs) handled $71.8 billion worth of goods. Mexico became the United States' top trade partner in 2019 and has remained in the top two positions since then. Meanwhile, residents who live near these trade routes face some of the worst air quality in the region. An important challenge is twofold: recognizing the importance of cross border trucking as the dominant mode of goods movement and backbone of California's freight economy while also recognizing the urgent need to reduce air pollution in impacted communities and reduce greenhouse gas emissions for future generations.

The International Border Community, which includes San Ysidro and Otay Mesa, is designated through Assembly Bill 617 and the California Air Resources Board's (CARB) Community Air Protection Program as an area disproportionately affected by exposure to air pollution from mobile and stationary sources. These communities have the highest traffic percentile in the state and its Particulate Matter (PM) 2.5 levels are in the 95+ percentile. At the binational land POEs, emissions are a concern due to commercial vehicle transport and idling waiting to cross the border.

To improve air quality statewide, California has established ambitious ZEV and ZEV infrastructure targets including the Innovative Clean Transit Rule (ICT), the Advanced Clean Truck Rule (ACT), and Governor Newsom's Executive Order N-79-20, which sets the target of 100% of Medium- and Heavy-Duty (MD-HD) fleets transitioning to ZEVs by 2045. The order also requires state agencies, in partnership with the private sector, to accelerate deployment of affordable fueling and charging options.

Several unique challenges and barriers to effective ZE freight transition include incongruencies in regulations across the nation and CA-BC border, limited performance and charging infrastructure for ZE trucks, and effective outreach to the region's diverse stakeholders. Economic impacts could go up and down the supply chain as transportation costs are likely to increase. Under any scenario in which the new ZE regulations cause higher shipping costs, there will be some decline in marginal economic activity, loss of jobs/economic output, and an accompanying rise in prices throughout the chain from producer to consumer. These losses may or may not be modest in comparison to benefits, but it is important to design policies in ways that minimize costs for the desired benefit.

This paper identifies opportunities to facilitate the transition to ZE freight in the CA-BC border region, including infrastructure improvements, reducing border wait times, expanded incentives, pilot projects, consideration of hydrogen, workforce training, and other initiatives.

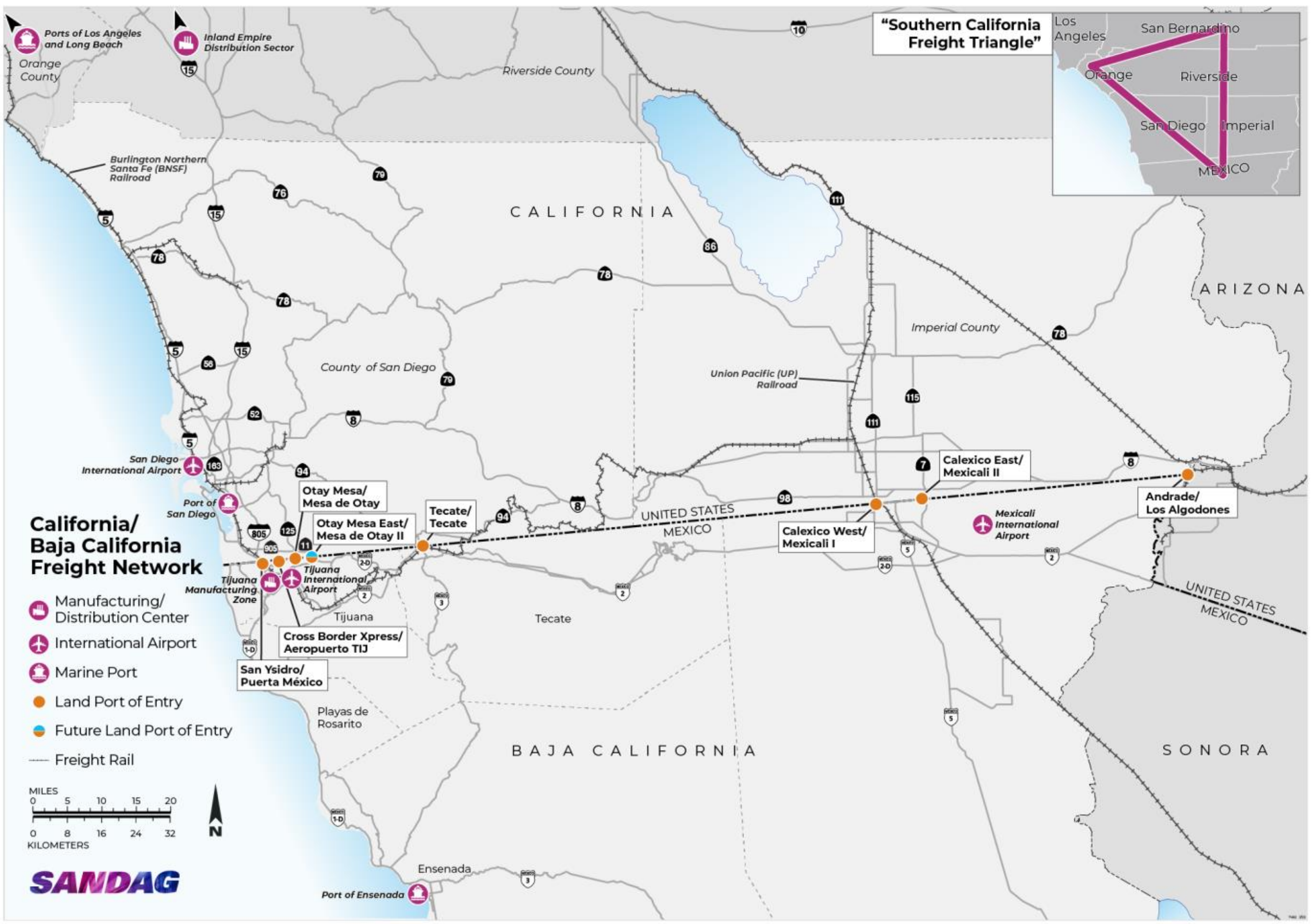
Border Region Freight Flows: The Core of California's Freight Economy

The CA-BC border region connects some of the largest supply chains in the nation. Trade crossing the border in California contributes billions of dollars to the state and national economies annually. In 2019 this meant 23 billion in economic output for California and 48 billion for the rest of the U.S. with a combined 265,000 jobs nationwide and more than 3 million jobs in Mexico. In Southern California there is a **freight triangle** between the CA-BC border, the Ports of Los Angeles and Long Beach, and the Inland Empire that together are the core of California's freight economy (Figure 1). The CA-BC freight triangle contains a freight network that accounts for the most significant trade in California.

> **The CA-BC freight triangle contains a freight network that accounts for the most significant trade in California.**

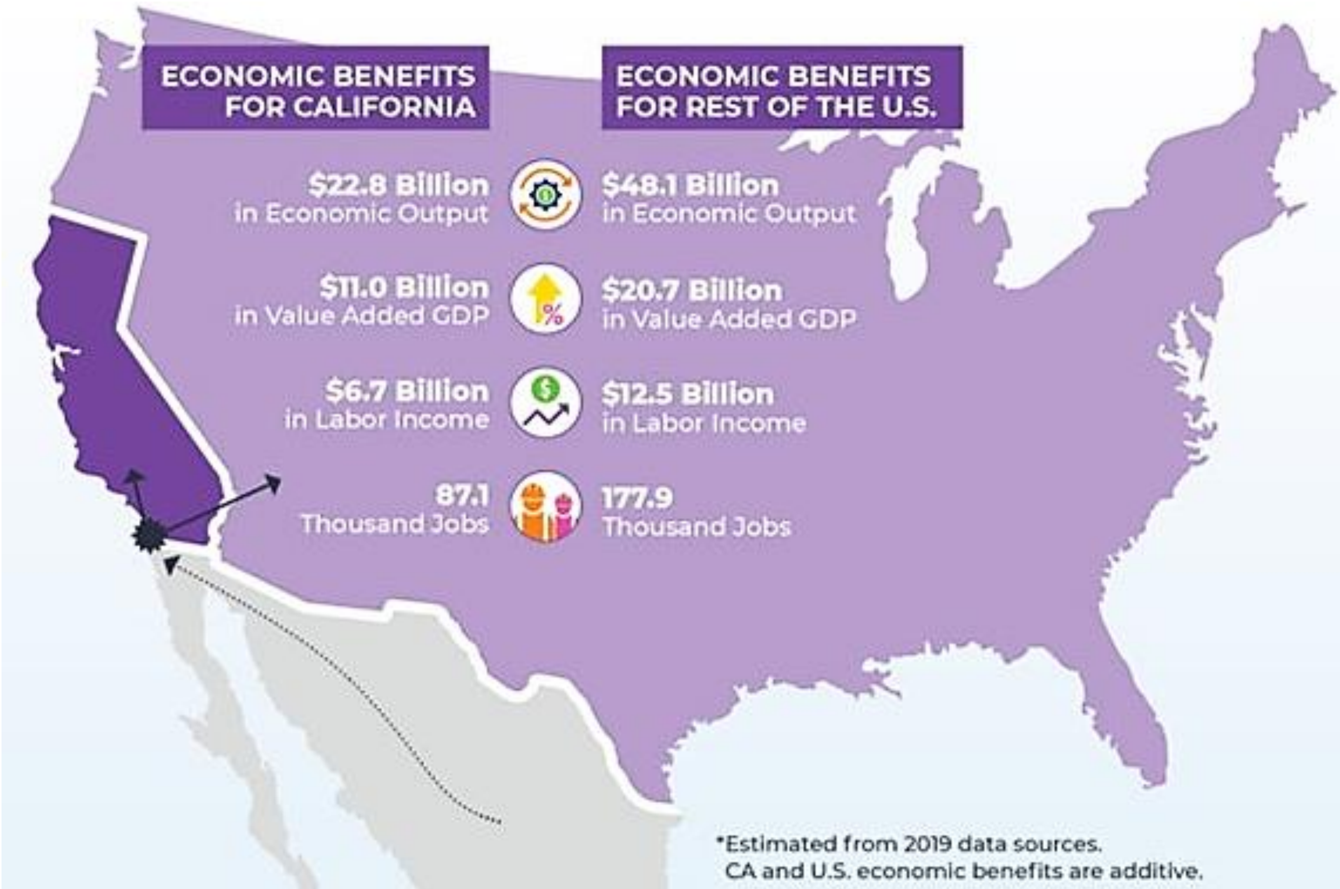
Figure 1

The CA-BC border region consists of San Diego and Imperial counties in the U.S. and the municipalities of Tijuana, Tecate, and Mexicali in Mexico.



The U.S. and Mexico have grown increasingly interdependent since the passage of the 1994 North American Free Trade Agreement (NAFTA) and the resulting integration of many North American supply chains. Between 1993 and 2022, the value of U.S.–Mexico trade increased by 856%.[1] Mexico became the top overall goods trade partner to the U.S. in 2019 and has remained in the top two positions since.[2] Mexico also continues to be California's number one export market, purchasing 15.5% of all the state's exports. Figures 2 and 3 help to illustrate the significance of the region's POEs for the state and nation.

Figure 2
The CA-BC border region POEs contribute significantly to California and the nation.

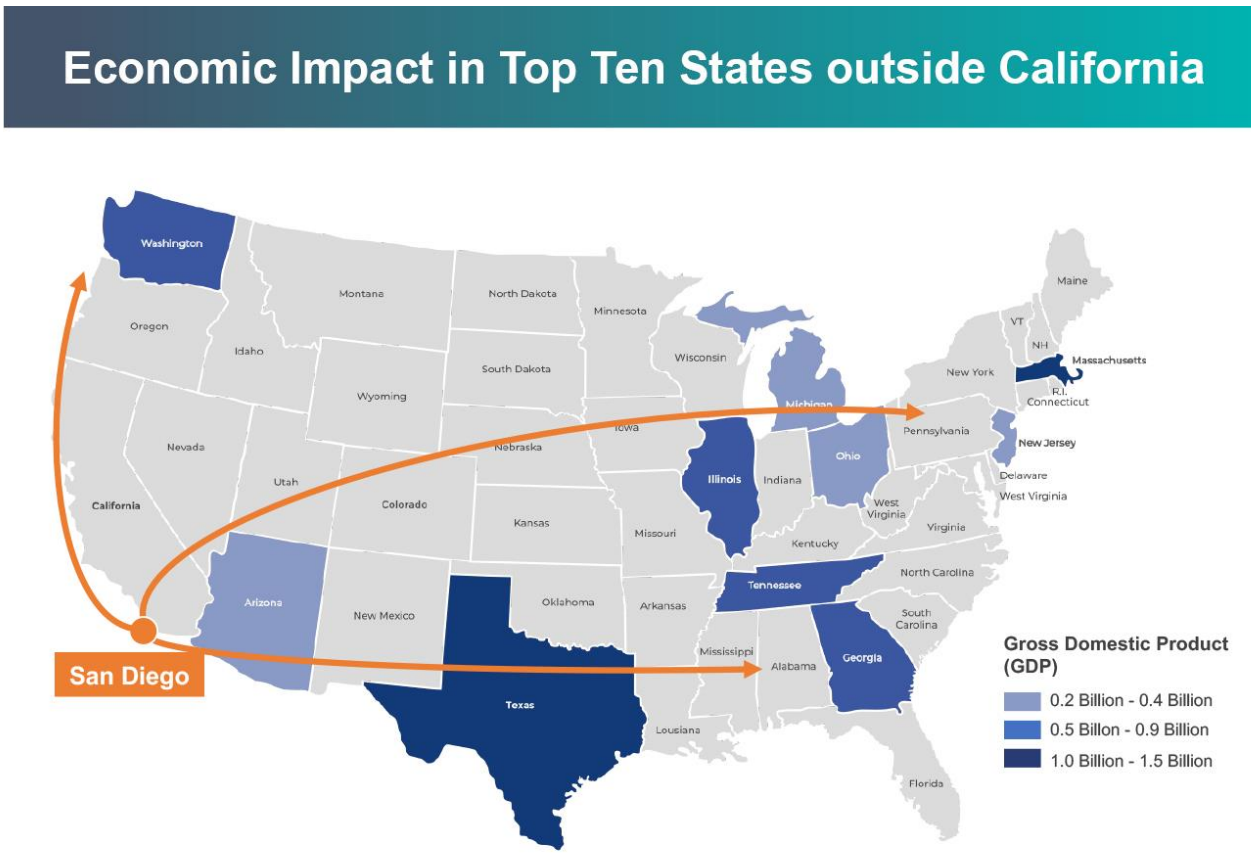


[1] U.S. Census Bureau, as of February 2023 (calculated on a nominal basis), https://www.census.gov/foreign-trade/balance/c2010.html.
[2] U.S. Census Bureau, as of October 2022. https://www.census.gov/foreign-trade/statistics/highlights/top/index.html

In 2021, the region's land POEs handled $71.8 billion worth of goods (Figure 4), with the Otay Mesa POE being the second-busiest truck crossing along the U.S.–Mexico border. This annual two-way trade has more than tripled in value since reaching a low in 2009 after the Great Recession, and in 2021 was dominated by U.S. imports ($46.4 billion) compared to U.S. exports ($25.4 billion).

According to a 2010 research paper,[3] 40% of the value of U.S. imports from Mexico is U.S.-made; for China that figure is 4%. This shows the interdependency of U.S-Mexico supply chains and reinforces the fact that strengthening manufacturing with Mexico strengthens U.S manufacturing as well. With recent COVID-related supply-chain disruptions and geopolitical tensions, more manufacturers are looking to nearshoring (and "friendshoring")[4] leading to a spike in manufacturing investment in Mexico.

Figure 3
Trade through the CA-BC POEs have economic impacts for nearly every state in the nation.

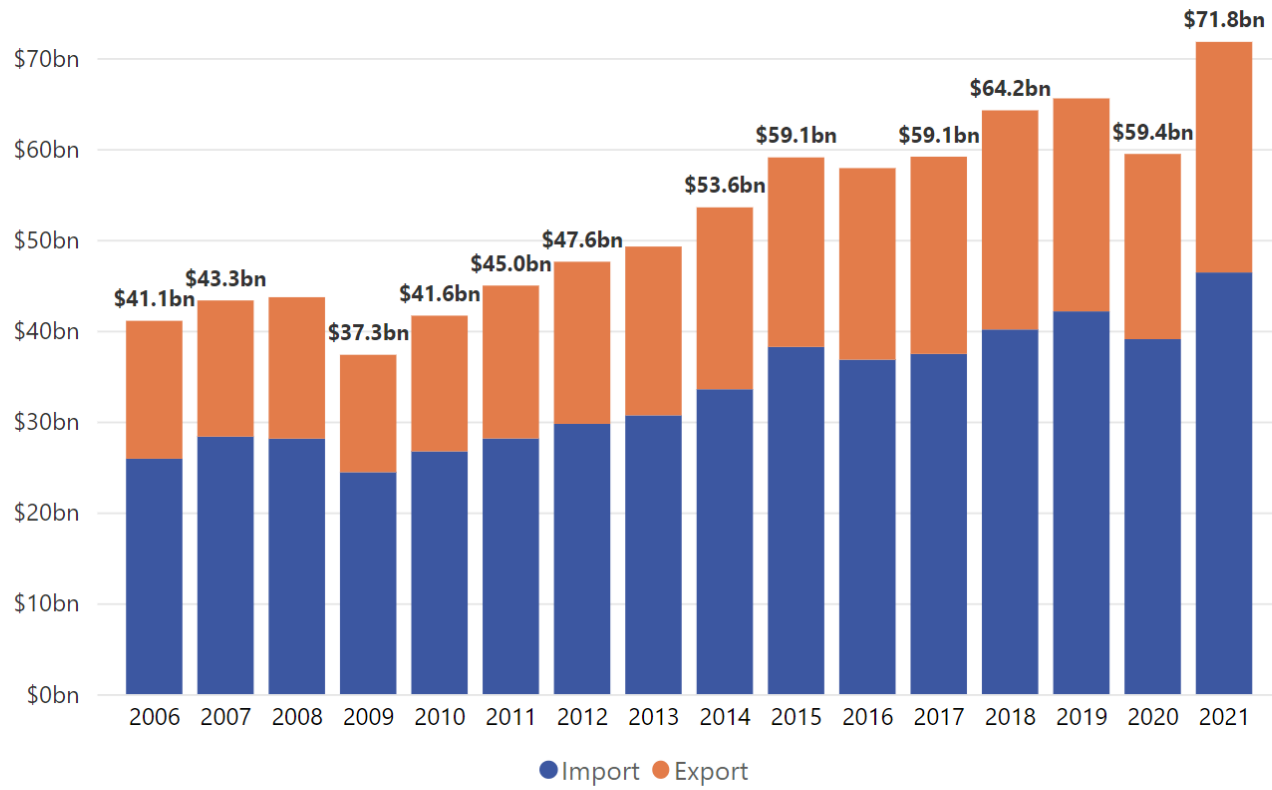


[3] http://www.nber.org/papers/w16426

[4] Nearshoring is the practice of transferring a business operation to a nearby country, especially in preference to a more distant one while friendshoring refers to manufacturing and sourcing from countries with shared values.

The United States-Mexico-Canada Agreement is a free trade agreement (USMCA) that replaced NAFTA in July 2020. It is anticipated to attract additional trade between the U.S. and Mexico, due to additional trade facilitation and incentives and will strengthen labor rules to be more consistent between the three countries. Among the many provisions of the USMCA, the agreement includes a higher "domestic content" requirement for the parts that are used to manufacture motor vehicles. This is anticipated to result in more trade between the U.S. and Mexico (e.g., the Toyota maquiladora, which produces Tacomas, is near Tecate, and the assembled Tacomas cross into the U.S. using the Otay Mesa POE to seaport, rail, and interregional/local roadways).

Figure 4
Bilateral Trade Value via Truck – California Commercial Land POEs, 2006–2021



Source: U.S. Department of Transportation (DOT) BTS

San Diego County Freight Network

Situated between major production, trade, and population centers, San Diego County depends on an integrated transportation network to move people and goods within and through the region to the rest of the nation and around the world. Due to the interdependent binational economy with Tijuana and Tecate, San Diego's globally competitive business environment hosts a manufacturing sector that is one of the world's strongest cross-border supply chains, with a combined gross domestic product of approximately $268 billion for San Diego County alone in 2021, and $10.9 billion for Imperial County.[5]

[5] U.S. Bureau of Economic Analysis; Gross Domestic Product by County

Imperial County Freight Network

Imperial County relies on its freight highway network to handle over 90% of total commodity flows, its agriculture commodities surpass $2 billion annually[6]. The Imperial County freight highway system facilitates the movement of goods from the international border with Mexico through two land POEs, Calexico West and Calexico East, and the Union Pacific Railroad. Freight movement in Imperial County includes agricultural, medical, and a variety of other products to Coachella Valley in Riverside County with connections west to the Los Angeles/Long Beach Seaports and other key distribution centers throughout California. Other high value commodities such as aerospace and aeronautical equipment and parts, as well as computer equipment also move through Imperial County POEs.

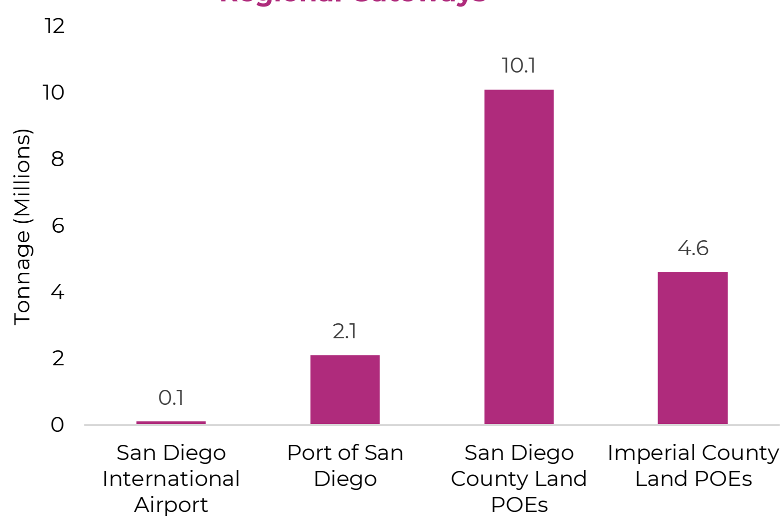
Trucking as Dominant Mode of Goods Movement

Trucking is the predominant mode of commercial transportation in the region. Freight by truck is critical in Tijuana, where maquiladoras[7] are not served by rail. Over 1.4 million northbound trucks moved through the region's three commercial land POEs in 2021, with an assumed equal number of southbound trips.[8] Otay Mesa, as the main commercial gateway for international trade between California and Baja California, ranked second in total volume of trucks and third in total trade value moved by truck among the southern border land ports.

Over 1.4 million northbound trucks moved through the region's three commercial land POEs in 2021, with an assumed equal number of southbound trips.

San Diego and Imperial counties land POEs reflect the highest amount of combined import and export tonnage in the region (Figure 5). A substantial majority of total tonnage for these counties is moved through San Diego County (Otay Mesa and Tecate) with an estimated 60% and Imperial County (Calexico East) with 27%.

Figure 5
2019 Freight Volume through Regional Gateways



Source: IHS Markit Transearch, Port of San Diego, and San Diego International Airport

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[6] 2021 Imperial County Agricultural Crop & Livestock Report: https://agcom.imperialcounty.org/wp-content/uploads/2022/10/2021-CR-Draft-Final.pdf

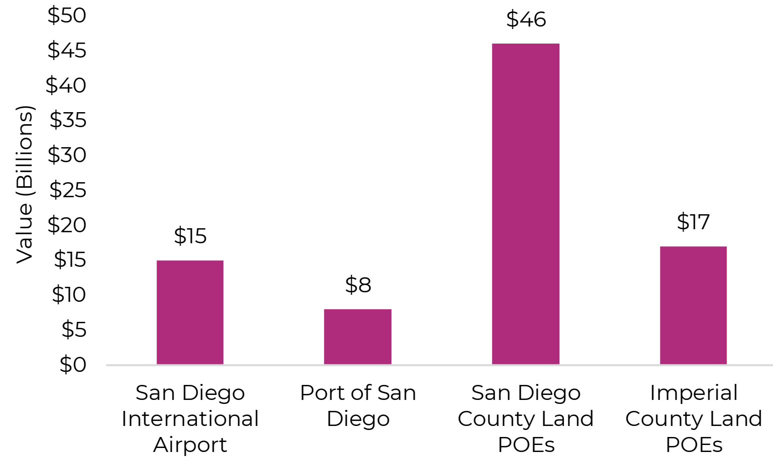
[7] A maquiladora is a foreign-owned factory in Mexico that exports its products to the company's home country (the U.S. has many maquiladoras just south of the border in Mexico).

[8] "California–Baja California Border Crossing and Trade Statistics," SANDAG, https://opendata.sandag.org/stories/s/h8wt-5zns

Similarly, as with tonnage, San Diego and Imperial Counties POEs overwhelmingly lead the region’s gateways in combined import and export trade value (Figure 6). Among the top commodity categories **exported** across the CA-BC border are electrical machinery and equipment, manufactured goods, high tech equipment, motor vehicles, and agricultural and food products.[9]

This diversified mix of commodity categories reflects the integration of the Baja California economy with goods sourced from the U.S. and exported to Mexico through land POEs (Figure 7). Goods of many types sourced from across the U.S. are exported to Mexico through the CA-BC POEs. Some of these exports to Mexico are then used as inputs to Mexican manufacturing, which become finished products then exported by Mexico back to the U.S.

Figure 6
2019 Freight Value through Regional Gateways



Source: IHS Markit Transearch, Port of San Diego, and San Diego International Airport

Goods of many types sourced from across the United States are exported to Mexico through the CA-BC POEs.

Figure 7
Top commodities exported from the U.S. and Mexico across the CA-BC border in 2019

Top U.S. Commodities by Output	Top Mexico Commodities by Output
1. Electrical Machinery and Equipment	1. Electrical Machinery and Equipment
2. Manufactured Goods	2. Motor Vehicles
3. High Tech (Computer-Related)	3. High Tech (Aircrafts and Measuring Instruments)
4. Plastics and Articles	4. Manufactured Goods
5. Other	5. Agricultural and Food Products
6. High Tech (Aircrafts and Measuring Instruments)	6. High Tech (Computer-Related)
7. Motor Vehicles	7. Other
8. Agricultural and Food Products	8. Plastics and Articles

Source: SANDAG. 2022. Otay Mesa East Economic Value of Cross Border Freight Study.

[9] Based on Freight Analysis Framework data from 2017

Cross Border Trucking

> **A typical truck shipment between the U.S. and Mexico uses dedicated cross border tractors to pick up a trailer from a yard on one side of the border and then haul it over the border to another yard for transfer to a domestic carrier.**

California-Mexico freight is almost exclusively carried across the CA-BC border by trucks through the region's international land POEs. The majority of these cross-border truck trips are undertaken by drivers that specialize in this route. A typical truck shipment between the U.S. and Mexico uses dedicated cross border tractors to pick up a trailer from a yard on one side of the border and then haul it over the border to another yard for transfer to a domestic carrier. This pattern is sometimes referred to as a "drayage" operation, but it may be more accurately described as a "cross border shuttle" service. Whereas the CARB definition of drayage only applies to trucks serving marine ports and intermodal railyards, cross border shuttle carriers are specialized in international customs, can be certified by customs agencies with special permissions, and require a driver experienced in cross border routes between countries.

More than 90% of the cross border trucking business is performed by Mexican-domiciled motor carriers.[10] Mexico-domiciled cross border shuttle trucks must have a DOT number, Federal Motor Carrier Safety Administration (FMCSA) assigned "MX" or Mexico docket number, and a valid FMCSA Certificate of Registration for operations within the commercial zone generally extending 30 miles into the U.S. from the border. Regardless of the type of authority the carrier obtains, no Mexico-domiciled carrier may conduct point-to-point operations within the U.S.[11] There is a lot of cross border freight truck activity that is centered within a 30-mile radius of the CA-BC border, and many of these trucks are from Mexico.

> **There is a lot of cross border freight truck activity that is centered within a 30-mile radius of the CA-BC border, and many of these trucks are from Mexico.**

Trucking companies wanting to operate across a broader geographic area (further away from the border than 30 miles) on both sides of the border register trucks in both Mexico and California. This 'dual plating' operation incurs higher costs as motor carriers must pay for registration in two states at the same time and are subject to laws and regulations on both sides of the border.

This is where one of the challenges of implementing ZE freight at the CA-BC border exists. In order to do business in California, a Mexico based fleet may have dual plating on their trucks and the fleet is therefore subject to California regulations around zero-emissions while in Baja California neither the supply nor the regulations are in place.

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[10] Appendix Y: Goods Movement Planning and 2021 San Diego and Imperial Counties Freight Gateway Study Update: https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/goods-movement-planning/freight-gateway-study/goodsmovementplanningand2021sandiegoand imperialcountiesfreightgatewaystudyupdateappendixy20211201.pdf

[11] Cross-Border Operating Requirements for Mexico-domiciled Motor Carriers. Federal Motor Carrier Safety Administration. https://www.fmcsa.dot.gov/international-programs/cross-border-operating-requirements-mexico-domiciled-motor-carriers.

Benefits of Zero Emission Freight at the Border

Poor air quality is a critical issue near the California-Baja California border. The San Diego International Border Community[12], which includes San Ysidro and Otay Mesa, is designated through Assembly Bill 617 and the CARB Community Air Protection Program as an area disproportionately affected by exposure to air pollution. California environmental screening tool CalEnviroScreen version 4.0 shows that the community has the highest traffic percentile in the state and its PM2.5 levels are in the 95+ percentile. Environmental Justice Neighborhoods in San Diego County and the El Centro-Heber-Calexico Corridor in Imperial County are also included in CARB's Community Air Protection Program[13].

Socioeconomic indicators show San Ysidro residents are limited in overcoming the pollution exposure and environmental effects. Over 27,000 residents have Population Burdens, including an 86+ percentile for poverty, 79+ percentile for unemployment, 89+ percentile for education, and 85+ for linguistic isolation. With significant poverty levels and having much of their limited income going towards housing, their ability to protect themselves from pollution exposure is greatly limited. The International Border Community is also confronted with pollution, specifically from Tijuana, Mexico. The San Ysidro Community Air Quality Study[14] showed elevated particulate levels in the community when it was downwind of Tijuana. Additional monitoring and cooperation are needed to reduce the elevated pollution levels and better protect the residents of San Ysidro.

Mobile sources and fossil fuels are currently responsible for 80% of nitrogen oxides (NO_x) emissions, 50% of greenhouse gas emissions from fuel production, and more than 95% of diesel particulate matter (DPM) emissions in California.[15] The equipment used to move goods at both the large scale (e.g., trucks and trains) and the small scale (e.g., forklifts and onboard ship equipment) traditionally use fuels such as diesel which emit such air pollutants as carbon dioxide (CO_2), NO_x, sulfur oxides (SO_x), a variety of particulate matter (PM), and others that pose a risk to public health and environmental safety. Communities located near or adjacent to freight network gateways and corridors are disproportionately impacted by these effects. It is important to point out that there are stationary emissions sources within the border community. For example, there are two peaker power plants[16] in Otay Mesa, which are powered by gas and create significant emissions within the community as well as other stationary sources. It is anticipated that if no changes are made to current trends, environmental conditions will worsen in the San Diego region by 2050.

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12 https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program/communities/international-border-community

13 https://www.icab617community.org/

14 https://oehha.ca.gov/calenviroscreen/general-info/san-ysidro-community-air-study

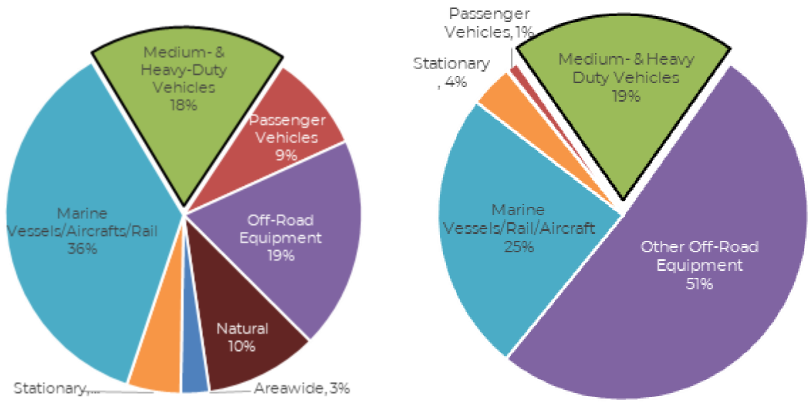
15 "Advanced Clean Trucks Fact Sheet," CARB, August 20, 2021, arb.ca.gov/resources/fact-sheets/advanced-clean-trucks-fact-sheet.

16 Peaker power plants are used when the electricity grid is near capacity (e.g. during summer months in Southern California).

Trucks account for the largest percentage of goods movement within the San Diego region. One study showed that HD diesel trucks in the San Diego region emit an average of 19.7 tons of NOx per day.[17] Figure 8 illustrates the contribution of medium- and heavy-duty trucks and buses to NOx and DPM emissions in San Diego County in 2022[18]. While only one-fifth of DPM and NOx emissions in San Diego County are associated with operation of these vehicles, source of these emissions are localized near schools and residences, as those trucks operate within these areas.

Figure 8

2022 NOx (left) and Diesel PM (right) Emissions in San Diego County



Source: 2019 California Emissions Projection Analysis Model version 1.03

In 2016, trucks at the San Diego–Tijuana land POEs resulted in an average of approximately 182 metric tons of CO_2 emitted per day – equivalent to emissions from consumption of nearly 17,900 gallons of diesel fuel.[19] The daily average when including truck delay at Imperial County POEs rises to 249 metric tons.

Zero Emission Policy in the Border Region

The CA-BC border region recognizes the need to transition to ZE freight. One way to minimize the greenhouse gas emissions and air pollution impacts from goods movement is by converting trucks to ZEVs, which produce zero tailpipe emissions and include plug-in battery EVs and hydrogen fuel cell vehicles (HFCV). Vehicle emissions are regulated at varying levels of geography in the U.S. and Mexico.

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[17] "Draft Community Emissions Reduction Plan," SDAPCD, 2020, sandiegocounty.gov/content/dam/sdc/apcd/PDF/AB_617/Portside%20Environmental%20Justice%20DRAFT%20CERP%20Oct%202020.pdf.

[18] CARB's 2019 California Emissions Projection Analysis Model v1.03. Link: https://ww2.arb.ca.gov/applications/cepam2019v103-standard-emission-tool

[19] "Impacts of Border Delays." https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/borders-and-interregional-collaboration/binational/volume-1-background-and-summary-findings-2021-02-09.pdf

Freight transportation system operations are regulated by various government agencies. The Secretariat of Environment and Natural Resources is the sole agency responsible for emission standards for new vehicles in Mexico. In February 2018, the agency published NOM-044-SEMARNAT-2017, an update to HD emission standards. The regulation established a timeline for alignment between Mexican and then-U.S. standards for new HD vehicles beginning in 2022.[20] The Secretariat of Communications, Infrastructure, and Transportation regulates cross border transportation and trade while the Office of the Federal Prosecutor for Environmental Protection enforces federal emissions regulations, and the Baja California state government is responsible for administering vehicle registrations in compliance with those regulations.

The grid in Mexico is underequipped to reliably handle charging for freight.

In Mexico, ZE regulations are not as developed as they are in the U.S. The Mexican Federal Energy Commission has a ZE charging program that, according to one expert, has not been significantly promoted. Although policies for personal ZEVs are maturing, policies and programs related to commercial ZEVs do not yet exist. One interviewee explained that for electrical supply and distribution, the highest priority is handling the summer loads; the state of the grid is such that medium tension circuits are severely congested, and there is a shortage of equipment. The grid in Mexico is underequipped to handle charging for freight.

In the U.S., freight operations are regulated by the U.S. DOT's FMCSA and National Highway Traffic Safety Administration as well as the U.S. Environmental Protection Agency (EPA). Although federal regulations on truck fuel efficiency and emissions have been tightened periodically over the previous decades, California has adopted fuel efficiency and emissions standards more stringent than those set at the U.S. federal level by EPA.[21] CARB is the primary state agency responsible for regulating emissions of air pollutants and greenhouse gases from transportation (including light and MD-HD vehicles). As of 2023, all trucks operating in California must have model year 2010 or newer engines (based on the Emissions Control Label), and most heavy trucks must have a PM exhaust filter installed.

CARB prepares a Scoping Plan (climate change) at least once every five years, which demonstrates how the state will reduce greenhouse gas emissions. The 2022 CARB Scoping Plan identifies pathways for all sectors in California to achieve carbon neutrality by 2045 or sooner. As an agency, CARB has the authority to monitor the progress of the recommendations and strategies identified in the Scoping Plan to ensure the state is making advancements to reduce emissions, which includes moving the ZEV industry forward. CARB does this through regulation and incentives.

California has established ambitious ZEV targets including the ICT, the ACT, and Governor Newsom's Executive Order N-79-20, which sets the target of 100% of MD-HD fleets transitioning to ZEVs by 2045. The order also requires state agencies, in partnership with the private sector, to accelerate deployment of affordable fueling and charging options.

In June 2020, CARB adopted its first ZEV requirements for HD trucks. California's ACT—the first such policy globally—calls on truck manufacturers of Class 2b-8 trucks to sell increasing percentages of ZE trucks beginning in 2024.

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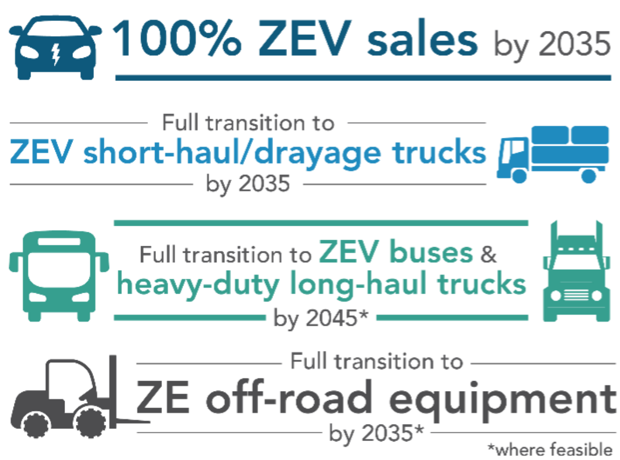
[20] Mexico heavy-duty vehicle emission standards (theicct.org)
[21] Vehicle Emissions California Waivers and Authorizations | US EPA

To meet the goals established by Executive Order N-79-20, CARB is working on complementary regulations to accelerate the transition to ZE MD-HD vehicles in California. The proposed ACF regulation, planned for CARB board consideration in spring 2023, will focus on setting major ZEV fleet purchase requirements. If approved, a large fraction of HD vehicles operating in California would be subject to the following requirements:

- **State and Local Government Fleets:** From 2024 through 2026, at least 50% of new public vehicle additions must be ZEV, and 100% of new purchases must be ZEV starting in 2027.
- **Drayage Fleets:** Beginning in 2024, new drayage trucks added to port registries must be ZEV, and all drayage trucks must be ZEV by 2035. The proposed ACF regulation notes that legacy drayage trucks (i.e., diesel and natural gas drayage trucks) may enter the port registries prior to 2024 and operate to the extent of their useful life, but not past 2035. This definition of drayage applies to trucks serving marine ports and intermodal railyards. However, it does not apply to trucks serving land POEs unless the goods are destined to or from marine ports or intermodal railyards.
- **High Priority and Federal Fleets:** California HD truck fleets are high-priority if: (1) the fleet has 50 or more vehicles under common ownership or control; or (2) the entity or the combination of entities operating under common ownership or control have $50 million or more in total gross annual revenue in the prior year—otherwise, the fleet is not subject to this regulation. Starting in 2024, high priority fleets can only add ZEVs to their fleets, and legacy internal combustion engine (ICE) vehicles have until the end of their useful life to transition to ZEV. The proposed ACF regulation also provides another compliance option in which fleets are not restricted from procuring ICE vehicles after 2024 but are required to reach pre-established ZEV milestones each year[22]



According to CARB's estimates, almost two-thirds of trucks operating in California are expected to be ZE by 2050. It is expected that the ACT and proposed ACF regulations will drastically change the mix of MD-HD vehicle technologies in the region. Specifically, this regulation will not only impact large fleets with more than 50 trucks or $50 million in total gross annual revenue, but also it affects the vehicles that are under common ownership and control by these entities. This applies to vehicles operated using shared resources for day-to-day operations, such as a common motor carrier number, name, or logo, and it applies to vehicles subject to relationships that control work assignments and the sharing of operating expenses, including owner-operators working exclusively under larger entities.

[22] CARB. Heavy-Duty Zero-Emission Vehicle Information | TruckStop (ca.gov)

The policy push in California to date has focused on ZE vehicles through the ACT manufacturer mandate and ACF fleet mandate. However, there is currently no mandate for public agencies or private business to supply ZE charging/refueling infrastructure, which will be necessary to support increasing numbers of ZE vehicles.

The California Energy Commission (CEC), California Public Utilities Commission (CPUC), and other agencies are involved in administering incentive programs and regulating the development of such infrastructure. Through Assembly Bill 2127 (AB 2127), the CEC is required to work with CARB and the CPUC to prepare and biennially update a statewide assessment of EV charging infrastructure needed to support state ZEV adoption goals and reduce greenhouse gas emissions to 40% below 1990 levels by 2030.

Border Region Policy and Industry Challenges

The following section details findings from research based on existing literature combined with qualitative interviews with freight stakeholders. Individual interviews were conducted over a three-week period and included shippers, carriers/truck drivers and companies, an energy policy expert, customs brokers, a media representative, and a large scale manufacturer. Interviewees were identified during community outreach workshops held in the border region and through contacts made by SANDAG and Caltrans staff. Appendix C provides a list of interviews and the interview guide. Additional insights from related efforts such as freight stakeholder workshops held for SANDAG's Sustainable Freight strategy also served as sources of qualitative data.

Interviews and policy analysis revealed several areas of regulatory and policy related challenges for the ZE transition in the border region. Generally, the new regulations are forcing carriers to re-think their entire supply chains. Timing of routes, number and type of drivers, locations of routes and stops, cost of operating, vehicle purchasing and maintenance, training, and safety are all subject to change with the new regulations. Companies face many unknowns with new ZE vehicles, citing the overall cost of driving as a main concern: Where will they refuel? How long will it take? What are the safety features compared to diesel? What is the resale value of a ZE truck? How will they cover the cost of reduced loads resulting from heavier batteries? How will they compete with unregulated smaller fleets? How will Mexican companies buy ZE trucks without incentives in Mexico? How will the cost of business increase and how much of that will affect consumers? What will the energy cost? These are some of the numerous questions brought up by freight stakeholders during interviews. This section identifies four main categories of challenges that emerged from this research:

- Inconsistency in California and Mexico Industry and Air Quality Regulations
- Range, Weight, and Cost Limitations of Battery Electric Trucks
- Charging and Fueling Infrastructure and Truck Parking
- Messaging and Outreach.

Inconsistency in California and Baja California, Mexico Air Quality Regulations

The border region is unique because many trucking companies operate functionally across the two countries, but the ZE rules are inconsistent across the border. Several interviewees suggested that northern Baja California and Southern California should share similar rules for air quality, noting that air moves freely across the border without the need to go through customs and immigration. If Mexico remains with less stringent ZE regulations, the “dirty” trucks will continue to operate and continue to pollute the air basin. While air quality regulations on the California side of the border act as an instigator for changes in infrastructure and business practices, there is not a corresponding regulatory driver on the Mexico side, businesses that operate on both sides have a lack of harmonization in regulations.

Adding to the complexity are inconsistent Gross Vehicle Weight regulations, with Mexico allowing heavier trucks on roads than the U.S. According to one source the powertrain for battery electric trucks is approximately 10,000 pounds heavier than diesel trucks, requiring the same amount of goods to be moved using more trucks in order for trucks to comply with Gross Vehicle Weight limits on the U.S. side of the border. When interviewed, industry representatives pointed out that adding more trucks to deliver the same amount of goods increases the cost of goods (and increase vehicle miles traveled) and suggested that weight regulations should be changed to allow heavier vehicles until battery electric technology can mature enough to allow for lighter trucks. This may require a complementary mechanism to address increased wear on the roads caused by heavier vehicles.

Another area of concern for interviewees is the uneven impact of regulations on medium to large companies versus those for smaller fleets. Interviewees stated this was “unfair” because some companies are faced with more restrictions. Conversely, a significant portion of truck operators in the freight industry are independent contractors who own their own vehicles and work for larger corporations. These operators could be left with vehicles they can no longer use in California, leading to potential unemployment.[23]

A third area of inconsistency is varied regulations in U.S. states other than California. With less stringent regulations in Arizona and Texas, for example, operators may be inclined to shift back to diesel trucks when crossing into states that do not have the charging infrastructure to support ZE vehicles. Interviewees noted that drivers may shift their business to other states which could result in a loss of business in California.

Range, Weight, and Cost Limitations of Battery Electric Trucks

Interviewees expressed concern that battery electric trucks have many time constraints that do not currently exist with diesel trucks. A diesel truck is typically able to travel for over 1,000 miles without needing to stop and refuel, but charging a battery electric truck could take several hours for a current range of less than 300 miles. The need to find a place to charge could also impact the route and add time because of distance. If a company decides to transfer goods from one vehicle to another, that also adds time. The additional time it takes to deliver goods in a battery electric truck creates a number of challenges for companies.

[23] Appendix Y: Goods Movement Planning and 2021 San Diego and Imperial Counties Freight Gateway Study Update: https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/goods-movement-planning/freight-gateway-study/goodsmovementplanningand2021sandiegoandimperialcounties freightgatewaystudyupdateappendixy20211201.pdf

For example, cross border trucks are often certified trusted travelers through the Customs Trade Partnership Against Terrorism (CTPAT) program, which does not allow the truck (or any aspect of the supply chain) to be left unattended for any length of time. If a driver were to spend all allowable driving hours combined with charging hours, there may be a need for a hotel which would compromise CTPAT regulations. It is not uncommon for the border economy to consist of consolidation facilities where customs brokers handle freight from CTPAT certified and non-CTPAT certified trucks. Additionally, drivers are currently paid by miles, not by hours. Having longer charging times would imply that drivers would need to be paid hourly, which would increase operation costs. Some truck drivers that work for Mexican companies are paid based on commission. Increasing delivery time will impact the pay of workers who rely on a commission that is based on how quickly goods are delivered.

Several interviewees noted that the ZE trucks, especially battery electric, cannot replace diesel trucks at a 1:1 ratio. The extra weight reduces their effective weight capacity, so additional ZE vehicles could be required to transport the same volume of goods.[24] Unlike a diesel truck, many electric trucks cannot cover 300+ miles before needing to re-fuel[25]. Especially when carrying heavier loads, a battery electric truck has to stop to re-charge more frequently than a diesel truck would,[26] which impacts truck trips and routes. One company stated that its understanding of the battery electric truck capacity will not allow its drivers to complete their shortest route between the border and the San Pedro Bay ports, which is 275-300 miles. Currently this trip can be done in one day, but with the reduced range of battery electric trucks, the company would need to rethink how to make this common trip cost effective. According to interviewees, this re-thinking of supply chains also must consider other market challenges such as a truck driver shortage.

One final challenge noted by most interviewees is the increased cost of a battery electric truck and a hydrogen fuel cell truck. Although cost estimates vary widely between truck manufacturers and researchers, most agree that ZE trucks cost more, and this is a challenge for businesses. Business owners articulated through interviews that they are now faced with a choice between attempting to comply with California regulations or moving their business out of California as much as possible, for example to Arizona. One of their deciding factors appears to be if they believe it is worth it to purchase more expensive trucks. When you pair this information with the fact that Mexico is California's number one trading partner, it becomes clear that vehicle cost challenges have significant impacts.

This challenge, which affects numerous companies operating in the border region, exemplifies the re-thinking that will be required at all levels of the supply chain because of increased regulations. According to interviewees, this re-thinking of supply chains also must consider other market challenges such as a truck driver shortage.

[24] Caltrans. 2022. California's Deployment Plan for the National Electric Vehicle Infrastructure Program.
[25] Evaluation of the Economics of Battery-Electric and Fuel Cell Trucks and Buses: Methods, Issues, and Results (escholarship.org)
[26] Caltrans. August 2022. California's Deployment Plan for the National Electric Vehicle Infrastructure Program.

Charging and Fueling Infrastructure and Truck Parking

Freight transportation is a highly competitive business, and the availability and reliability of charging and/or fueling infrastructure to support freight vehicles is crucial to the transition to ZE freight. Several interviewees stated that charging and fueling infrastructure should be implemented before mandating compliance. Gaps in charging and fueling infrastructure exist in Southern California and Mexico. There are currently over 7,000 direct current fast chargers at public charging stations in California; however, most or all of these chargers are at stations that were not built for trucks, many of them are likely in retail areas or other locations not suitable for truck charging and do not have space for trucks to charge.[27] There are currently three public hydrogen fuel truck stations[28] in California. When this existing infrastructure is compared to the 11,129 estimated class 4-8 ZE trucks that will be on the roads in 2025, and 134,831[29] class 4-8 ZE trucks that will be on the roads in 2030 as a result of CARB's Advanced Clean Trucks and proposed Advanced Clean Fleets (ACF) rules, it is apparent that there is a gap in the infrastructure needed to support ZE trucks.

Complicating the issue of infrastructure deficiencies is the concern among companies that the supply of hydrogen and electricity is inadequate to meet the demand. The CEC's AB 2127 report notes that, "In many cases, medium- and heavy-duty vehicles and equipment will need to charge as quickly as possible, which will create new multimegawatt loads. Charging infrastructure planning will be especially important and must address grid constraints, resilience, and compatibility with existing operating schedules."[30] The CEC and CPUC are working now to incorporate the potential additional energy demand into their planning process, but upgrading the grid to accommodate needed ZE freight infrastructure is likely to take years. Mexico is even further behind in terms of grid capacity. In addition to the regulatory differences noted previously, based on an interview of an expert from Mexico, the electric grid in Mexico is not currently able to handle significant additional electric load in most places.

In addition to energy supply challenges and a lack of infrastructure, a greater truck parking and charging footprint is required for ZE trucks. Companies have considered purchasing land for charging in strategic locations to help reduce disruption to their supply chain routes. On the border, international processing requirements (inspections, document checks, etc.) cause bottlenecks for vehicular traffic, and wait times can vary drastically and reach up to six hours. Trucks will often compensate for longer travel times by crossing at irregular hours and coordinating a rest period in the receiving country, thereby generating parking demand near international border crossings."[31] A similar situation is anticipated with additional delays incurred from charging and will exacerbate an already challenging international supply chain.

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[27] CEC: https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/electric-vehicle

[28] This information is based on a Hydrogen Fuel Cell Partnership station map. https://h2fcp.org/stationmap

[29] Vehicle numbers are from CARB.

[30] https://efiling.energy.ca.gov/getdocument.aspx?tn=238853

[31] Caltrans. February 2022. California Statewide Truck Parking Study.

Messaging and Outreach

Interviewees suggested that more robust outreach on the new ZE regulations is needed. Two carriers said it does not feel like a collaborative process, because amid so much uncertainty carriers may go without clear answers to their many questions. Another interviewee cited communication as critical to outreach to the border community to help people see and understand "the why" behind the regulations. "You need to show them why clean air is important… not with numbers… but really show them." The interviewee added that the Think Blue San Diego campaign, which taught the border community about the harm of dumping automotive oil in storm drains was successful because it effectively communicated the "why" through pictures. The interviewee also cited the campaign to get border communities COVID-19 vaccinated as a successful outreach campaign that worked because there was a clearly articulated advantage to complying with the recommended course of action.

Economic Implications

It is important to consider what impact air quality policy in California may have on the economy. The costs of the proposed ZEV regulations could be significant for operators of MD-HD trucks. While the market for personal EVs has expanded greatly in the past five years, the market for MD-HD EVs is two to five years further behind according to the SANDAG MD-HD ZEV Blueprint[32], meaning that both price and performance of MD-HD EVs (and other ZEVs) are not close to those of internal combustion vehicles that they would replace. While reasonable to expect that EV technology will continue to advance to the point where MD-HD EVs are on par or superior in cost and performance to internal combustion vehicles, perhaps quite quicky, the current state of the market is such that the proposed regulations that begin to affect MD-HD purchasing for "high priority fleets" in 2024 could represent a significant cost and performance penalty in a regulatory and infrastructure context that is unsettled ("high priority fleets" are defined as an entity with $50 million or more in gross annual revenue or a fleet who owns, operates, or controls 50 or more vehicles under common ownership and control).

If, as seems likely in the short term, firms that operate "high-priority fleets" are faced with additional costs that affect their operations, we could see a shift to smaller firms that are better able to control costs. These smaller firms would then likely raise rates as well responding to increased demand. The result being higher costs for all shippers, and an unearned advantage to smaller shipping firms.

In the longer term, it seems likely that costs would converge to the baseline, and perhaps even decline in comparison, if the ACF regulation encourages quicker adoption of ZE trucks that prove to have lower Total Cost of Operation (TCO) due to technological improvement.

Faced with higher shipping costs, companies will respond in different ways. It is hard to imagine firms abandoning manufacturing infrastructure due to potentially modest and likely short-to-medium-term increases in shipping costs (especially as shipping costs have proven volatile historically due to variations in fuel costs and driver shortages). But it could dampen future investments in the CA-BC border region if manufacturers see a difficult regulatory environment.

[32] SANDAG - Regional Medium-Duty & Heavy Duty ZEV Blueprint

More likely, firms would also seek alternative shipping routes that bypass California. This could lessen both the costs and benefits of the rule, but would disadvantage business, including warehouse and distribution workers in California, resulting in economic losses. Under any scenario in which the rule causes higher shipping costs, there will be some decline in marginal economic activity, loss of jobs/economic output locally and nationally, and an accompanying rise in prices throughout the chain from producer to consumer. These losses may or may not be modest in comparison to benefits.

Questions with Assumptions of Economic Impacts in Existing Policy

Stakeholders have raised several questions with the economic assumptions included in CARB's proposed ACF rule. The MD-HD ZEV Needs Assessment Report included a TCO analysis which suggests that despite the higher upfront costs for EVs, even in the relatively near future the total costs of operation will be lower when reduced fuel/energy and maintenance costs are factored in over the life of the trucks. This analysis seems to assume that the operational capabilities (range, capacity, etc.) of available or to be available vehicles are comparable, although it stresses that the technology for long-haul tractors lags behind others. In addition, the report notes that the production of ZE MD-HD vehicles was affected by production delays caused by supply chain disruptions during the COVID-19 pandemic. This effectively limits the availability and options of vehicles and is consistent with observations of affected firms, who indicated that available battery EVs lack range/fueling/weight capabilities to meet existing needs. It is also important to note that many of the incentive programs to defray the cost of the ACF program in the TCO calculations are not available to Mexico-based firms.

Thus a complete assessment of the costs of the proposed regulations would need to include both the increased purchase and infrastructure cost of the ZEV vehicles, an assessment of the reduced fuel/energy and maintenance costs, but also an accounting of the increased operational costs which could include (at least in the short term) reduced range resulting in higher refueling time/costs or reduced ability to serve clients, reduced capacity requiring more trucks per firm, and increased training time. Such an analysis would also need to account for the bi-national context of ZEVs, infrastructure, available incentives, and energy costs. Since bi-national trucking is also a long-haul industry, the differences between state-level policies must be considered as well.

A broader benefit-cost analysis would likely need to include the costs of public fueling infrastructure along with the type and deployment of the infrastructure versus a baseline. This is challenging due to a variety of unknown factors related to the differences between battery electric and hydrogen technology, if one will prove to be the dominant technology, or if a mix of the two will develop. The timing of both costs and benefits also impacts results. For example, a regulation with high upfront measurable costs that produces benefits further in the future will perform worse than a regulation with the same costs that produces benefits immediately. This timing aspect is particularly confounding in this context, as the ZEV technology is changing so rapidly, making cost (and to a lesser extent, benefits) projections difficult. Additionally, although air quality benefits for communities that trucks travel through are immediate, emissions benefits are measured as the difference between the baseline and emissions under a new policy over time and then monetized.

An additional complicating factor expressed by stakeholders is that certain "high-priority fleets" will have to begin to comply with the regulations in 2024, while smaller firms have a longer window. There is a question of why the 50-truck threshold was chosen, and whether it represents an appropriate inflection point for differential treatment in an economic context; is the industry structured in such a way that 50+-truck firms are better able to handle increased costs on a per-truck basis? These uncertainties are heightened in a cross-border region, where the Mexican ZEV context is considerably different, both in terms of regulations and infrastructure. To accurately reflect this difference for both benefits and costs, it will be important to know the structure of the industry, and what percentage of the fleet will fall into the "high-priority fleets" category.

While benefit-cost analysis seeks simply to quantify the benefits and costs of a policy, economic impact analysis seeks to take a broader view. Economic impact analysis takes the results of benefit-cost analysis and translates the increased costs and benefits into changes in economic activity. In the context of ACF, economic impacts could go up and down the supply chain as transportation costs are likely to increase, at least in the short-term for high-priority fleets. Air quality and health benefits, while real and important are difficult to measure from an economic standpoint. Below is a table that summarizes some considerations when estimating the economic impacts of the proposed ACF rule.

	How Calculated	Considerations
Increased costs to trucking companies	• Difference between baseline and costs under new policy over time. • Must account for changes in capital, fuel, maintenance, operations, and residual value. ▪ Understand cost differences between "high priority" fleets and non-high priority.	• Both policy and baseline costs are difficult to measure in a context of rapidly changing technology. • The policy itself could impact technological advancement.
Costs for public fueling infrastructure	• Difference between baseline costs and costs under new policy over time. ▪ Differential costs between battery EV and HFCV fueling	• Policy and baseline costs are difficult to measure in a context of rapidly changing technology. • The policy itself could impact technological advancement.
Reduced Emissions	• Difference between baseline and emissions under new policy *over time*, then monetize.	• Policy and baseline emissions are difficult to measure in a context of rapidly changing technology.

Considerations to Improve Zero Emission Transition

There are various projects and programs that governmental agencies can implement to ease the burden on border communities during the ZE freight transition. The suggestions that emerged from this research include infrastructure improvements, different types of incentives, pilot projects/programs and training. Considerations presented emerged from interviews with freight stakeholders and do not necessarily indicate policy positions of SANDAG or other agencies that co-authored this report.

Build ZE Infrastructure Near, at, and South of the Border

Refueling/charging infrastructure was cited repeatedly by interviewed trucking companies as critical to transitioning to ZE freight. Not only are there too few fueling stations, but companies point out that the region needs redundancy in the supply of stations in case any station goes offline reducing supply and unable to meet demand. Cooperation with Baja California could be expanded to ensure that by 2035 there is adequate EV charging infrastructure south of the U.S. border to support the charging requirements of battery electric trucks and other ZE inter-modal cargo transport. Here, financing could prove critical so co-financing opportunities should be explored through the North American Development Bank (NADBank).

New ZE infrastructure presents several opportunities, including creation of jobs and coordination with broader regional efforts to implement ZE infrastructure, such as SANDAG's work with the Port of San Diego and California Energy Commission to develop a regional Blueprint for MD-HD ZE vehicle ZE infrastructure and the San Diego and Imperial County Sustainable Freight Implementation Strategy currently under development.

Reduce Border Wait Times

San Ysidro is the busiest land POE in the Western Hemisphere and Otay Mesa is the busiest commercial land POE in California, ranking 2nd among all U.S.-Mexico border crossings in total truck volume (2019). At the San Ysidro POE, cars regularly wait 2-4 hours traveling northbound in general lanes and at Otay Mesa trucks in regular lanes experience 2-4 hour wait times. Long waits lead to excess idling that contributes to air pollution and strains vehicles with limited and costly fueling/charging requirements. There are opportunities to work with federal partners to prioritize reducing border wait times at existing border crossings and at the future Otay Mesa East, where congestion pricing is planned to achieve an average 20-30 minute wait time goal. Collaboration should continue with federal agencies to encourage efficient processing of trucks and cars across the border.

Streamline Permitting

Permit streamlining for charging/fueling infrastructure was suggested. This can include government fast-tracking station permits and/or exemptions from environmental permits (e.g., California Environmental Quality Act and National Environmental Protection Act) for station development or other fueling infrastructure.

Use Creative Tolling

There may be an opportunity to demonstrate truck-only toll lanes in the Otay Mesa area. Although many trucks crossing the border northbound are anticipated to have destinations in Otay Mesa, trucks destined for points further north could benefit from reliable through travel. A potentially significant truck route for the future is from Otay Mesa East POE to the Port of San Diego's marine terminals and adjacent rail yards via SR 11, SR 905, and I-5, and Harbor Drive. Safe and reliable travel achieved through truck-only toll lanes between these gateways could encourage greater use of the route.

Clean truck toll discounts could be piloted in areas most impacted by emissions, such as Assembly Bill 617-designated Portside, International Border, and Calexico-El Centro-Heber Communities. This strategy suggests air quality improvements, but the loss of revenue from commercial vehicles should be weighed carefully. Policymakers should consider that toll discounts may be preferable to exemptions since discounts can be changed over time according to the needs of the incentive program. For example, it could be acceptable to grant ZE trucks toll discounts in the near term, but those discounts could be reduced or eliminated as these vehicles become the focus of incentives and discounts.

Focus on Hydrogen Technology

Several interviewees suggested hydrogen technology as an alternative to electric trucks because of their longer range, reduced refueling time, and lighter weight. One company has invested in several hydrogen vehicles after their research revealed better performance compared to electric. It was suggested that hydrogen fueling stations are lacking in San Diego, but there are two stations that have allowed companies to shift to hydrogen with minimal disruption to their supply chains. One challenge with hydrogen technology is that hydrogen production facilities have a higher upfront cost having to be built "at scale" while charging can be built incrementally.

Explore Specific Exemptions

One business owner proposed exemptions for businesses based on what percent of their route was inside of California. This kind of exemption would recognize that for some trips originating in Mexico, California represents a very small portion of their trip. Another idea is to develop an exemption for companies based in Mexico that have no infrastructure on the Mexico side, and that may not have the grid capacity to put in electric charging stations for trucks. Finally, if a company is certified with CTPAT both governments may benefit from delaying or exempting CTPAT trucks and supply chains from regulations. These kinds of creative exceptions that recognize current challenges faced by the border region could be explored.

Provide Expanded Incentives

Discussions with shippers and carriers revealed the need for expanded incentives to help smooth the transition to ZE freight, especially along the border. Interviewees cited the lack of grants for trucks purchased in Mexico (despite the requirement that Mexican plated trucks must be purchased in Mexico). With the significantly higher cost of purchase for ZE vehicles, grants at the point of sale would reduce the negative impact on businesses. Incentives can be expanded to companies doing business in Mexico or for vehicles with significant North American content. Small businesses may have unique difficulties with purchasing ZE trucks and unable to take the time to seek out grants/incentives and to know the process of working with public agencies (applications, reporting, etc.) nor which agencies are responsible for which programs.

Consider Overweight Corridors

Another potential incentive would be to design and implement overweight corridors at the U.S. side of the border for incoming ZEV trucks from Mexico, where maximum weight limits are higher than in the U.S. These corridors can be temporary in the Otay Mesa area to accommodate heavier ZE trucks and be free of charge. The corridor could extend to the Port of San Diego Working Waterfront or to the Ports of Los Angeles/Long Beach. Another type of corridor could allow carriers to exceed weight restrictions via payment of a fee and funds collected could be used to maintain and operate the system. The corridor could be designed to allow trucks to travel to consolidation/transfer facilities where cargo can be redistributed to meet U.S. weight limits prior to continuing on to destinations beyond the corridor. Allowing heavier trucks will reduce the number of cross border trips (because fewer trucks are needed to carry the same amount of cargo). Weigh in motion equipment will be installed before trucks enter the U.S. to verify axle weight limits. Overweight corridors have been implemented at other land border crossings, such as Pharr-Reynosa POE and Progreso POE in Texas, and are operating successfully. Challenges include identifying the corridor and negotiating with federal and local jurisdictions on the corridor management and use of fees.[33]

Implement Pilot Projects

The Greater Nogales Santa Cruz County Port Authority, the Arizona DOT, the NADBank, and the Secretariat of Infrastructure and Urban Development of Sonora have come together with various local, industry and technology partners, to design, implement and monitor a 9-12 month pilot program that will deploy four electric trucks that will be used as an alternative to traditional combustion engine trucks for cross-border trucking operations. The program will require the installation of electric charging stations at strategic locations on both sides of the border, with consideration that backup charging stations may be required in proximity to the international boundary. Exploratory pilot programs allow new technology to be tested out while also gaining trust of industry.

Continued and enhanced cooperation with federal agencies is critical to minimizing air pollution along the border. Processing of vehicles by Customs and Border Protection and facility management by the Department of Homeland Security are both areas of potential coordination to be able to reduce wait times, increase ZE vehicle use and infrastructure, and continue to enable trade and economic growth. Reduction in wait times at all POEs is critical to reduce idling and opportunities to work with the federal government to incentivize faster processing at existing and future POEs should be considered.

[33] Caltrans. February 2021. California-Baja California 2021 Border Master Plan.

Create Appointment System for the Border

Another pilot program in Imperial County is being proposed through a grant request and would implement an Appointment/Arrival Window System with predetermined time slots and predictable wait times for commercial vehicle and cargo shipment processing at POEs. A staging area near the POE could allow trucks to park and stop idling while waiting for their appointment. Information on the appointment status will be provided to drivers at the staging area and enroute. This would require the availability or conversion of a lane at the POE for shipments that have appointments and associated staging/inspection areas.
An appointment system would also have to be procured for use at the POE, with adequate predictive processing times. A staging area near the POE needs to be adequate and provide electrified truck stops to reduce idling and driver facilities. This should be considered also at existing Otay Mesa and the future Otay Mesa East Port of Entry.

Strengthen Training for Drivers and Mechanics and Outreach

Interviewees emphasized the need for additional training for their drivers and mechanics. ZE trucks use new technology, require different handling on the road and have different maintenance needs. Another suggestion at a broader policy level is to consider formalizing a tri-state memorandum of understanding to encourage Spanish language courses to certify EV Technology Technicians in the Baja California Peninsula modeled after courses already developed by the California Community Colleges. One unique idea suggested is implementing a truck sharing program that would not only allow drivers to use clean air vehicles but will familiarize and educate drivers with the technology before requiring that they "invest their livelihoods." Building trust with the technology can reduce anxiety and encourage adoption of ZEVs.

Finally, additional outreach and training with cross border shippers and carriers about the impacts of air pollution to the cross-border community can provide opportunities to facilitate the transition to ZE freight. Building partnerships with freight stakeholders in the border region will also contribute to more effective and meaningful regulatory initiatives.

Appendix A: Summary Factsheet

The CA-BC "Freight Triangle" connecting cross border trucking to the Ports of Los Angeles/Long Beach and Inland Empire distribution centers, generates billions in international trade each year. This economic sector faces unique challenges with transitioning to zero emissions. The table below presents a summary of barriers and challenges that emerged from this research and interviews.

Transition to Zero Emission Freight: Summary of Challenges and Opportunities

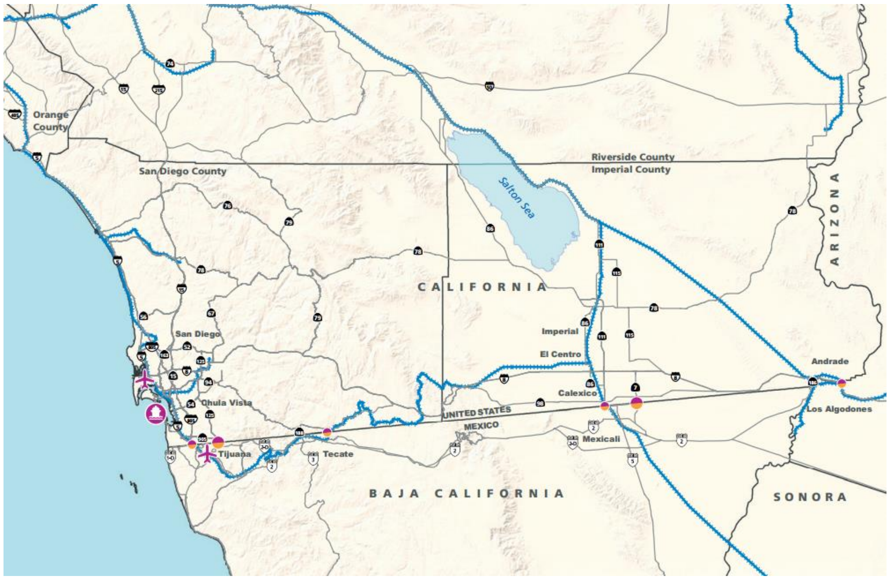
Policy Challenges	Economic Impacts	Supply Chain Issues
Rules impact medium companies while smaller ones remain unregulated, creating unfair distribution of benefits. (p. 16)	Significantly higher vehicle cost can have significant impacts for shippers, carriers, and consumers. (p. 19-21)	Economic impacts could go up and down the supply chain as transportation costs likely to increase. (p. 20-21)
Mexican trucks have little support for zero-emissions at their base of operations and the grid is not equipped to handle charging. (p. 13)	Higher shipping costs can result in decline in marginal economic activity, loss of jobs/economic output, and rise in prices from producer to consumer. (p . 19-21)	ZE trucks require more refueling time, complicating requirements for drive time, routes, and customs certifications. (p. 16-17)
Regulations have not felt collaborative and additional outreach and support for those affected is needed. (p. 19)	Businesses consider leaving California and crossing the border in Arizona where regulations are less stringent. (p. 17 and 20).	Weight restrictions would require displacing goods to make up for the excess weight of ZE trucks. (p. 17)
Inadequate charging/fueling stations in the border region and questionable energy supply for ZEVs. (p. 18)	Border delays for freight result in billions of forgone economic output each year. (p. 22).	Without ZE rules nationwide, trucks traveling to other states will have little support for charging. (p. 16)
ZE regulations are not yet aligning at the federal and state levels between the US and MX and CA-BC. (p. 16)	Uncertainty around ZE truck resale value, maneuverability, and technology; require driver/mechanic training. (p. 25)	Long border waits create supply chain bottlenecks exacerbated by ZE freight regulations. (p. 22)

Opportunities to Facilitate ZE Freight Transition (p. 22-25)

- Build infrastructure near, at, and south of the border
- Reduce border wait times
- Streamline permitting
- Use creative tolling
- Focus on hydrogen technology
- Implement pilot projects
- Consider overweight corridors
- Explore exemptions and incentives
- Create border appointment system
- Strengthen training for drivers and mechanics and outreach

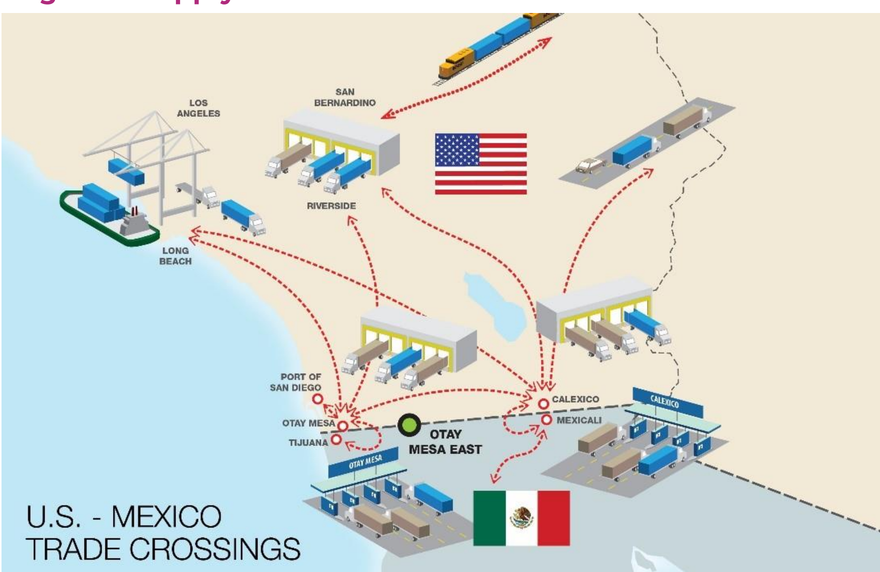
Appendix B: San Diego and Imperial County Freight Network

Figure B1
San Diego and Imperial County Freight Network



Source: 2016 Freight Gateway Study

Figure B2
Regional Supply Chain Connections



Appendix C: Interviews and Interview Guide

Select Interviews Conducted (names are pseudonyms)

Javier Marcos, medium sized trucking company representative
Jessica Marcos, medium sized trucking company representative
Brandon Matias, medium sized trucking company representative
Tomas Rodeo, Customs Broker
Jack DeVaux, Medium sized trucking company representative
Ricardo Kamali, Mexico energy expert
Jeff Stars, large trucking manufacturer
David Tumms, large trucking company representative
Claudia Santos, media representative in the border region
Logan Russell, California Trucking Association representative

Interview Guide

Truck owner/operators, drivers, brokers, warehouse

Operations/Logistics

- To start off can you describe your company for us?
- How do you fit into the industry (competitors, market share, who do you service)?
- Who are your customers?
- Fuel costs have gone up and seem quite volatile… how are you managing that? Are you able to pass on costs?
- Have your contracts been affected by the change in costs?
- Can you describe your company's trucking operations in terms of the number of trucks you own/operate/contract, where they are physically based (California/out-of-state/Mexico), and size of the company?
- Can you describe where your company's fleets are currently operating?
- What is the typical timeframe you have for turning over your trucks/ how often do you turn over your fleet? – would that change?
- What steps is your company with operations in Mexico and /or both sides of the border taking to adopt new ZEV regulations?
    - Have you heard of any incentives or grants for purchasing vehicles in the future? If so, how are you hearing about these programs?
    - How are you thinking about the total cost of ownership for ZE trucks, depending on whether they are operating primarily in the U.S. or Mexico?
- How do you expect your truck charging/parking needs to change with ZE regulations in place, in terms of physical space?
    - Is your company planning to develop charging/fueling infrastructure on privately owned land, or will you be relying on publicly available infrastructure? If operating on both sides of border, will your strategy vary on either side?
- How are these regulations affecting the operations now and in the future?
- What steps/actions are you taking to mitigate these issues, if any?

- What percentage are vehicle purchases as part of your business expenses? Will this increase with the new CA ZE rules?
- Do you anticipate there being a 1-to-1 replacement of your current trucks?
- how many ZE trucks are you likely to have to buy per year over next five years?
- Do you anticipate having any issues with timeline and delivery of trucks as a result of regs? What about issues with orders of legacy trucks to Mexico?
- Do you anticipate any mode shift from these regulations?
  - e.g. truck to rail/water
  - Are there certain products or commodities that are especially impacted (mode, routes, type of service) by regs.
- Has your company considered relocating any aspect of the supply chain due to changes in regulations?
- How will regulations determine whether your company uses separate fleets for California compared to Mexico or other U.S. states?
- How might ZE truck performance and charging/fueling needs change the routes or destinations that your company serves?
- Would your company have "fueling" needs other than the vehicle itself (e.g. power shoring, cold storage)?

Infrastructure and Government

- What actions should policymakers and/or public agencies in California and Baja California (and to a larger extent, U.S. and Mexico) take to assist in the transition to ZEV fleets?
  - How can customs agencies assist?
  - How can utilities assist?
  - How can other regulatory agencies assist (e.g. CARB, CPUC, CEC)? - How can these agencies better advertise/communicate their incentive/grant programs?
- With the ZE transition, which occupations in your company would be most impacted and do they need training?
- Are there any ideas you have to support the trucking industry to transition to ZE?

Clean Air Regulations

- What are some of the opportunities or ways in which your industry or company can gain from the new ZE regulations?

OEM (U.S./MEX)

- What challenges is your company facing in transitioning to a ZE truck fleet? e.g. technological, materials cost, uncertain market? What types of policies could improve your ability to deliver ZE trucks?

SDG&E/CRE (MX)

- Are there plans for the grid to handle the capacity of trucks being added to the system?

- Do current utility policies support development of on-site electricity generation and storage?
- What ideas do you have if any to assist with the transition to ZE?

Mexico Policy Expert

- What are the Mexican policies and regulations associated with ZE transition for freight?
    - e.g. mandates on ZE truck manufacturers/purchases
    - Any difference in weight limits for ZE trucks near POEs/marine ports
- Are Mexican policymakers taking into consideration California's regulations and availability of infrastructure when proposing policies and projects?

Appendix D: Research Team

This document was created jointly by an inter-agency and cross-departmental team organized into a Technical Working Group, Project Development Team, and support staff, including the following people at SANDAG and Caltrans (in alphabetical order):

Jose Alvarez, Aremy Barrera, Ryan Chung, Natasha Dulik, Susan Freedman, Tim Garrett, Zach Hernandez, Fernanda Herrera, Andrea Hoff, Jeff Hoyos, Danielle Kochman, Jose Marquez, Jim Miller, Brian Miller, Mario Orso, Keri Robinson, Mariela Rodriguez, Antoinette Meier, Maria Rodriguez Molina, Caridad Sanchez, Nikki Tiongco, Shelby Tucker, Hector Vanegas, and Naomi Young.

Alejandra Mier y Teran was an instrumental study advisor from the Otay Mesa Chamber of Commerce and interviewees from the freight industry and local community on both sides of the border were instrumental to this research and their participation is greatly appreciated.

Appendix E: Acronyms

Acronym	Definition
ACT	Advanced Clean Truck Rule
CA-BC	California-Baja California
CARB	California Air Resources Board
CO_2	Carbon Dioxide
CPUC	California Public Utilities Commission
CTPAT	Customs Trade Partnership Against Terrorism
DOT	Department of Transportation
DPM	Diesel Particulate Matter
EPA	U.S. Environmental Protection Agency
EV	Electric Vehicle
FMCSA	Federal Motor Carrier Safety Administration
HFCV	Hydrogen Fuel Cell Vehicles
HLED	High-Level Economic Dialogue
ICE	Internal Combustion Engine
ICT	Innovative Clean Transit Rule
MD-HD	Medium Duty -Heavy Duty
NADBank	North American Development Bank
NAFTA	North American Free Trade Agreement
NO_2	Nitrogen Oxides
PDT	Project Development Team
POEs	Ports of Entry
SOx	Sulfur Oxides
USMCA	United States-Mexico-Canada Agreement
ZE	Zero Emission
ZEV	Zero Emission Vehicle

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Zero Emission Freight Transition at the CA-BC Border

Borders Committee
September 22, 2023

1

Summary

- Background
- Border Region Freight Flows
- Benefits of Zero Emission (ZE) Freight at the Border
- Border Region Policy and Industry Challenges
- Economic Implications
- Opportunities to Improve ZE Freight Transition

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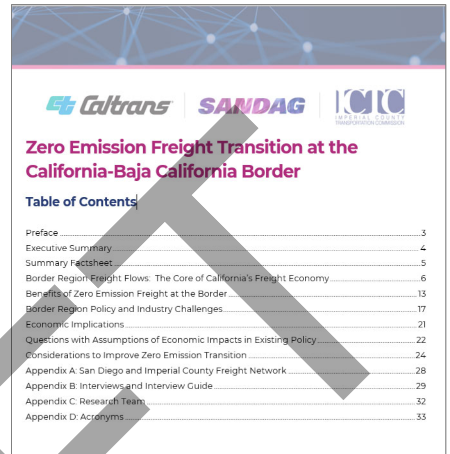
Background

- Broad International Policy Dialogue
  - High Level Economic Dialogue (HLED)
  - Commission of the Californias
- Explore benefits, challenges, and opportunities associated with transition to ZE freight in the border region
- Existing studies, literature, policy/economic analysis and interviews



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Zero Emission Freight Transition at the California-Baja California Border

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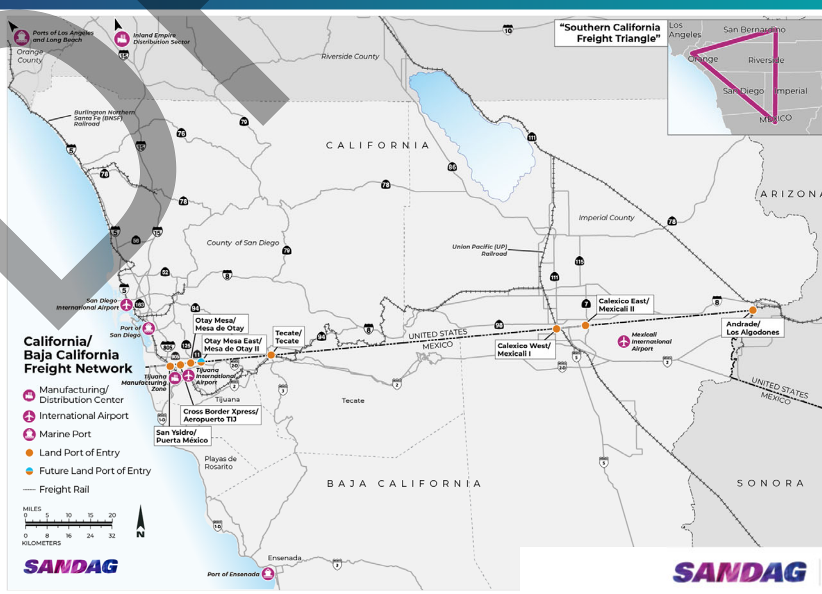
Border Region Freight Flows:
The Core of California's Freight Economy



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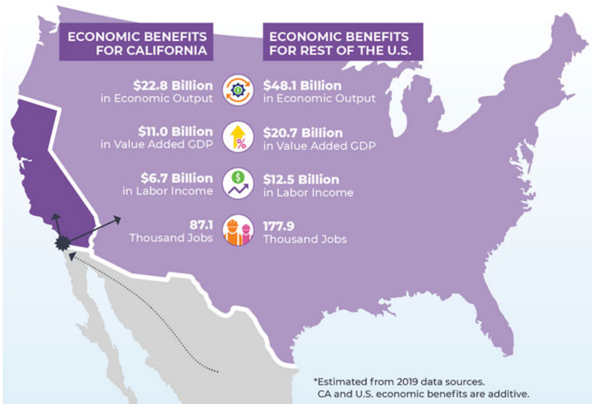
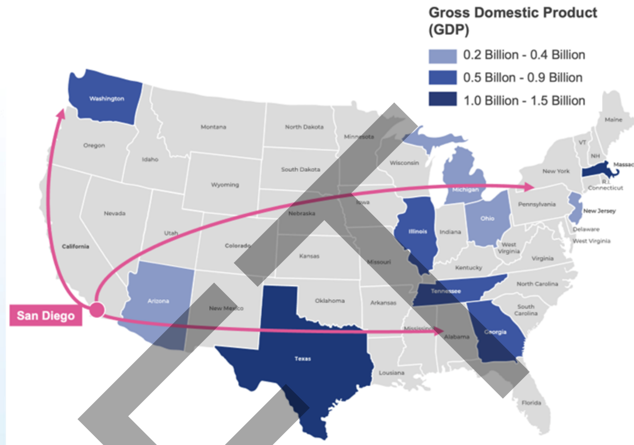
Border Region Freight Flows:
The Core of California's Freight Economy





Source: OME Economic Value of Cross Border Freight Study – SANDAG October 2022

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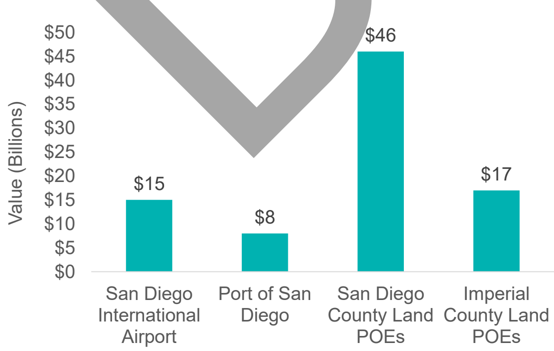
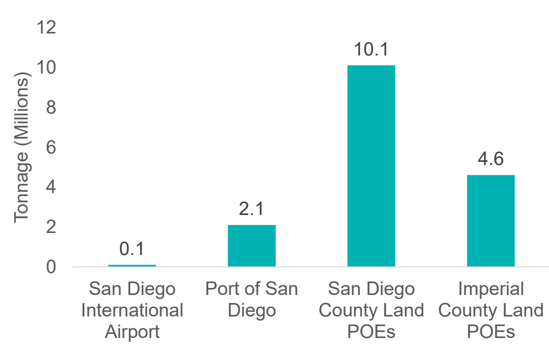
Border Region Freight Flows:
The Core of California's Freight Economy

Over 1.4 million northbound trucks moved through the region's three commercial land POEs in 2021, with an assumed equal number of southbound trips.

2019 Freight Value through Regional Gateways



2019 Freight Volume through Regional Gateways



Source: IHS Markit Transearch, Port of San Diego, and San Diego International Airport

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Border Region Policy and Industry Challenges

- New regulations forcing carriers to re-think their entire supply chains.
  - Timing of routes, number and type of drivers, locations of routes and stops, cost of operating, vehicle purchasing and maintenance, training, and safety
- Companies face unknowns with new ZE vehicles, citing overall cost of driving as main concern

Benefits of Zero Emission Freight

San Diego International Border Community

- Designated through AB 617 (2021) and CARB Community Air Protection Program
- Highest traffic percentile in state and PM2.5 levels in 95+ percentile (CalEnviroScreen)
- 27,000+ San Ysidro residents have Population Burdens
  - 86+ percentile for poverty
  - 79+ percentile for unemployment
  - 89+ percentile for education
  - 85+ for linguistic isolation
- Poverty levels and limited income hinders ability to protect against pollution exposure and environmental impacts

Economic Implications

- Costs could be significant for Medium Duty – Heavy Duty (MD-HD) truck operators
- Market is 5 years behind personal EVs; price and performance not equal
- Regulations for 'high priority fleets' in 2024 could represent a penalty in unclear regulatory and infrastructure context
- Routes may bypass CA resulting in economic losses
- Higher shipping costs = some decline in marginal economic activity
- Rise in prices throughout supply chains from producer to consumer

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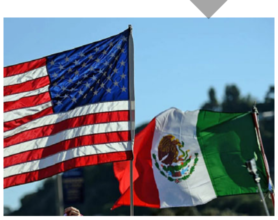
Regulatory and Policy Related Challenges

Four areas of policy challenges identified

1. Inconsistency in California and Mexico Industry and Air Quality Regulations
2. Range, Weight, and Cost Limitations of Battery Electric Trucks
3. Charging and Fueling Infrastructure and Truck Parking
4. Messaging and Outreach



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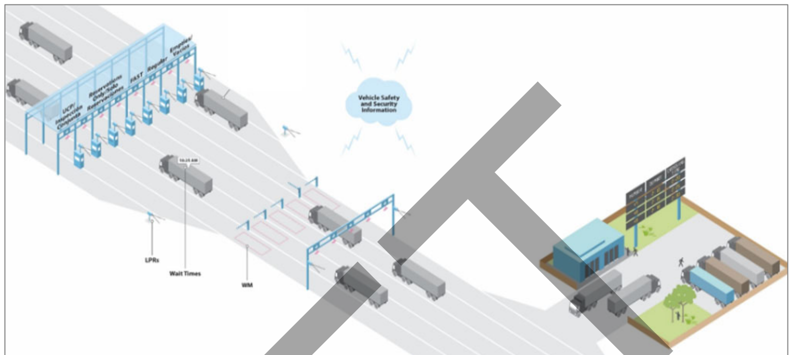
Opportunities

- Consider overweight corridors
- Explore exemptions, incentives
- Create border appointment system
- Strengthen training and outreach



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Opportunities

- Build infrastructure near, at, and south of border
- Streamline permitting
- Implement pilot projects
- Reduce border wait times
- Use creative tolling
- Focus on hydrogen technology

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Thank you.

Andrea Hoff
Senior Project Manager, Engineering and Construction
andrea.hoff@sandag.org

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Approval of 2023 TUMF Central, Hemet / San Jacinto, and Pass Zones' 5-Year Transportation Improvement Programs**

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

Date: **October 2, 2023**

Recommended Action(s):

1. Approve the 2023 TUMF Central Zone 5-Year Transportation Improvement Program.
2. Approve the 2023 TUMF Hemet/San Jacinto Zone 5-Year Transportation Improvement Program.
3. Approve the 2023 TUMF Pass Zone 5-Year Transportation Improvement Program.

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

Purpose / WRCOG 2022-2027 Strategic Plan Goal:
The purpose of this item to approve the 2023 TUMF Central, Pass, and Hemet / San Jacinto Zones' TIPs. This effort addresses WRCOG 2022-2027 Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:
Background

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

Present Situation

TUMF funds are programmed through a collaborative exercise involving each of WRCOG's member agencies which participate in the TUMF Program. The Executive Committee from the Central, Hemet / San Jacinto, and Pass Zones have met and recommended approval of their respective TIPs. These

TIPs have been vetted by WRCOG and member agency staff, and have been recommended for approval by the Zone Executive Committees. Zones are represented by the following member agencies:

1. Central Zone: Menifee, Moreno Valley, Perris, and County of Riverside (District 1, 3, & 5)
2. Hemet / San Jacinto Zone: Hemet, San Jacinto, and County of Riverside (District 3 & 5)
3. Pass Zone: Banning, Beaumont, Calimesa, and County of Riverside (District 5)

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

Prior Action(s):
September 20, 2023: The TUMF Central Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2023 TUMF Southwest Zone 5-Year Transportation Improvement Program.

September 14, 2023: The TUMF Pass Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2023 TUMF Pass Zone 5-Year Transportation Improvement Program.

September 13, 2023: The TUMF Hemet / San Jacinto Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2023 TUMF Hemet / San Jacinto Zone 5-Year Transportation Improvement Program.

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

Attachment(s):
Attachment 1 - 2023 TUMF Central Zone TIP
Attachment 2 - 2023 TUMF Hemet/San Jacinto Zone TIP
Attachment 3 - 2023 Pass Zone 5-Year TIP

Attachment

2023 TUMF Central Zone Transportation Improvement Plan

Fiscal Year 2023/2024 Central Zone 5-Year Transportation Improvement Program

Fiscal Year				FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2022)
Forecast Revenues				**$8,118,094**	**$ 8,199,275**	**$ 8,240,271**	**$ 8,281,473**	**$ 8,364,287**	**$ 62,780,485**	**$ (40,954,110)**	**$ 86,551,170**		
Carryover Revenues *(As of March 2022)*				**$ 23,310,030**	**$ (17,819,896)**	**$ (15,729,621)**	**$ (10,989,350)**	**$ (10,983,819)**	**2022 TIP**				
									5-Year Avail Forecast/Cash	*5-Year Programmed*	*5-Year Balance*		
									$ 64,513,429.87	*$ 67,132,961*	*$ (2,619,532)*		
Available Revenue				**$ 31,428,124**	**$ (9,620,621)**	**$ (7,489,350)**	**$ (2,707,877)**	**$ (2,619,532)**					
Programmed Expenditures		***Status****	***Phase*****										
County of Riverside				(Red shows unspent allocations from previous year)									
06-CN-RCY-1103	Cajalco Road, Alexander Street to I-215 (3.280 mi. 2 to 4 lanes)	PLN	PA&ED	$ 3,761,338	$ -	$ -	$ -	$ -	$ 3,761,338	$ (290,210)	$ 4,051,548	$ 600,000	$ 14,074,000
		PLN	PSE	$ 1,500,000	$ -	$ -	$ -	$ -	$ 1,500,000	$ -	$ 1,500,000	$ 1,813,338	
23-CN-RCY-1198	Gilman Springs Rd (SR-60 to Bridge St)	PLN	PAED	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000	$ -	$ 1,000,000		$ 13,445,000
23-CN-RCY-1199	Nuevo Rd (Dunlap Dr to Menifee Rd)	PLN	PAED	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000	$ -	$ 500,000		
City of Menifee													
16-CN-MEN-1178	Scott Road/I-215 Interchange	PLN	CON	$ 781,898	$ -	$ -	$ -	$ -	$ 781,898	$ -	$ 781,898	$ 15,000,000	$ 39,934,000
18-CN-MEN-1181	Holland Road / I-215 Overcrossing	PLN	CON	$8,455,000	$ 1,800,000	$ -	$ -	$ -	$10,255,000	$ -	$ 10,255,000	$ 10,255,000	$ 24,441,000
18-CN-MEN-1182	Scott Road Widening (Sunset Ave to I-215)	STD	PA&ED	$ 474,615	$ -	$ -	$ -	$ -	$ 474,615	$ (202,386)	$ 677,001	$ 150,000	$ 14,665,000
		STD	ENG	$ 85,532	$ -	$ -	$ -	$ -	$ 85,532	$ (1,701,176)	$ 1,786,708	$ 2,220,000	
		PLN	ROW										
		PLN	CON	$ -	$ 2,809,000	$ -	$ -	$ -	$ 2,809,000	$ -	$ 2,809,000	$ -	
20-CN-MEN-1183	McCall/I-215 Interchange	STD	PA&ED	$ 840,234	$ -	$ -	$ -	$ -	$ 840,234	$ (583,259)	$ 1,423,493	$ 1,423,493	$ 18,243,000
		PLN	ENG	$1,379,925	$ -	$ -	$ -	$ -	$ 1,379,925	$ -	$ 1,379,925	$ 1,379,925	
			ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 405,770	
21-CN-MEN-1197	McCall Blvd Widening (Aspell Rd to Menifee Rd)	PLN	PAED	$ 111,901	$ -	$ -	$ -	$ -	$ 111,901	$ (20,099)	$ 132,000	$ 132,000	$ 2,859,000
		PLN	PSE	$ 110,137	$ -	$ -	$ -	$ -	$ 110,137	$ (219,863)	$ 330,000	$ 330,000	
		PLN	ROW	$ 532,426	$ -	$ -	$ -	$ -	$ 532,426	$ (15,574)	$ 548,000	$ 548,000	
		PLN	CON	$ 1,507,000	$ -	$ -	$ -	$ -	$ 1,507,000	$ -	$ 1,507,000	$ 1,507,000	
23-CN-MEN-1189	Menifee Road Widening (Garbani Road to Scott Road)		PAED	$ 284,000	$ -	$ -	$ -	$ -	$ 284,000	$ -	$ -	$ 284,000	$2,992,000
			PSE	$ 709,000	$ -	$ -	$ -	$ -	$ 709,000	$ -	$ -	$ 709,000	
			ROW	$ 1,176,000	$ -	$ -	$ -	$ -	$ 1,176,000	$ -	$ -	$ 1,526,000	
City of Moreno Valley													
		PLN	PA&ED	$ 389,993	$ -	$ -	$ -	$ -	$ 389,993	$ (1,263,357)	$ 1,653,350	$ 861,849	

Fiscal Year 2023/2024 Central Zone 5-Year Transportation Improvement Program

Fiscal Year				FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2022)
Forecast Revenues				$8,118,094	$ 8,199,275	$ 8,240,271	$ 8,281,473	$ 8,364,287	$ 62,780,485	$ (40,954,110)	$ 86,551,170		
Carryover Revenues *(As of March 2022)*				$ 23,310,030	$ (17,819,896)	$ (15,729,621)	$ (10,989,350)	$ (10,983,819)					
Available Revenue				$ 31,428,124	$ (9,620,621)	$ (7,489,350)	$ (2,707,877)	$ (2,619,532)					
05-CN-MOR-1012	Moreno Beach Drive/SR-60 Interchange Phase II - Overcrossing	PLN	ENG	$ 467,621	$ -	$ -	$ -	$ -	$ 467,621	$ (4,038,251)	$ 4,505,872	$ 3,570,631	$ 32,306,000
		PLN	ROW	$ -	$ -	$ -	$ 8,275,942	$ -	$ 8,275,942	$ (5,568,406)	$ 218,000	$ 5,626,000	
		PLN	CON	$ 7,401,016	$ 1,500,000	$ 500,000	$ -	$ -	$ 9,401,016	$ (5,522,854)	$ 14,923,870	$ 14,500,000	
05-CN-MOR-1013	Nason Street/SR-60 Interchange w/Bridge Phase II	CLD	PA&ED	$ -	$ -	$ -	$ -	$ -	$ -	$ (500,000)	$ 500,000	$ 500,000	NA
		CLD	ENG	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,381,451)	$ 1,381,451	$ 1,381,451	
		CLD	ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ (897,034)	$ 836,534	$ 836,534	
		PND	CON	$ 3,493,500		$ -	$ -	$ -	$ 3,493,500	$ (7,931,466)	$ 11,261,500	$ 10,424,966	
20-CN-MOR-1184	Redlands Blvd/SR-60 Interchange	PLN	PA&ED	$ 3,397,234	$ -	$ -	$ -	$ -	$ 3,397,234	$ (102,765.63)	$ 3,500,000	$ 3,500,000.00	$ 39,934,000
		PLN	PSE	$ -	$ -	$ 3,000,000.00	$ -		$ 3,000,000	$ -	$ 3,000,000	$ -	
22-CN-MOR-1189	SR60/Theodore WLC	PLN	PA&ED	$ 250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 250,000.00	$ 39,934,000
		PLN	PSE	$ 3,250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,250,000.00	
City of Perris													
18-CN-PER-1180	Goetz Road (Ethanac Road to Case Road)	PND	ENG	$ -	$ -	$ -	$ -	$ -	$ -	$ (555,780)	$ 555,780	$ 691,000	$ 2,847,000
		PLN	ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ (608,330)	$ 608,330	$ 1,100,000	
		PLN	CON	$ 715,000	$ -	$ -	$ -	$ -	$ 715,000		$ 715,000	$ 715,000	
13-CN-PER-1164	Perris Boulevard Widening, Phase II (I-215 to Case)	STD	ENG	$ 44,220	$ -	$ -	$ -	$ -	$ -	$ (705,780)	$ 150,000	$ 150,000	$ 6,598,000
		PLN	ROW	$ 808,257	$ -	$ -	$ -	$ -	$ -	$ (1,235,900)	$ 627,570	$ 627,570	
		PLN	CON	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,183,413)	$ 2,183,413	$ 3,700,000	
Programmed Expenditures, continued													
21-CN-PER-1200	Case Rd (Perris Blvd to I-215)		ENG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	No Reimbursement Agreement [Executed Credit Agreement Between WRCOG and City of Perris]	$ 19,561,000
			ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
			CON	$ 2,000,000	$ -	$ -	$ -	$ -	$ 2,000,000	$ -	$ 2,000,000		
City of Perris/City of Menifee													
05-CN-PER-1001	Ethanac Road, Goetz Road to I-215 (1.936 mi. 2 to 4 lanes)	STD	PA&ED	$ 0	$ -	$ -	$ -	$ -	$ 0	$ (182,349)	$ 182,349	$ 182,349	NA
		STD	ENG	$ 36,497	$ -	$ -	$ -	$ -	$ 36,497	$ (281,154)	$ 317,651	$ 317,651	
		PLN	CON	$ 2,896,424	$ -	$ -	$ -	$ -	$ 2,896,424	$ (3,103,576)	$ 6,000,000	$ 6,000,000	
City of Moreno Valley/ March JPA													
16-CN-MOR-1179	Heacock Street, San Michele Road to Harley Knox Boulevard (0.74 mi. 2 to 4 lanes)	PLN	PA&ED	$ 117,252	$ -	$ -	$ -	$ -	$ 117,252	$ (32,748)	$ 150,000	$ 150,000	$ 1,740,000
		PLN	ENG	$ 461,000	$ -	$ -	$ -	$ -	$ 461,000	$ -	$ 461,000	$ 461,000	
		PLN	ROW	$ 311,000	$ -	$ -	$ -	$ -	$ 311,000	$ -	$ 311,000	$ 311,000	

2022 TIP		
5-Year Avail Forecast/Cash	*5-Year Programmed*	*5-Year Balance*
$ 64,513,429.87	$ 67,132,961	$ (2,619,532)

Fiscal Year 2023/2024 Central Zone 5-Year Transportation Improvement Program

Fiscal Year		FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2022)
Forecast Revenues		$8,118,094	$ 8,199,275	$ 8,240,271	$ 8,281,473	$ 8,364,287	$ 62,780,485	$ (40,954,110)	$ 86,551,170		
Carryover Revenues *(As of March 2022)*		$ 23,310,030	$ (17,819,896)	$ (15,729,621)	$ (10,989,350)	$ (10,983,819)					
Available Revenue		$ 31,428,124	$ (9,620,621)	$ (7,489,350)	$ (2,707,877)	$ (2,619,532)					
	CON	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,000,000	$ -
Developer Reimbursements***		$ -	$ -	$ -	$ -						
Total Programmed Capital Expenditures		$ 49,248,019	$ 6,109,000	$ 3,500,000	$ 8,275,942	$ -					
Total Programmed Balance Carryover*		$ (17,819,896)	$ (15,729,621)	$ (10,989,350)	$ (10,983,819)	$ (2,619,532)					

2022 TIP		
5-Year Avail Forecast/Cash	*5-Year Programmed*	*5-Year Balance*
$ 64,513,429.87	$ 67,132,961	$ (2,619,532)

Summary Table

Fiscal Year	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	*5-Year Total Available Revenue*	*5-Year Total Programmed*	*5-Year Balance*
Available Revenue	$ 31,428,124	$ (9,620,621)	$ (7,489,350)	$ (2,707,877)	$ (2,619,532)			
Total Funded/Obligated Expenditures	$ 49,248,019	$ 6,109,000	$ 3,500,000	$ 8,275,942	$ -	$ 64,513,430	$ 62,780,485	$ 1,732,945
Carryover Balance	$ (17,819,896)	$ (15,729,621)	$ (10,989,350)	$ (10,983,819)	$ (2,619,532)			

Notes:

Programmed Carryover Balance does not reflect actual Zone available cash
Status: PLN=Planned, STD=Started, PND=Pending final invoice, CPL=Completed, CLD=Phase Closed, TER=Terminated.
Phases: planning=PA&ED, engineering=ENG, right-of-way=ROW, construction=CON
Reimbursement Detail Tracked on Separate Spreadsheet
Actual Revenue Forecasts, Carryover, and Payments thru 9/30/18.

<u>Attachment</u>

2023 TUMF Hemet/San Jacinto Zone Transportation Improvement Plan

Fiscal Year 2023/2024 Hemet/San Jacinto Zone 5-Year Transportation Improvement Program

Fiscal Year		Status*	Phase**	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	Current Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Amount	Max Share (2021)
Forecast Revenues				**$2,932,267**	**$ 3,020,235**	**$ 3,110,842**	**$ 3,204,167**	**$ 3,300,292**	**$ 27,764,441**	**$ (971,974)**	**$ 28,736,415**		
Carryover Revenues *(As of 4/12/2022)*				**$20,849,329**	**$ 10,617,155**	**$ 13,137,390**	**$ 11,048,232**	**$ 10,252,399**					
Available Revenues				**$ 23,781,596**	**$ 13,637,390**	**$ 16,248,232**	**$ 14,252,399**	**$ 13,552,692**					
Funded Expenditures		***Status****	***Phase****										
City of Hemet													
16-HS-HEM-1180	Warren Road, Stetson Ave. to Poplar St (1.17 mi. 2 to 4 lanes)	PLN	PA&ED	$ 345,390	$ -	$ -	$ -	$ -	$ 345,390	$ -	$ 345,390	No Agreement	$ 3,214,000
		PLN	ROW	$ -	$ 500,000	$ -	$ -	$ -	$ 500,000	$ -	$ 500,000		
		PLN	CON	$ -	$ -	$ 2,200,000	$ -	$ -	$ 2,200,000	$ -	$ 2,200,000		
City of San Jacinto													
20-HS-SJC-1201	State St, Gilman Springs to Quandt Ranch Rd	PLN	PA&ED	$ 105,535	$ -	$ -	$ -	$ -	$ 105,535	$ -	$ 105,535	$ 59,535	$ 1,184,000
		PLN	PSE	$ 149,121	$ -	$ -	$ -	$ -	$ 149,121	$ -	$ 149,121	$ 149,121	
		PLN	ROW	$ 247,779	$ -	$ -	$ -	$ -	$ 247,779	$ -	$ 247,779	$ 247,779	
		PLN	CON	$ 681,565	$ -	$ -	$ -	$ -	$ 681,565	$ -	$ 681,565	$ 681,565	
20-HS-SJC-1202	Warren Rd (Upper Line to Ramona Expy, 1.75 miles)		PA&ED	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ 150,000	$ 150,000	$ 4,807,000
			PSE	$ 175,000	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ 175,000	$ 175,000	
			CON	$ 4,482,000	$ -	$ -	$ -	$ -	$ 4,482,000	$ -	$ 4,482,000	$ 4,482,000	
Cities of San Jacinto and Hemet													
05-HS-SJC-1025	Esplanade Ave, Warren Road to State St (Phase I & II) (3.53 mi. 2 to 4 lanes)	STD	PA&ED	$ 114,438	$ -	$ -	$ -	$ -	$ 114,438	$ (179,587)	$ 294,025	$ 294,025	$ 9,700,000
		STD	ENG	$ 412,980	$ -	$ -	$ -	$ -	$ 412,980	$ (463,020)	$ 876,000	$ 876,000	
		PLN	ROW	$ 670,633	$ -	$ -	$ -	$ -	$ 670,633	$ (329,367)	$ 1,000,000	$ 1,000,000	
		PLN	CON	$ 5,630,000	$ -	$ -	$ -	$ -	$ 5,630,000	$ -	$ 5,630,000	$ 5,630,000	
20-HS-HEM-1202	Esplanade Ave, Warren Road to Sanderson St - South Side Improvements (1.5 mi)	PLN	PA&ED	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000	NA	
		PLN	ENG	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000	NA	
		PLN	CON	$ 1,700,000	$ -	$ -	$ -	$ -	$ 1,700,000	$ -	$ 1,700,000	NA	
County of Riverside													
23-HS-RCY-1305	SR-79 (SR-74 to Domenigoni)	PLN	ROW	$ -	$ 3,000,000	$ 3,000,000	$ 4,000,000	$ -	$ 10,000,000	$ -	$ 10,000,000		
Total Funded Capital Expenditures				**$ 13,164,441**	**$ 500,000**	**$ 5,200,000**	**$ 4,000,000**	**$ -**					
Total Funded Balance Carryover*				**$ 10,617,155**	**$ 13,137,390**	**$ 11,048,232**	**$ 10,252,399**	**$ 13,552,692**					

Summary Table

Fiscal Year	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	*5-Year Total Available Revenue*	*5-Year Total Programmed*	*5-Year Balance*
Available Revenues	$ 23,781,596	$ 13,637,390	$ 16,248,232	$ 14,252,399	$ 13,552,692			
Programmed Projects	$ 13,164,441	$ 500,000	$ 5,200,000	$ 4,000,000	$ -	$ 39,349,400	$ 27,764,441	$ 11,584,959
Carryover Balance	$ 10,617,155	$ 13,137,390	$ 11,048,232	$ 10,252,399	$ 13,552,692			

Programmed Carryover Balance does not reflect actual Zone available cash

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

Fiscal Year 2023/2024 Hemet/San Jacinto Zone 5-Year Transportation Improvement Program

Fiscal Year	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	Current Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Amount	Max Share (2021)
Forecast Revenues	$2,932,267	$ 3,020,235	$ 3,110,842	$ 3,204,167	$ 3,300,292	$ 27,764,441	$ (971,974)	$ 28,736,415		
Carryover Revenues *(As of 4/12/2022)*	$20,849,329	$ 10,617,155	$ 13,137,390	$ 11,048,232	$ 10,252,399					
Available Revenues	$ 23,781,596	$ 13,637,390	$ 16,248,232	$ 14,252,399	$ 13,552,692					

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

Reimbursement Detail Tracked on Separate Spreadsheet
Actual Revenue Forecasts, Carryover, and Payments thru 9/30/2017.

Attachment

2023 TUMF Pass Zone Transportation Improvement Plan

Fiscal Year 2023/2024 Pass Zone 5-Year Transportation Improvement Program

Fiscal Year		Phase**	FY23-24	FY 24-25	FY25-26	FY26-27	FY27-28	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2021)
	Forecast Revenues		**$2,118,133**	**$ 2,181,677**	**$ 2,247,127**	**$ 2,314,541**	**$ 2,383,977**	**$ 26,028,788**	**$ (1,306,178)**	**$ 28,084,966**		
	Carryover Revenues (As of 4/4/23)		**$ 9,452,241**	**($608,414)**	**$ (6,776,737)**	**$ (8,029,610)**	**$ (6,715,069)**					
	Available Revenues		**$11,570,374**	**$ 1,573,263**	**$ (4,529,610)**	**$ (5,715,069)**	**$ (4,331,091)**					
Programmed/Expenditures		***Phase****										
Cities of Banning and Beaumont			Red values show that previous year's funding had no reimbursementst									
17-PS-BAN-1191	Highland Springs Avenue Interchange	PA&ED	$ 2,474,892	$ 500,000	$ -	$ -	$ -	$ 2,974,892	$ (525,108)	$ 3,500,000	$ 500,000	$17,897,000
		PSE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 200,000	
		CON	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,800,000	
City of Banning												
06-PS-BAN-1206	Sun Lakes Blvd Extension (Highland Home to Sunset)	PA&ED	$ 124,240	$ -	$ -	$ -	$ -	$ 124,240	$ (375,760)	$ 500,000	$ 500,000	$14,679,000
		PSE	$ 182,900	$ -	$ -	$ -	$ -	$ 182,900	$ (317,076)	$ 499,976	$ 500,000	
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		CON	$ -	$ 1,000,000	$ 3,000,000	$ 1,000,000	$ 1,000,000	$ 6,000,000	$ -	$ 6,000,000		
21-PS-BAN-1209	Hargrave Grade Separation	PAED	$ 750,000	$ 500,000	$ 500,000	$ -	$ -	$ 1,750,000	$ -	$ 1,750,000	**No RA**	$18,490,000
City of Beaumont												
19-PS-BEA-1204	Potrero Boulevard Interchange (Phase II)	PA&ED	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**Update RA**	$25,123,000
		PSE	$ 146,756	$ -	$ -	$ -	$ -	$ 146,756	$ (88,234)	$ 234,990		
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		CON	$ 3,000,000	$ 3,250,000	$ -	$ -	$ -	$ 6,250,000	$ -	$ 6,250,000		
City of Calimesa												
19-PS-CAL-1205	County Line Road Interchange	PA&ED	$ 500,000	$ 1,000,000	$ -	$ -	$ -	$ 1,500,000	$ -	$ 1,500,000	Draft RA	$18,556,000
		PSE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 750,000		
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		CON	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
16-PS-CAL-1189	Cherry Valley Boulevard Interchange	PA&ED	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Draft RA	$36,617,000
		PSE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		CON	$ -	$ 2,100,000	$ -	$ -	$ -	$ 2,100,000	$ -	$ 2,100,000		
20-PS-CAL-1208	Singleton Rd/I-10 Interchange	PA&ED	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 38,423,000
		PSE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		ROW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
		CON	$ 5,000,000	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ 5,000,000	$ 2,000,000	
	Total Programmed Capital Expenditures		***$ 12,178,788***	***$ 8,350,000***	***$ 3,500,000***	***$ 1,000,000***	***$ 1,000,000***	***$ 26,028,788***		***$ 28,084,966***		
	Total Programmed Carryover Balance*		***($608,414)***	***$ (6,776,737)***	***$ (8,029,610)***	***$ (6,715,069)***	***$ (5,331,091)***					

Fiscal Year	FY23-24	FY 24-25	FY25-26	FY26-27	FY27-28	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2021)
Forecast Revenues	$2,118,133	$ 2,181,677	$ 2,247,127	$ 2,314,541	$ 2,383,977	$ 26,028,788	$ (1,306,178)	$ 28,084,966		
Carryover Revenues (As of 4/4/23)	$ 9,452,241	($608,414)	$ (6,776,737)	$ (8,029,610)	$ (6,715,069)					
Available Revenues	$11,570,374	$ 1,573,263	$ (4,529,610)	$ (5,715,069)	$ (4,331,091)					

Summary Table

Fiscal Year	FY23-24	FY 24-25	FY25-26	FY26-27	FY27-28	*5-Year Total Available Forecast/Cash*	*5-Year Total Programmed*	*5-Year Balance*
Available Revenues	$ 11,570,374	$ 1,573,263	$ (4,529,610)	$ (5,715,069)	$ (4,331,091)			
Funded Programmed	$ 12,178,788	$ 8,350,000	$ 3,500,000	$ 1,000,000	$ 1,000,000	$ 20,697,696.85	$ 26,028,788	$ (5,331,091)
Carryover Balance	$ (608,414)	$ (6,776,737)	$ (8,029,610)	$ (6,715,069)	$ (5,331,091)			

NOTES:

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

**Status: PLN=planned, STD=started, PND=pending final invoice, CPL=completed, CLD= Phase Closed, TER=terminated.*
*** Phase: planning=PA&ED, engineering=ENG, right-of-way=ROW,construction=CON.*
Actual Forecasts and Carryover thru 12/11/18.
Red font=changes and payments; Green font= No FY Activity; Yellow

Item 5.F

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Approval of one TUMF Reimbursement Agreement and two TUMF Reimbursement Agreement Amendments**

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

Date: **October 2, 2023**

Recommended Action(s):

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Corona for all of the phases of the Ontario Avenue Widening at I-15 Project in an amount not to exceed $6,160,000.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Lake Elsinore for the Plans, Specification and Estimate and Right-of-Way Phases of the SR-74 / I-15 Interchange Project in an amount not to exceed $5,000,000. The total amount of the TUMF Reimbursement Agreement will now not exceed $7,634,251.
3. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Lake Elsinore for the Right-of-Way Phase with the I-15/Franklin Street Interchange Improvement Project in an amount not to exceed $5,500,000. The total amount of the TUMF Reimbursement Agreement will now not exceed $11,500,000.

Summary:
The City of Corona would like to enter into a TUMF Reimbursement Agreement with the WRCOG to improve the safety and mobility of all travel modes in the City by constructing a widening project on Ontario Avenue between Compton Street and State Street.

The City of Lake Elsinore has the same interest; however, it has already entered into two agreements with WRCOG, therefore, it is requesting additional funding for the project by amending the original agreements for the SR-74 / I-15 Project and the I-15 / Franklin Interchange Project.

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

Discussion:

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

Reimbursement Agreement

One Reimbursement Agreement is being presented for approval as listed below.

City of Corona:

1. The Ontario Avenue Widening at I-15 Project Reimbursement Agreement sets the amount of funding for all the phases to an amount not to exceed $6,160,000. This project funding has been requested by the City and is programmed in the approved Fiscal Year 2023/2024 Northwest Zone 5-Year TIP.

Reimbursement Agreement Amendment

Two Reimbursement Agreement Amendments are being presented for approval, as listed below.

City of Lake Elsinore:

1. The SR-74 / I-15 Interchange Project (05-SW-LEL-1060) sets the amount of funding in the Planning and Environmental Document Phase to an amount not to exceed $2,634,251. This project funding has now been requested to increase by the City in an Amendment incorporating the cost of the Plans, Specifications and Estimate and Right-of-Way Phases to an amount not to exceed $5,000,000, for a total of $7,634,251. This change is programmed in the approved Fiscal Year 2023/2024 Southwest Zone 5-Year TIP.
2. The I-15 / Franklin Street Interchange Improvement Project (22-SW-LEL-1204) set the amount of funding in the Plans, Specifications and Estimate Phase to an amount not to exceed $6,000,000. This project funding has now been requested to increase by the City in an Amendment incorporating the cost of the Right-of-Way Phase to an amount not to exceed $5,500,000, for a total of $11,500,000. This change is programmed in the approved Fiscal Year 2023/2024 Southwest Zone 5-Year TIP.

Prior Action(s):
January 10, 2023: The Executive Committee authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for I-15/Franklin Street Interchange Improvement Project in an amount not to exceed $6,000,000.

October 24, 2017: The Executive Committee authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for SR-74/I-15 Interchange in an amount not to exceed $2,634,251.

Financial Summary:
TUMF related activities related to the Cities of Corona and Lake Elsinore are included in the Agency's most recently approved Transportation Improvement Plan (TIP) under the Northwest and Southwest Zones, respectively.

Attachment(s):
Attachment 1 - TUMF Reimbursement Agreement - Ontario Avenue Widening at I-15 Project
Attachment 2 - TUMF Reimbursement Agreement Amendment No. 1 - SR-74 & I-15 Interchange Project
Attachment 3 - TUMF Reimbursement Agreement Amendment No. 1 - I-15 Franklin Street Interchange Improvement Project

Attachment

TUMF Reimbursement Agreement – Ontario Avenue Widening at I-15

TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
ONTARIO AVENUE WIDENING AT I-15
FOR ENVIRONMENTAL, DESIGN, RIGHT OF WAY AND CONSTRUCTION

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into as of this __________day of __________, 20__, by and between the Western Riverside Council of Governments ("WRCOG"), a California joint powers authority and City of Corona, a California municipal corporation ("AGENCY"). WRCOG and AGENCY are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for **Ontario Avenue Widening at I-15**, (the "Project"), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit "A" attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

1) PA&ED – Project Approvals & Environmental Document
2) PS&E – Plans, Specifications and Estimates
3) R/W – Right of Way Acquisition and Utility Relocation
4) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **Six Million One Hundred Sixty Thousand Dollars ($6,160,000),** to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein ("Funding Amount"). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study ("Maximum TUMF Share"), as may be amended from time to time.

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

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

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

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

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

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

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

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

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

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

AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

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

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

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

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

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

15. Termination.

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

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

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

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

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

18. Indemnification.

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

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

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

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

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

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

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

(iii) Contain standard separation of insured provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If to AGENCY:

City of Corona
Attn: Savat Khamphou
400 S. Vicentia Avenue
Corona, CA 92882
Telephone: (951) 736-2266
Facsimile: (951) 279-3627

If to WRCOG:

Western Riverside Council of Governments
3390 University Avenue; Suite 200
Riverside, California 92501
Attention: Christopher Gray, Deputy Executive Director
Telephone: (951) 405-6710
Facsimile: (951) 223-9720

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

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By:______________________ Date:________
Dr. Kurt Wilson
Executive Director

Approved to Form:

By:______________________ Date:________
Steven C. DeBaun
General Counsel

[INSERT AGENCY NAME]

By: ______________________ Date:________
Savat Khamphou
Public Works Director

Approved to Form:

By: ______________________ Date:________
Dean Derleth
City Attorney

By: ______________________ Date:________
Sylvia Edwards
City Clerk

EXHIBIT "A"

SCOPE OF WORK

SCOPE OF WORK:.

The City of Corona (City) proposes to construct the **Ontario Avenue Widening Project** (Project) by widening the segment of Ontario Avenue between Compton Street and State Street to improve safety and mobility for all travel modes. The improvements to Ontario Avenue include, but are not limited to:

- Closing a gap and improving safety for pedestrians and bicyclists along the Ontario Avenue active transportation network by installing 0.6 miles of Class IV buffered bicycle lanes, 1,153 linear feet of sidewalk, ten high-visibility crosswalks, 16 Americans with Disabilities Act (ADA)-compliant curb ramps, and additional street lighting,

- Improving overall roadway safety infrastructure for both motorized and non-motorized users by installing two new traffic signals and 860 feet of raised median,

- Widening Ontario Avenue utilizing engineered tie-back walls, to provide two additional travel lanes, three additional turning lanes, and implementing adaptive signal timing improvements along the corridor,

- Constructing two new filtered storm water collection catchment basins at the Interstate 15 ramps, which will help protect aquatic life by collecting and screening trash, debris, dirt, and oil from surface runoff before entering local waterways,

- Installing approximately 1,200 linear feet of new 24-inch reinforced concrete pipe storm drain connecting to Riverside County Flood Control District infrastructure,

- Beautifying the Project area by installing drought tolerant landscaping.

The Project will also provide improved connectivity between the City and neighboring County of Riverside communities by alleviating congestion around a key interchange between existing arterial and highway networks. Collectively, these improvements will advance the regional goal of establishing Ontario Avenue as a multimodal corridor.

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	$123,000	$2,000	$125,000
PS&E	$1,000,000	$0	$1,000,000
RIGHT OF WAY	$2,000,000	$4,450,000	$6,450,000
CONSTRUCTION	$3,037,000	$10,763,000	$13,800,000
TOTAL	$6,160,000	$15,215,000	$21,375,000

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	December 2023	$125,000	
PS&E	March 2025	$1,000,000	
RIGHT OF WAY	March 2025	$6,450,000	
CONSTRUCTION	May 2027	$13,800,000	
TOTAL	November 2027	$21,375,000	

Elements of Compensation

EXHIBIT "B"

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit "B-1" into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.

2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG's Executive Director with a copy to WRCOG's Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-2".

3. For jurisdictions with large construction projects (with the total construction cost exceeding $10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5^{th} day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.

4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits "B-4" and "B-5". All documentation from the Agency's contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-3".

5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit "B" and its attachments.

6. Charges for each task and milestone listed in Exhibit "A" shall be listed separately in the invoice.

7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

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

Signed ________________________________

Title __________________________________

Date __________________________________

Invoice No. ____________________________

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.

9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT "B-1"
[Sample for Professional Services]

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

1. ELEMENTS OF COMPENSATION.

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

1.1 DIRECT LABOR COSTS.

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

1.1.1 DIRECT SALARY COSTS

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

1.1.2 MULTIPLIER

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

1.1.2.1 Direct Salary Costs _____________________

1.1.2.2 Payroll Additives _____________________

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

1.1.2.3 Overhead Costs _____________________

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

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

1.2 FIXED FEE.

1.2.1 The fixed fee is $______________________.

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

1.3 ADDITIONAL DIRECT COSTS.

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

Rates for identified Additional Direct Costs are as follows:

ITEM	REIMBURSEMENT RATE
	[___insert charges___]
Per Diem	$ /day
Car mileage	$ /mile
Travel	$ /trip
Computer Charges	$ /hour
Photocopies	$ /copy
Blueline	$ /sheet
LD Telephone	$ /call
Fax	$ /sheet
Photographs	$ /sheet

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

2. DIRECT SALARY RATES

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

2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.

2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

[___sample___]

POSITION OR CLASSIFICATION	RANGE OF HOURLY RATES
Principal	$ .00 - $ .00/hour
Project Manager	$ .00 - $ .00/hour
Sr. Engineer/Planner	$ .00 - $ .00/hour
Project Engineer/Planner	$ .00 - $ .00/hour
Assoc. Engineer/Planner	$ .00 - $ .00/hour
Technician	$ .00 - $ .00/hour
Drafter/CADD Operator	$ .00 - $ .00/hour
Word Processor	$ .00 - $ .00/hour

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

3. INVOICING.

3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.

3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.

3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

3.4 A charge of $500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.

3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.

3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.

3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

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

Signed ______________________________
Title ______________________________
Date ______________________________
Invoice No. ______________________________

4. PAYMENT

4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.

4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

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

Re: Project Title - Invoice #__

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

Invoice period covered is from __Month/Date/Year__ to __Month/Date/Year__.

Total Authorized Agreement Amount:	$0,000,000.00
Total Invoiced to Date:	$0,000,000.00
Total Previously Invoiced:	$0,000,000.00
Balance Remaining:	$0,000,000.00
Amount due this Invoice:	**$0,000,000.00**
	===========

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

By: ______________________________
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
3390 University Avenue; Suite 200
Riverside, California 92501
Attention: Deputy Executive Director
Attn: Accounts Payable Invoice #____________

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

Invoice period covered is from __Month/Date/Year__ to __Month/Date/Year__.

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

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

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

By: ____________________
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

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

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL
1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL
1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

Attachment

TUMF Reimbursement Agreement Amendment No. 1 – SR-74 / I-15 Interchange

AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT

SR-74 / I-15 INTERCHANGE

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement ("Amendment No. 1") is entered into this ______ day of _______________, 2023, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG") and **CITY OF LAKE ELSINORE** ("AGENCY"). WRCOG and the AGENCY are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled "Transportation Uniform Mitigation Fee Program Agreement" that is dated **October 24, 2017** ("Agreement"). The Agreement provides the terms and conditions, scope of work, schedule and funding amount for the construction of the **SR-74 / I-15 Interchange** (hereinafter the "Project").

B. The Parties desire to amend the Agreement by increasing the funding amount pursuant to Sections 6 and 33 of the Agreement.

C. The Parties desire to amend the Scope of Work to include the final Plans, Specifications and Engineer's Estimate (PS&E) and Right of Way phases. The Parties intend for the increased funding amount of this Amendment No. 1 to cover Final Engineering and Right of Way phases.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby increased by Five Million Dollars ($5,000,000) from Two Million Six Hundred Thirty Four Thousand Two Hundred Fifty One Dollars ($2,634,251) to an amount not to exceed Seven Million Six Hundred Thirty Four Thousand Two Hundred Fifty One Dollars ($7,634,251).

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

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

4. The above-stated Recitals are hereby fully incorporated into Amendment No. 1.

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

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: ______________________________
Dr. Kurt Wilson, Executive Director

Approved to Form:

By: ______________________________
Steven C. DeBaun
General Counsel

CITY OF LAKE ELSINORE

By: ______________________________
Natasha Johnson, Mayor

Approved to Form:

By: ______________________________
Barbara Leibold
City Attorney

Attest:

By: ______________________________
Candice Alvarez, MMC
City Clerk

EXHIBIT "A"

SCOPE OF WORK

SR74/I-15 Interchange serves the City of Lake Elsinore and surrounding communities. SR 74 is designated as an augmented urban arterial (8-lanes) with a projected build-out daily traffic volume of 80,000. The interchange is a tight diamond configuration with fully developed surrounding commercial properties.

The SR-74 ramps and adjacent intersections within the project area are controlled by traffic signals. The close proximity of the local intersections to the On/Off ramps combined with high peak hour traffic volumes causes' congestion and delays at the SR74/I-15 interchange. The purpose of the proposed project would be to relieve congestion by improving traffic operation and reduce congestion in the vicinity of the SR74 & I-15 ramps. The improvement would also have to accommodate the projected 2040 traffic flow at ramp intersections and the regional transportation system. In order to accomplish this objective the City of Lake Elsinore in Cooperation with Caltrans is initiating the PA&ED phase of this project.

The Scope of Work for the PA&ED phase includes: preparation of preliminary engineering alternative analysis; traffic impact analysis; value analysis; preparing of environmental studies; project management & coordination; preparation of final project report; and preparation of final environmental assessment report.

This Scope of Work also includes the Final Plans, Specifications, and Estimate (PS&E) and Right of Way phases. Final PS&E includes the development of the plans, specifications, and construction cost estimate; obtaining any resource agency permits; right of way engineering; perform right of way appraisals and acquisition; and advertisement/award of the construction contract.

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	$2,634,251	$312,079	$2,946,330
PS&E	$3,000,000		$3,000,000
RIGHT OF WAY	$2,000,000		$2,000,000
CONSTRUCTION			
TOTAL	$7,634,251	$312,079	$7,946,330

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	January 2024	$2,946,330	
PS&E	January 2025	$4,000,000	
RIGHT OF WAY	January 2025	$3,448,000	
CONSTRUCTION	January 2026		
TOTAL		$10,394,330	

Attachment

TUMF Reimbursement Agreement Amendment No. 1 – Interstate 15 Franklin Street Interchange Improvement Project

AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT

INTERSTATE 15 FRANKLIN STREET INTERCHANGE IMPROVEMENT PROJECT

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement ("Amendment No. 1") is entered into this ______ day of _______________, 202_, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG") and the CITY OF LAKE ELSINORE ("AGENCY"). WRCOG and the AGENCY are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled "Transportation Uniform Mitigation Fee Program Agreement" that is dated January 10, 2023, ("Agreement"). The Agreement provides the terms and conditions, scope of work, schedule, and funding amount for the construction of the Interstate 15 Franklin Street Interchange Improvement Project (hereinafter the "Project").

B. The Parties desire to amend the Agreement by increasing the funding amount pursuant to Sections 6 and 33 of the Agreement.

C. The Parties desire to amend the Agreement to cover the Final Engineering (PSE&E) phase and include the Right of Way (ROW) phase in the Scope of Work.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby increased by **Five Million Five Hundred Thousand Dollars ($5,500,000)** from "**Six Million Dollars ($6,000,000)** to an amount not to exceed "**Eleven Million Five Hundred Thousand Dollars ($11,500,000)**."

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

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

4. The above-stated Recitals are hereby fully incorporated into this Amendment No. 1.

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: ______________________________
Dr. Kurt Wilson, Executive Director

Approved to Form:

By: ______________________________
Steven C. DeBaun
General Counsel

CITY OF LAKE ELSINORE

By: ______________________________
Natasha Johnson, Mayor

Approved to Form:

By: ______________________________
Barbara Leibold
City Attorney

Attest:

By: ______________________________
Candice Alvarez, MMC
City Clerk

EXHIBIT "A"

SCOPE OF SERVICES

SCOPE OF WORK:

This TUMF Reimbursement is for the Final Plans, Specifications, and Estimate (PS&E) and Right of Way phases. Final PS&E includes the development of the plans, specifications, and construction cost estimate; obtaining any resource agency permits; right of way engineering; perform right of way appraisals and acquisition; and advertisement/award of the construction contract.

From approved FTIP:

CONS NEW I-15/FRANKLIN ST INC, CONST AUX LNS FROM FRANKLIN ST IC TO MAI NST IC & FROM FRANKLIN ST IC TO RR CYN IC, REALIGN & RECONSTRUCT MAIN ST SB ON RAMP FROM 1-2 LNS, ON WS OF I-15 CONST AUTO CENTER DR EXTNSN FROM EX FRANKLIN ST TO ADOBE ST & ON ES OF I-15 AND CONST CNY ESTATE DR EXT FROM EX FRANKLIN ST TO CAMINO DEL NORTE

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	**TUMF**	**LOCAL**	**TOTAL**
PA&ED			
PS&E	$6,000,000	$2,000,000	$8,000,000
RIGHT OF WAY	$5,500,000		$5,500,000
CONSTRUCTION			
TOTAL	$11,500,000	$2,000,000	$13,500,000

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Final PS&E is anticipated to begin February 2024 with estimated completion date of February 2026.

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	August 2017	$3,786,801	PA&ED completed with RR Canyon IC
PS&E	February 2026	$8,000,000	Est. State Date: February 2024
RIGHT OF WAY	February 2027	$5,500,000	
CONSTRUCTION	July 2029	$80,000,000	
TOTAL		$97,286,801	

Item 6.A

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Professional Services Agreement with Yunex, LLC, for Streetlight Operations & Maintenance**

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

Date: **October 2, 2023**

Recommended Action(s):

1. Award a Professional Services Agreement to Yunex, LLC, for Streetlight Operations & Maintenance, pursuant to Request for Proposals Number 23-02.
2. Authorize the Executive Director to execute a Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with Yunex, LLC, for Streetlight Operations & Maintenance,
3. Authorize the Executive Director to execute the Letters regarding the Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with member agencies in the Regional Streetlight Program and Yunex, LLC, for Streetlight Operations & Maintenance,
4. Authorize the Executive Director to execute a First Amendment to the Implementation Agreements, subject to legal counsel's and member agencies' review and approval, with participating member agencies in the Regional Streetlight Program.

Summary:

The Regional Streetlight Program currently provides services to nine local government agencies in WRCOG's jurisdiction, including streetlight operations & maintenance services, project management, and as-needed technical assistance, for smart streetlight technologies, such as traffic sensors, and as-needed support for broadband initiatives or projects. Currently, WRCOG has a Professional Services Agreement with Yunex, LLC (known as Yunex Traffic), formerly Siemens, to provide streetlight retrofit and operations & maintenance services to the agencies participating in the Regional Streetlight Program. This existing Agreement with Yunex Traffic will expire on December 1, 2023.

On July 12, 2023, WRCOG released Request for Proposals Number 23-02, seeking a provider for streetlight operations & maintenance services for the agencies participating in the Regional Streetlight Program.

This item is seeking approval from the Executive Committee to award a Professional Services Agreement to Yunex, LLC, to continue providing these services.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to award an agreement to Yunex, LLC, that would provide streetlight operations & maintenance services to member agencies participating in the Regional Streetlight Program. The Executive Committee is being asked to approve an agreement with Yunex, LLC, and approve subsequent agreements with member agencies to implement these services in their jurisdictions.

This item relates to WRCOG's Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our region).

Discussion:
Background

At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program that assisted 11 local agencies with purchasing and retrofitting their streetlights to LED luminaires in order to provide more economic operations (i.e., lower maintenance costs and reduced energy use). Local control of the streetlight system also provides agencies the opportunity to implement smart city technologies such as traffic sensors, and install telecommunications equipment such as small cells that support 5G connectivity. In order to identify and elaborate on these new opportunities related to smart cities and broadband, WRCOG developed a Smart Streetlights Implementation Plan and Broadband Assessment.

On December 18, 2017, WRCOG entered into a Professional Services Agreement with Siemens Industry, Inc., Intelligent Traffic Systems, to provide streetlight retrofit and operations & maintenance (O&M) services for all agencies participating in the Regional Streetlight Program for a term ending on December 1, 2022, with two additional 1-year terms, and a not-to-exceed Compensation amount of $5,913,073. Member agencies in the Regional Streetlight Program that wanted to receive these streetlight retrofit and O&M services had to execute an Implementation Agreement with WRCOG, and an Appendix to the Professional Services Agreement between WRCOG, Siemens, and the member agency.

On October 27, 2021, WRCOG consented to the transfer of the contract pertaining to Siemens' Intelligent Traffic Systems (ITS) business to Yunex, LLC, due to the worldwide carve-out of the ITS business into a separate business entity under the new brand name Yunex Traffic. To date, the Regional Streetlight Program has successfully assisted 10 participating agencies to purchase and retrofit over 50,000 streetlights to LED luminaires, saving the agencies over 17.4 Gigawatt-hours (GWh) in annual energy consumption and over $70M over 20 years in utility costs. Currently, the Regional Streetlight Program provides participating agencies with streetlight O&M services, project management for street lighting, and technical assistance for smart cities and broadband-related initiatives.

Present Situation

The existing Amended & Restated Professional Services Agreement with Yunex, LLC, formerly Siemens, expires on December 1, 2023. On July 12, 2023, WRCOG released Request for Proposals (RFP) Number 23-02, seeking a qualified contractor to provide streetlight O&M services to the nine participating member agencies in the Regional Streetlight Program, which account for over 36,000 streetlights. The RFP was posted on WRCOG's Planet Bids portal where over 108 vendors were notified of the bid opportunity, and remained open for three weeks. Prospective vendors were notified based on the following categories: Department of Industrial Relations, electrical and other wiring, facilities support services, all other specialty trade contractors, and other government support. During the RFP process, four prospective bidders were identified and only one question was received. By the submittal deadline of August 2, 2023, only one bid was received (from Yunex Traffic).

At the September 13, 2023, Administration & Finance Committee meeting, staff were directed to follow up with the prospective vendors to ask for feedback on their non-bidding status. Staff followed up with the prospective vendors to ask why they did not submit a bid and for feedback to increase competition on future bid opportunities. As of writing this staff report, staff have not received a response from the prospective vendors.

WRCOG staff convened a Bid Review Committee by inviting representatives from each member agency in the Regional Streetlight Program to participate in the bid evaluations and interview. WRCOG staff (Program Manager for the Regional Streetlight Program) and a total of four representatives from the Cities of Hemet, Lake Elsinore, and Menifee, and the Jurupa Community Services District (JCSD) reviewed and provided comments on Yunex Traffic's bid. Additionally, WRCOG staff and two representatives from the City of Menifee and JCSD conducted an interview with Yunex Traffic to clarify any questions that member agencies had on the bid. In the subsequent weeks after the interview, WRCOG staff coordinated with member agencies and Yunex Traffic to clarify any additional questions from the member agencies as well as to clarify the Scope of Work and compensation rates.

Yunex Traffic's bid includes a similar scope of work than the current agreement, including Routine and Extraordinary, Emergency, and After-Hours Maintenance, as well as updated compensation rates. Services provided under the Routine maintenance schedule are compensated on a per-light, per-month rate and include services such as fixture replacement via warranty claims, replacement of long-life photocells, fuses, fuse holders, and hand hole covers, troubleshooting for up to two hours during a service call for failed streetlights, and a quarterly night check of all agency-owned streetlights. Additionally, services provided under the Extraordinary, Emergency, and After-Hours Maintenance schedules are compensated on a time and material (T&M) rate based on the Labor and Equipment rates in the bid, which include LED retrofits and installation of pole identification tags for cobra-head and decorative style streetlights, responding to pole knockdowns and replacement of the pole, and miscellaneous services such as pull box lid and overhead wiring replacement, underground service alert services, pole painting and graffiti abatement. Moreover, upon award of a contract, Yunex Traffic will provide items at no-additional cost such as a 24/7 call center and dispatch that can receive service calls from the member agencies, WRCOG, or the public, access to an online Customer Portal and Service Business Platform, which is a proprietary management system designed to effectively manage and track all service order progress, materials used, location history, and event reporting as work is performed. Furthermore, in lieu of a per-light, per-month rate for routine maintenance services, Yunex Traffic has also agreed to provide all services from their bid based on T&M rates should a member agency prefer to take an on-call maintenance approach for all work completed.

WRCOG staff have coordinated with representatives from all member agencies participating in the Regional Streetlight Program to gather any comments they may have regarding Yunex Traffic's bid and to gather any feedback or requirements they may want to include in the Professional Services Agreement with Yunex Traffic. Understanding that the member agencies are the customers and recipients of services provided by Yunex Traffic, WRCOG staff wanted to make sure that representatives from the member agencies had a chance to provide any feedback and give their approval for WRCOG to move forward with the award of a Professional Services Agreement to Yunex Traffic. Additionally, staff worked with member agencies to identify a term length and not-to-exceed contract amount. The goal for the new agreement with Yunex Traffic is to commence on December 1, 2023, so that a seamless transition occurs without a lapse of service.

To move forward, WRCOG has developed a draft Professional Services Agreement (Attachment 1), a draft letter regarding the Professional Services Agreement that will be between WRCOG, Yunex, LLC, and each member agency (Attachment 2), and the First Amendment to the Implementation Agreement between WRCOG and each member agency (Attachment 3). While WRCOG seeks its Committees' approvals, staff will also work with each member agency to provide them with these draft Agreements and related documents such as Scopes of Work and budgetary information. The term of this Agreement will be three years, with one additional one-year period, and two additional six-month periods, for a maximum potential term of five years. The compensation for this agreement was calculated by taking a combination of member agency approved budgets for streetlight maintenance, estimated maintenance costs based on streetlight inventories, and estimated maintenance costs based on the average of the three prior years' costs for maintenance. The not-to-exceed compensation amount for this Agreement is $7,295,244.

Between September 2023 and November 2023, staff will assist representatives from member agencies to develop staff reports and presentations, finalize the Agreements, and agendize those items at their respective City Council or Board meetings to seek approval of the Agreements. As such, the draft Agreements provided in this Staff Report are subject to change per the review and approval by each member agency and WRCOG's legal counsel, and subject to change per each member agency's budgets as it relates to the not-to-exceed contract amount. As the member agencies approve the Agreements, WRCOG staff will concurrently seek its Committees' approval so that by the end of November 2023 all member agencies and WRCOG's Executive Committee have approved the Agreements.

Prior Action(s):

September 13, 2023: The Administration & Finance Committee recommended that the Executive Committee:1) award a Professional Services Agreement to Yunex, LLC, for Streetlight Operations & Maintenance pursuant to Request for Proposals Number 23-02; 2) authorize the Executive Director to execute a Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with Yunex, LLC, for Streetlight Operations & Maintenance; 3) authorize the Executive Director to execute the Letters regarding the Professional Services Agreement, subject to legal counsel's and participating member agencies' review and approval, with member agencies in the Regional Streetlight Program and Yunex, LLC, for Streetlight Operations & Maintenance; and 4) authorize the Executive Director to execute a First Amendment to the Implementation Agreements, subject to legal counsel's and member agencies' review and approval, with participating member agencies in the Regional Streetlight Program.

April 3, 2023: The Executive Committee approved the Third Amendment with Yunex, LLC, to exclude extraordinary O&M costs form the not-to-exceed amount in the Agreement.

November 7, 2022: The Executive Committee approved Amendment No. 2 to the Amended & Restated Professional Services Agreement and Amendment No. 2 to Appendices 1-5, 7-9, and 11 to the Amended & Restated Professional Services Agreement between WRCOG and Yunex, LLC and the Member Agency to extend the Agreement one year to December 1, 2023, for streetlight operation and maintenance services.

October 2, 2017: The Executive Committee directed the Executive Director, subject to legal counsel review and approval, to enter into a contract agreement with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services in an amount not to exceed $5,913,073 over a five-year contract period.

Financial Summary:
The fees associated with the operations & maintenance of streetlights for WRCOG's member agencies participating in the Regional Streetlight Program are paid by the members of the program; however, the money flows through WRCOG as a pass-through payment from the members to Yunex.

Attachment(s):
Attachment 1 - Daft Professional Services Agreement - Streetlight Operations and Maintenance
Attachment 2 - Member agency letters regarding the PSA between WRCOG and Yunex
Attachment 3 - First Amendment to the Implementation Agreement with member agencies

Attachment

Draft Professional Services Agreement with Yunex LLC - Streetlight Operations and Maintenance

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this day _____ of _____________, 20___, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and **Yunex, LLC**, a **[INSERT TYPE OF ENTITY]** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Lease Agreement.
Banc of America Leasing & Capital, LLC (together with its successors and assigns, "Lessor") entered into an Equipment Lease/Purchase Agreement with each of the Member Agencies (as defined herein) in order to finance the acquisition, installation and retrofitting of streetlights within the Member Agency's jurisdiction (as amended, the "Lease Agreement"). The Parties expressly hereby agree that the Lease Agreement is not being incorporated into this Agreement and shall not be deemed a part of this Agreement.

- City of Perris
- City of San Jacinto
- City of Wildomar

2.2 Member Agency.

"Member Agency" means any and all member agencies participating in WRCOG's street light program in accordance with an Implementation Agreement. The following local agencies are Member Agencies for the purposes of this Agreement:

- City of Eastvale
- City of Hemet
- City of Lake Elsinore
- City of Menifee
- City of Murrieta
- City of Perris
- City of San Jacinto
- City of Wildomar
- Jurupa Community Services District

2.3 Incorporated Documents.

2.2.1 Request for Proposal. The Request for Proposal No. XX-XX ("RFP") issued by WRCOG on ___________ and the Consultant's response to the RFP dated ______________ are incorporated herein by this reference.

2.2.2 Appendices and Exhibits. Each Member Agency shall execute its own Appendix, which shall cover the following for that Member Agency: Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C). The following Appendices, including their Exhibits, are attached hereto and incorporated herein by this reference:

- Appendix 1 – City of Eastvale
- Appendix 2 – City of Hemet
- Appendix 3 – Jurupa Community Services District
- Appendix 4 – City of Lake Elsinore
- Appendix 5 – City of Menifee
- Appendix 6 – City of Murrieta
- Appendix 7 – City of Perris
- Appendix 8 – City of San Jacinto
- Appendix 9 – City of Wildomar

2.4 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG and its Member Agencies on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **LED streetlight installation and ongoing operations and maintenance of street light systems** is licensed in the State of California, and is familiar with the plans of WRCOG and its Member Agencies.

2.5 Project.

WRCOG desires to engage Consultant to render such professional services for the **installation of LED street lights and the ongoing operations and maintenance of the street light systems for Member Agencies** ("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 and the applicable Member Agencies all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the **LED street light installation and ongoing operations and maintenance of street light systems** necessary for the Project ("Services"). The Services are more particularly described in the RFP and in Exhibit "A" to each Appendix 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 Appendices and 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 **_______________, 2023** to **____________, 2028**, 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.

3.1.3 Assignability of Agreement. WRCOG reserves the right to assign this Agreement to other entities, subject to prior written approval from the relevant Member Agency with respect to an assignment of its respective Appendix. Assignment(s) will be subject to the same terms and conditions included in this Agreement. Other entities shall negotiate the pricing for the Services and supplies with the Consultant and include necessary provisions for management of their specific projects. WRCOG shall have no responsibility for the Consultant's performance under any assignments.

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 or any Member Agency 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 for WRCOG and the applicable Member Agency expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" to each Appendix attached hereto and incorporated herein by reference. Consultant understands and agrees that in the event that the schedule for delivery of Services to any Member Agency, as identified in Exhibit "B" to any Appendix, is delayed, for any reason whatsoever including through the fault of WRCOG or the Member Agency, the delay shall not be used as a reason for delay on the part of the Contractor in meeting the schedule for delivery of Services to any other Member Agency. 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 and the applicable Member Agency shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG or any Member Agency, 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 and the applicable Member Agency.

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(S)].**

[INSERT NAME(S) OF KEY PERSONNEL]

3.2.5 WRCOG's Representative. WRCOG hereby designates **Daniel Soltero** 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 sub- contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-contractors 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 or any Member Agency, 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 or the applicable Member Agency 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/or 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 Member Agencies, and WRCOG's and the Member Agencies' Directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the

Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub-contractor 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 sub-contractors. Consultant shall also require all of its sub-contractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

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

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* $5,000,000 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:* $5,000,000 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 $5,000,000 per accident for bodily injury or disease.

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

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

(A) General Liability.

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

Property Damage; and (9) Independent Consultants Coverage.

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

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

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

(B) Automobile Liability.

(i) The automobile liability policy shall be endorsed to state that: (1) WRCOG, its Member Agencies, and WRCOG’s and its Member Agencies’ 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 Member Agencies, and WRCOG’s and its Member Agencies’ 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 Member Agencies, and WRCOG and its Member Agencies’ Directors, officials, officers, employees, agents, and volunteers shall be in excess of the Consultant’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

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

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

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

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

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

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

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

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

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

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

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' 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 of no less than A:VII, licensed to do business in California, and satisfactory to WRCOG and each member Agency.

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

3.2.10.9 Sub-consultant Insurance Requirements. Consultant shall not allow any sub-contractors or sub-consultants to commence work on any sub-contract 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 sub-contractors or sub-consultants shall be endorsed to name WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officers, officials, employees, agents and volunteers 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 sub-contractors or sub-consultants.

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 sub-contractors, 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.

3.2.12 Surety Bonds. Consultant shall provide each Member Agency with a payment and performance bond ("Surety Bond") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to the Member Agency and naming the Member Agency as a co-obligee in a sum equal to the entire amount to become payable under the Appendix to this

Agreement applicable to the Member Agency. Each bond shall be conditioned on the completion of the Services for that Member Agency and upon payment of all claims of subconsultants and suppliers. Consultant shall cause the surety company to add WRCOG and Banc of America Leasing & Capital LLC as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to WRCOG and Banc of America Leasing & Capital LLC promptly upon receipt thereof by Consultant. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Consultant's obligations in accordance with this Agreement and all Appendices and, if for whatever reason such proceeds are not so applied, then first to amounts due Lessor (as defined in the Lease Agreement) pursuant to Section 4.05 and 7.04 of the Lease Agreement, and any remaining amounts shall be payable to Lessee (as defined in the Lease Agreement).

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. Compensation does not include costs for extraordinary street light maintenance services, described in Exhibit "A." The total compensation for Services, with the exception of extraordinary street light maintenance services described in Exhibit "A," shall not exceed **[INSERT WRITTEN DOLLAR AMOUNT] ($---)** without written approval of WRCOG's **Executive Director** and the applicable Member Agency**.** 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 contain the invoice number and date; remittance address; Agreement number XXXX-XX-XXXX-XXX, and invoice total. 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. At a minimum, Consultant shall provide a statement with sufficient detail to enable WRCOG or the Member Agency to make payment to Consultant from the appropriate account in accordance with the Paying Agent Agreement (as defined in the Lease Agreement) and/or Escrow Agreement (as defined in the Lease Agreement), as applicable (i.e., retrofit specific costs to be identified separately from other Services under this Agreement). 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. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and since 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 post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify, and hold WRCOG, its Member Agencies, and WRCOG’s and its Member Agencies’ elected officials, officers, employees, volunteers, 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.

3.3.6 CPI Increase. In recognition of the general increase in the cost of doing business, the parties agree to an increase in the compensation rates as of July 1st of each calendar year, in an amount equal to the increase in the U.S. Department of Labor Consumer Price Index "CPI" for the previous calendar year (January 1 through December 31) for all urban consumers in the Riverside County, California area; provided that the CPI adjustment shall be rounded up to the nearest full dollar, and further provided that the CPI adjustment shall not exceed five percent (5%) for any year. Notwithstanding any provision herein to the contrary, SMI may request, on or before March 31st of each year, an increase in the rates over and above the CPI adjustment upon a showing of good cause for such increase; provided that the approval or disapproval of any such request shall be made by the WRCOG in its sole and absolute discretion.

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 or any applicable Member Agency 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, subject to prior written approval from the relevant Member Agency and 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. In addition, each Member Agency may, by written notice to WRCOG and Consultant, terminate its Appendix to 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 or the applicable Member Agency, 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 and its Member Agencies 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**
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: [INSERT NAME]

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 Inspection of Installation Data and Maintenance Records

3.5.3.1 Documents & Data; Licensing of Intellectual Property. During the course of this Agreement, and upon reasonable advance notice and during normal business hours, WRCOG and its Member Agencies may inspect and examine the installation data and maintenance records specifically created or collected by Consultant under this Agreement. Upon termination or expiration of this Agreement, Consultant will provide to WRCOG and its Member Agencies the installation data and maintenance records specifically created or collected by Consultant under this Agreement. The installation data and maintenance records shall include all final installation data, customer service reports and inquiry activity, and maintenance records, but shall not be deemed to include any proprietary, confidential, or protected information, programs, platforms, and/or materials of Consultant.

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 and the relevant Member Agency, 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 or any member Agency'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 or the applicable Member Agency.

3.5.3.3 Infringement Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' 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 or any Member Agency 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 WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' Directors, 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 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 Member Agencies, and WRCOG's and its Member Agencies' 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, its Member Agencies, and WRCOG and its Member Agencies' directors, officers , consultants, employees, agents, 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 Member Agencies, and WRCOG's and its Member Agencies' 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 the right for itself and its Member Agencies 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, subject to prior written approval from each applicable Member Agency to the extent such assignment, hypothecation or transfer could impact such Member Agency's Appendix. 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 sub-contractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its Directors, officers, employees, agents and all volunteers except as otherwise specified in this Agreement. All references to Member Agencies include their 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, subject to prior written approval from each applicable Member Agency to the extent such supplement, modification, or amendment impacts such member Agency's Appendix.

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 beneficiaries of any right or obligation assumed by the Parties with the exception of the Member Agencies, which are expressly considered to be third party beneficiaries and are entitled to enforce any and all rights held by the Member Agency itself or by WRCOG under this Agreement.

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, Director, officer, official, agent volunteer, 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 sub-contractor, 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 of WRCOG's Minority Business Enterprise Program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

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

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

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

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG, subject to prior written approval from the applicable Member Agency to the extent such work relates to such member Agency's Appendix. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Yunex, LLC
By: ______________________________ Dr. Kurt Wilson Executive Director	By: ________________________ Title: ________________________
APPROVED AS TO FORM:	ATTEST:
By: ______________________________ General Counsel Best Best & Krieger LLP	By: ________________________ Its: ________________________

*A corporation requires the signatures of two corporate officers.

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

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

APPENDIX __

MEMBER AGENCY NAME

This Appendix 1 to Agreement ("Appendix") by and between WRCOG, Consultant, and [***MEMBER AGENCY ***] ("Member Agency") is made and entered into this day of , 2023. WRCOG, Consultant, and Member Agency are referred to herein as Parties.

1. Defined Terms. All terms used herein have the meanings ascribed to them in the Professional Services Agreement between WRCOG and Consultant dated ________, 2023, with the exception of the term Member Agency, which for the purposes of this Appendix will refer to [***MEMBER AGENCY NAME***] only.

2. Agreement Incorporated. The terms and provisions of the Agreement are hereby incorporated into this Appendix.

3. Member Agency Exhibits. The Parties hereby agree that the Scope of Services, Schedule of Services, and Compensation for the Project as it relates to Member Agency are defined specifically in Exhibits A, B, and C, attached hereto and incorporated herein by this reference.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: ________________________________
Dr. Kurt Wilson
Executive Director

APPROVED AS TO FORM:

By: ________________________________

General Counsel
Best Best & Krieger LLP

Yunex, LLC

By: ________________________________

Title: ________________________________

ATTEST:

By: ________________________________

Its: ________________________________

[MEMBER AGENCY]

By: ________________________________
[Insert Name, Insert Title]

ATTEST:

By: ________________________________
City Clerk

APPROVED AS TO FORM

By: ________________________________
City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

Understanding of the Project

It is our understanding that WRCOG is seeking a qualified firm to provide Streetlight Operation & Maintenance Services. The selected service company will be responsible for providing a continuing, comprehensive, response program for the Member Agency streetlights. The Member Agencies expectation is that the contractor will help reduce complaints, promote safety, and proactively extend the longevity of the Member Agencies streetlight equipment, thus reducing the overall operating cost.

We understand that the general Scope of Work to be done consists of scheduled and unscheduled repairs to the Member Agencies streetlight systems. Yunex Traffic will have available and readily accessible, qualified personnel, tools, equipment, facilities, and material required to perform all work necessary for the maintenance of WRCOG's streetlight systems, as outlined in the Scope of Work and in compliance with current Member Agency and State standards.

Approach / Response Times

To be able to respond immediately to emergency calls, Yunex Traffic's field technicians are authorized to take their work vehicles home daily. All work vehicles are stocked with proper field equipment so he/she may sufficiently address most problems they encounter while responding.

Emergency response call outs and unscheduled repairs are initiated by calling our toll-free emergency phone number, **1-800-229-6090.** A live dispatcher will be available 24 hours a day, 7 days per week, 365 days per year. Our dispatcher will create a work order in our visual planning board and once the work order is released, it will immediately transfer to our technician's queue on their mobile device. As part of our quality control practice, our dispatcher will follow up with a phone call to our technician to confirm that they are in receipt of the call out/work order. For emergency calls, the technician will arrive at the site **within one (1) hour** to assess and correct the reported problem. Once the problem is corrected, the technician will inform our WRCOG representative of the repair actions.

Scope of Work

It is always the goal of Yunex Traffic to tailor our services around our customer's needs. We understand that throughout the term of a contract, those needs may change. We approach all our contracts with the same vision; build a partnership with WRCOG staff and work towards achieving common goals set forth through that partnership. We realize that this is an ever-evolving process and that is why we believe that the only successful route is through establishing common goals. This methodology and a commitment to service will be applied to every aspect of our services for WRCOG.

Yunex Traffic will be available to provide emergency/non-emergency streetlight related issues such as downed streetlight poles, luminaires/photocontrols not functioning, wiring issues, and other operational equipment related issues.

Yunex Traffic will perform the following tasks and activities as it relates to the maintenance of the streetlight system (36,231poles & 36,554 luminaires):

Customer Service – Provide and administer a customer service center including, at a minimum, a toll-free phone number and website to allow WRCOG and the public to report any streetlight issues (e.g., outages, knockdowns, etc.). Separately, provide a maintenance website for WRCOG staff to access. This will provide WRCOG an up-to-date summary of current and completed tasks. Yunex will use and provide an Online Maintenance System with free access to designated WRCOG staff members. The entire online system will be a real-time system. System functionality will include but not be limited to the following items:

- Work order tracking
- Work order status updates
- Asset and equipment management
- Maintenance requests
- Maintenance checklists that are maintained and updated regularly

GIS Update - Update WRCOG's GIS mapping system when new poles are replaced or added to the streetlight system.

Reports - Monthly and quarterly streetlight system reviews and reports, including outage/failure rate, knockdowns, and suggested repairs.

Meetings – Coordinate and attend regular meetings to review outstanding issues and work orders, including discussion of any billing or contract management issues.

Coordination with Outside Entities – Coordinate electrical service repairs/restoration with SCE as well as coordinate with WRCOG Staff, residents, and businesses, as-needed, for difficult to access lights.

Traffic Control – Employees are trained and certified in temporary traffic control measures, which are compliant with the California Manual of Uniform Traffic Control Devices (CA MUTCD).

Warranty Claims – Administer services for all warranty claims on behalf of the Member Agency for any luminaires, photocells, or similar streetlight equipment (smart nodes, detection devices, etc.)

Streetlight Pole Knockdowns – Respond to all calls of poles that have been knocked down, implement traffic control, confirm electrical lines are made safe, cut downed pole/luminaire arm, remove from location, and clean up all debris.

Streetlight Pole Replacement - Replacement poles will be replaced within 14 business days of reporting.

Quarterly Streetlight System Reviews (Night Inspection) – Nighttime lighting surveys will be conducted of all Member Agency owned streetlights to identify any streetlights that are non-functioning. Upon completion of such nighttime survey, Yunex will provide a report to the Member Agency of all system activity, condition, issues found, and planned or completed repairs. The report will include the nearest street address and pole number. Nighttime Lighting Surveys will be completed quarterly.

Annual Painting of Metal Poles – Provide metal pole painting based upon Member Agency approval.

LED Replacement – Replacement of LED streetlights that have been inoperative by virtue of failure. Replacement will occur within three (3) business days from notification of Yunex by Member Agency. If the cause of failure is covered under manufacture warranty, Yunex will be responsible for warranty management of defective LED fixtures which includes all aspects related to standard warranty practices. Yunex will notify the Member Agency of any undue delays in response due to the manufacturer.

LED Retrofit & Pole Tagging – Provide LED retrofit and/or pole identification tag installation services for cobra head and/or decorative streetlights.

Removal and Disposal – Provide removal and disposal services of all damaged/discarded materials. Disposal services will follow the California Recycle and Disposal Laws.

Furnish and Install House-Side Shields – Provide and install house-side shields when requested to do so by any Member Agency.

Provide a Storage Facility – Yunex's local storage facility is conveniently located in the City of Riverside, which is within minutes of each Member Agency. We have been utilizing this location to service this contract since being awarded this contract.

Compliance with all Laws – Yunex is familiar with all federal, state, and local laws and regulations regarding the Scope of Work, and follows wage and labor laws, OSHA requirements, and appropriate safety measures.

Troubleshooting – Diagnose and repair any Member Agency owned inoperable streetlights. Repairs will be completed within three (3) working days or less.

Spare Inventory – Yunex will warehouse sufficient spare inventories such as poles, luminaires, ballasts, photocells, nodes, fuse holders, fuses, wire, pull box lids, hand hole covers, electrical services, pole identification tags, and other electrical components.

Extraordinary, Emergency, and After-hours Maintenance - For streetlight maintenance issues that fall outside of the standard maintenance scope above, Yunex will provide services billed on a time & materials basis. Example of Extraordinary, Emergency, and After-hours Maintenance includes the following: traffic accidents, tree fall or power surges that may occur, resulting in the streetlights being damaged and needing to be replaced, though the frequency may vary considerably. All Extraordinary, Emergency, and After-hours Maintenance work must be preapproved by the Member Agency prior to the work being completed.

The following items have specifically been identified as, but are not limited to, Emergency and after-hours maintenance:

- Emergency response - 24 hours and day 7 days a week

- Streetlight pole knockdown response
- Damaged/leaning poles
- Luminaire repairs or replacement
- Photocell replacement
- Fuse and/or fuse holder replacement
- False calls
- Wiring replacement
- Pole graffiti abatement
- Pole painting
- House side shield purchase and installation

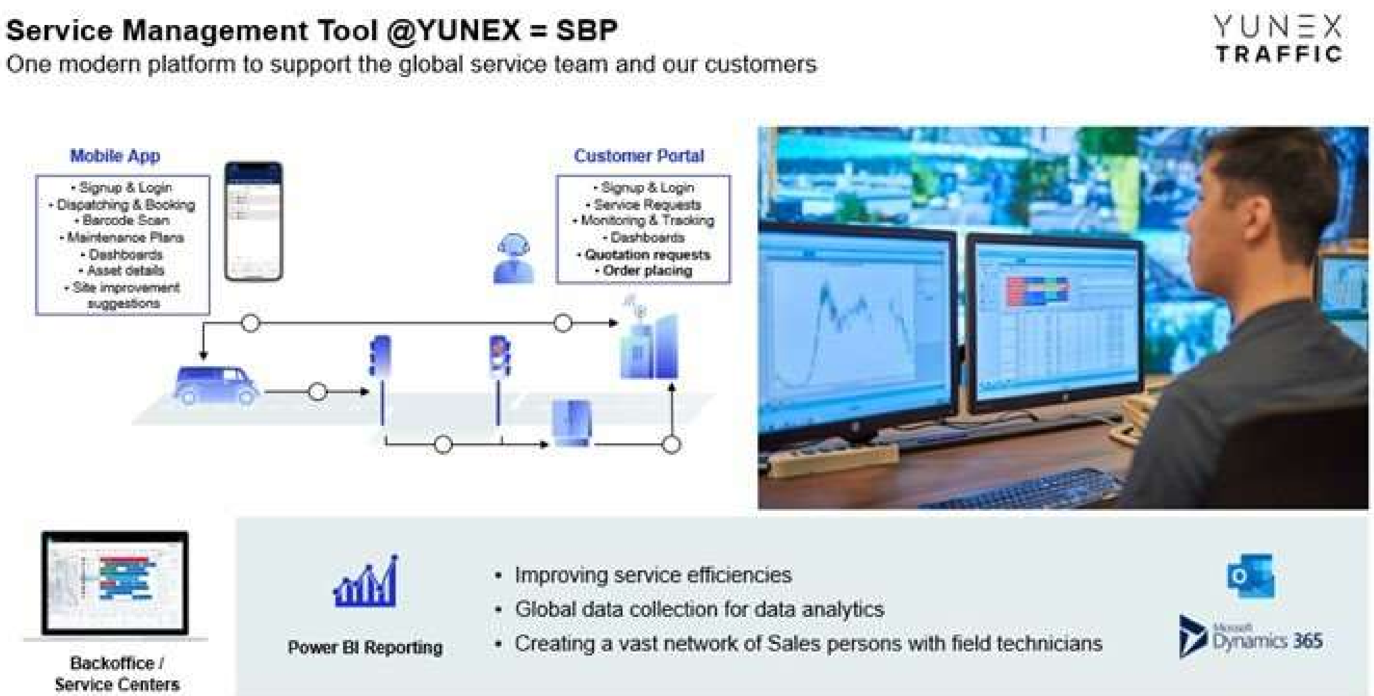
Additional offerings available to WRCOG:

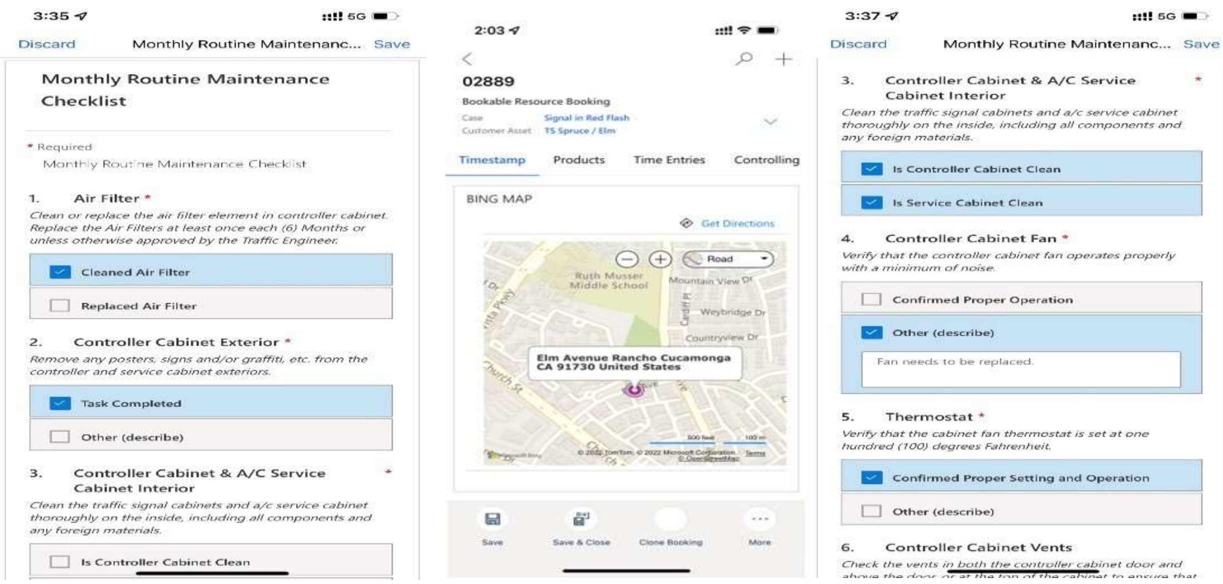
USA Dig Alert Services

Yunex Traffic will respond to all Underground Service Alert (USA) requests/notices or at the request of Member Agency staff for the marking and protection of streetlight underground facilities such as electrical conduits, safety light conduits, and other appurtenant equipment which might conflict with other right-of-way construction or repairs. Our ***own in-house*** technicians are equipped and certified with the proper locating devices provided by Metrotech.

On-Line Portal (Service Business Platform @ITS)
Yunex Traffic has rolled out a new service tool called SBP (Service Business Platform), which is a proprietary management system designed to effectively manage all service order progress, remotely update our ERP system (SAP) and as work is performed.

SBP allows us to monitor many key performance items such as time arrived onsite, time of completion, materials used, and vehicle/equipment used.
SBP keeps historical records for every location which allows the technicians an additional resource when troubleshooting.
When creating a new service request, the SBP will query the location history and will flag the order if it is a repeated call out or duplicate order.
Technicians transmit response and routine maintenance items in real-time using IOS or Android devices.
The contractual Scope of Work and all maintenance activities are also available for technicians to review to ensure all tasks are completed within the specified timeframe.
Customer specific checklists for routine preventative maintenance will be available to the technicians so all required tasks are completed, per your Scope of Work.





Customer Portal

The SBP Customer Portal gives our customers access to:

- Monitor real-time status of routine maintenance and service calls
- Location history (sort/filter by date, location, call type, etc.)
- Overall historical maintenance and repair data
- Real-time equipment inventories, maps, and event reporting
- Asset management (including digital photographs, GIS data, etc.)

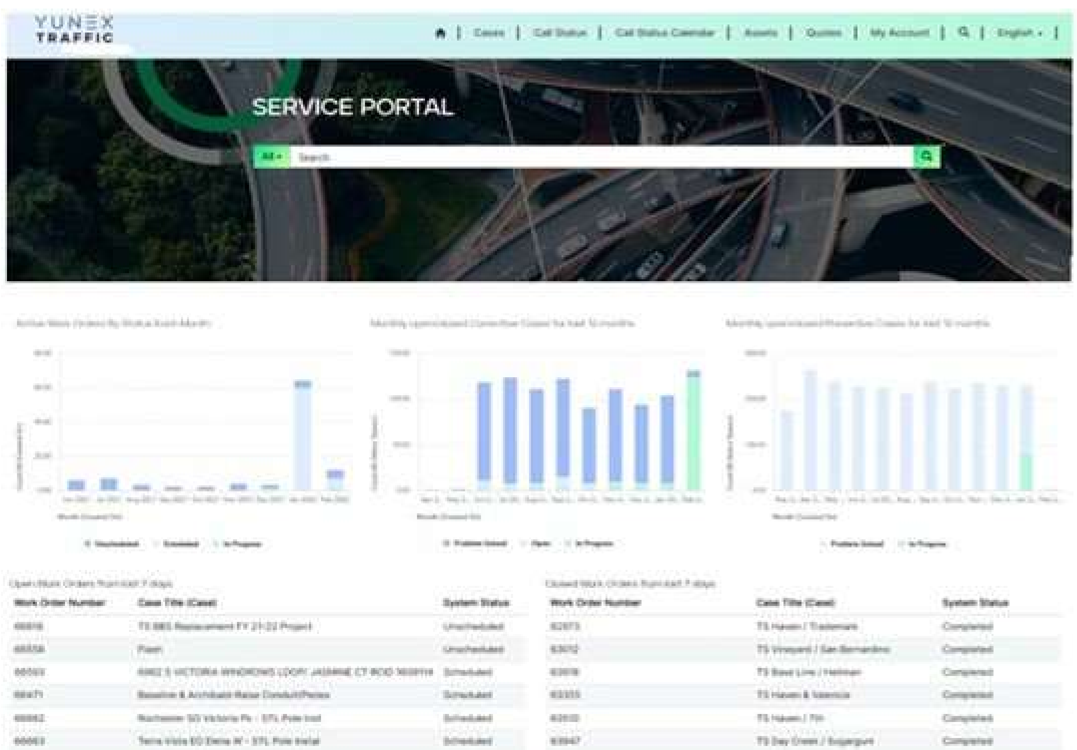
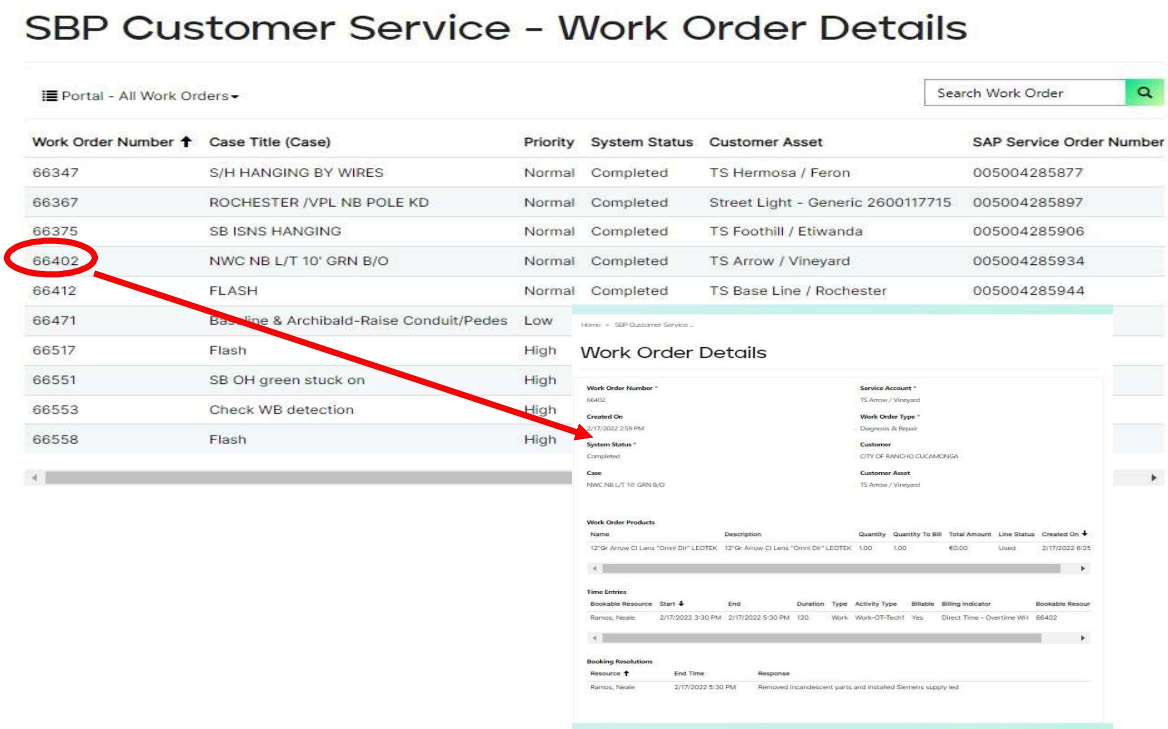


Exhibit "A"



SBP Customer Service - Work Order Details

Portal - All Work Orders

Search Work Order

Work Order Number	Case Title (Case)	Priority	System Status	Customer Asset	SAP Service Order Number
66347	S/H HANGING BY WIRES	Normal	Completed	TS Hermosa / Feron	005004285877
66367	ROCHESTER /VPL NB POLE KD	Normal	Completed	Street Light - Generic 2600117715	005004285897
66375	SB ISNS HANGING	Normal	Completed	TS Foothill / Etiwanda	005004285906
66402	NWC NB L/T 10' GRN B/O	Normal	Completed	TS Arrow / Vineyard	005004285934
66412	FLASH	Normal	Completed	TS Base Line / Rochester	005004285944
66471	Baseline & Archibald-Raise Conduit/Pedes	Low			
66517	Flash	High			
66551	SB OH green stuck on	High			
66553	Check WB detection	High			
66558	Flash	High			

Tracking as Related to Invoicing
In addition to our Customer Portal, you will receive a detailed billing report with each invoice that lists labor and equipment hours billed for each service order.

TS B - Merrill / Bloomington / Riverside

Date Completed: **Fri, MAR/18/2016 01:00** Work Order #: **5002764108** Debit Memo Req. **3801177197**

Description: **NEC POLE KD * CALLER: PD**

Response: **REMOVED DAMAGED EQUIPMENT. DRILLED & INSTALLED NEW 1D POLE, TV2T, TWO 3 SEC. PV HEAD S WITH ARROW LENSES, 2 R, 2 Y & 2 G PV LEDS, COUNT-DOWN COMBO M8 LED. RE-USED PEDHEAD & PPB ASSY. REPLACED PPB AND DIRECTIONAL PLATE. OLD S/H WEREN'T PROGRAM. WILL FOLOW UP WITH BALL LENSES & PROGRAM S/H'S IF CITY WANT THEM PROGRAMMED.**

Item:	Qty and Unit Cost	Extra Charges	Routine Maint.	
ELECTRICIAN (RT)	12.000 H @ per H	$	$ 0.00	
ELECTRICIAN (OT)	8.000 H @ per H	$	$ 0.00	
ELECTRICIAN (PT)	6.000 H @ per H	$	$ 0.00	
SERVICE BUCKET TRUCK	26.000 H @ per H	$	$ 0.00	
MATERIALS	1 PC @ per PC	$	$ 0.00	
	Visit Total	$	$ 0.00	
	Total	$	$ 0.00	$

EXHIBIT "B"

SCHEDULE OF SERVICES

[INSERT]

EXHIBIT "C"

COMPENSATION
BILLING RATES

	Item	Description	Unit of Measure	Unit Cost
Monthly Maintenance				
1	LED Fixture Maintenance Cobra head	This includes the cost for all regular maintenance and associated tasks to maintain the cobrahead fixtures in the streetlight system as identified in section 13.1 of the RFP. This fee is expected to be all inclusive, with the sole exceptions being those items identified in the extraordinary maintenance section. This bid item shall include: a) Fixture Replacement: Facilitate the entire RMA (return merchandise authorization) process for LED streetlight fixtures that have failed and still covered under the original manufacturer's warranty. This includes the cost to remove, complete the RMA process, and reinstall the fixture (regardless of it being fixed/replaced). Fixtures that are damaged by acts of nature (i.e., lightning strikes, etc.) will be replaced, although the cost of the fixture will be charged under Material Markup (Cost + 15%). b) Long-Life Photocells: Removal & Replacement of a failed photocells. c) Fuses: Replacement of failed fuses. d) Fuse Holders: Replacement of failed fuse holders. e) Hand Hole Covers: Replacement of missing hand hole covers (i.e., due to theft). f) Troubleshooting: Respond to reports of a failed streetlight by city staff or residents. Our technician will spend up to 2 hours of time troubleshooting the streetlight to find what the issue might be (fixture, photocell, fuses, fuse holder, wiring issue, etc.). Troubleshooting which exceeds 2 hours, will be billed under Time and Material (Labor Rates, Equipment Rates, and Material Markup). g) Night Survey: Perform a quarterly night drive inspection of all 35,832 streetlights belonging to WRCOG agencies. Prepare a report of outages that will be followed up by our technicians.	Per Light / Per Month	$0.70
2	LED Fixture Maintenance Decorative	This includes the cost for all regular maintenance and associated tasks to maintain the decorative fixtures in the streetlight system as identified in section 13.1 of the RFP. This fee is expected to be all inclusive, with the sole exceptions being those items identified in the extraordinary maintenance section. This bid item shall include: a) Fixture Replacement: Facilitate the entire RMA (return merchandise authorization) process for Decorative LED fixtures that have failed and still covered under the original manufacturer's warranty. This includes the cost to remove, complete the RMA process, and reinstall the fixture (regardless of it being fixed/replaced). Fixtures that are damaged by acts of nature (i.e., lightning strikes, etc.) will be replaced, although the cost of the fixture will be charged under Material Markup (Cost + 15%). b) Long-Life Photocells: Removal & Replacement of a failed photocells. c) Fuses: Replacement of failed fuses. d) Fuse Holders: Replacement of failed fuse holders. e) Hand Hole Covers: Replacement of missing hand hole covers (i.e., due to theft). f) Troubleshooting: Respond to reports of a failed streetlight by city staff or residents. Our technician will spend up to 2 hours of time troubleshooting the streetlight to find what the issue might be (fixture, photocell, fuses, fuse holder, wiring issue, etc.). Troubleshooting which exceeds 2 hours, will be billed under Time and Material (Labor Rates, Equipment Rates, and Material Markup). g) Night Survey: Perform a quarterly night drive inspection of all 399 decorative fixtures belonging to WRCOG agencies. Prepare a report of outages that will be followed up by our technicians.	Per Light / Per Month	$2.15
Extraordinary Maintenance (Reference pricing Only - this scope will be quoted on time and material basis)				
3	LED Replacement Cobra head	This includes the costs for labor and equipment (trucks, lifts, tools, traffic control, etc.) for replacing existing cobrahead fixtures with a new LED fixture, disposal and updating of WRCOG database with model number installed and installation date. The replacement fixture cost is not included and will be charged at material cost plus the markup listed below.	Each	$80.00
4	LED Replacement Decorative	This includes the costs for labor and equipment (trucks, lifts, tools, traffic control, etc.) for replacing existing decorative fixtures with a new LED fixture, disposal and updating of WRCOG database with model number installed and installation date. The replacement fixture cost is not included and will be charged at material cost plus the markup listed below.	Each	$160.00
5	Street light pole ID tag	This includes the labor for installation of a unique pole ID tag for each pole. Pole tags will be affixed to poles with an adhesive, no riveting or drilling will be performed. This price is based on installing one (1) pole tag. If multiple pole tags are grouped together, in the same member agency, a lower price could be provided.	Each	$92.00
6	House side shield installation	This includes the costs associated with the installation of a house side shield on an existing LED fixture, excluding the cost of the actual shield. Material will be charged at cost plus the markup listed below.	Each	$67.00

7	Knockdown pole replacement No foundation	This includes the costs associated with the replacement of an entire street light pole, luminaire arm, fixture and wiring typically associated with a street light knockdown that does not require replacement of the foundation. This is based on the following assumptions: a 28 foot, marbelite pole with a standard 87 watt LED cobra head fixture. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process. These repairs will not be completed as part of an initial emergency response. Costs are based on a single replacement with work completed during normal work hours scheduled within the requested repair interval.	Each	$5,190.00
8	Knockdown pole replacement with foundation	This includes the costs associated with the replacement of an entire street light pole, luminaire arm, fixture and wiring typically associated with a street light knockdown that does require replacement of the foundation. This is based on the following assumptions: a 28 foot, marbelite pole with a standard 87 watt LED cobra head fixture. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process. These repairs will not be completed as part of an initial emergency response. Costs are based on a single replacement with work completed during normal work hours scheduled within the requested repair interval.	Each	$7,920.00
9	Pull box lid replacement	This includes the cost of labor, materials and equipment to purchase, supply and replace a pull box lid with a fiberlyte lid due to damage or missing lid.	Each	$220.00
10	Pole graffiti abatement	This includes the estimated cost per pole to remove or cover reported graffiti. Costs include labor, equipment and materials needed to complete each individual abatement assuming time required to abate graffiti is less than 30 minutes. Work limited to under 4SF and/or lower than 7ft.	Each	$87.00
11	Overhead wiring replacement	Total cost to repair or replace damaged overhead wiring. Cost provided per foot of wire being replaced. Costs include labor, equipment and materials to complete the repair during normal working hours. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process.	Per Foot	$17.00
12	Pole painting	This includes the costs on a per occurrence (per pole) basis for all labor, equipment and materials needed to prep and paint a standard metal street light pole (assume 30 foot). It is assumed that 10 poles would be scheduled for painting as a group, annually	Each	$700.00
13	USA Dig Alert	Yunex LLC typically prices this service out on a per occurrence basis. This includes the following: Our technician identifies the point of demarcation on site using field equipment. This is typically limited to approximately 100-150 linear ft per call out.	Each	$245.00

Labor Rates						
Item #	**Item Description**	**Unit**	**Quantity**	**Regular Time**	**Overtime**	**Premium Time**
14	Superintendent	HR	1	$98.00	N/A	N/A
15	Foreman	HR	1	$137.00	$172.00	$207.00
16	Electrician	HR	1	$130.00	$162.00	$193.00
17	Laborer	HR	1	$110.00	$159.00	$159.00

Regular, Overtime, and Premium time explanation:

- Regular Hours are Monday through Friday (excluding holidays) from 7:30am to 4:00pm.
- Overtime Hours are Monday through Friday after these work hours for the first four straight hours on any job as well as Saturday for the initial 8 working hours.
- Premium Hours are Monday through Friday after four hours of OT on any one job, Saturdays after 8 hours on any one job, all day Sunday starting at 12:00am until Monday at 7:30am and all holidays starting at 12:00am until the next morning at 7:30am.

Equipment Rates				
Item #	**Item Description**	**Unit**	**Quantity**	**Unit Price**
18	Service Truck	HR	1	$30.00
19	Bucket Truck	HR	1	$30.00
20	Crane Truck	HR	1	$55.00

Material Markup			
Item #	**Item Description**	**Unit**	**%**
21	Material Markup	%	15%

Yunex LLC requests the option to re-evaluate contract pricing using the US Consumer Price Index to calculate annual escalations.

Exhibit “C”

Attachment

Draft Member Agency Letters regarding the Professional Services Agreement between WRCOG and Yunex LLC

[WRCOG LETTERHEAD]

______, 2023

City of Eastvale
Attn: Mark Orme, City Manager
12363 Limonite Ave. Suite 910
Eastvale, CA 91752

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Mark Orme:

The Western Riverside Council of Governments (the “WRCOG”) and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the “Agreement”). WRCOG requests that the City of Eastvale consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 1

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Eastvale.

CITY OF EASTVALE

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Hemet
Attn: Mark Prestwich, City Manager
445 E Florida Avenue
Hemet, CA 92543

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Mark Prestwich:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Hemet consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 2

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Hemet.

CITY OF HEMET

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

Jurupa Community Services District
Chris Berch, General Manager
11201 Harrel Street
Jurupa Valley, CA 91752

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Chris Berch:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the Jurupa Community Services District consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 3

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the Jurupa Community Services District.

JURUPA COMMUNITY SERVICES DISTRICT

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Lake Elsinore
Attn: Jason Simpson, City Manager
130 South Main Street
Lake Elsinore, CA 92530

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Jason Simpson:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Lake Elsinore consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 4

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Lake Elsinore.

CITY OF LAKE ELSINORE

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Menifee
Armando G. Villa, City Manager
29844 Haun Road
Menifee, CA 92586

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Armando G. Villa:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Menifee consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 5

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Menifee.

CITY OF MENIFEE

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Murrieta
Attn: Kim Summers, City Manager
1 Town Square
Murrieta, CA 92562

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Kim Summers:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Murrieta consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 6

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Murrieta.

CITY OF MURRIETA

Date: ___________________________

Signature:________________________

Printed Name:_____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Perris
Attn: Clara Miramontes, City Manager
101 N. D Street
Perris, CA 92570

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Clara Miramontes:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Perris consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 7

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Perris.

CITY OF PERRIS

Date: ___________________________

Signature:________________________

Printed Name:_____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of San Jacinto
Attn: Robert Johnson, City Manager
595 S. San Jacinto Ave.
San Jacinto, CA 92583

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Robert Johnson:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of San Jacinto consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 8

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of San Jacinto.

CITY OF SAN JACINTO

Date: ___________________________

Signature:________________________

Printed Name:____________________

Title:____________________________

[WRCOG LETTERHEAD]

______, 2023

City of Wildomar
Attn: Dan York, City Manager
23873 Clinton Keith Rd.
Suite 110 Wildomar, CA 92595

Subject: Western Riverside Council of Governments Professional Service Agreement with Yunex LLC

Dear Dan York:

The Western Riverside Council of Governments (the "WRCOG") and Yunex LLC desire to enter into a Professional Services Agreement related to the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies (the "Agreement"). WRCOG requests that the City of Wildomar consent to the Agreement, as described above. Please sign and send back the enclosed declaration of consent.

Should you have any questions, please do not hesitate to contact us. Thank you in advance for your support and for your cooperation.

Sincerely,

____

Kurt Wilson, Executive Director
of the Western Riverside Council of Governments

Attachment: Declaration of Consent

APPENDIX 9

DECLARATION OF CONSENT

__________, 2023

Western Riverside Council of Governments
Attn: Kurt Wilson
3390 University Avenue
Suite 450
Riverside, CA 92501

Subject: **Western Riverside Council of Governments Professional Service Agreement with Yunex LLC**

Dear Kurt Wilson:

We hereby confirm that we have read and understood the information in the letter from Western Riverside Council of Governments (the "WRCOG") dated _____, 2023. We consent to the Western Riverside Council of Governments Professional Service Agreement with Yunex LLC and the attached Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C) for the City of Wildomar.

CITY OF WILDOMAR

Date: ___________________________

Signature:________________________

Printed Name:_____________________

Title:____________________________

<u>Attachment</u>

Draft First Amendments to the Implementation Agreement between WRCOG and Member Agencies

FIRST AMENDMENT TO THE IMPLEMENTATION AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AND THE [MEMBER AGENCY] TO IMPLEMENT MAINTENANCE AND REPAIR PROGRAM FOR STREETLIGHTS

This First Amendment to Maintenance Agreement ("First Amendment") is entered into as of [INSERT DATE] between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG"), a joint powers authority formed under Government Code sections 6500 et seq., and the [MEMBER AGENCY] ("Member Agency"), a public agency formed under the laws of the State of California. WRCOG and the Member Agency are sometimes collectively referred to in this First Amendment as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, on March 27, 2018, WRCOG entered into an "Amended and Restated Western Riverside Council of Governments Professional Services Agreement" with Siemens Industry, Inc. (the "Original Professional Services Agreement"), for the provision of retrofitting services and regular maintenance and repair services (the "Services"), which was subsequently amended; and

WHEREAS, WRCOG and the Member Agency entered into the "Implementation Agreement between the Western Riverside Council of Governments and [MEMBER AGENCY] to Implement the \, Maintenance and Repair Program for Streetlights" on October 11, 2018, in order to authorize WRCOG to enter into one or more agreements with third party providers for the provision of maintenance, repair, retrofitting and replacement services of streetlights and acquisition of retrofit equipment on behalf of the Member Agency within the Member Agency's jurisdiction and to administer such agreements; and

WHEREAS, the Original Professional Services Agreement expired and WRCOG has entered into a "Western Riverside Council of Governments Professional Services Agreement" with Yunex LLC dated ______, 2023 (the "Professional Services Agreement"), to provide professional services for the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies; and

WHEREAS, the Parties desire enter into this First Amendment to amend the Implementation Agreement, as permitted pursuant to the provisions of thereof, to replace the Original Professional Services Agreement attached as Exhibit A to the Implementation Agreement with the Professional Services Agreement, attached as Exhibit A hereto; and

WHEREAS, the City Council has authorized the Member Agency to enter into this First Amendment.

NOW, THEREFORE, the Parties hereby understand and agree as follows:

AGREEMENT

Section 1: **Amendment to the Implementation Agreement.**

Exhibit A of the Implementation Agreement shall be replaced with the Professional Services Agreement attached hereto as Exhibit A.

Section 2: **<u>Effect of this First Amendment on the Other Terms and Provisions of the Implementation Agreement.</u>**

All terms and provisions of the Implementation Agreement, shall remain in full force and legal effect except as expressly modified by the provisions of this First Amendment.

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	[MEMBER AGENCY]
By: ______________________________ Dr. Kurt Wilson Executive Director	By: _________________________ Title: _________________________
APPROVED AS TO FORM:	ATTEST:
By: ______________________________ General Counsel Best Best & Krieger LLP	By: _________________________ Its: _________________________
	APPROVED AS TO FORM:
	By:______________________________ City Attorney

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT

<u>FIRST AMENDMENT TO THE MAINTENANCE AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AND THE [MEMBER AGENCY] TO IMPLEMENT THE RETROFIT, MAINTENANCE AND REPAIR PROGRAM FOR STREETLIGHTS</u>

This First Amendment to Maintenance Agreement ("First Amendment") is entered into as of [INSERT DATE] between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG"), a joint powers authority formed under Government Code sections 6500 et seq., and the [MEMBER AGENCY] ("Member Agency"), a public agency formed under the laws of the State of California. WRCOG and the Member Agency are sometimes collectively referred to in this First Amendment as the "Parties" or individually as a "Party."

<u>RECITALS</u>

WHEREAS, on March 27, 2018, WRCOG entered into an "Amended and Restated Western Riverside Council of Governments Professional Services Agreement" with Siemens Industry, Inc. (the "Original Professional Services Agreement"), for the provision of retrofitting services and regular maintenance and repair services (the "Services"), which was subsequently amended; and

WHEREAS, WRCOG and the Member Agency entered into the "Maintenance Agreement between the Western Riverside Council of Governments and [MEMBER AGENCY] to Implement the Retrofit, Maintenance and Repair Program for Streetlights" on June 1, 2019, in order to authorize WRCOG to enter into one or more agreements with third party providers for the provision of maintenance, repair, retrofitting and replacement services of streetlights and acquisition of retrofit equipment on behalf of the Member Agency within the Member Agency's jurisdiction and to administer such agreements; and

WHEREAS, the Original Professional Services Agreement expired and WRCOG has entered into a "Western Riverside Council of Governments Professional Services Agreement" with Yunex LLC dated ______, 2023 (the "Professional Services Agreement"), to provide professional services for the installation of LED street lights and the ongoing operations and maintenance of the street light systems for member agencies; and

WHEREAS, the Parties desire enter into this First Amendment to amend the Implementation Agreement, as permitted pursuant to the provisions of thereof, to replace the Original Professional Services Agreement attached as Exhibit A to the Implementation Agreement with the Professional Services Agreement, attached as Exhibit A hereto; and

WHEREAS, the City Council has authorized the Member Agency to enter into this First Amendment.

NOW, THEREFORE, the Parties hereby understand and agree as follows:

<u>AGREEMENT</u>

Section 1: **<u>Amendment to the Implementation Agreement.</u>**

Exhibit A of the Implementation Agreement shall be replaced with the Professional Services Agreement attached hereto as Exhibit A.

Section 2: <u>Effect of this First Amendment on the Other Terms and Provisions of the Implementation Agreement.</u>

All terms and provisions of the Implementation Agreement, shall remain in full force and legal effect except as expressly modified by the provisions of this First Amendment.

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: ______________________________
Dr. Kurt Wilson
Executive Director

APPROVED AS TO FORM:

By: ______________________________

General Counsel

Best Best & Krieger LLP

[MEMBER AGENCY]

By: ______________________________

Title: ______________________________

ATTEST:

By: ______________________________

Its: ______________________________

APPROVED AS TO FORM:

By: ______________________________
City Attorney

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT

Item 6.B

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **PACE Programs Activities Update: Unclaimed Refunds Escheatment Update**

Contact: **Ichelle Pineda, Analyst III, ipineda@wrcog.us, (951) 405-6723**

Date: **October 2, 2023**

Recommended Action(s):

1. Receive and file.

Summary:
In November 2022, the Executive Committee directed WRCOG to send unclaimed HERO refunds over three years old to the State of California. For 2022, WRCOG identified 176 unclaimed refunds totaling $241,507.10. Through various outreach efforts, 30% of the 176 unclaimed funds were returned to the owners. The remaining amount was sent to the State on June 15, 2023. Property owners can still claim these refunds at https://ucpi.sco.ca.gov/en/Property/SearchIndex.

For the 2023 cycle, WRCOG is notifying the public of 418 unclaimed refunds worth $612,666.78. As of September 5, 2023, $55,494.03 has been claimed. In the upcoming year, WRCOG will do its due diligence to identify and inform property owners of refunds owed, following the State Controller's Office Escheatment process. Any unclaimed funds will be sent to the State by the 2024 deadline.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:
The purpose of this item is to provide an update on the Executive Committee direction given on November 7, 2022, to send the HERO unclaimed refunds to the State of California.

This item aligns with Goal #3 of the Strategic Plan (Ensure fiscal solvency and stability of the Western Riverside Council of Governments). This item also aligns with Goal #5 of the Strategic Plan (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:

Background

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements. Improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item charge on the secured property tax bill. The Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join and allow property owners in these jurisdictions to participate.

Refunds

PACE assessments are paid as a secured assessment line item on the property tax bill, which is paid twice a year. When a property owner makes a prepayment or pays off the assessment prior to paying their property tax bill, and if the county in which the assessment was levied cannot make a correction to remove or adjust the PACE amount, it results in an over payment of the PACE assessment. When this occurs, the property owners are owed a refund for the difference. The refunds are issued by WRCOG after the counties disburse the funds collected through the property tax payments. A majority of refunds are processed in February after the first property tax installment is paid and then again in June after the second property tax installment is paid.

From March 2018 to September 2023, WRCOG has issued a total of 14,844 ($23,240,845.16) refunds. As of January 2023, there are currently 1,653 (2,694,275.15) unclaimed checks that are older than 6 months and considered stale dated.

Refunds are considered unclaimed when refunds checks remain uncashed for six months or longer. WRCOG makes multiple attempts to deliver the refund checks, but some are returned to WRCOG or remain unclaimed. The unclaimed funds reside in a WRCOG pass-through account where they remain until they meet the three years unclaimed requirement in order to be escheated to the State.

Escheatment

Escheatment is the process of sending money to the State for refunds that remain unclaimed for three years or longer. The State becomes the owner of the funds until the property owner claims it. The State separates each reporting period by cycles (Attachment 1).

On November 7, 2022, the Executive Committee provided direction to staff to escheat the HERO unclaimed refunds to the State. The 2022 reporting period consisted of checks that remained unclaimed from July 1, 2018 - June 30, 2019. There are five required steps to report unclaimed refunds to the State. WRCOG followed the State Controller's Office procedure before escheating the funds to the State on June 15, 2023 (Attachment 2). In addition, there are certain deadlines that needed to be met by WRCOG prior to escheating the funds; given the timing of the November 2022 Executive Committee's decision, staff requested an extension from the State Controller's Office on submitting the Holder Notice Report for the 2022 reporting cycle.

California State Controller's Office Escheatment Steps

1. **Identify Unclaimed Refunds**
    a. WRCOG must identify which refunds meet the requirement of being three years or older.
2. **Perform Holder Due Diligence**
    a. WRCOG must prepare and mail out letters to these property owners reminding them that their refund is unclaimed and still available to them.
    b. WRCOG must respond to property owners inquiries, issue refund requests, and track updates to the reporting cycle list.
3. **Submit a Holder Notice Report prior to November 1st each year - First report of California's two-part reporting process**

    a. By November 1st, WRCOG prepares the holder notice report to remit to the State along with any additional documentation requested by the State.
4. **California State Controller's Office mails Pre-Escheat Notices - usually 4 to 5 months after WRCOG Due Diligence letters are mailed**
    a. The State will send pre-escheat notices to the reported owners that were on the Holder Notice Report informing the owners to contact WRCOG to claim their unclaimed refund before June 15th of the reporting year. After June 15th, all claims would have to be submitted through the State Controller's Office website.
5. **Submit a Remittance Report and send the funds to the State of California between June 1st and June 15th of each year - Second report of California's two-part reporting process**
    a. WRCOG prepares and submits to the State of California a final report listing the remaining unclaimed refunds.

<u>Present Situation</u>

For the 2022 reporting cycle, staff identified 176 refunds that had remained unclaimed for three or more years. Staff reunited 30% of the unclaimed refunds ($241,507.10). WRCOG escheated the remaining 70% ($163,719.78) to the State of California. WRCOG is currently processing unclaimed refunds for the 2023 reporting cycle which include 418 unclaimed refunds ($612,666.78). As of September 5, 2023, staff has reunited 10% ($55,494.03) of the unclaimed refunds in the 2023 reporting cycle.

The 2023 reporting cycle include refunds owed between July 1, 2019, and June 30, 2020. The below information is based on postal address location.

City/ location	Unclaimed Refunds	Unclaimed Refund Amount
Beaumont	3	$8,499.70
Calimesa	1	$510.72
Canyon Lake	3	$2,864.65
Corona	20	$29,219.77
Eastvale	4	$4,558.81
Hemet	7	$8,414.58
Lake Elsinore	7	$9,916.84
Menifee	13	$15,744.00
Moreno Valley	15	$18,013.21
Murrieta	15	$15,936.13
Norco	4	$5,496.95
Perris	8	$10,877.57
Riverside	32	$36,023.29
San Jacinto	7	$7,354.11
Temecula	12	$20,111.62
Wildomar	7	$9,484.45
Total	**158**	**$203,026.40**

WRCOG staff will continue this escheatment process for the undetermined amount of reporting cycles until there are no more HERO refund checks remaining.

Prior Action(s):

November 7, 2022: The Executive Committee adopted Resolution Number 25-22; A Resolution of the Executive Committee of the Western Riverside Council of Governments to Escheat Unclaimed Funds to the State of California.

October 3, 2022: The Executive Committee affirmed the recommendation from the Administration & Finance Committee to permit funds from unclaimed PACE refunds to revert to the State of California where valid claims can be honored in perpetuity, and to return with a resolution solidifying this policy.

September 14, 2022: The Administration & Finance Committee recommended that the Executive Committee permit unclaimed PACE refunds to revert to the State where they can be perpetually available for property owners or their heirs to submit valid claims.

July 13, 2022: The Administration & Finance Committee tabled this item for further discussion at a future meeting.

Financial Summary:

The unclaimed funds being held by WRCOG that will be escheated to the State of California are held in a pass-through account, so there is no budgetary impact from that perspective; however, there is some staff and legal time associated with the process, which is included in the Fiscal Year 2023/2024 budget under the HERO Program (5000) in the General Fund (110).

Attachment(s):

Attachment 1 - California State Controllers Office Reporting Cycles 2022-2024

Attachment 2 - California State Controllers Office Reporting Guidelines for Holders of Unclaimed Property

Attachment

California State Controller’s Property Report Cycles

Controller Betty T. Yee
California State Controller's Office
Unclaimed Property Division

2022 General Holders – Property Report Cycles

The table below outlines unclaimed property due dates for property held by general holders.
This table does not apply to Banking or Financial Organizations or Life Insurance Companies[1].

Fiscal Year End Date (As of Date)[2]	Date of Last Activity for Properties with a 3 Year Dormancy (Most Properties)[3]	Date of Last Activity for Properties with a 1 Year Dormancy (Wages & Salaries)	Due Diligence Performed	Notice Report Due	Remit Report & Remittance Due
7/31/2021	8/1/2017 — 7/31/2018	8/1/2019 — 7/31/2020			
8/31/2021	9/1/2017 — 8/31/2018	9/1/2019 — 8/31/2020			
9/30/2021	10/1/2017 — 9/30/2018	10/1/2019 — 9/30/2020			
10/31/2021	11/1/2017 — 10/31/2018	11/1/2019 — 10/31/2020			
11/30/2021	12/1/2017 — 11/30/2018	12/1/2019 — 11/30/2020			
12/31/2021*	1/1/2018 — 12/31/2018	1/1/2020 — 12/31/2020	10/31/2021 — 4/30/2022	before 11/1/2022	6/1/2023 — 6/15/2023
1/31/2022	2/1/2018 — 1/31/2019	2/1/2020 — 1/31/2021			
2/28/2022	3/1/2018 — 2/28/2019	3/1/2020 — 2/29/2021			
3/31/2022	4/1/2018 — 3/31/2019	4/1/2020 — 3/31/2021			
4/30/2022	5/1/2018 — 4/30/2019	5/1/2020 — 4/30/2021			
5/31/2022	6/1/2018 — 5/31/2019	6/1/2020 — 5/31/2021			
6/30/2022*	7/1/2018 — 6/30/2019	7/1/2020 — 6/30/2021			

*Most common Fiscal Year End ("As of dates") used when reporting unclaimed property.

[1] For property report cycles for Banking and Financial Organizations or Life Insurance Companies, Banking and Financial Organizations and Life Insurance Companies.
[2] The "As of Date" on the UFS-1 is the business's Fiscal Year End date, or the business may choose to use June 30 as their "As of Date." The property became reportable "As of" this date.
[3] See the Dormancy Periods Table for a list of the dormancy periods for the most frequently reported property types.

2023 General Holders – Property Report Cycles

The table below outlines unclaimed property due dates for property held by general holders.
This table does not apply to Banking and Financial Organizations or Life Insurance Companies.[1]

Fiscal Year End Date (As of Date)[2]	Date of Last Activity for Properties with a 3 Year Dormancy (Most Properties)[3]	Date of Last Activity for Properties with a 1 Year Dormancy (Wages & Salaries)	Due Diligence Performed	Notice Report Due	Remit Report & Remittance Due
7/31/2022	8/1/2018 — 7/31/2019	8/1/2020 — 7/31/2021			
8/31/2022	9/1/2018 — 8/31/2019	9/1/2020 — 8/31/2021			
9/30/2022	10/1/2018 — 9/30/2019	10/1/2020 — 9/30/2021			
10/31/2022	11/1/2018 — 10/31/2019	11/1/2020 — 10/31/2021			
11/30/2022	12/1/2018 — 11/30/2019	12/1/2020 — 11/30/2021			
12/31/2022*	1/1/2019 — 12/31/2019	1/1/2021 — 12/31/2021	10/31/2022 — 4/30/2023	before 11/1/2023	6/1/2024 — 6/15/2024
1/31/2023	2/1/2019 — 1/31/2020	2/1/2021 — 1/31/2022			
2/28/2023	3/1/2019 — 2/29/2020	3/1/2021 — 2/28/2022			
3/31/2023	4/1/2019 — 3/31/2020	4/1/2021 — 3/31/2022			
4/30/2023	5/1/2019 — 4/30/2020	5/1/2021 — 4/30/2022			
5/31/2023	6/1/2019 — 5/31/2020	6/1/2021 — 5/31/2022			
6/30/2023*	7/1/2019 — 6/30/2020	7/1/2021 — 6/30/2022			

*Most common Fiscal Year End ("As of dates") used when reporting unclaimed property.

[1] Property report cycles are available for Banking and Financial Organizations or Life Insurance Companies.
[2] The "As of Date" on the UFS-1 is the business's Fiscal Year End date, or the business may choose to use June 30 as their "As of Date." The property must meet the required dormancy period "as of" this date to be reportable.
[3] See the Dormancy Periods Table for a list of the dormancy periods for the most frequently reported property types.

2024 General Holders – Property Report Cycles

The table below outlines unclaimed property due dates for property held by general holders.
This table does not apply to Banking and Financial Organizations or Life Insurance Companies.[1]

Fiscal Year End Date (As of Date)[2]	Date of Last Activity for Properties with a 3 Year Dormancy (Most Properties)[3]	Date of Last Activity for Properties with a 1 Year Dormancy (Wages & Salaries)	Due Diligence Performed	Notice Report Due	Remit Report & Remittance Due
7/31/2023	8/1/2019 — 7/31/2020	8/1/2021 — 7/31/2022			
8/31/2023	9/1/2019 — 8/31/2020	9/1/2021 — 8/31/2022			
9/30/2023	10/1/2019 — 9/30/2020	10/1/2021 — 9/30/2022			
10/31/2023	11/1/2019 — 10/31/2020	11/1/2021 — 10/31/2022			
11/30/2023	12/1/2019 — 11/30/2020	12/1/2021 — 11/30/2022			
12/31/2023*	1/1/2020 — 12/31/2020	1/1/2022 — 12/31/2022	10/31/2023— 4/30/2024	before 11/1/2024	6/1/2025 — 6/15/2025
1/31/2024	2/1/2020 — 1/31/2021	2/1/2022 — 1/31/2023			
2/28/2024	3/1/2020 — 2/28/2021	3/1/2022 — 2/28/2023			
3/31/2024	4/1/2020 — 3/31/2021	4/1/2022 — 3/31/2023			
4/30/2024	5/1/2020 — 4/30/2021	5/1/2022 — 4/30/2023			
5/31/2024	6/1/2020 — 5/31/2021	6/1/2022 — 5/31/2023			
6/30/2024*	7/1/2020 — 6/30/2021	7/1/2022 — 6/30/2023			

*Most common Fiscal Year End ("As of dates") used when reporting unclaimed property.

[1] Property report cycles are available for Banking and Financial Organizations or Life Insurance Companies.
[2] The "As of Date" on the UFS-1 is the business's Fiscal Year End date, or the business may choose to use June 30 as their "As of Date." The property must meet the required dormancy period "as of" this date to be reportable.
[3] See the Dormancy Periods Table for a list of the dormancy periods for the most frequently reported property types.

<u>Attachment</u>

California State Controllers Office
Reporting Guidelines for Holders of
Unclaimed Property

Controller Betty T. Yee
California State Controller's Office
Unclaimed Property Division

Reporting Unclaimed Property

Reporting Guidelines for Holders of Unclaimed Property

STEPS TO REPORT UNCLAIMED PROPERTY

Step 1 Identify Unclaimed Property

Holders must review their books and records annually to determine if they have reportable property, whether tangible or intangible, that has remained unclaimed or in inactive accounts for the required dormancy period. For examples of unclaimed property, refer to the Unclaimed Property Dormancy Periods section of this guideline or visit GoReport.sco.ca.gov.

Step 2 Perform Holder Due Diligence

Due diligence is the process of locating apparent owners of property that has remained dormant or inactive on a holder's books and records. Holders must send notices to owners of securities, safe deposit boxes, and property with a value of $50 or more prior to reporting the accounts to the State Controller's Office (SCO). For complete requirements for notifying owners of unclaimed property and to view a sample due diligence letter, visit GoReport.sco.ca.gov.

Step 3 Submit a Holder Notice Report

California has an annual two-report process. The Holder Notice Report is the first step in the two-report process. The Holder Notice Report is due before November 1 of each year (May 1 for life insurance companies). Properties should not be remitted or delivered with the Holder Notice Report; any property received with this report will be returned to the holder. The SCO accepts the standard NAUPA II reporting format. For a link to free reporting software, visit GoReport.sco.ca.gov.

Step 4 Respond to Owner Claims Resulting from SCO Notices

After receiving the Holder Notice Report, the SCO sends its own due diligence notices to reported owners of securities, safe deposit boxes, and property valued at $50 or more. These notices instruct property owners to contact the holder to claim their unclaimed property before it is escheated to the SCO. If the property owner contacts the holder to claim their unclaimed property before the required Holder Remit Report due date of June 1 (December 1 for life insurance companies), the property is no longer considered dormant. Once contact has been made, the holder should return the property directly to the property owner.

Step 5 Submit a Holder Remit Report and Remittance

The Holder Remit Report is the second step in the two-report process. The Holder Remit Report is normally due between June 1 and June 15 of each year (December 1 and December 15 for life insurance companies). Property not yet claimed by the owner must be remitted with the Holder Remit Report. For owner accounts that are no longer unclaimed, the holder may either exclude the owner accounts from the report entirely, or include the owner accounts with an appropriate pay or deletion type code and show the property remit amount as zero. The Holder Remit Report should not include any property unreported on the original Holder Notice Report. If more unclaimed property is identified, it must be reported on a Supplemental Holder Notice Report.

IMPORTANT DATES

Life Insurance Holders

Before May 1
Holder Notice Report Due Date

Mid-October
SCO Deadline to Send Owner Notices

December 1 - 15
Holder Remit Report Due Date

All Other Holders

Before November 1
Holder Notice Report Due Date

Mid-April
SCO Deadline to Send Owner Notices

June 1 - 15
Holder Remit Report Due Date

California State Controller's Office
Unclaimed Property Division
10600 White Rock Road, Suite 141
Rancho Cordova, CA
95670

GoReport.sco.ca.gov

Outreach and Compliance
(916) 464-6088
UPDHolderOutreach@sco.ca.gov

Reporting Assistance
(916) 464-6284
UCPReporting@sco.ca.gov

Claims Assistance
(800) 992-4647
claimit.ca.gov

UNCLAIMED PROPERTY

The Unclaimed Property Law allows the state to reunite lost and abandoned property with its rightful owner(s) and to safeguard these properties from being used by private interests for personal gain.

What is unclaimed property?
Unclaimed property is generally defined as any financial asset that has been left inactive by the owner for a period of time specified by law, usually three years. The California Unclaimed Property Law does not address real estate or abandoned personal property.

Why must holders report unclaimed property?
California's Unclaimed Property Law (California Code of Civil Procedure, section 1500 et seq.) was enacted to ensure that property is returned to its rightful owner(s) and to relieve holders of the burden and liability of carrying or maintaining the property. The law requires businesses to review their books and records annually to determine if they hold any reportable property and provides California citizens a single source, the State Controller's Office (SCO), to search for unclaimed property.

Who must file and unclaimed property report?
- Business associations, banking and financial organizations, and life insurance corporations
- Non-profits, sole-proprietorships, and partnerships
- Other entities holding property belonging to another

DORMANCY PERIODS

This is a general guideline for dormancy periods for certain types of property. For more details, visit GoReport.sco.ca.gov.

One Year
Commissions; Ordered Refunds; Wages

Three Years
Cashier's Checks; Demand Deposits (checking); Dividends; Interest; IRAs & Retirement Plans; Life Insurance Benefits, Escrow Accounts, Matured Time Deposits; Safe Deposit Boxes; Safekeeping Repositories; Savings; Stocks and Bonds; Written Instruments (uncashed checks) and Other Tangible and Intangible Property.

Seven Years
Money Orders

Fifteen Years
Travelers Checks

Rev. 6/2022