Western Riverside Council of Governments
Executive Committee

AGENDA

Monday, November 4, 2019
2:00 p.m.

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

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

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

1. CALL TO ORDER / ROLL CALL (Bonnie Wright, Chair)

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

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

4. MINUTES

A. Summary Minutes from the October 7, 2019, Executive Committee Meeting are Available for Consideration. **P. 1**

Requested Action: *1. Approve the Summary Minutes from the October 7, 2019, Executive Committee meeting.*

5. CONSENT CALENDAR

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

Action item:

A. TUMF Program Activities Update: TUMF Reimbursement Agreement — ***Chris Gray*** — **P. 9**

Requested Action: *1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the County of Riverside for the Planning and Engineering Phases of the Temescal Canyon Road Widening Project in an amount not to exceed $3,000,000.*

Information items:

B. Finance Department Activities Update — ***Andrew Ruiz*** — **P. 37**

Requested Action: *1. Receive and file.*

C. WRCOG Committees and Agency Activities Update — ***Chris Gray*** — **P. 47**

Requested Action: *1. Receive and file.*

D. Regional Streetlight Program Activities Update — ***Daniel Soltero*** — **P. 61**

Requested Action: *1. Receive and file.*

E. Environmental Department Programs Activities Update — ***Kyle Rodriguez*** — **P. 67**

Requested Action: *1. Receive and file.*

F. Report out of WRCOG Representatives on Various Committees — ***Rick Bishop*** — **P. 71**

Requested Action: *1. Receive and file.*

G. Earth Day 2020 — ***Princess Hester*** — **P. 83**

Requested Action: *1. Receive and file.*

H. Single Signature Authority Report — ***Andrew Ruiz*** — **P. 89**

Requested Action: *1. Receive and file.*

I. **Experience Subregional Innovation Center Activities Update** — *Chris Gray* — **P. 91**

Requested Action: *1. Receive and file.*

J. **Alternative Compliance Program Activities Update** — *Christopher Tzeng* — **P. 103**

Requested Action: *1. Receive and file.*

K. **Resilient IE Activities Update** — *Christopher Tzeng* — **P. 131**

Requested Action: *1. Receive and file.*

6. REPORTS / DISCUSSION

A. **Report from the League of California Cities** — *Erin Sasse, League of California Cities* — **P. 135**

Requested Action: *1. Receive and file.*

B. **Presentation by the Riverside County Superintendent of Schools** — *Dr. Judy White, Riverside County Superintendent of Schools* — **P. 137**

Requested Action: *1. Receive and file.*

C. **Southern California Edison Public Safety Power Shutoff Program** — *Luis Lara, Southern California Edison* — **P. 139**

Requested Action: *1. Receive and file.*

D. **PACE Programs Activities Update: Request to Amend the WRCOG HERO and California HERO Program Administration Agreement, and Update of Progress Towards Meeting Requirements of Renovate America's Stipulated Judgement** — *Casey Dailey, WRCOG* — **P. 141**

Requested Actions:
1. Approve and authorize the Executive Director to execute a First Amendment to the WRCOG HERO Program and California HERO Program Administration Agreement
2. Approve and authorize the Executive Director to execute Addendum Number 2 to the WRCOG HERO Program and California HERO Program Administration Agreement.

E. Consideration of 2019 TUMF Construction Cost Index Adjustment — ***Chris Gray, WRCOG*** — **P. 159**

Requested Actions:

1. *Approve the implementation of the adjusted TUMF CCI as of July 1, 2020, with the following fee amounts:*
   a. *Single-Family: $9,478 per dwelling unit*
   b. *Multi-Family: $6,389 per dwelling unit*
   c. *Retail: $7.50 per square foot*
   d. *Service: $4.75 per square foot*
   e. *Industrial: $1.81 per square foot*
2. *Approve the implementation of the adjusted TUMF CCI as of January 1, 2021, with the following fee amounts:*
   a. *Single-Family: $9,810 per dwelling unit*
   b. *Multi-Family: $6,389 per dwelling unit*
   c. *Retail: $7.50 per square foot*
   d. *Service: $4.75 per square foot*
   e. *Industrial: $1.81 per square foot*

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR — ***Chris Lopez***

8. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee Representatives
SCAQMD, Ben Benoit
CALCOG, Brian Tisdale
SAWPA OWOW Committee, Rusty Bailey
SANDAG Borders Committee, Crystal Ruiz

9. REPORT FROM THE EXECUTIVE DIRECTOR — ***Rick Bishop***

10. ITEMS FOR FUTURE AGENDAS — ***Members***

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

11. GENERAL ANNOUNCEMENTS — ***Members***

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

12. NEXT MEETING:

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

13. ADJOURNMENT

Western Riverside Council of Governments 4.A

Regular Meeting

~ Minutes ~

Monday, October 7, 2019 **2:00 PM** **County Administrative Center**

1. CALL TO ORDER

The meeting was called to order by Chair Bonnie Wright at 2:00 p.m. on September 9, 2019, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside.

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning		Absent	
City of Beaumont	Mike Lara	Present	1:55 PM
City of Calimesa	Larry Smith	Present	1:55 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:55 PM
City of Corona	Jason Scott	Present	1:55 PM
City of Eastvale	Joseph Tessari	Present	1:55 PM
City of Hemet	Bonnie Wright	Present	1:55 PM
City of Jurupa Valley	Micheal Goodland	Present	1:55 PM
City of Lake Elsinore	Brian Tisdale	Present	1:55 PM
City of Menifee	Matt Liesemeyer	Present	1:55 PM
City of Moreno Valley	Victoria Baca	Present	1:55 PM
City of Murrieta	Kelly Seyarto	Present	1:55 PM
City of Norco	Kevin Bash	Present	1:55 PM
City of Perris	Rita Rogers	Present	1:55 PM
City of Riverside	Rusty Bailey	Present	1:55 PM
City of San Jacinto	Crystal Ruiz	Present	1:55 PM
City of Temecula	James Stewart	Present	1:55 PM / 2:57 PM
City of Wildomar	Ben Benoit	Present	1:55 PM
District 1		Absent	
District 2	Karen Spiegel	Present	1:55 PM
District 3		Absent	
District 5	Jeff Hewitt	Present	1:55 PM
EMWD	David Slawson	Present	1:55 PM
WMWD	Brenda Dennstedt	Present	1:55 PM
Morongo Band of Mission Indians		Absent	
Office of Education (ex-officio)	Dr. Judy White	Present	1:55 PM
TAC Chair	Chris Lopez	Present	2:12 PM
Executive Director	Rick Bishop	Present	1:55 PM

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

2. PLEDGE OF ALLEGIANCE

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

3. PUBLIC COMMENTS

Arnold San Miguel, Southern California Association of Governments (SCAG), announced that SCAG will be holding its annual Southern California Economic Summit in December; this event is free for elected officials. SCAG's Regional Housing Needs Assessment Subcommittee met today and took an action to forward a methodology to the SCAG Community, Economic and Human Development Committee (CEHD). If approved by the CEHD, the methodology is forwarded to SCAG's Regional Council. If approved then, the methodology will be forwarded to the California Department of Housing and Community Development for a 60-day review period. SCAG would then adopt its 6th Cycle Regional Housing Needs Assessment Allocation Plan in October 2020. Jurisdictions would then have one year to prepare a housing element.

4. MINUTES

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

A. Summary Minutes from the September 9, 2019, Executive Committee Meeting are Available for Consideration

Action: *1. Approved the Summary Minutes from the September 9, 2019, Executive Committee meeting.*

5. CONSENT CALENDAR

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

A. Western Riverside Energy Partnership Program Activities Update

Action: *1. Authorized the Executive Director to enter into a public-private partnership agreement between WRCOG and The Research Corporation to develop bid packets for Southern California Edison's Request for Abstract & Request for Proposal solicitations for public sector energy programs, substantially as to form.*

B. Amendment to Agency Personnel Policies and Procedures Related to Agency-Owned Vehicles

Action: 1. *Adopted Resolution Number 31-19: A Resolution of the Executive Committee of the Western Riverside Council of Governments amending its Personnel Policies and Procedures.*

C. Approval of Memorandum of Understanding Between WRCOG and the Western Riverside County Regional Conservation Authority for TUMF Revenue Disbursement

Action: 1. *Authorized the Executive Committee Chair to execute the updated Memorandum of Understanding between WRCOG and the Western Riverside County Regional Conservation Authority for TUMF Revenue Disbursement.*

D. Approval of First Amendment to Professional Services Agreement with Twintel Solutions for Agency IT / AV Support

Action: 1. *Authorized the Executive Director to enter into a First Amendment of the Professional Services Agreement between WRCOG and TWINTEL Solutions, Inc., to provide continued Information Technology and Audio / Visual services in an amount not to exceed $114,000 annually for two additional years.*

E. PACE Program Activities Update: Annual Delinquency Report and Request to Enter into a Purchase and Sale Agreement with First National Assets

Actions: 1. *Deferred the judicial foreclosure proceedings on delinquent residential parcels of the 2018/2019 Tax Year and assign WRCOG's collection rights to a third party for 630 delinquent parcels totaling $1,790,780.64.*
2. *Authorized the Executive Director to enter in a Purchase and Sale Agreement, as to form, with a third party, First National Assets, for the purchase of the delinquent assessment receivables.*

F. Finance Department Activities Update

Action: 1. *Received and filed.*

G. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

H. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

I. Report out of WRCOG Representatives on Various Committees

Action: 1. *Received and filed.*

J. Regional Housing Needs Assessment Methodology Update

This item was pulled by staff for discussion.

Chris Gray, WRCOG Director of Transportation & Planning, reported that SCAG's RHNA Subcommittee took action this morning and approved Option 4, which is a new, staff-developed alternative, which incorporates factors such as jobs locations accessibility and access to transit. A spreadsheet was distributed to Committee members with the required number of housing units under Option 4.

Jurisdictions are encouraged to reach out to their respective Regional Council representatives to discuss how Option 4 affects the jurisdictions.

WRCOG is holding a meeting with the COG Directors throughout the state to discuss the possibility of creating a coalition to build support for a particular option which is would be better for jurisdictions. Mr. Gray stated that none of the provided options are great; there are only degrees of how bad they are.

Committee member Rusty Bailey indicated that the vote of the RHNA Subcommittee may come out in the media because it was inland versus coastal. The San Bernardino representative voted against a fifth option, which would have looked at jobs and transit-rich areas, perhaps because the motion was unclear. The final numbers presented create more of an urban sprawl. Housing and people will be pushed to the east, even though the jobs are projected to be in the west.

Mr. Gray indicated that SCAG believes the number for its region should be approximately 800,000; however, the state believes it is 1.34 million. SCAG is now appealing that, and the result will not be known for 30 to 45 days.

Committee members continued to express their dislike in the numbers.

Action: *1. Received and filed.*

6. REPORTS / DISCUSSION

A. Report from the League of California Cities

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

Action: *1. None.*

B. Public Service Fellowship Program Activities Update

Rachel Singer, WRCOG Staff Analyst, reported that the Fellowship Program launched in 2016. Since inception of the Program over 60 university students have been placed in member agencies.

Eduardo Sida was a Round I Fellow placed in the City of Perris; upon completion of Round I the City hired Mr. Sida full-time to continue his work on a variety of public health programs, including the Grow Perris Initiative, which has recently been selected as a finalist for the Green Infrastructure Grant Program under the California Natural Resource Agency.

The Program is currently in the Fourth Round; over 65 applications were received, which is the most ever received. Thirteen Fellows were selected.

Planning and preparation with recruitment efforts are underway for the Fifth Round. A Fellowship Ad Hoc Committee will be convened, consisting of Technical Advisory Committee members, to discuss future opportunities of the Program.

<u>Action</u>: 1. *Received and filed.*

C. California Public Employees Retirement System Unfunded Accrued Liability Update

Andrew Ruiz, WRCOG Interim Chief Financial Officer, reported that as a result of a request by Committee member Jeff Hewitt to review WRCOG's Unfunded Accrued Liability (UAL), the Administration & Finance and Finance Directors Committees have had several discussions on this matter, and directed staff to open a Section 115 Trust.

The present value of WRCOG's UAL is approximately $3 million and is approximately 76% funded; the average is approximately 71%. If paid out under the current payment schedule, WRCOG would pay approximately $5.5 million.

The options discussed included additional annual contributions to CalPERS, establishing a Section 115 Trust, separating a general fund investment account, and/or maintaining the current status.

With a Section 115 Trust, investments are significantly less restricted, there is an increased risk diversification of plan assets, a greater return over time is potential, and the funds can only be used to make payments for CalPERS contributions.

The new payment schedule includes additional contributions from the Section 115 Trust and a 15-year term to realize additional savings. Doing this will save the Agency approximately $1.3 million.

<u>Action</u>: 1. *Received and filed.*

D. TUMF Program Activities Update

Chris Gray, WRCOG Director of Transportation & Planning, reported that in terms of revenue, last year was the second-best year since inception of the Program at $63 million. Nearly $10 million was collected in industrial fees. Fees were collected on nearly 3,000 multi-family units.

The Northwest Zone has collected nearly $5 million more than last fiscal year. The Southwest Zone revenues have decreased slightly. The Central Zone has increased over the last couple of years. The Hemet / San Jacinto Zone is showing an increase in revenues as well. The Pass Zone has experienced the largest increase in revenues, largely due to the City of Beaumont coming back into the Program.

There are approximately 75 ongoing projects throughout the subregion. Mr. Gray highlighted a few of the projects.

The online TUMF payment portal is now active. Agency Staff inputs project information, which is then used to calculate the fees. A bill is then sent to the developer, and the developer has the ability to pay it online via credit card or electronic check.

<u>Action</u>: 1. *Received and filed.*

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Chris Lopez reported that the Technical Advisory Committee had a robust conversation regarding RHNA. Other topics included market conditions and the incentives to build housing and the Fellowship

Program. Due to the League of California Cities Conference, the October Technical Advisory Committee will be cancelled.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Ben Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that the bulk of the AQMD Board meeting was spent discussing the Indirect Source Rule that would affect warehouses regarding the number of trucks traveling to / from those facilities.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that a SoCal AltCar Conference, Expo, and Ride & Drive is being held on October 16, 2019, at the Riverside Convention Center. There are now more than 20 WRCOG Podcasts available online. WRCOG is hosting an Innovation in Government event tomorrow at the Box Theater in downtown Riverside. Six member jurisdictions participated in the California Clean Air Day event on October 2, 2019, with tree-planting ceremonies.

Lastly, Mr. Bishop introduced WRCOG Intern Natalie Ikhrata,

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Matt Liesemeyer thanked WRCOG staff, Casey Dailey, for meeting with City of Menifee staff regarding Commercial PACE.

Committee member Micheal Goodland announced that the Jurupa Valley City Council has made a decision on a new City Manager, to be announced in the near future.

Committee member Kelly Seyarto announced that the City Council has appointed Gene Wunderlich to replace Randon Lane, who left the City to work in Washington, D.C.

12. CLOSED SESSION

The Executive Committee adjourned to closed session to discuss the possible approval of a contract amendment to the employment agreement with the Executive Director.

13. OPEN SESSION

The Executive Committee extended the employment agreement of the Executive Director, Rick Bishop, to September 16, 2022.

Committee member Rusty Bailey asked the Executive Director to share information on another position he will be embarking on.

Mr. Bishop announced that he was asked several months ago by the Dean of Public Policy at the University of California, Riverside, and the Director of the Center for Sustainable Suburban Development, to consider becoming the Director for a newly constituted group title the Inland Center for Sustainable Development. Every year or so, the group will select a topic important to the subregion; this year the topic is housing. The project will be heavy on academic research. Mr. Bishop's time commitment will be approximately 6-8 hours per week.

Any policy recommendations as a result of the research may benefit the subregion and also be presented to local legislators for action.

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

14. NEXT MEETING

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

15. ADJOURNMENT

The meeting was adjourned at 3:17 p.m.

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Item 5.A

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **TUMF Program Activities Update: TUMF Reimbursement Agreement**

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

Date: **November 4, 2019**

***The purpose of this item is to** request approval of the WRCOG's Transportation Uniform Mitigation Fee (TUMF) Reimbursement Agreement with the County of Riverside.*

Requested Action:

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the County of Riverside for the Planning and Engineering Phases of the Temescal Canyon Road Widening Project in an amount not to exceed $3,000,000.

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.

TUMF Reimbursement Agreement

One Reimbursement Agreement is provided for approval.

County of Riverside (one agreement):

1. Temescal Canyon Road Widening, Planning and Engineering Phases, in an amount not to exceed $3,000,000. The County is currently preparing a Request for Proposal (RFP) in procuring the engineering and environmental consultants.

Prior Action:

None.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2019/2020 Budget under the Transportation Department.

Attachment:

1. TUMF Reimbursement Agreement with the County of Riverside for the Temescal Canyon Road Widening Project.

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Item 5.A

TUMF Program Activities Update: TUMF Reimbursement Agreement

Attachment 1

TUMF Reimbursement Agreement with the County of Riverside for the Temescal Canyon Road Widening Project

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TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
TEMESCAL CANYON ROAD WIDENING
PLANNING (PA&ED) AND ENGINEERING (PS&E) PHASES

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

RECITALS

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

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

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

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

AGREEMENT

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

1. <u>Description of the Qualifying Project.</u> This Agreement is intended to distribute TUMF Program Funds to the AGENCY for **TEMESCAL CANYON ROAD WIDENING** (the "Project"), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit "A" attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the 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

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **THREE MILLION DOLLARS ($3,000,000),** 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's Local Match Contribution. AGENCY local match funding is not required, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

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

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

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

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

15. Termination.

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

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

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

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

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

18. Indemnification.

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

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

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

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

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

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

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

(iii) Contain standard separation of insured provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If to AGENCY:

County of Riverside
Transportation Department
4080 Lemon Street, 8th Floor
Riverside, CA 92501
Attention: Patricia Romo, Director of Transportation
Telephone: (951) 955-6740
Facsimile: (951) 955-3198

If to WRCOG:

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

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

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

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

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

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

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

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

[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.

COUNTY OF RIVERSIDE
OF GOVERNMENTS

Recommended for Approval

By:___________________________________
Rick Bishop
Executive Director

By: ___________________________________
Patricia Romo
Director of Transportation

Approved to Form:

By:___________________________________
Steven C. DeBaun
General Counsel

Approved as to Form:

By:___________________________________

County Counsel

Approved By:

By:___________________________________

Chairman, Riverside County Board of Supervisors

Attest:
Kecia Harper
Clerk of the Board

By:___________________________________

EXHIBIT "A"

SCOPE OF WORK

SCOPE OF WORK:

The Project phases to be funded under this Agreement consist of PA&ED and PS&E only.

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

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

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

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	$1,200,000	$0	$1,200,000
PS&E	$1,800,000	$0	$1,800,000
RIGHT OF WAY			
CONSTRUCTION			
TOTAL	$3,000,000	$0	$3,000,000

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	FY 23/24	$1,200,000	
PS&E	FY 23/24	$1,800,000	
RIGHT OF WAY			
CONSTRUCTION			
TOTAL		$3,000,000	

Elements of Compensation

EXHIBIT "B"

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

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

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

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

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

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

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

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

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

Signed ________________________________

Title __________________________________

Date __________________________________

Invoice No. ____________________________

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

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

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

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

1. ELEMENTS OF COMPENSATION.

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

1.1 DIRECT LABOR COSTS.

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

1.1.1 DIRECT SALARY COSTS

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

1.1.2 MULTIPLIER

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

1.1.2.1 Direct Salary Costs ____________________

1.1.2.2 Payroll Additives ____________________

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

1.1.2.3 Overhead Costs ____________________

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

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

1.2 FIXED FEE.

1.2.1 The fixed fee is $______________________.

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

1.3 ADDITIONAL DIRECT COSTS.

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

Rates for identified Additional Direct Costs are as follows:

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.

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

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

3. INVOICING.

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

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

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

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

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

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

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

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.
Signed ______________________________
Title ______________________________
Date ______________________________
Invoice No. ______________________________

4. PAYMENT

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

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

EXHIBIT B-2
Sample Cover Letter to WRCOG

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

Re: Project Title - Invoice #__

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

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

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

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

By: ______________________________
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

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

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

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

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

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

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

By: ____________________
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

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

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

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

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

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

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: Finance Department Activities Update

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

Date: November 4, 2019

***The purpose of this item is to** provide an update on the Fiscal Year (FY) 2018/2019 Agency Audit and the Agency Financial Report summary through August 2019.*

Requested Action:

1. Receive and file.

FY 2018/2019 Agency Audit

WRCOG's annual Agency Interim Audit was completed on June 12, 2019. WRCOG utilizes the services of the audit firm Rogers, Anderson, Malody, and Scott, LLP (RAMS) to conduct its financial audit. The first visit is known as the "interim" audit, which involves preliminary audit work that is conducted prior to fiscal year end. The interim audit tasks are conducted in order to compress the period needed to complete the final audit after fiscal year end. In late September, RAMS returned to finish its second round, which is known as "fieldwork." The final Comprehensive Annual Financial Report (Report) is expected to be issued by the end of November 2019. The draft Report will be provided to the Finance Directors Committee as soon as it is received so that the Committee members can provide comments. Once comments from the Finance Directors are received, staff will present the Report to the Administration & Finance Committee in December 2019, with the Executive Committee receiving the report no later than at its January 2020 meeting.

Financial Report Summary Through August 2019

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

Investment Summary Through September 2019

The Agency Financial Investment summary through September 2019, a quarterly overview of WRCOG's investment statement earnings, is provided as Attachment 2.

Prior Action:

October 24, 2019: The Finance Directors Committee received and filed.

Fiscal Impact:

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

<u>Attachments</u>:

1. Financial Report summary – August 2019.
2. Investment summary – September 2019.

Item 5.B

Finance Department Activities Update

Attachment 1

Financial Report summary – August 2019

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending August 31, 2019

Total Agency

Revenues	Approved Budget 6/30/2020	Thru Actual 8/31/2019	Remaining Budget 6/30/2020
PACE Residential Revenue	212,500	41,350	171,150
Statewide HERO Revenue	570,000	105,081	464,919
PACE Residential Recording Rev	111,800	22,560	89,240
Statewide HERO Recording fee Rev	441,200	68,267	372,933
Regional Streetlights Revenue	187,511	94,631	92,880
NW Clean Cities - Member Dues	128,000	3,600	124,400
Statewide Used Oil Grant Revenue	377,654	377,654	-
CAP Grant Revenue	125,000	2,686	122,314
TUMF Admin Retail	109,687	12,486	97,201
TUMF Admin Industrial	502,285	51,077	451,208
TUMF Admin Single Family	1,121,669	40,233	1,081,436
TUMF Admin Multi-Family	199,074	59,435	139,639
Retail	2,632,497	299,664	2,332,833
Industrial	12,054,852	1,225,848	10,829,004
Single Family	26,920,065	965,592	25,954,473
Multi-Family	4,777,779	1,426,440	3,351,339
Total Revenues & Carryover	**55,365,007**	**4,796,604**	**50,568,403**
Overhead Transfer In	**1,996,602**	315,556	**1,681,046**
Total Revenues & Overhead	**57,361,609**	**5,112,160**	**52,249,449**

Expenses	Approved Budget 6/30/2020	Thru Actual 8/31/2019	Remaining Budget 6/30/2020
Salaries & Wages - Fulltime	$ 1,956,159	325,707	1,630,452
Fringe Benefits	628,266	104,714	523,552
CalPERS OPEB Paydown	200,000	184,103	15,897
Overhead Allocation	1,893,320	315,556	1,577,764
General Legal Services	387,000	102,412	284,588
Bank Fees	38,512	7,327	31,185
Commissioners Per Diem	62,500	4,088	58,412
Office Lease	465,000	54,319	410,681
WRCOG Auto Fuels Expenses	1,500	170	1,330
Parking Validations	10,000	2,283	7,717
Coffee and Supplies	2,500	491	2,009
Event Support	182,283	51,615	130,668
Program/Office Supplies	22,263	1,456	20,807
Computer Equipment/Supplies	4,500	881	3,619
Computer Software	86,500	57,092	29,408
Rent/Lease Equipment	30,000	3,406	26,594
Membership Dues	32,500	1,615	30,885
Meeting Support Services	10,698	41	10,657
Postage	5,600	709	4,891
Other Expenses	1,250	73	1,178
Printing Services	7,500	567	6,933
Communications - Regular Phone	16,000	3,721	12,279
Communications - Cellular Phones	17,500	2,924	14,576

Communications - Computer Services		57,500	4,028	53,472
Equipment Maintenance - General		10,000	399	9,601
Insurance - Gen/Busi Liab/Auto		92,500	6,580	85,920
Recording Fee		254,339	28,228	226,111
Seminars/Conferences		11,825	100	11,725
General Assembly Expenses		300,000	1,702	298,298
Travel - Mileage Reimbursement		19,500	627	18,873
Travel - Ground Transportation		5,160	121	5,039
Lodging		7,630	148	7,482
Meals		8,250	419	7,831
Other Incidentals		6,600	305	6,295
Training		9,250	2,900	6,350
Supplies/Materials		21,850	74	21,776
Advertisement Radio & TV Ads		72,000	7,600	64,400
Consulting Labor		2,291,999	279,345	2,012,654
TUMF Project Reimbursement		45,000,000	5,851,967	39,148,033
Total Expenses	**$**	**54,955,554**	**7,409,813**	**47,605,741**

Item 5.B

Finance Department Activities Update

Attachment 2

Investment summary – September 2019

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Western Riverside Council of Governments
Investment Report
For July 1, 2019 - Sept. 30, 2019

TUMF Investments

Description	Beginning Balance July 1, 2019	Ending Balance Sept 30, 2019	Total Earning	% of Total
Local Agency Investment Fund (LAIF)	821,064	826,310.67	5,246.67	1.25%
CAMP	17,772,513.74	17,839,495.26	66,981.52	27.04%
PFM	37,057,191.40	37,192,849.63	135,658.23	56.38%
CBB Trust	10,042,404.16	10,110,612.49	68,208.33	15.33%
Sub-total	65,693,173.30	65,969,268.05	276,094.75	100.00%

General Fund Investments

Description	Beginning Balance July 1, 2019	Ending Balance Sept 30, 2019	Total Earning	% of Total
CAMP	7,823,879.40	7,869,476.66	45,597.26	100%
Sub-total	7,823,879.40	7,869,476.66	45,597.26	100%
Overall Total	**73,517,052.70**	**73,838,744.71**	**321,692.01**	

I hereby certify that the investment portfolio of the Western Riverside Council of Governments (WRCOG) complies with the California Government Sections pertaining to the investment of agency funds and is in conformity with WRCOG's Investment Policy adopted on December 3, 2018. The investment portfolio provides sufficient cashflow liquidity to meet expenditure requirements for the next six months.

Submitted by:

Andrew Ruiz, Chief Financial Officer

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Item 5.C

Western Riverside Council of Governments
Executive Committee

Staff Report

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

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

Date: **November 4, 2019**

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

Requested Action:

1. Receive and file.

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

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Summary recaps from October Committee meetings.

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Item 5.C

WRCOG Committees and Agency Activities Update

Attachment 1

Summary recaps from October Committee meetings

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Western Riverside Council of Governments
Executive Committee
Meeting Recap
October 7, 2019

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

Western Riverside Energy Partnership Program Partnership Approved

- The Executive Committee approved a public-private partnership to develop bid packets for Southern California Edison's solicitations for public sector energy programs.

Personnel Policies and Procedures Amended

- The Executive Committee adopted the Amended Personnel Policies and Procedures to include language on processes to be undertaken when a job-related vehicle incident occurs.

MOU approved for TUMF Revenue Disbursement

- The Executive Committee approved an updated MOU which revises the process by which WRCOG provides funding to the Riverside Conservation Agency (RCA) and clarifies the process by which RCA's percentage of TUMF is allocated.

First Amendment to PSA Approved

- The Executive Committee approved a multi-year contract for continued Information Technology and Audio / Visual services to the Agency.

PACE Update

- The Executive Committee deferred the judicial foreclosure proceedings on delinquent residential parcels of the 2018/2019 Tax Year and assigned WRCOG's collection rights to a third party for 630 delinquent parcels.
- The Executive Committee approved a Purchase and Sale Agreement for the purchase of delinquent assessment receivables.

RHNA Update

- Staff provided an update that the Southern California Association of Government's Regional Housing Needs Assessment (RHNA) subcommittee met on October 7, 2019.
- The RHNA subcommittee voted to move forward with Option 4, a newer option prepared by SCAG which allocates a total of 180,069 units to the WRCOG region for the 2021 – 2029 planning period. The subcommittee motioned to take Option 4 to the Community, Economic, and Human Development (CEHD) Committee on October 21, 2019.
- The Regional Council will discuss RHNA on November 7, 2019 at SCAG's LA office.
- WRCOG will provide updates as needed.

Public Service Fellowship Update

- WRCOG's Public Service Fellowship Program is now in its fourth round. Round IV Fellows have been invited to present a project assigned to one of WRCOG's policy committees. Presentations are tentatively scheduled to take place in late 2019 / early 2020.
- Planning and preparation for the fifth round of the Fellowship Program is currently underway with recruitment scheduled for fall 2019 through early 2020.

CALPERS Unfunded Accrued Liability Update

- Per the most recent actuarial valuation, WRCOG's pension plan is approximately 76% funded.
- Staff was directed by the Administration & Finance Committee to establish a Section 115 trust with PARS for WRCOG's Unfunded Accrued Liability in the amount of $1M.

TUMF Program Update

- The TUMF Program has collected over $63 million dollars in the 2018/2019 Fiscal Year. This is one of the highest since the inception of the Program in 2003.
- The Program is currently providing funding to approximately 50 projects across the region.
- The online TUMF Collection Portal will soon be accessible and will provide developers the option to pay TUMF electronically. Staff will be following up with each member agency to discuss the portal and answer any outstanding questions.

Executive Director's Contract Extended

- The Executive Director's employment contract has been extended to September 16, 2022.

Next Meeting

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

Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
October 9, 2019

Following is a summary of key items discussed at the last Administration & Finance Committee meeting. To review the full agenda and staff reports, please click [here](). To review the meeting PowerPoint presentation, please click [here]().

PACE Programs Activity Update

- Staff provided an overview of refunding WRCOG PACE bonds. Over the coming months, staff will work with PACE partners to prepare an offering statement and will return to the Admin & Finance Committee with a complete overview of the proposed bond refunding plan.
- Previous territory that was exclusive to other PACE providers under the CSCDA Open PACE Program became available for Renovate America to compete in. WRCOG is authorizing Renovate America to use a different bond issuer for projects completed outside the HERO and California HERO Programs.
- Renovate America has agreed to compensate WRCOG with a 0.25% fee based on the principal amount of all new PACE assessments levied in new jurisdictions as well as amend the previous agreement that covered territories in Los Angeles County.
- The committee recommended that the Executive Committee approve and authorize the Executive Director to execute First Amendment to WRCOG HERO Program and California HERO Program Administration Agreement and Addendum No. 2 to the WRCOG HERO Program and California HERO Program Administration Agreement.

TUMF Construction Cost Index Adjustment

- The Construction Cost Index (CCI) is an administrative element of the TUMF Program that is intended to keep the dollar value of the TUMF Program whole. Each year, staff is required to bring CCI adjustment information to the WRCOG committee structure.
- Per the recommendation of the PWC and TAC Committees, the Administration & Finance Committee recommended the Executive Committee implement the TUMF CCI adjustment with a single-family residential phase-in and no increase to the retail fee.

Land Use Type	Units	July 1, 2020 TUMF (with CCI)	January 1, 2021 TUMF (with CCI)
Single-Family Residential	DU	$ 9,478	$ 9,810
Multi-Family Residential	DU	$ 6,389	$ 6,389
Retail	SF	$ 7.50	$ 7.50
Service	SF	$ 4.75	$ 4.75
Industrial	SF	$ 1.81	$ 1.81

Experience Subregional Innovation Center

- Consultants from the Network for Global Innovation (NGIN) provided an update on Phase II of the Experience Subregional Innovation Center where they completed a four-stage plan including: (1) Concept Refinement and Review, (2) Discovery and Socialization, (3) Funding Development Plan, and an (4) Organization and Action Plan.

- A core component of the Experience Subregional Innovation Center is the hub-and-spoke model, which would establish a regional framework for leveraging resources and facilitate participation of all interested parties across the region.
- Looking forward, NGIN consultants will be largely focused on forging relations with others committed to the hub-and-spoke model and seeking funding for moving forward.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, November 13, 2019, at 12:00 p.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
October 10, 2019

Following is a summary of key items discussed at the last Planning Directors Committee meeting. To review the full agenda and staff reports, please click [here](). To review the meeting PowerPoint presentation, please click [here]().

Connect SoCal Presentation

- Arnold San Miguel, Regional Affairs Officer from SCAG, provided an update on Connect SoCal Development, which is SCAG's long-range RTP/SCS for 2020-2045.
- SCAG is preparing a draft RTP/SCS, which is scheduled to be distributed for public comment in November 2019, pending approval from the SCAG Regional Council. The RTP/SCS is scheduled for adoption in May 2020.
- The RTP/SCS will focus on the challenges the southern California region faces, such as improving coordination of land use and transportation planning, improving mobility options and accessibility, and analyzing the effectiveness of transportation investments.

RHNA Methodology Update

- SCAG developed three RHNA allocation methodologies and received hundreds of comments from member agencies, COGs, and other stakeholders. Based on the comments provided, a fourth option was developed.
- The new methodology option is a hybrid that incorporates elements of previous options and considers regional jobs accessibility. SCAG's RHNA Subcommittee approved this new option to be forwarded to the October 21st meeting of the SCAG's Community, Economic, and Human Development Committee and the November 7th meeting of the Regional Council.
- WRCOG staff will be conducting a detailed review of the various methodologies prior to the November 7th meetings, meet with the San Bernardino Council of Governments to develop a joint approach, meet with other COGs to discuss concerns, and continue to provide information to WRCOG member jurisdictions.

Resilient IE Update

- Project consultants provided an update on Resilient IE, the toolkit intended to fortify the region's transportation infrastructure against climate adaptation.
- Resilient IE has produced three major deliverables for the WRCOG subregion: (1) Vulnerability Assessment Update, (2) Resilient Infrastructure Guidebook, and (3) City-level Hazard and Evacuation Maps.
- All project components will be completed in early 2020.

Statewide Study on Residential Development Impact Fees (DIF)

- As a result of discussions by the State's Legislature, the Terner Center for Housing Innovation undertook a study in 2017 to provide a statewide overview of DIF as it relates to housing.
- The researchers analyzed fees on residential units in six jurisdictions statewide including the Cities of Fremont, Irvine, Los Angeles, Oakland, Roseville, and Sacramento.
- The Study concluded that fees vary from 8% to 18% of the total cost of a multi-family or single-family unit and are difficult to estimate and are often set without coordination between city departments.

TUMF Calculation and Collection Portal is Live

- Staff presented an overview of the new, fully developed TUMF Calculation & Collection Portal, which allows additional TUMF payment options for developers.
- The Portal offers a convenient all-in-one location for member agency staff to view the project payment status of all development projects in their jurisdiction.
- Looking forward, staff will coordinate meetings to transition member agency staff to use the fee Portal as the primary method of fee collection. Staff anticipates the full transition of all member agencies in early 2020.

SB 1000 Workshop Planned

- There will be a workshop on Senate Bill (SB) 1000 implementation. The workshop will be held on Tuesday, October 29, at Community Action Partnership (2038 Iowa Avenue, Riverside) from 9:30 a.m. – 3:00 p.m.
- SB 1000 implies that communities must fulfill the requirement of addressing environmental justice in their general plans.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, November 14, 2019, at **9:30 a.m.** at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Public Works Committee
Meeting Recap
October 10, 2019

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

Connect SoCal Presentation

- Arnold San Miguel, Regional Affairs Officer from SCAG, provided an update on Connect SoCal Development, which is SCAG's Long-Range RTP/SCS for 2020-2045.
- SCAG is preparing a Draft Plan, which is scheduled to be distributed for public comment in November 2019, pending approval from the SCAG Regional Council. The Plan is scheduled for adoption in May 2020.
- The Plan will focus on the challenges the Southern California region faces, such as improving coordination of land use and transportation planning, improving mobility options and accessibility, and analyzing the effectiveness of transportation investments.

TUMF Zone Revenue Update

- In Fiscal Year 2018/2019 the TUMF Program collected $63 million, one of the highest annual amounts since the inception of the Program in 2003.

TUMF Calculation and Collection Portal is Live

- Staff presented an overview of the new, fully developed TUMF Calculation & Collection Portal, which allows additional TUMF payment options for developers.
- The Portal offers a convenient all-in-one location for member agency staff to view the project payment status of all development projects in their jurisdiction.
- Looking forward, staff will coordinate meetings to transition member agency staff to use the fee Portal as the primary method of fee collection. Staff anticipates the full transition of all member agencies in early 2020.

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- Researchers analyzed fees on residential units in six jurisdictions statewide including the Cities of Los Angeles, Sacramento, Roseville, Oakland, Irvine, and Fremont.
- The study concluded that fees vary from 8% to 18% of the total cost of a multi-family or single-family unit and are difficult to estimate and are often set without coordination between City departments.

Resilient IE Update

- Project consultants provided an update on Resilient IE, the toolkit intended to fortify the region's transportation infrastructure against climate adaptation.
- Resilient IE has produced three major deliverables for the WRCOG subregion: (1) Vulnerability Assessment Update (2) Resilient Infrastructure Guidebook, (3) City-level Hazard and Evacuation Maps.
- All project components will be completed in early 2020.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, November 14, 2019, at 2:00 p.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.

Western Riverside Council of Governments
Finance Directors Committee
Meeting Recap
October 24, 2019

Following is a summary of major items discussed at the last Finance Directors Committee meeting. To review the full agenda and staff reports, please click here. To review the meeting PowerPoint Presentation, please click here.

1st Quarter Draft Budget Amendment for Fiscal Year 2019/2020

- Staff provided an update on the 1st quarter draft budget amendment for Fiscal Year 2019/2020. The single largest amendment was to the Energy Department expenditures that experienced an increase of $11,344 related to legal costs.

Presentation by CalPERS

- Randy Dziubek, Deputy Chief, Actuary of Valuation Services with CalPERS, provided a presentation and future projection on CalPERS contribution rates.
- Mr. Dziubek also shared a recently published analysis on the fiscal health of the state's cities. Access the document here.

Presentation on the Economy and Financial Markets

- Richard Babbe from Public Financial Management presented on the national economy and highlighted that unemployment is at a 49-year low and basic market conditions remain favorable. However, he also noted that trade concerns, higher interest rates, and geo-political events could impact long-term economic growth.

TUMF Zone Revenue Update

- In Fiscal Year 2018/2019, the TUMF Program collected over $63 million dollars, which is one of the highest collection years since the Program's inception in 2003.

Next Meeting

The next meeting of the Finance Directors Committee is scheduled for Thursday, January 23, 2020, at 1:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Streetlight Program Activities Update**

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

Date: **November 4, 2019**

***The purpose of this item is to** provide an update on the LED retrofit progress for the Cities of Eastvale, Hemet, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Perris, San Jacinto, Temecula, Wildomar and the Jurupa Community Services District.*

Requested Action:

1. Receive and file.

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. A major objective of the Program is to provide cost savings to participating member jurisdictions.

Background

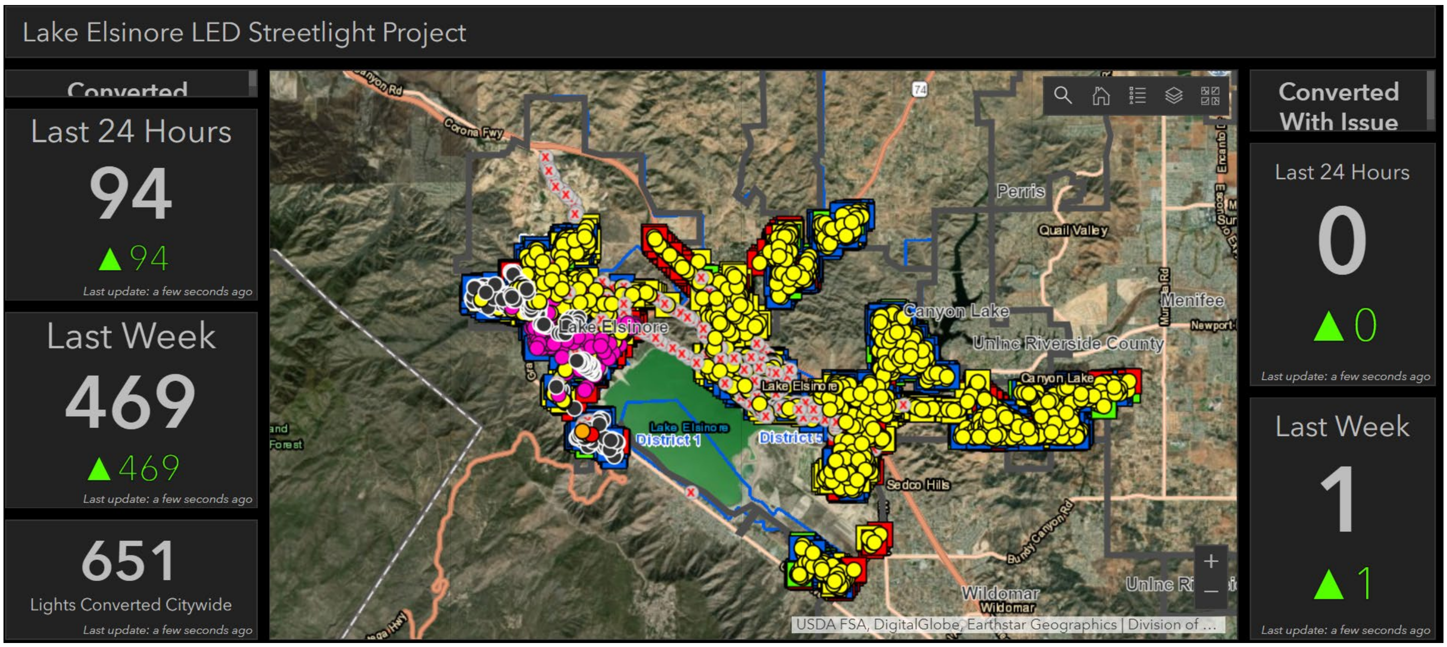
At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program allowing jurisdictions (and Community Service Districts) to purchase streetlights within their boundaries that are currently owned and operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs and reduced energy use).

Upcoming Retrofit Starts for Remaining Jurisdictions

The Cities of Perris, Menifee, and Temecula are the three remaining jurisdictions to start retrofitting streetlights. The City of Temecula is anticipated to start retrofitting streetlights by November 15, 2019, if all goes as planned. The City of Menifee is currently evaluating utilizing normal photocells, a light sensor for streetlights, or selecting a wireless streetlight controls system similar to the City of Temecula. The wireless streetlight controls system enables the City to monitor performance indicators such as energy consumption and working status, set schedule for streetlights to turn on, off, and/or dim, as well as GPS capabilities and sensors to detect pole knockdowns. Upon selection of the photocell or wireless controls system, the City will place a purchase order and plan for a retrofit start upon receipt of the equipment. The City of Perris is currently reviewing streetlight fixture photometrics before placing an order for new streetlight fixtures. The City is unique in that they are the only jurisdiction to utilize Leotek LED streetlight fixtures, as those LED fixtures were successful in previous City streetlight projects. Streetlight photometrics provide a computer-aided model of the new distribution, coverage, and light levels of proposed LED streetlight fixtures. Once the City selects which specific LED streetlight models to install, they will place a purchase order and plan for a retrofit start shortly after receipt of equipment.

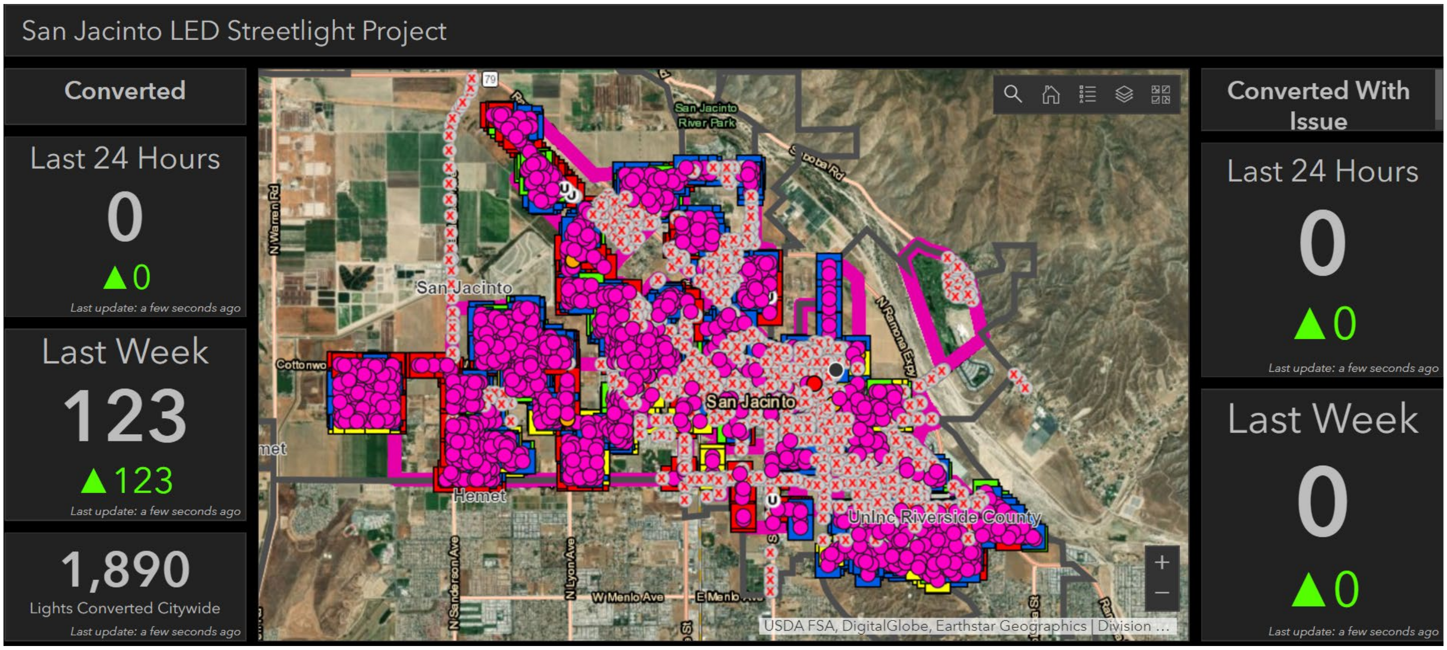
<u>Lake Elsinore Streetlight Retrofit Commences</u>

The City of Lake Elsinore started its streetlight retrofit on October 7, 2019. The City currently plans to retrofit a total of 3,739 streetlight poles to LED fixtures, which includes a combination of city-owned and acquired streetlight poles. As of October 21, 2019, the City has retrofit 651 streetlights to LED fixtures, or approximately 17% of the City's total streetlight count. The City is one of the few jurisdictions to already own streetlights and plans to retrofit 128 of its city-owned streetlights to LED fixtures. The streetlight retrofit began near the intersection of State Route 74 and Grand Avenue and will continue in a clockwise direction around the lake until the retrofit comes to a completion in the area near Grand Avenue and Corydon Road. The below map identified yellow dots as streetlights to be converted, pink dots as streetlights converted needing City Pole Tags, black dots as converted, and blue lines for the City's Voting Districts which outline the city's streetlight zones.



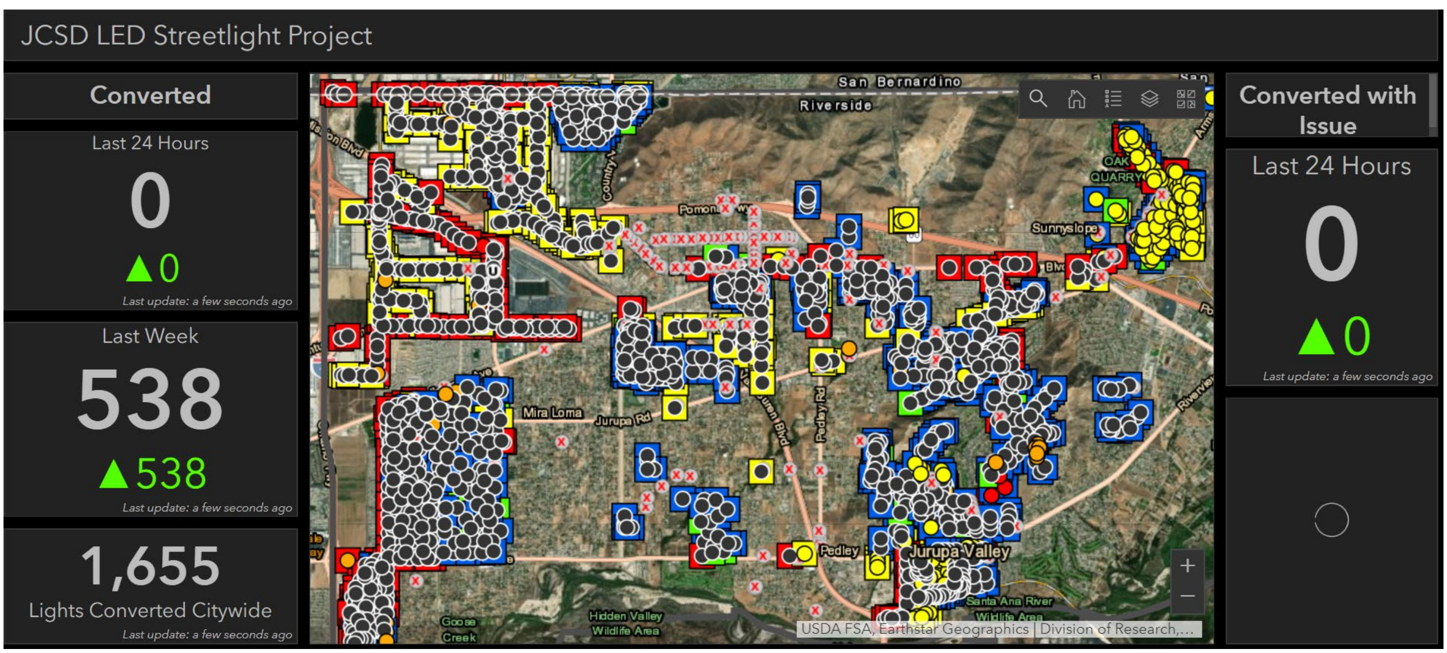
<u>San Jacinto Streetlight Retrofit Commences and Nearly Complete</u>

The City of San Jacinto began its streetlight retrofit on September 19, 2019, and currently plans to retrofit 1,903 streetlights to LED fixtures. As of October 21, 2019, the City is nearly complete with the first phase of streetlight retrofit project, as over 1890 streetlights have been converted to LED fixtures, or 99% of the total streetlight count. The City completed its acquisition of 1,945 streetlights from SCE earlier this year and planned to retrofit over 1,900 streetlights to LED fixtures. The remaining acquired streetlights were sold with LED fixtures already installed, thus they were taken out of the scope of the retrofit project. The City's streetlight retrofit is nearly complete as all streetlights have been converted to LED fixtures, and only streetlight pole tagging remains as identified by the pink dots in the below map. Siemens crews will continue to tag streetlight poles with new City Pole Numbers until all acquired poles have been tagged.



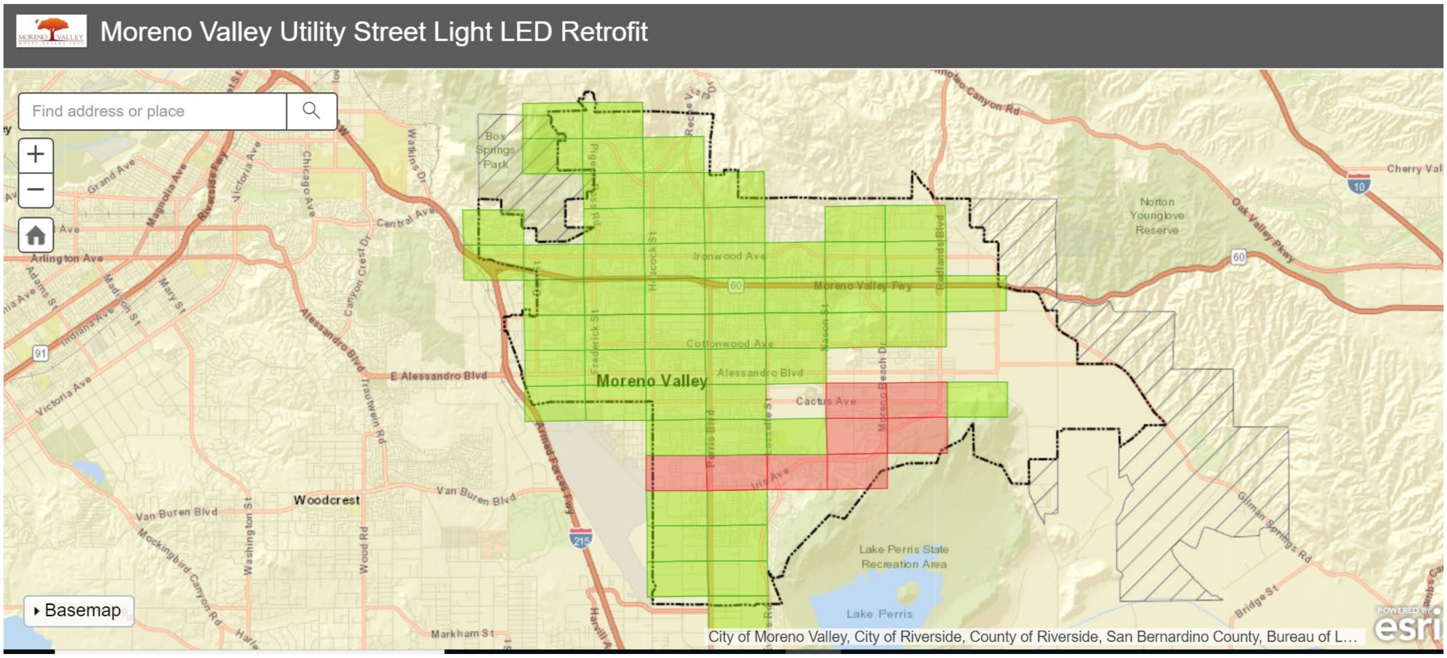
Jurupa Community Services District Streetlight Retrofit Commences

The District began its streetlight retrofit on September 30, 2019. The District plans to retrofit 1,904 streetlights to LED fixtures recently acquired from Southern California Edison. As of October 21, 2019, the District has successfully retrofit 1,655 streetlights to LED fixtures, or approximately 86% of its total streetlight count. In April 2019, the District completed its acquisition of over 1,900 streetlight poles, and also selected the General Electric LED streetlight fixtures that have been selected by other participating jurisdictions in the Program. The streetlight retrofit started on the east and is continuing west through the City of Jurupa Valley. The below map identifies black dots as converted, orange dots as needing to be revisited, red dots as conversion issues, grey dots as out of scope, and yellow dots as needing to be converted.



Moreno Valley Streetlight Retrofit 80% Complete

The City of Moreno Valley began retrofitting its streetlights in December 2018. As of October 21, 2019, the City has converted approximately 9,000 streetlights to LED fixtures, and is approximately 80% complete. The City will retrofit a total 11,257 streetlights which include city-owned streetlights and streetlights acquired from SCE. The below map of the City's retrofit workflow shows work areas scheduled for the current week in red, and areas that have been completed in green.



City of Hemet Retrofit Nearly Complete

The City of Hemet began its streetlight retrofit on August 15, 2019 and is currently retrofitting over 4,200 of its city-owned and newly acquired streetlights to Current by General Electric (GE) LED fixtures. As of October 21, 2019, the City has completed the first major phase of the retrofit; 3,898 streetlights have been converted to LED fixtures. The City is unique in being one of the only jurisdictions in the Program to own most of its streetlights prior to the acquisition of additional streetlights from SCE. This led the City to begin retrofitting city-owned streetlights first in a few residential neighborhoods, and then later move into the residential neighborhoods with streetlights acquired from SCE. Currently, the City has halted the retrofit as it works to identify additional city-owned streetlights in the City in order to add them to the scope of the retrofit, and to address any streetlight issues or missing poles with SCE.

Eastvale Streetlight Retrofit in Substantial Completion

The City of Eastvale commenced with its streetlight LED retrofit on June 4, 2019. As of October 21, 2019, the City has completed the major phase of its streetlight retrofit project with over 4,100 streetlights converted to GE LED fixtures. The City selected a specific photocell for Limonite Avenue resulting in the entire street being retrofitted to LED fixtures with the special photocell. All current work has been completed, and remaining work is pending as the City, WRCOG, and Siemens work to address any final requirements or identify remaining work with SCE before the project can be deemed fully complete. Remaining work with SCE can include addressing poles that may have been missed during the initial True-Up in order to transfer them to the City and then retrofit the streetlights to LED fixtures.

Wildomar Streetlight Retrofit Near Completion

The City of Wildomar started its streetlight retrofit on July 19, 2019. As of October 21, 2019, the City has completed the first phase of the streetlight retrofit project with 1,401 streetlights converted to LED. The retrofit project has been halted as WRCOG and the City are working with SCE to determine if newly constructed streetlights, as part of new developments, could be deeded to the City, or acquired and subsequently retrofitted to LED. The City has received information of additional SCE streetlights in the City, which will be determined if they are sellable or non-sellable assets. If SCE determines the poles to be sellable, the City will work with existing financing to acquire and retrofit the streetlights. Moreover, the City is contemplating the retrofit of City-owned safety lights at intersections as well.

Murrieta Streetlight Retrofit Near Completion

The City of Murrieta began retrofitting its streetlights on February 11, 2019. As of October 21, 2019, the City has completed the first major phase of streetlight retrofit. Currently, the City and WRCOG are inquiring with SCE regarding streetlight inventory data errors and poles that were missed by SCE during the True-Up process. If SCE determines these additional poles to be sellable, then the City will acquire and retrofit the streetlights to LED. The City, Siemens, and WRCOG will work towards a project closeout which includes meeting City requirements for project delivery, substantial and final completion documentation, identification of punch list items and final work, as well as submitting all deliverables to the City such as GIS files. Concurrent to the retrofit project, WRCOG has been assisting the City with submitting SCE Incentive Applications for the streetlight retrofit.

Prior Action:

October 7, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Item 5.E

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Environmental Department Programs Activities Update**

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

Date: **November 4, 2019**

***The purpose of this item is to** provide an update of the Solid Waste Cooperative, updates to the Used Oil Program, and the status of the Clean Cities Coalition.*

<u>Requested Action</u>:

1. Receive and file.

WRCOG's Environmental Department assists member jurisdictions with addressing state mandates which require education and outreach programs that reduce greenhouse gas emissions. The Environmental Department houses three programs to meet California's goals: 1) a Solid Waste Cooperative, which assists in strategies of reduction of short-lived climate pollutants; 2) a regional Used Oil Recycling Program, designed to promote the proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW); and 3) the Clean Cities Coalition, which aims to cut petroleum use in the transportation sector through integration of alternative fuels and advanced technologies.

<u>Solid Waste Cooperative – SB 1383 Update</u>

WRCOG's Solid Waste Cooperative is comprised of 18 WRCOG member agencies, local waste haulers, the California Department of Resources Recycling and Recovery (CalRecycle), and other stakeholders of interest. The Cooperative was formed to help the subregion discuss issues of importance and learn the challenges and successes of recycling programs invoked.

In October 2018, staff held one-on-one meetings with members of the Cooperative and was asked to focus on recently-chaptered legislation SB 1383, Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reduction. SB 1383 aims to achieve a 50% reduction in statewide greenhouse gas emissions from organic waste disposal by the year 2020.

On February 20, 2019, WRCOG hosted a workshop on SB 1383. The workshop was attended by multiple representatives from over 18 jurisdictions across the county. Attendees had the opportunity to hear from CalRecycle regarding the general information on SB 1383 and its upcoming requirements on the jurisdictions. HF&H Consultants focused on the decisions that jurisdictions will need to make regarding implementation and compliance for the law. A panel discussion was held for questions and concerns.

WRCOG is currently exploring options on providing support to member jurisdictions in developing and implementing a Compliance Program for SB 1383. In May 2019, members of the Solid Waste Committee discussed what WRCOG's role should be regarding SB 1383 compliance and bringing on consultant support on a regional contract or an individual city contract. Members requested that WRCOG develop a survey to identify where each jurisdiction was in the process of compliance (adopting ordinances, developing inspection programs, etc), and what future assistance they deem needing support with.

Based on survey results (two topics emerged with over 50% of respondents indicating the need for assistance.

1. Developing an inspection and enforcement program to review commercial solid waste accounts; and
2. Identifying inspectors for eligible food generators and food recovery facilities.

Staff continues to identify and assess all current and future grant opportunities that can support WRCOG members in achieving compliance with SB 1383. For example, CalRecycle plans to release a food waste recovery grant that can be leveraged to support jurisdictions' near-future SB 1383 requirements. WRCOG is looking to help gather the necessary data of food generators and food recovery facilities within Western Riverside County. For the time being, efforts are being made to learn more about cities' current work with SB 1383 implementations, including any waste hauler amendments and ordinances passed, attending and sharing upcoming workshops pertaining to SB 1383, and connecting with all interested parties on strategies to enforce SB 1383 compliance.

Used Oil and Filter Exchange Events

The Used Oil Program is paid for by a grant from CalRecycle which funds jurisdictions to provide outreach and education on the recycling of used motor oil and oil filters. Collection and exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. During used oil events, every individual that brings in their used oil filter is provided with a brand-new oil filter of equal or lesser price, at no cost.

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

Date	Event	Location	Oil Filters Exchanged
8/22/2019	Community Event	Calimesa	n/a
8/31/2019	Oil & Filter Event	Temecula	46
9/14/2019	Oil & Filter Event	Banning	21
9/28/2019	Oil & Filter Event	Jurupa Valley	62
10/5/2019	Community Event	Canyon Lake	n/a
10/12/2019	Community Event	Murrieta	n/a
10/26/2019	Oil & Filter Event	Riverside	126
10/26/2019	Community Event	Wildomar	n/a

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

Date	Event	Location	Time
11/9/2019	Oil & Filter Event	San Jacinto	9:00 a.m. – 12:00 p.m.
11/16/2019	Community Event	Nuview High School Lakeview	9:00 a.m. – 12:00 p.m.
11/23/2019	Oil & Filter Event	Hemet	9:00 a.m. – 12:00 p.m.
12/7/2019	Oil & Filter Event	Eastvale	9:00 a.m. – 12:00 p.m.

Western Riverside Clean Cities Coalition

The Western Riverside Clean Cities Coalition seeks to integrate technology with alternative fuels and infrastructure. Clean Cities Coalitions work with the U.S. Department of Energy (DOE) to improve efficiency, increase domestic energy security, and improve operating costs for consumers and businesses. Transportation is a large part of our energy economy; 70% of total U.S. petroleum usage is for transportation. The Clean Cities National Network tracks and reports fuel pricing, openings and closures of fuel stations, and vehicle and station equipment costs to the DOE to provide a picture of Alternative Fuel Vehicles (AFV) technology adoption, petroleum fuel use reductions, and air quality improvement to the subregion. Through Coalitions, the DOE funds additional activities designed to help advance the AFV market in the subregion.

WRCOG will undertake the following four activities for Fiscal Year 2019/2020:

1. Fuel and technology feedback listening sessions
   a. The Coalition is organizing and facilitating an electric vehicle-specific listening session on light- and heavy-duty vehicles for City's fleets and other stakeholders. The goal of the session will be to identify technology gaps and critical research needed to improve vehicle / infrastructure performance and usability in the subregion. The listening session will take place on November 7, 2019 and will be hosted at WRCOG's office. Members of the coalition have been sent personal invitations via email, asking for a representative of the City's fleet who works directly with an electric vehicle.

2. AFV infrastructure development and corridor planning
   a. WRCOG developed and continues to build an Alternative Fuels Corridor Tool by using GIS planning software. The Fixing America's Surface Transportation (FAST) Act called on states to designate strategic locations along major highways to improve the mobility of alternative fuel vehicles. WRCOG's tool will help to identify existing, planned, and needed AFV stations and signage along existing FAST-ACT corridors within the Western Riverside County. The tool will help identify station gaps in the regions that will be used to encourage future infrastructure designation. Also included in the tool is information on AFV usage within the subregion which can be used to create a prioritized list of station sitting opportunities, making applications for grant funding more efficient. The tool is available to all Coalition members after staff provided login information and training for the tool in previous coalition meetings. Members may access the tool at their own convenience online.
   b. The Coalition continues to work and nominate the State Route (SR) 91 corridor as a FAST-ACT corridor for electric and hydrogen vehicles; nominations take place in January 2020. WRCOG and the Coalition are building partnerships with neighboring coalitions and transportation agencies to gain the support of the nomination of SR 91 to the Department of Transportation. If the SR 91 is to be nominated this will allow funding to be prioritized to the corridor, accelerate public education and exposure of the alternative fuel vehicles, and help achieve clean air goals set by the state.

3. Southern California AltCar Conference, Expo, and Ride & Drive
   a. The Coalition organized and facilitated AltCar Expo held on October 16, 2019, at the Riverside Convention Center. The Conference featured a press conference with California Air Resources Board Chairwomen Mary Nichols, who introduced a memorandum with UCR, RCC, and RCSD; the memorandum encourages alternative fuel research and development and incentivizes electric school buses.
   b. The Conference hosted Mary Nichols as the Keynote speaker to encourage clean air quality in the Inland Empire and inspire the use of more clean vehicles. The Conference included two-panel sessions, an Expo, and a Ride & Drive opportunity. The first panel, moderated by Annette Hebert with California's Air and Resources Board, was on *Innovative Mobility Solutions: Light Duty-to-Heavy Duty Product and Best Fleet Practices* featuring representatives from UCR's CE-CERT, the City of Colton, PepsiCo, and Nissan North America. The second panel, moderated by WRCOG, was on *Alternative Technology Infrastructure and Product Investment Opportunities* featuring representatives from the South Coast Air Quality Management District (AQMD), Electrify America, and Southern California Edison.
   c. The Expo and Ride & Drive were open to the public following the panel sessions. The Expo and Ride & Drive included a variety of stakeholders within the Inland Empire: ADOMANI Zero-Emission Vehicles, Bike Riverside, AQMD, CA Clean Vehicle Rebate Project, CR&R Inc., Environmental Services, GRIP Idle Management System, Honda Motor Company, Jurupa Unified School District, Nissan, OmniTrans, Riverside Transit Agency, SoCal Gas, Southern California Edison, StratosFuel, UCR CE-CERT, Reach-Out Volvo Lights Project, WRCOG, and the Clean Cities Coalition. Members of the community were able to preview vehicles such as the Nissan Leaf, Lion's Electric School bus, CE-CERT's EV

Trailer, StratoShare Hydrogen Fleet, Honda Clarity PHEV, CR&R CNG Waste truck, Bike Riverside's Electric Bike, and an Electric Cutaway logistics van.

4. Targeted coaching and technical assistance
   a. The DOE's Clean Cities Program has enlisted the expertise of Argonne to develop a tool to examine both the environmental and economic costs and benefits of alternative fuel and advanced vehicles. Argonne has developed the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool for Clean Cities stakeholders to estimate petroleum use, greenhouse gas emissions, air pollutant emissions, and cost of ownership of light-duty and heavy-duty vehicles using simple spreadsheet inputs. Examples include assistance with project planning, aggregate purchasing initiatives, reviewing equipment specifications, coordinating performance testing of new fueling stations, orientation training for end-users receiving new AFVs or fueling equipment, problem-solving, etc. The Coalition aims to provide direct technical assistance and coaching to its members' fleets and other appropriate stakeholders on AFLEET via webinar. Staff will send out information regarding the webinar when the date has been determined.

Prior Action:

September 9, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: Report out of WRCOG Representatives on Various Committees

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

Date: November 4, 2019

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

Requested Action:

1. Receive and file.

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

SANDAG Borders Committee (Crystal Ruiz)

The SANDAG Borders Committee meeting met on Friday, October 25, 2019; the meeting agenda is attached. The ongoing fires are impacting various municipalities in Baja and surrounding areas. The Consulate General of Mexico has reached out with information to help spread public awareness of identified donation locations. Any help to communicate this information on behalf of our Mexican partners as they work to address the pressing danger and safety concerns are appreciated. Mexican Customs is also exploring how to facilitate any donations being sent. Please reach out to the Consulate General of Mexico in San Diego for more information if there is a desire to send resources or donations. They are in need of water, diapers, formula, clothes and hygiene products. The attached pdf provides contact information for Centros de Acopio / donation locations.

During an update on the Border Crossings and Trade Statistics we learned that there were 111 million people travelling into the United States from across the southern border, and Mexico ranks as the #2 export market for the United States.

An update was also provided on the State Route 11 / Otay Mesa East Port of Entry where they are utilizing interchangeable lanes with trucks and cars. Utilizing the interchangeable lanes provides a 20% to 48% more efficient usage of said lanes.

CALCOG Board of Directors (Brian Tisdale)

The next meeting of the CALCOG Board of Directors is scheduled for Thursday, November 7, 2019.

SAWPA OWOW Steering Committee (Rusty Bailey)

The next meeting of the SAWPA OWOW Committee is scheduled for Thursday, November 21, 2019.

Prior Action:

October 7, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. SANDAG Borders Committee meeting agenda of October 25, 2019.
2. Flyer with donation requests and locations.

Item 5.F

Report out of WRCOG Representatives on Various Committees

Attachment 1

SANDAG Borders Committee meeting agenda of October 25, 2019

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Members

Serge Dedina, Chair
Mayor, City of Imperial Beach
(Representing **South County**)

Ronn Hall, Vice Chair
Councilmember, City of Santee
(Representing **East County**)

Vivian Moreno
Councilmember, **City of San Diego**

Greg Cox
Vice Chair, **County of San Diego**

Ellie Haviland
Deputy Mayor, City of Del Mar
(Representing **North County Coastal**)

Paul McNamara
Mayor, City of Escondido
(Representing **North County Inland**)

Jesus Eduardo Escobar
Supervisor
(Representing **Imperial County**)

Alternates

Bill Sandke
Councilmember, City of Coronado
(Representing **South County**)

Jerry Jones
Councilmember, City of Lemon Grove
(Representing **East County**)

Mark Kersey
Councilmember, **City of San Diego**

Dianne Jacob
Chair, **County of San Diego**

Christopher Rodriguez
Councilmember, City of Oceanside
(Representing **North County Coastal**)

Olga Diaz
Councilmember, City of Escondido
(Representing **North County Inland**)

Luis Plancarte
Supervisor
(Representing **Imperial County**)

Advisory Members

Gustavo Dallarda / Ann Fox
Caltrans District 11

Carlos González Gutiérrez / Mario Figueroa / Natalia Figueroa
Mexico

Jim Ferryman / Jim Dahl
(Representing **Orange County**)

Crystal Ruiz / Yxstian Gutiérrez
(Representing **Riverside County COGs**)

Elsa Saxod / Gary Croucher
San Diego County Water Authority

Edwin "Thorpe" Romero / Cody Martinez
Southern California Tribal Chairmen's Association

Naresh Amatya / David C. Salgado
Southern California Association of Governments

Hasan Ikhrata
Executive Director, **SANDAG**

Borders Committee Agenda

Friday, October 25, 2019
12:30 to 2:30 p.m.
SANDAG Board Room
401 B Street, 7th Floor
San Diego

Agenda Highlights

- **2020 Census Complete Count**
- **Progress Report on the San Ysidro Land Port of Entry Reconfiguration and Expansion Project and the Modernization of the Otay Mesa Port of Entry**
- **State Route 11/Otay Mesa East Port of Entry Update**

Please silence all electronic devices during the meeting

You can listen to the Borders Committee meeting by visiting our website at sandag.org

Mission Statement

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region's quality of life.

San Diego Association of Governments · 401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900 · Fax (619) 699-1905 · sandag.org

Welcome to SANDAG. Members of the public may speak to the Borders Committee (Committee) on any item at the time the Committee is considering the item. Please complete a Request to Comment form located in the lobby. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Committee may take action on any item appearing on the agenda.

Both agenda and non-agenda comments should be sent to the Clerk of the Committee via clerk@sandag.org. Please include the meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials from the public intended for distribution at the meeting should be received by the Clerk no later than 5 p.m. two working days prior to the meeting. All public comments and materials received by the deadline become part of the official public record and will be provided to the members for their review at the meeting.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at sandag.org/meetings. Additionally, interested persons can sign up for email notifications at sandag.org/subscribe.

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Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

如有需要, 我们可以把SANDAG议程材料翻译成其他語言.

请在会议前至少 72 小时打电话 (619) 699-1900 提出请求.

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Borders Committee

Friday, October 25, 2019

Item No.		Action
+1.	Approval of Meeting Minutes	Approve
	+1A. Borders Committee Meeting Minutes – May 24, 2019	
	+1B. Borders Committee Meeting Minutes – June 28, 2019	
2.	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 SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a Request to Comment form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Borders Committee members. Public speakers are limited to three minutes or less per person. Borders Committee members also may provide information and announcements under this agenda item.	
3.	Executive Director's Report *Hasan Ikhrata, SANDAG* An update on key programs, projects, and agency initiatives, including San Diego Forward: The 2021 Regional Plan and the Airport Connectivity Subcommittee, will be provided.	Discussion

Consent

+4.	2019 State and Local Elections in Baja California *Héctor Vanegas, SANDAG* An overview of the 2019 State of Baja California, Mexico, and local municipalities election results will be presented.	Information

Chair's Report

5.	State Route 11 Final Segment and Connectors Project Groundbreaking An overview on the groundbreaking celebration of the final segment of State Route 11 and State Routes 125/11/905 Southbound Connectors project will be presented.	Information

Reports

6.	Report from the Consul General of Mexico *Hon. Mario Figueroa, Deputy Consul General of Mexico* An overview on binational activities within the purview of the Borders Committee will be presented.	Information

+7.	**2020 Census Complete Count** *Rachel Cortes, SANDAG* An overview of activities related to the 2020 Census Complete Count will be presented.	Information
+8.	**2018 San Diego–Baja California Border Crossing and Trade Statistics Highlights** *Zach Hernandez, SANDAG* Highlights from annual border crossing and trade statistics relevant to the San Diego–Baja California land ports of entry will be presented.	Information
9.	**Progress Report on the San Ysidro Land Port of Entry Reconfiguration and Expansion Project and the Modernization of the Otay Mesa Port of Entry** *Anthony Kleppe, U.S. General Services Administration* An update on the San Ysidro Land Port of Entry Reconfiguration and Expansion project and an overview of the Otay Mesa Port of Entry Modernization project will be presented.	Information
+10.	**State Route 11/Otay Mesa East Port of Entry Update** *Mario Orso, Caltrans District 11* An update on the State Route 11/Otay Mesa East Port of Entry project will be presented.	Information
11.	**Continued Public Comments** If the five-speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.	
12.	**Upcoming Meetings** The next Borders Committee meeting is scheduled for Friday, November 22, 2019, at 12:30 p.m.	Information
13.	**Adjournment**	

+ next to an item indicates an attachment

Item 5.F

Report out of WRCOG Representatives on Various Committees

Attachment 2

Flyer donation requests and locations

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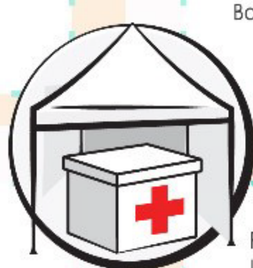
Mexican Red Cross
COLLECTION CENTER

FOOD

Bag or can of tuna
Can of sardin
Bag of beans
Bag of lentil
Bag of pasta
Can of Jalapeño Peppers
Chicken powder
Can of vegetables
Salt
Mayonnaise
Cooking oild
Instant coffee
Sugar
Jam
Chocolate powder
Cookies

BABIES

Diapers 12 pack
Baby wet towels
Baby oild
Baby powder
Neutral soap
Baby shampoo
Feeding bottles
Baby food
Honey
Baby blankets



PERSONAL CARE

Toilet paper 4 pack
Sanitary Pads (pack)
Toothbrush
Toothpaste
Shampoo
Soap
Razors

CLEANING

Powder soap
Liquid floor cleaner
Broom
Floor brush
Squeegee
Cleaning cloth
Bucket

NO USED CLOTHES • NO MEDICINE

Donations from México

Name: Cruz Roja Mexicana IAP
Bank: BBVA Bancomer
Account number: 0196166911
Clabe Interbancaria: 012028001961669119

Donations from USA

Bank: First Choice Bank
Account number: 1109180
Routing number:122244922

Address: Tijuana, México

DELEGACIÓN ESTATAL BAJA CALIFORNIA
Boulevard Díaz Ordaz 14517 Interior 1, Las Fuentes, Plaza 5 y 10, Tijuana B.C. C.P. 22217

Address: Tecate, México

DELEGACIÓN TECATE
Av. Juárez 411 Zona Centro

Address: Rosarito, México

DELEGACIÓN ROSARITO
Calle Rene Ortiz Campoi #100 Zona Centro

448-2820 448-2821
info@cruzrojaestatalbc.org

CRUZ ROJA MEXICANA BAJA CALIFORNIA

Schedule: **Monday to Friday** 8am - 5 pm | **Saturday** 8am - 1pm

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Item 5.G

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Earth Day 2020**

Contact: **Princess Hester, Director of Administration, RCHCA, phester@wrcog.us, (951) 405-6704**

Date: **November 4, 2019**

The purpose of this item is to *inform the Executive Committee of upcoming events to commemorate Earth Day's 50th Anniversary.*

Requested Action:

1. Receive and file.

Riverside County Habitat Conservation Agency

The Riverside County Habitat Conservation Agency (RCHCA) is a Joint Powers Authority (JPA) comprised of the County of Riverside and the Cities of Corona, Hemet, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Perris, Riverside, Temecula and Wildomar. RCHCA is a program under the WRCOG umbrella and its mission is to manage conserved and open space lands in Riverside County for the endangered Stephens' Kangaroo Rat

Earth Day 2020 will be held on April 22

The Riverside County Watershed Protection Agency requested RCHCA to partner together to educate the community about the 50th Anniversary of Earth Day. The tentative workplan and estimated budget is in Attachment 1. Funding for this effort will be provide by sponsorships and in-kind donations.
The first Earth Day was celebrated on April 22, 1970, activating 20 million Americans from all walks of life and launching the modern environmental movement. The passage of the landmark Clean Air Act, Clean Water Act, Endangered Species Act, and many other groundbreaking environmental laws soon followed.

Today, Earth Day is a global event celebrated by more than 1 billion people in 192 countries. April 22, 2020 will mark the 50th Anniversary of Earth Day and, as part of this movement, Earth Day will be celebrated through week long events County-wide by several departments, service clubs, and non-profit organizations. RCHCA is working to coordinate events to demonstrate what the cities in Western Riverside County are doing to spread awareness, promote conservation, and celebrate the work of those engaged in environmental protection and education.

RCHCA staff will return to the Executive Committee in the future requesting a Resolution of Support for the 50th Anniversary of Earth Day.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Tentative Earth Day 2020 celebration activities.

Item 5.G

Earth Day 2020

Attachment 1

Tentative Earth Day 2020 celebration activities

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Event Plan

Dates

April 19 – April 26, 2020

Locations: All cities throughout Riverside County

Introduction and Purpose

"Riverside County is a family of special communities in a remarkable environmental setting."

The goal is to have citizens participate in activities to support and raise awareness about pollution, endangered and native species and how to protect the earth's natural resources throughout the County of Riverside by collecting the events that are regularly planned and scheduled during earth week.

The Earth Day 2020 Event Committee will encourage and provide an opportunity to the cities, non-profit agencies, service clubs and businesses to create events and activities that will educate citizens and promote environmental stewardship with a coordinated theme for Earth Day 2020, 50th Anniversary.
Committee Activities: Develop Logo/Digital event theme, Create Social Media channels, Invite Event partners to add their events. Identify Sponsors

Tentative Earth Week Activities

Events	Description
Tree Planting	• Provide handouts, plant materials and equipment to support planting of small native trees and shrubs
Clean Ups - Reduce, Recycle, Reuse, Repurpose	• Identify agencies and locations of clean ups and volunteer participation instructions
Habitat Enhancement Projects	• Adopting trails • Native Plant Gardens • Reducing Fire Hazards
Environmental Education	• Nature Center tours • Citizen Science class • Youth Science Fair
Sustainable Community Projects	• Clean Cities • Wellness Projects • Healthy Living Activities

Initial Event Committee

Name	Organization	Email	Phone
Darcy Kuenzi	Flood Control	dkuenzi@rivco.org	(951) 955-1688
Princess Hester	RCHCA/WRCOG	phester@wrcog.us	(951) 405-6704
Kyle Rodriguez	WRCOG	krodriguez@wrcog.us	(951) 405-6721

Estimated Budget

The Event Committee will work to secure in-kind and donation sponsors for the events. Sponsorship participation is an opportunity to be involved amongst the community and spread awareness about the organization. Sponsors will benefit thorough recognition and the inclusion of the organization's logo on event advertising and marketing materials. Donations may also be tax deductible and will be held in a separate account with the Riverside County Habitat Conservation Agency and the Western Riverside Council of Governments Supporting Foundation, a 501c3 organization. Provided below is an estimated budget for the event. No county general funds will be used to support the event.

Item	Description	Cost
Advertising	• Radio • Billboards • Social Media • Printed Flyers • Banners	$10,000
Marketing Materials	• Logo Development • Giveaways/Event T-Shirts • Social Media/Website	$7,500
Supplies	• Water • Trash Cans • Tools and Equipment	$2,500
Coordination Efforts	• Staff time • Travel Expense • Meetings	$5,000
TOTAL		$25,000

Item 5.H

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Single Signature Authority Report**

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

Date: **November 4, 2019**

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

Requested Action:

1. Receive and file.

The Executive Director has Single Signature Authority for contracts up to $100,000. For the months of July 2019 through September 2019, seven contracts, three of which were solely term extensions, were signed by the Executive Director. These are summarized below.

1. In September 2019, an Amendment to an existing Professional Services Agreement (PSA) was executed with W.G. Zimmerman Engineering for $100,000 over a two-year period. The purpose of this amendment is to extend the term of the existing PSA to support the Transportation Uniform Mitigation Fee (TUMF) Program with engineering consulting services and other assistance as needed.

2. In September 2019, an Amendment to an existing PSA was executed with Transportation, Engineering, and Planning (TEP) for $100,000 over a two-year period. The purpose of this amendment is to extend the term of the existing PSA to support the TUMF Program with engineering consulting services and other assistance as needed.

3. In September 2019, a PSA was executed with Kimley-Horn and Associates for $50,000 over a two-year period. The purpose of this PSA is to support the TUMF Program with engineering consulting services and other assistance as needed.

4. In September 2019, a PSA was executed with CivilPros for $50,000 over a two-year period. The purpose of this PSA is to support the TUMF Program with engineering consulting services and other assistance as needed.

5. In September 2019, an Amendment to an existing PSA was executed with PFM Asset Management for $25,000. The purpose of this PSA is to support the TUMF Program with investment advisory services for the TUMF funds held by WRCOG.

6. In August 2019, a PSA was executed with Peaks Advertising for $40,000. Peaks Advertising will provide an advertising campaign for the Used Oil Recycling Program to support WRCOG and its member agencies.

7. In September 2019, a PSA was executed with The EcoHero Show for $14,011.50. The EcoHero Show will provide education and outreach for local elementary and middle schools in Western Riverside County. The

EcoHero Show will support the Used Oil Recycling, Household Hazardous Waste, and Solid Waste Programs at WRCOG for its member agencies.

Prior Action:

October 9, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Experience Subregional Innovation Center Activities Update**

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

Date: **November 4, 2019**

The purpose of this item is to *provide an update on recent work related to the Experience Subregional Innovation Center.*

Requested Action:

1. Receive and File.

Background

Western Riverside County is one of the fastest growing subregions in the State of California and the United States. In 2012, WRCOG's leadership identified six interrelated components critically important to achieving a premier quality of life in Western Riverside County and incorporated these into the WRCOG Economic Development & Sustainability Framework (Framework), which serves as a guide to grow strategically and achieve a vibrant and livable community. The six Framework goal areas pertain to: 1) Economic Development; 2) Water and Wastewater; 3) Education; 4) Health; 5) Transportation; and 6) Energy and the Environment.

In 2016, staff introduced Experience, the concept of a dynamic program that would serve to advance the goals of the Framework. In 2017, WRCOG initiated a 14-month Experience Feasibility Analysis to explore the concept further and identify the real viability of developing the concept to support the Framework. The Analysis included establishment of a Steering Committee composed of members of WRCOG's Executive Committee and Technical Advisory Committee, as well as stakeholders from the region's public and private sectors. The Steering Committee established the initial mission and more than 20 goals for Experience and created a broad vision of what it would be, including a range of programming options from agricultural innovation to sustainability education as well as a robust facility idea complete with a conference center, restaurant, and edible garden. The Analysis concluded that the general concept of Experience would be financially viable and that the City of Riverside would be the most suitable jurisdiction to host Experience.

Feasibility Analysis and Recommended Actions

In December 2018, the Executive Committee took action to approve the findings of the Analysis, selected the City of Riverside as the preferred Experience host, and directed staff to move forward with the next phase of Experience development. These approved next steps involved entering into a Memorandum of Understanding (MOU) with the City of Riverside to clarify the responsibilities of each agency and retaining a consultant to lead the next phase of work, including program and fund development.

Consultant Selection: WRCOG sought a consultant team with experience bringing unique concepts to market, particularly those supporting economic development and sustainability. Staff conferred with the Los Angeles Cleantech Incubator (LACI), which was identified as a strong model for Experience development through the Feasibility Analysis Process. LACI staff referred WRCOG to Fred Walti, who founded LACI and served as

CEO for the first six years of LACI operation, and who has launched similar concepts throughout the United States and across the globe. Mr. Walti was complementary of the Experience Feasibility Analysis and, after touring the City of Riverside and meeting with WRCOG and City staff, agreed to lead Experience through the next phase of development through his company, Network for Global Innovation (NGIN). Also supporting the next phase of Experience through NGIN is Tom White, former Executive Director of the LACI University Incubator at California State University, Northridge. Mr. White also has an extensive background as a marketing executive leading campaigns for global corporations. Following approval from the WRCOG Executive Committee, WRCOG executed a contract with NGIN in June of 2019.

Phase II Updates

NGIN developed a four-stage plan to complete this phase of work, summarized below, and explained in more detail in Attachment 1 to this report:

1. Concept Refinement and Review: Refinement of the concept that emerged from the Feasibility Analysis to create an idea that is ready to “bring to market” followed by consultation with key stakeholders for input on the revised concept.

2. Discovery and Socialization: Identification of partners and roles, continued refinement of the concept with additional input, and identification of available resources and resource needs.

3. Funding Development Plan: Identification of funding sources, development of a financial operating plan, and development of a funding roadmap and capital plan.

4. Organization and Action Plan: Preparation of MOUs with key partners, determination of a governance structure and staffing plan, and identification of office locations.

NGIN’s preliminary analysis found that the Experience concept required some level of refinement to ensure implementation. This is why NGIN designed Stage 1 to refine the concept further. NGIN recognized that of the 21 goals emerging from the Feasibility Analysis process, a majority were focused on economic development. Putting this interest in context with the region’s high susceptibility of jobs being automated, NGIN identified an opportunity for Experience to serve as the catalyst for developing an innovation-driven economy in the region.

From there, NGIN set out to identify an appropriate innovation-centric program for region-wide economic development. This involved conducting a comprehensive, interview-focused analysis aimed at understanding the region’s complete economic landscape (a general listing of people and organizations consulted with is included as Attachment 2 to this report). This has included interviews with more than 50 stakeholders from the public, private, nonprofit, and education sectors, which generally provided positive feedback for this effort. This process confirmed the region’s jobs-housing imbalance and the daily pilgrimage of our region’s many medium- and high-skilled workers to jobs outside of the area. NGIN saw this as an opportunity, identifying that the talented resident population includes an unmatched skill set that, when organized and effectively communicated, could generate a powerful magnet to attract resources and position the region to compete on the national level for employers. To do this, NGIN proposes utilizing a hub-and-spoke model for economic growth, which would facilitate participation of all interested parties across the region, thereby maximizing participation, collaboration, and communication. In practice, this hub-and-spoke model would likely establish a regional framework of organizations for leveraging resources to support entrepreneurship and innovation.

Stage 1 concluded in mid-September 2019 and NGIN is now moving into Stage 2, which will be largely focused on forging relationships with others committed to the hub-and-spoke model. At October’s Administration & Finance Committee meeting, NGIN provided an update on its progress to date and next steps.

Prior Action:

October 9, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

Expenditures for the Experience program are included in the Fiscal Year 2019/2020 Agency Budget under the Transportation Department.

Attachments:

1. Experience Phase II, 4-Stage Work Plan.
2. Experience Phase II, Stage 1 Stakeholder Interviews.

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Item 5.I

Experience Subregional Innovation Center Activities Update

Attachment 1

Experience Phase II, 4-Stage Work Plan

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Innovation 2030 Roadmap

ROADMAP FOR CREATING AN INNOVATION-DRIVEN ECONOMY FOR INLAND SOCAL

MISSION

Build an innovation-driven economy that benefits everyone by 2030.

VISION

A managed hub and spoke ecosystem will distribute innovation and allocate resources to its hub/spokes according to their strengths and contributions. Thus, by distributing innovation efforts, the region will be able to compete for top talent and companies, reduce individual costs, and increase impact through its collective efforts.

THE RIGHT MODEL

A conceptual framework that describes the needed components of Innovation 2030 Ecosystem Model Consists of Seven Integrated Components:

1. Political/Policy Leadership
2. Innovation Sources
3. Funding Access
4. Innovation Engines
5. Talent
6. Stakeholder Mobilization
7. Market Access

The ecosystem model:

- Leverages global Best-in-Breed practices
- Successfully deployed in Los Angeles and other regions
- Requires10-year horizon
- Annual milestones to be developed

AN INDEPENDENT ORGANIZATION

An organization dedicated to the new mission will be formed & funded.

1. Structured as a fully independent non-profit 501(c)(3).
2. It's working name is Innovation 2030.
3. Its Board of Directors will be critical to the initiative's success.
4. Key RSBO leaders could include:
   a. Foundations
   b. High Net Worth Individuals
   c. VCs
   d. Banks
   e. WRCOG
   f. City of Riverside
   g. Other Government
   h. Community
   i. Academia
5. Operating budget funds 1-3 Years
   a. Staff & Office
   b. Program
   c. Hub & Spoke Management
   d. Marcom

REGION-WIDE CONNECTIVE TISSUE

A Hub & Spoke model will enable RSBO communities to achieve the new mission by working together: The Innovation 2030 organization will build, manage, and fund the Hub & Spoke Network:

1. Leverage assets and stakeholders
2. For each hub/ spoke, identify specific:
   a. Roles
   b. Benefits
   c. Contributions
3. ID connective hub and spoke programming
4. Develop an identity to create external recognition that builds Inland SoCal into a premiere Innovation brand

A DISTRIBUTED INNOVATION ECOSYSTEM

PROGRAMMING TO SUPPORT INNOVATION

A wide range of programming is necessary to develop an innovation ecosystem.

1. Entrepreneur-in-Residence programming
2. RSBO-wide acceleration business contest
3. Workforce Future-Proofing programming
4. Early Adopter programs for all RSBO Cities
5. Design Thinking for city leadership
6. Thought Leadership/ Center of Excellence events
7. Partnerships

LOCATIONS & PLACES TO LIVE/WORK/PLAY

A grouping of unique, closely connected places which foster innovation and entrepreneurship.

1. Identifying the right facilities to develop and showcase RSBO's innovators is a key objective of Innovation 2030.
2. An series of Innovation Districts (ID) using the Riverside ID as the first model.
3. Live/work/play facilities are needed in an Innovation District, including:
   a. Labs
   b. Prototype Centers
   c. Makers centers
   d. Co-working spaces
   e. Restaurants
   f. Entertainment venues
   g. Innovation showcases
3. Build out a major convening space
4. Identify and build out necessary infrastructure elements.

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Item 5.I

Experience Subregional Innovation Center Activities Update

Attachment 2

Experience Phase II, Stage 1 Stakeholder Interviews

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Primary Research: 40+ Meetings to Date

So far, more than 40 meetings have been conducted

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Item 5.J

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: Alternative Compliance Program Activities Update

Contact: Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711

Date: November 4, 2019

The purpose of this item is to *provide an update of recent activity on the development of a proposed, voluntary Alternative Compliance Program (ACP). The ACP would create a voluntary opportunity for alternative compliance with updated Municipal Separate Stormwater Sewer System (MS4) Permit requirements, which might otherwise be cost prohibitive for many developments.*

Requested Action:

1. Receive and file.

Stormwater management is a complex issue and the MS4 Permit is the primary mechanism to regulate stormwater. New regulations have required Regional Water Quality Control Boards (RWQCB) to update their MS4 Permits to require additional stormwater treatment measures when new development occurs. These regulations may increase cost and the need for more land, thus negatively affecting the feasibility of new development. As a result, RWQCBs may enable programs that assist in complying with these new regulations. In 2016, WRCOG completed a study to understand the feasibility of a Program in the southwest area of the region. WRCOG is interested in providing local jurisdictions a framework so that they are able to implement a Program if they so choose – any resulting Program would be voluntary.

Update on WRCOG Efforts to Address Stormwater Requirements

WRCOG staff and its project team worked on an Alternative Compliance Framework to further enable the structure of a potential Alternative Compliance Program (ACP) as a voluntary one, under which jurisdictions and property owners choose to participate in a regional Program or address stormwater issues individually. This Framework is intended for jurisdictions to consider and provide an approach to follow if they so choose to participate in an ACP. It was determined along the process that the focus of WRCOG's efforts at this time should be on a Program within the San Diego RWQCB region (County of Riverside, and the Cities of Murrieta, Temecula, and Wildomar) because the San Diego RWQCB currently allows this type of Program in its MS4 Permit.

In 2019, WRCOG staff met with jurisdictions within the San Diego RWQCB to discuss their interest and gather feedback on the Framework. The Cities of Murrieta, Temecula, and Wildomar provided feedback on the Framework which WRCOG staff has addressed. These jurisdictions have indicated that a regional Program would be beneficial for their jurisdictions to participate and they would like to further pursue developing a Program and obtain feedback from the San Diego RWQCB. The County of Riverside provided a comment letter to WRCOG in May 2019 and WRCOG worked to provide responses to comments. The County of Riverside has requested additional analysis to explore whether an ACP would benefit the County. WRCOG staff will be working with its project team to conduct this additional analysis.

As the WRCOG subregion lies within different RWQCB areas, the team is approaching the other RWQCB areas differently. The San Diego RWQCB has indicated in its MS4 Permit that an ACP can meet the new MS4 Permit requirements but provided additional details on what an ACP must include. The MS4 Permit for the Santa Ana RWQCB region is currently on hold, so it is not certain if an ACP is eligible; however, WRCOG staff will continue working with Santa Ana RWQCB staff to enable that option in the MS4 Permit.

ACP Guidance Manual for San Diego RWQCB Region

The team drafted an ACP Guidance Manual which describes information pertinent to ACP components, such as document recording, credit / deficit recording, collecting fee-in-lieu and annual fees, and assuring ongoing maintenance and compliance. This document was provided to Riverside County Flood Control, Riverside County, and the Cities of Murrieta, Temecula, and Wildomar for review and comment. All of the agencies provided comments which were incorporated into an updated manual. Staff from Riverside County has requested a follow-on meeting to discuss the draft Guidance Manual and specific issues related to land development in Riverside County.

Prior Action:

March 15, 2018: The Technical Advisory Committee received and filed.

Fiscal Impact:

Activities for the Alternative Compliance Program are included in the Agency's adopted Fiscal Year 2019/2020 Budget under the Transportation Department.

Attachment:

1. Draft Stormwater Compliance Credit Program Guidance Manual.

Item 5.J
Alternative Compliance Program Activities Update

Attachment 1
Draft Stormwater Compliance Credit Program Guidance Manual

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Western Riverside Council of Governments

Stormwater Compliance Credit Program (SWCCP) Guidance Manual

DRAFT

October 23, 2019

Prepared for WRCOG by
Birchline Planning LLC

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ACRONYMS and ABBREVIATIONS

Alternative Compliance	Provision E.3.c.(3)(a)of the 2013 MS4 Permit
MS4 Permit	Municipal Separate Storm Sewer System Permit, Order No. R9-2013-0001, as amended by R9-2015-0001 and R9-2015-0100
PDP	Priority Development Project
RCFCWCD	Riverside County Flood Control and Water Conservation District
RTLMA	Riverside Transportation and Land Management Agency
SDRWQCB	San Diego Regional Water Quality Control Board
SWCCP	Stormwater Compliance Credit Program
TUMF	Transportation Uniform Mitigation Fee
WMAA	Watershed Management Area Analysis
WQE	Water Quality Equivalency Guidance Document Region 9, for Participation in Jurisdictional Offsite Alternative Compliance Programs, dated December 2015 (or as amended)
WQIP	Water Quality Improvement Plan
WQMP	Water Quality Management Plan
WRCOG	Western Riverside Council of Governments

Map of WRCOG and Santa Margarita Watershed borders

Credit Review Process Graphic

Table of Contents

EXECUTIVE SUMMARY

This Program Guidance Manual outlines the Stormwater Compliance Credit Program (SWCCP) established by the Western Riverside Council of Governments (WRCOG). Acting in its capacity as a regional organization with a mission to serve member agencies, WRCOG has coordinated with the Riverside County Flood Control and Water Conservation District (RCFCWCD), Riverside County Transportation and Land Management Authority (RTLMA), municipal jurisdictions, and other agencies within the County to develop a voluntary, optional program for managing Alternative Compliance credits under the Municipal Separate Storm Sewer System Permit for the San Diego Region (MS4 Permit).

The Alternative Compliance provisions in the MS4 Permit reflect the technical and financial challenges of on-site stormwater compliance in the San Diego region. Providing an option for Priority Development Project (PDP) applicants to manage all or part of the required volume of stormwater off-site helps applicants overcome site-specific technical challenges, as well as the financial constraints facing development (particularly infill redevelopment, transit-oriented development, and affordable housing) in Western Riverside County communities. Under the terms of the MS4 Permit, Co-Permittees may adopt Alternative Compliance provisions that allow PDP applicants to pay a fee-in-lieu towards the cost of constructing a stormwater treatment project elsewhere in the watershed, or to construct an Alternative Compliance project themselves. However, the MS4 Permit does not address the program structure and approach needed to implement these measures in the context of the land use entitlements process.

To address this need, WRCOG will administer this SWCCP to ensure that the Co-Permittees and PDP sponsors in the Western Riverside region have a ready means of facilitating stormwater compliance and watershed enhancement projects in an efficient, cost-effective manner. WRCOG's Executive Committee, and the participating agencies in the SWCCP development process, find that this program will benefit WRCOG's member and partner agencies through the continued improvement of the region's environmental, economic and community quality. As WRCOG is not a Co-Permittee under the MS4 Permit, with no authority to review or approve stormwater projects, WRCOG will act as the administrator of a Regional Credit Bank that maintains stormwater "credits" and "debits" under the terms and conditions of the MS4 Permit and the implementing Water Quality Equivalency guidance (WQE).

Any of the legal Co-Permittees party to the MS4 Permit may choose to participate in this program by establishing a locally-adopted Alternative Compliance program and requesting participation in the SWCCP. As set forth in this Guidance Manual, program administration chiefly will be carried out by WRCOG staff supporting an Involved Agencies Working Group (Working Group). The Working Group, procedures for which are set forth in this Guidance Manual, will have policy-setting and decision-making roles; bi-annually, the Working Group will set the price for credits to be purchased by PDP applicants to achieve compliance with the MS4 Permit. Providing a consistent forum for involved agency communication, with defined responsibilities and procedures, supported by professional staff, is among the most important support WRCOG can provide to ensure the viability of Alternative Compliance in the region.

1.0 PROGRAM PURPOSE and AUTHORITY

1.1 Program Overview

WRCOG has adopted this voluntary Stormwater Compliance Credit Program (SWCCP) as a means of maintaining and managing a record of credits generated and used under the Regional MS4 permit's[1] Alternative Compliance provisions, which allow for the off-site treatment of development-related stormwater runoff using "credits" created by supplemental treatment and control on other sites. This program creates a Regional Credit Bank that facilitates the generation, management, and proper use of Alternative Compliance credits.

While each MS4 Co-Permittee has the authority to establish a locally-managed Alternative Compliance program, WRCOG member municipalities and allied agencies, including the RCFCWCD and RTLMA recognized both the tremendous opportunities and the substantial administrative challenges involved in implementing Alternative Compliance at an inter-municipal or regional scale. In response, in service to its members, WRCOG has developed the SWCCP and this Guidance Manual. This centrally-managed administrative program is intended to offer effective and efficient management and tracking of stormwater "credits" created and allocation of credits to credit "purchasers." The SWCCP also provides a means to reimburse the sponsors of credit generating projects, and once the program is more robust, to provide a source of funds for sponsors of additional watershed enhancement (i.e. credit-generating) projects. The form of the SWCCP reflected in this Guidance Manual reflects the needs and direction expressed by participating member municipalities and agencies. It also outlines how municipalities and agencies may voluntarily "opt in" to this program to facilitate inter-municipal, inter-agency, and regional solutions.

WRCOG's role in establishing this stormwater-focused program is distinct from those of its member municipalities, RTLMA, and RCFCWCD. WRCOG is not an MS4 permittee, and has no role in managing or maintaining any of the region's MS4 systems. WRCOG does not promulgate land use or stormwater regulations, or review development projects for compliance with stormwater or land use regulations. This Guidance Manual for the SWCCP has been written in cooperation with RCFCWCD and RTLMA, along with municipalities and other regional stakeholders, and is complementary to the authorities of the Co-Permittees. Agencies and municipalities choosing to opt in to the SWCCP may do so by following the steps outlined in this Guidance Manual, and participating in the Working Group process.

1.2 Program Intent

It is the overall intent of WRCOG to use the opportunity created by Alternative Compliance, as authorized in the MS4 Permit and adopted locally by MS4 Co-Permittees, to facilitate

[1] At the present time (2018), Alternative Compliance is part of the MS4 permit for the Santa Margarita watershed only, and not for the Santa Ana watershed. If, when and as similar provisions are adopted by the Santa Ana Regional Water Quality Control Board, WRCOG anticipates extending the SWCCP to its member municipalities and affected agencies within the Santa Ana watershed.

investments in infrastructure, development, and water quality enhancement projects that benefit Western Riverside County. As is the case with many other programs and initiatives, WRCOG is providing this program as a voluntary service to members, offering an administrative framework that optimizes use of the stormwater credit capacity created by watershed enhancement projects constructed in the region. The SWCCP implements an important finding of WRCOG's *Land Use, Transportation and Water Quality Framework* (2013) that found the potential for stormwater regulations to have substantial impacts on infill development and housing in Transit Priority areas of Western Riverside County; this study promoted a regionally-managed alternative compliance option as one means of ensuring that the regulatory framework for stormwater did not conflict with the region's housing, land use, and community development goals.

1.3 Scope of Authority and Program Framework

The SWCCP, and this implementing Guidance Manual, have been formally adopted by the WRCOG Executive Committee. As such, while the program is intended to be consistent with applicable MS4 permit provisions, the actions and policies herein are governed by the WRCOG Executive Committee in accordance with WRCOG's standards and procedures (By-Laws). WRCOG's scope of authority extends only to administrative tracking measures outlined in this manual. Once this program is in place and sufficiently robust, WRCOG intends to facilitate the transfer of funds from credit purchases to support the construction of watershed enhancement projects by regional Co-Permittees.

It is important to emphasize that WRCOG's functions under this program rely on RCFCWCD and municipal staff carrying out their delegated review authority under the MS4 Permit. Co-Permittee staff are, in this program, responsible for analysis of all technical aspects of reviews of Water Quality Management Plans (WQMP), and analysis under the WQE, to determine credits generated or required by individual projects. While there is always the potential for WRCOG to expand its responsibilities at member municipalities' request, consistent with any developments in the MS4 Permit, this Guidance Manual as adopted by the WRCOG Executive Committee clearly limits WRCOG's responsibilities to managing the administrative process outlined herein.

1.4 Regional Credit Bank Structure

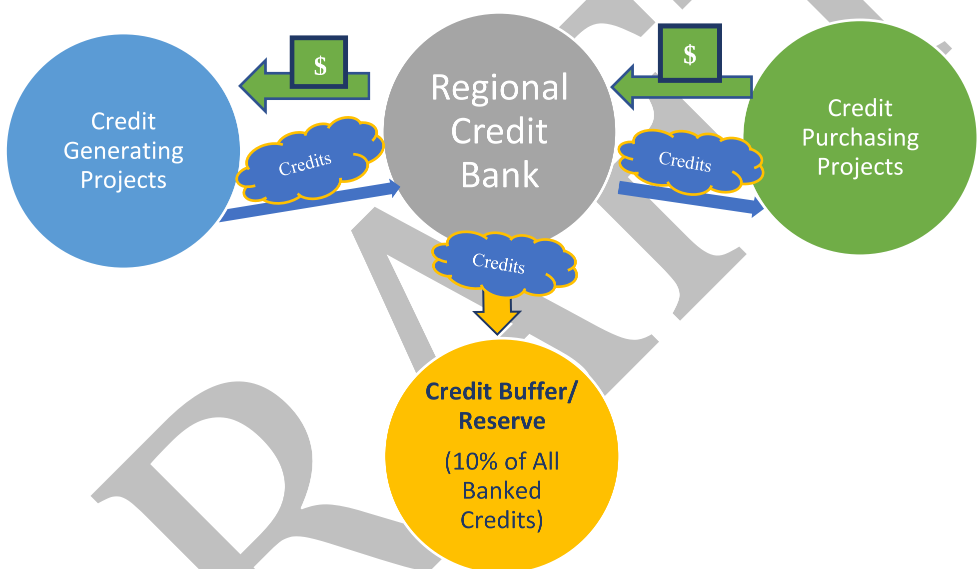
The SWCCP establishes a regional "credit bank" that enables three functions:

1. ***Tracking inter-municipal and other regional credits:*** The primary purpose of the SWCCP is to facilitate inter-municipal and regional credit generation and use. The SWCCP will track and manage credits generated at sites in any participating municipality or multiple municipalities (e.g. multi-city greenways, etc.), and will make those credits available to credit-purchasing projects in the same watershed (i.e. Santa Margarita River watershed).
2. ***Tracking intra-municipal credits:*** Any member municipality or regional agency that has authorized an Alternative Compliance program may request that WRCOG track and manage stormwater credits that are generated and used solely within its municipal

borders. While it is anticipated that most local programs of this type will be managed by the municipality, WRCOG will do so through the SWCCP if requested by the municipality or agency. An administrative fee will be charged by WRCOG for this service, consistent with the provisions set forth in this Guidance Manual.

3. ***Maintaining a watershed credit buffer:*** For each watershed area (i.e. Santa Margarita River), a credit reserve or buffer representing ten percent (10%) of the credits deposited in the Regional Credit Bank will be maintained in order to cover any potential cases of non-compliant credit-generating projects, or temporal issues with project construction.

Figure 1. Regional Credit Bank Structure



2.0 Involved Agencies and Foundational Documents

2.1 Relationships of WRCOG, Co-Permittees and Foundational Documents

By establishing the SWCCP, WRCOG is acting as an administrative hub for the many agencies involved in implementing water quality regulation and restoration in the region. Each of the Co-Permittees and other involved agencies, has different roles in project development and review, and in the preparation and implementation of various regulatory and planning documents. This Section reviews the role and function of key agencies involved in the SWCCP. Section 2.0 reviews the Foundational Documents, both regulatory and guidance, that affect implementation.

Program administration for the Regional Credit Bank chiefly will be carried out by WRCOG staff supporting the Involved Agencies Working Group. The Working Group, procedures for which are set forth in Section 4.0 of this Guidance Manual, will review and make recommendations on policy issues; review the status of un-used or 'expired' credits and applications for extension; and bi-annually, set the price for credits to be purchased by PDP applicants to achieve compliance with the MS4 Permit. Providing a consistent forum for the involved agencies with defined responsibilities and procedures, supported by professional staff, is among the most important support WRCOG can provide to ensure the success of a Regional Credit Bank program.

2.1.1 Riverside County Flood Control and Watershed Conservation District (RCFCWCD)

As the lead Co-Permittee for Riverside County, RCFCWCD prepares and submits the key regulatory documents governing both PDP compliance with the MS4 Permit, and the foundational documents authorizing adoption and use of Alternative Compliance in covered jurisdictions. RCFCWCD thus has a primary role in determining the technical content of the program that WRCOG administers. RCFCWCD also led preparation, submittal and approval of the Water Quality Improvement Plan (WQIP) and Watershed Management Area Analysis (WMAA) for the Santa Margarita Watershed.

Importantly, RCFCWCD also has agreed that credits generated by the District's capital projects will be deposited automatically in the Regional Credit Bank, as a means of creating capacity for the use of Alternative Compliance in the region.

2.1.2 Riverside County Transportation and Land Management Agency (RTLMA)

Riverside County's governmental agencies and departments are anticipated to be active participants in the SWCCP. Regulatory review, as well as capital project development and construction, fall under the auspices of the RTLMA. RTLMA staff will review all WQMPs for the County. The Transportation Department also has authority for policy making, development and implementation of transportation and transit capital projects, and manages the County's transportation and MS4 networks. Stormwater treatment systems built in conjunction with RTLMA projects are anticipated to generate credits for the Regional Credit Bank. RTLMA also may need to purchase credits for transportation and other capital projects where on-site treatment is cost-prohibitive or where site conditions are especially challenging.

2.1.3 Caltrans

Like RTLMA, Caltrans develops and manages portions of the transportation network in Riverside County, developing and managing substantial stormwater treatment facilities. Under this SWCCP Caltrans is eligible both to bank credits and to purchase credits in the same manner as other agencies.

2.1.4 Western Riverside Municipalities

Municipalities are eligible to participate in the program by opting in to the SWCCP, as outlined in Section 4.1.2, and may voluntarily withdraw. The SWCCP has been designed to facilitate credit-generating or credit-using projects that involve two or more municipalities. In these cases, each involved municipality must opt in to the SWCCP, at which time WRCOG can administer and manage the credits generated.

Municipalities' legal responsibilities under the MS4 Permit are not reduced by participation in the SWCCP: Each municipality must, under the MS4 Permit, adopt locally an ordinance authorizing the use of Alternative Compliance for PDPs approved within its jurisdiction. Municipal staff (or their designees) also are responsible for the review and approval of WQMPs and determining the credits generated or required using the WQE. As outlined in this Guidance Manual, the number of credits deposited to or allocated from the Regional Credit Bank with any project will be determined by the approved WQMP.

2.1.5 Public Land Owners

Many environmental enhancement projects on public lands, such as riparian corridor restoration, trail construction, and bridge or culvert replacement, are eligible as credit-generating projects under the MS4 permit and the WQE.   Under the SWCCP, projects constructed on public lands within western Riverside County may be deposited in the Regional Credit Bank, and funds from credit purchases distributed to the project sponsors, as outlined in Section 5.0.

2.1.6 Development Applicants/Non-Public Land Owners

Private-sector applicants for Priority Development Projects (PDPs) may deposit credits into the bank and may purchase credits, provided the municipality(ies) with jurisdiction over the PDP have adopted Alternative Compliance provisions locally. The purchase and use of credits must be fully consistent with the municipally-approved WQMP for the project, the associated WQE analysis, and the procedures outlined in this Guidance Manual.

Table 1. Co-Permittee/Agency Responsibilities

	Responsibility							
Co-Permittee/ Agency	Prepare / Submit WMAA	Prepare/ Submit WQIP	Prepare Model PDP WQMP	Prepare BMP Design Manual	Review PDP WQMPs	Evaluate Project-Specific WQE Analyses	Certify Credits Needed/ Generated	Monitor PDPs, AC projects for Compliance
RCFCWCD	💧	💧	💧	💧	💧	💧	💧	💧
Municipalities					💧	💧	💧	💧
Caltrans						💧	💧	💧
RTLMA					💧	💧	💧	💧

2.2 Foundational Documents

Implementation of the Alternative Compliance program involves several foundational regulatory documents and processes related to watershed planning, stormwater BMP design and evaluation, Alternative Compliance crediting, and other stipulations of the MS4 Permit. While WRCOG has neither authority nor responsibility for the preparation or content of these documents, these documents set the policy framework for Alternative Compliance and the SWCCP. Each is incorporated by reference into this Guidance Manual. Where municipalities or other Co-Permittees participating in the SWCCP have adopted a superseding local document, ordinance or policy, these also are incorporated into this Guidance Manual. The Co-Permittees must certify to WRCOG that individual projects using the Regional Credit Bank is fully consistent with applicable provisions of these documents.

Table 2. Foundational Documents Incorporated by Reference

Document	Adoption/ Effective Date
Watershed Management Area Analysis (WMAA)	[XXXX]
Water Quality Improvement Plan (WQIP)	[XXXX]
2018 Water Quality Management Plan for the Santa Margarita Region of Riverside County	July 5, 2018
Water Quality Equivalency Guidance Document Region 9, for Participation in Jurisdictional Offsite Alternative Compliance Programs	December 2015 (and as updated)
Riverside County Santa Margarita River Watershed Region Design Handbook for Low Impact Development Best Management Practices	June 2018
MS4 Permit, Order No. R9-2013-0001, as amended by R9-2015-0001 and R9-2015-0100	Adopted May 8, 2013; Amended February 11, 2015 and November 18, 2015

3.0 Credit-Generating Projects

3.1 Submittal Requirements for Credit-Generating Projects

Under the terms of the MS4 Permit and WQE guidance, a wide range of watershed restoration projects potentially can create Alternative Compliance credits. It is WRCOG's intent to support implementation of a broad suite of private- and publicly-sponsored watershed restoration projects through the Regional Credit Bank. As such, projects properly reviewed and credited by the applicable Co-Permittee, as set forth above, can be submitted to the Regional Credit Bank. All submittals of credit projects require the following to be submitted to WRCOG:

1. Demonstration of issuance of applicable land use approvals from the applicable MS4 Co-Permittee;
2. A WQMP or equivalent approved by the applicable Co-Permittee; and
3. WQE calculations and a determination of the specific credits to be banked, and credits that will constitute the 10% credit buffer.

3.2 Automatic and Voluntary Credit Banking

The involved agencies participating in development of the Regional Credit Bank have agreed that certain types of credit-eligible projects constructed in the Santa Margarita watershed will automatically be included in the Regional Credit Bank. This is intended both to ensure the viability of a regional program, with sufficient credits deposited to meet compliance needs, and to provide assurance to the San Diego Regional Water Quality Control Board (SDRWQCB) that credit tracking will be managed effectively for multi-party, inter-municipal, and privately-sponsored projects.

3.2.1 Automatic Credit Banking

Projects constructed under RCFCWCD's Capital Improvement Program that are able to be credited under the WQE will automatically be deposited in the Regional Credit Bank, upon submittal of the approved documentation to WRCOG.

3.2.2 Voluntary Credit Banking

Inter-municipal projects and County-sponsored projects may be deposited in the Regional Credit Bank at the request of the City Manager or equivalent executive of the sponsoring jurisdiction(s). Participating municipalities must adopt Alternative Compliance locally, and request participation in the SWCCP.

Municipally-sponsored projects in jurisdictions that have otherwise chosen to administer credits locally may deposit credits in the Regional Credit Bank, upon written request to WRCOG. Certification of the intent to bank the credits through the SWCCP may be made by the City Manager or equivalent executive. Otherwise, municipalities are not required to use the SWCCP or Regional Credit Bank.

Projects sponsored by other public agencies, including the US Army Corps of Engineers and special purpose authorities may be banked at the request of the public agency to WRCOG.

Credits generated from ***projects sponsored by a private entity*** (whether non-profit, for-profit, or quasi-public) may be deposited in the Regional Credit Bank. To do so, the applicant must have an MS4 Co-Permittee sponsor who submits the project to the Regional Credit Bank, using the process and requirements outlined in this Guidance Manual. Technical studies (i.e. WQE and WQMP, or equivalent project documentation by a public agency) and certification of the municipality's authority to enter and maintain the credit-generating project in the event of non-compliance (detailed in Section 5.3) must be completed and approved by the responsible Co-Permittee in order for the credits to be banked.

4.0 Credit Bank Administration

4.1 Administrative Roles and Functions

4.1.1 WRCOG Responsibilities

Under the SWCCP, WRCOG will manage the Regional Credit Bank, noting again that WRCOG is a managing entity, is not an MS4 Co-Permittee, and is not an entity against which enforcement would be taken in the event of non-compliance. This section sets forth the procedures by which an internal Working Group convened by WRCOG will administer the SWCCP.

In keeping with WRCOG policies, WRCOG's management will be based on a collaborative decision-making and policy-setting process with participating municipalities and agencies to administer the Regional Credit Bank. It is WRCOG's intention to adapt these policies over time through input of the Working Group to respond to the needs of member communities and agencies, and with the evolution of the MS4 Permit program. Therefore, this Guidance Manual may be updated from time to time to reflect these changes.

4.1.2 Procedures for Program Participation

Participation in the SWCPP shall be granted by WRCOG upon a written request of the City Manager or equivalent executive in a municipality or other participating public agency. The request to WRCOG must specify that the participating agency will abide by the procedures outlined in this Guidance Manual. Participating Co-Permittees also must make a written commitment to send an appropriate designee with authority to act on its behalf to all scheduled meetings of the Working Group.

Withdrawal from the SWCCP may be made upon a vote of the Co-Permittee or agency's governing board or elected officials, who may authorize a City Manager or equivalent executive to provide a written statement of withdrawal to WRCOG. However, in this event, projects within or sponsored by that Co-Permittee or agency that were enrolled in the Regional Credit Bank prior to the date of the written statement of withdrawal may not be removed from it. Any payments due to a withdrawing agency or municipality for credits sold (see Section 5.4) will be paid through the close of the calendar year in which the statement of withdrawal is submitted. No project located wholly or partially in a withdrawing municipality, or sponsored by a withdrawing agency, shall be eligible to apply for the assignment or banking of credits after the date of the request for withdrawal; any applications in process likewise shall be deemed withdrawn as of the date of the statement of withdrawal.

4.2 Involved Agency Working Group

4.2.1 Working Group Composition and Meetings

WRCOG will convene the Involved Agency Working Group (Working Group) to manage the Regional Credit Bank and the SWCCP. The Working Group will include representatives from RCFCWCD, RTLMA, and each municipality that has opted in to the SWCCP, along with two members at large representing the private-sector regulated community in Western Riverside County. Other agencies participating in the SWCCP or actively engaged in developing credit generating projects may petition the WRCOG Executive Committee for membership in the Working Group

The Working Group will be the chief policy setting body for the SWCCP. Working Group meetings will be held no less than quarterly with quorum required for a meeting; all meetings shall be treated as publicly noticed meetings, and shall be open to the public. The Working Group's members may choose to meet more frequently as required.

At its meetings, the Working Group will manage the banking and assignment of credits from the Regional Credit Bank. The submittal of complete applications to WRCOG staff will trigger the Working Group's review of specific applications for credit banking and use. WRCOG staff shall have the authority to determine the date by which complete applications must be submitted in order for the application to be heard at the next Working Group meeting.

4.2.2 Working Group Responsibilities

The Working Group will set priority for the allocation of credits, consistent with the MS4 permit, and manage the "queue" of available Alternative Compliance credits. To allocate credits to a PDP, the Working Group shall issue a *Determination of Availability* formally allocating credits to a particular PDP, and committing those credits, subject to the conditions and time limits that are further set forth in this section.

It is the intent of WRCOG and RCFCWCD to facilitate the development of credit projects in the region and to ensure that the number of available credits is sufficient to meet regional demand. In the event demand exceeds the available supply, publicly-sponsored PDPs requesting credits generally shall have priority over privately-sponsored PDPs. In the event requests for credits exceed the number available in the Regional Credit Bank, the Working Group will have discretion to establish a priority among or between projects.

4.2.3 Application Review

The Working Group shall review applications for credit banking or credit use, with the presumption that the application has been properly reviewed and certified by the responsible Co-Permittee. The Working Group will strive to achieve consensus in its decision-making; in the event consensus cannot be achieved, a vote of the majority of Working Group members present shall be sufficient to authorize or deny an application for credit banking or use. Any applications denied may be referred back to the responsible Co-Permittee for review or revision; in such case, WRCOG staff will provide a summary of the Working Group's decision and any recommended revisions. Applications denied or remanded may be modified and re-submitted.

4.3 Dispute Resolution

WRCOG's procedures for dispute resolution shall govern decision-making by the Working Group, applications for credit banking or use, the assignment and administration the Credit Bank, and other actions taken pursuant to this Guidance Manual. A decision of the Working Group may be appealed to WRCOG's Executive Director, who shall make a decision and communicate the decision to the appellant and the Working Group. Decisions of the Executive Director may be appealed to the WRCOG Technical Advisory Committee, which shall render its decisions. The Technical Advisory Committee's decision may be appealed to the WRCOG Executive Committee; decisions of the Executive Committee shall be final and binding on all parties.

4.4 Credit Buffer

To ensure that the SWCCP is consistent with the aims of the foundational documents, WRCOG will retain an un-allocated Credit Buffer or reserve of ten percent (10%) of all credits deposited in the Regional Credit Bank. The allocation of the deposited credits between pertinent categories in the WQE (i.e. hydrologic modification and pollutant attenuation) will be determined by the Working Group when each credit-generating project is reviewed for acceptance. Maintenance of the credit buffer is intended to ensure that in the event of temporary non-compliance, damage from natural events or man-made activities, or necessary BMP replacement, additional treatment and controls have been put in place to protect watershed functions while a damaged or non-compliant BMP or project is restored by the responsible party.

At the present time the Credit Buffer will be designated for the Santa Margarita watershed; at such time as areas in the Santa Ana watershed become eligible for Alternative Compliance, a separate watershed Credit Buffer will be established.

4.5 Credit Pricing

One of WRCOG's roles as administrator of the Regional Credit Bank will be to set a price for the use of credits. As has been the practice with the Transportation Uniform Mitigation Fee (TUMF) program, pricing will be the responsibility of the Working Group, operating under the decision-making procedures set forth in this Guidance Manual. In further keeping with the approach of the TUMF program, and many other well-established impact fee systems, credit pricing will be based on a periodic review of current information regarding the cost per unit to construct stormwater treatment and control measures (BMPs) providing treatment equivalent to the treatment required in the MS4 Permit, and the model WQMP for Riverside County prepared by RCFCWCD.

4.5.1 Credit Price Setting Procedures and Administrative Fee

Credit prices will be set bi-annually. WRCOG staff will, in consultation with its consultants, make a preliminary recommendation on credit pricing to the Working Group. The Working Group shall be asked to provide input and recommendations on the proposed pricing, and a proposed final pricing structure shall be developed by WRCOG staff. The final pricing shall be approved by the Working Group; while a consensus approval is desired, in the event that consensus cannot be achieved, the Working Group shall take a vote of its members present and a majority may approve the credit pricing. This decision is appealable per the procedures in Section 4.3.

Between credit price updates, as part of its regular meetings, the Working Group will convene a sub-group or committee of the whole to evaluate the cost of stormwater-related capital improvements from a range of private, public, rural, urban and transportation projects constructed within the Santa Margarita watershed area. Should Alternative Compliance provisions be expanded to the Santa Ana watershed, a similar procedure shall be used to set credit prices for projects in that watershed.

All assignments of credits from the Regional Credit Bank will be subject to an Administrative Fee (currently 4% for other WRCOG programs). The fee will be set bi-annually by the WRCOG Executive Committee, at the same time the credit prices are updated, and will be based on a recommendation from WRCOG staff and the Working Group. As with the TUMF program, the administrative fee is intended to reflect the program's administrative cost to WRCOG.

4.5.2 Assignment of Pricing Tiers for Credit Applications

Credit prices will be set for three tiers of projects, which are determined by the nature of the ultimate end user purchasing the credits. The Working Group shall have authority to determine the appropriate pricing tier for each credit-using project. Table 3 below is intended to provide guidance to the Working Group on the types of credit purchasers/end users appropriate to each pricing tier; it is not intended to be exhaustive. PDP applicants may request a non-binding determination of the applicable pricing tier from WRCOG staff prior to filing an application; applicants also may appeal the Working Group's determination, as set forth in Section 4.3.

Table 3. Credit Pricing Tiers

Credit Pricing Tier	Type of Purchaser/ End User	Notes
Full-Price	Private buyers: Private-sector applicants for PDP approvals PDP developed for market-rate use and does not include a substantive affordable housing or TOD component	Full price credits reflect the full cost of stormwater BMP implementation in the region during the pricing period as outlined in Section 4.5.1.
Half-Price	• Private buyers: Applicants for PDPs that include a substantive (e.g. 50% or greater) component of Transit-Oriented Development or affordable housing (as defined in Health and Safety Code Sections 50079.5 (rental housing) and 50093 (for-sale housing). • Restoration projects sponsored or transferred to the control of for-profit parties	Half-price credits are set at 50% of the full cost of stormwater BMP implementation during the pricing period.
No-Cost	• Public agencies including RCFCWCD, RTLMA, Caltrans and municipalities • Public and private non-profit educational and health care institutions • Restoration projects sponsored and managed by a public or non-profit entity	Administrative fees apply to all credit requests, including no-cost credit requests

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4.6 Forms and Certifications

WRCOG will maintain and administer a number of forms and certifications in association with the SWWCP. These forms and certifications, which will be developed by WRCOG staff and approved by the WRCOG Executive Committee, will include:

1. *Credit Bank Authorization*: Establishes the program and Working Group
2. *Request for Assignment of Credits (Application)*: Application and required information for applicants seeking to purchase/use credits from the bank; the Working Group will require 3-6 months for processing, depending on the timing of the application and upcoming Working Group meetings.
3. *Request to Bank Credits*: Application, required information, and statement of sponsorship by a public Co-Permittee (for private applicants) to submit project-generated credits to the Regional Credit Bank; the Working Group will require 3-6 months for processing, depending upon the timing of the submittal.
4. *Credit Deposit Certification*: A statement of the number and type (i.e. hydrologic modification or pollutant removal) of credits certified as deposited to the regional credit bank, and pertinent dates for determining reimbursement under Section 5.4.
5. *Determination of Availability of Credits*: Statement assigning a specific number and type of credits to an applicant and project, based on a Request for Assignment of Credits. Determinations will be time-limited and subject to conditions of approval and execution of a final Credit Purchase Agreement, as set forth in Section 5.2.2.
6. *Credit Purchase Agreement*: WRCOG will certify that a final purchase or assignment from the Regional Credit Bank is issued, that all applicable administrative and credit charges have been paid, and that the credits and associated credit reserve are legally encumbered.
7. *Credit Refund:* In the event a project to which credits were assigned and for which a Credit Purchase Agreement was executed has been formally abandoned without using all or some of the purchased credits, a credit refund will be issued by WRCOG.
8. *Notice of Credit Expiration*: Credits allocated through a Determination of Availability of Credits that have not been finalized through a Credit Purchase Agreement will expire, as set forth in Section 5.2.2. Applicants will receive this formal notice of expiration from WRCOG.
9. *Payment Receipt for Purchase of Credits*: WRCOG will issue formal receipts of all payments made in association with the SWCCP.

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5.0 Procedures for Credit Use

5.1 Overview

This section outlines the process by which applicants for PDPs may request and make use of credits, including procedures for payments and the applicable timelines for approval and use of credits.

5.2 Credit Purchase Procedures

5.2.1 Responsible Co-Permittee Authorization Required

It is essential that any request for the use of credits from the Regional Credit Bank, whether for public or private projects, be made through and with concurrence of the Co-Permittee with authority to approve a WQMP and WQE for the associated project. The signature of the municipal official with authority approve the request for credits shall be used as evidence of a municipality's sponsorship of the request for credits, or sponsorship of a credit-generating project to be added to the Regional Credit Bank.

5.2.2 Credit Purchase Steps

WRCOG recognizes the uncertainties and challenges encountered by PDP applicants in the land use approval process. The timeframes set forth are intended to coordinate with and accommodate the most common process for land use approvals.

1. Request for Assignment of Credits (Application): Requests for Assignment of Credits should be filed with WRCOG upon filing of a complete WQMP and WQE analysis with the responsible MS4 Co-Permittee. No Request for Assignment of Credits will be processed by WRCOG staff without a determination by the responsible MS4 Co-Permittee that the WQMP has been deemed complete. WRCOG will require a 3- to 6-month processing time for the Request, depending upon the timing of the filing and upcoming Working Group meetings.

2. Determination of Credit Availability: Within 30 days of the Working Group meeting at which the Request is reviewed, the applicant will be notified in writing by WRCOG staff of (1) the number and types of credits that are available, and (2) the project's proposed pricing tier, which will be determined by the Working Group. The Working Group's decision on the availability of credits is a ministerial decision determined by the number and type of credits available through the bank; this determination is not subject to applicant appeal. However, applicants have 15 days from receipt of the Working Group's determination to appeal a decision on the pricing tier determination in accordance with the procedures in Section 4.3. In cases of appeal, the requested credits will not be deemed reserved for the project until appeals are exhausted the applicant has notified WRCOG, in writing, of acceptance of the pricing tier.

3. Duration of Credit Availability and Extensions: If credits are available and the applicant has accepted in writing the final determination of the pricing tier, the credits will be reserved for five (5) years starting from the original date of approval by the Working Group. One five-year extension, starting the first calendar day after the expiration of the original five-year period, may be requested for cause upon written application to, and approval of, the Working Group. While the pricing tier in place at the time the Assignment of Credits is issued will remain in effect throughout the credit reservation, the actual credit price to be paid will be the price per credit for that tier in effect when the applicant finalizes a Credit Purchase Agreement with WRCOG. If the project is abandoned or the WQMP is denied by the reviewing Co-Permittee, the Assignment of Credits shall be null and void.

4. Execution of Credit Purchase Agreement: Roughly three to four months before applicants holding an Assignment of Credits will apply for building permits for the activity authorized in the associated WQMP, applicants should contact WRCOG staff to develop a Credit Purchase Agreement. The Credit Purchase Agreement, and associated payments of credit and administrative fees, must be received by WRCOG or the responsible Co-Permittee prior to issuance of first grading or building permit authorizing the activity approved in the WQMP. Payments may be made to WRCOG or the responsible Co-Permittee, which must remit the fee to WRCOG within 30 days of receipt of payment. Once a Credit Purchase Agreement has been executed payment received by the Co-Permittee or WRCOG, the associated credits are deemed to be permanently allocated.

5. Refund for Unused Credits: If a project for which a Credit Purchase Agreement has been executed is not constructed (i.e. a grading or building permit is not issued for the activity authorized in the PDP), or the project is constructed in a manner that reduces the need for Alternative Compliance credits under the MS4 Permit, the applicant may apply to formally terminate or modify the Credit Purchase Agreement. In the event a project is abandoned, written notice of intent to abandon and to terminate the Credit Purchase Agreement must be submitted to WRCOG and the responsible Co-Permittee. Projects modified or partially built first must submit a modified WQMP or equivalent documentation to the responsible Co-Permittee; upon approval of the modified WQMP, the Working Group may modify the Credit Purchase Agreement reducing the number of credits assigned to the PDP.

If funds are available in the Regional Credit Bank at the time a Credit Purchase Agreement is modified or terminated, the applicant may apply to WRCOG to receive a monetary refund for the unused credits. Refunds shall be equivalent to the price the applicant paid per credit (i.e. the cost per credit in the applicable pricing tier in effect at the time of payment), less the current administrative fee set by the WRCOG Executive Committee. If funds are not available from the Regional Credit Bank, funds will be repaid over time at the original cost of purchase less WRCOG's administrative fee. The re-payment schedule will be determined by WRCOG's Executive Committee, based on availability of funds, which decision may not be appealed.

5.2.3 Modifying Requests for Credits

Any request to secure additional credits after the Working Group has issued a Determination of Credit Availability will be treated as a new request for credits. Such amendments will be subject to the procedures and priority outlined herein and will not have priority over other applications. Applicants requesting a reduction to a previously-issued Determination of Credit Availability for which a Credit Purchase Agreement has not been executed may submit a notification of amendment to WRCOG, along with an amended WQMP and WQE deemed complete by the responsible Co-Permittee. The Determination of Credit Availability will be modified at the next Working Group meeting, and any excess credits returned to the Regional Credit Bank.

5.3 Legal Encumbrance of Assigned Credits

Prior to the review of applications for credit deposits or use, municipalities and agencies opting in to the SWCCP must provide WRCOG with the legal encumbrances the Co-Permittee will require to ensure that (1) The Assignment of Credits and Credit Purchase Agreement are part of the properly recorded land use approvals for a credit-using PDP; (2) locally-recorded encumbrances provide the Co-Permittee with sufficient enforcement authority to enter and maintain in the event a credit-generating or credit-using project is out of compliance with the associated WQMP; and (3) provisions are made for periodic inspection, and prompt reporting to WRCOG in the event of any non-compliance, failure of a BMP or project, or proposed modification of an associated WQMP or other pertinent land use approval.

5.4 Payment to Credit-Generating Projects from Credit Sales

All entities (public or private) sponsoring a project that deposited credits into the Regional Credit Bank will be eligible to receive payment for any credits sold, up to a maximum of 90% of the total credits deposited. Payment will be made only after the generated credits are sold (i.e. a Credit Purchase Agreement using those credits is executed and recorded) and the funds are received by WRCOG.

On an annual basis, WRCOG will repay sponsors of credit-generating projects whose deposited credits were purchased in the prior fiscal year. The amount received by the entity generating the credits *may or may not be equivalent to the cost to the sponsoring entity of constructing the credit, or the price paid by an applicant to purchase credits generated by the sponsor's project*. The basis for payment shall be *90% of the total number of credits sold, multiplied by the average amount received per credit sold from all credit purchases from the Regional Credit Bank in the prior fiscal year,* less WRCOG's standard administrative fee (4% as of 2018). Payment shall be made 30 to 60 days after the close of the prior fiscal year.

6.0 Credit Expiration, Retirement, and Renewal

6.1 Life of Credits

This SWCCP operates under the assumption that credits generated and assigned through the Regional Credit Bank are in place in perpetuity. In the event of project modification, failure or required replacement, the procedures in place both under the MS4 Permit and this Guidance Manual are intended to ensure that the material conditions of the program (i.e. stormwater management measures) are maintained in a functionally equivalent manner to those authorized through the MS4 Permit, approved WQMPs, and the recorded encumbrances outlined above. It is the responsibility of the responsible Co-Permittee to notify WRCOG of any modification of projects credited to, or using credits from, the Regional Credit Bank; these modifications shall be addressed using the procedures outlined in this Guidance Manual.

6.2 Annual Reporting by WRCOG

WRCOG staff will make an annual report of all activity of the SWCCP, the Working Group, and activity in the Regional Credit Bank to its members, in a manner substantially equivalent to annual reporting of other WRCOG programs. The report will include an accounting of the equivalency of credits generated and allocated, repayments to credit generators, the status of the credit buffer, and the credits available in the Regional Credit Bank. The report also will document the status and anticipated payments to be made to any parties who are awaiting repayment for projects abandoned or partially completed. While WRCOG anticipates this report will be provided to the SDRWQCB, WRCOG's activities are not intended to substitute for Co-Permittees reporting responsibilities to the SDRWQCB under the terms of the MS4 permit or other applicable regulations and programs.

Item 5.K

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Resilient IE Activities Update**

Contact: **Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711**

Date: **November 4, 2019**

The purpose of this item is to *provide an update on the Caltrans grant-funded Regional Climate Adaptation Toolkit project, Resilient IE.*

Requested Action:

1. Receive and file.

Background

In October 2017, WRCOG, in coordination with the San Bernardino County Transportation Commission (SBCTA), submitted an application to the Caltrans Adaptation Planning Grant Program seeking funding to develop a toolkit to support regional efforts preparing for and mitigating risks associated with climate adaptation and transportation infrastructure. Caltrans awarded WRCOG and SBCTA a total of $683,431 for the project, to include the following components:

1. A newly established regional climate collaborative;
2. A revision to WRCOG's community vulnerability assessment (VA) and a new VA for SBCTA;
3. City-level, climate-related transportation hazards and evacuation maps;
4. A climate resilient transportation infrastructure guidebook; and
5. A regional climate adaptation and resiliency template general plan element.

Resilient IE Deliverables Defined

Following is a description of the specific products a completed Resilient IE will result in, focusing on WRCOG-specific components.

1. Regional Climate Collaborative: The climate collaborative is being formed across Riverside and San Bernardino Counties as a local branch of the Alliance of Regional Collaboratives for Climate Adaptation (ARCCA). ARCCA is a network of regional collaboratives across California that work together to advance climate adaptation statewide and increase local capacity to build community resilience. Through ARCCA, WRCOG and member agencies will be able to connect with peers across the region and state to exchange knowledge, engage in targeted problem-solving, and implement joint campaigns for climate resiliency, effectively breaking down silos across sectors and jurisdictions, with the express aim of increasing local efficiency and resiliency.

2. Regional Vulnerability Assessments: In 2014, WRCOG released its Subregional Climate Action Plan, CAPtivate, including a VA and Adaptation and Resiliency Strategy, which together identified expected climate change effects and vulnerable assets in the subregion that are vulnerable as well as opportunities and methods to mitigate identified vulnerabilities and increase resilience. As a component of Resilient IE,

both documents have been updated to integrate the newest science and best practices and ensure consistency with the SBCTA documents that will be developed by this project, for the purposes of providing consistent and complementary work products for the other tasks included in the Project. As an extension of this effort, the Project is developing a pilot transportation infrastructure risk-based valuation, which will present an alternate approach to assessing vulnerability and risk, exploring the true cost of climate-related infrastructure outages through a risk-based assessment.

3. Transportation Hazards and Evacuation Maps: The transportation hazards and evacuation maps were developed for both WRCOG and SBCTA jurisdictions and compiled into a portfolio of city-level maps that can be used for a variety of climate adaptation and resiliency planning efforts, including insertion into local hazard mitigation plans, safety elements of the General Plan, or local adaptation plans / strategies.

4. Climate Resilient Transportation Infrastructure Guidebook: With information from the revised WRCOG VA and new SBCTA VA, the guidebook provides for using green streets infrastructure, which aims to harness the efficacy of natural processes to manage flooding and extreme heat, to mitigate identified risks, and provide resiliency to climate change effects on the transportation system. For example, permeable pavement can be used to help reduce pavement temperatures by absorbing sunlight, mitigate the urban heat island effect, and slow flash flooding during flood and storm events.

5. Regional Climate Adaptation and Resiliency General Plan Element Template: The Regional Climate Adaptation and Resiliency General Plan Element Template will be a timely resource for jurisdictions to incorporate into their General Plans or use in other policy documents to meet newly enacted requirements under Senate Bill (SB) 379, which mandates that the safety elements of General Plans must now include climate adaptation and resiliency strategies, or that these strategies must otherwise be included in local hazard mitigation plans. This template element will build on work previously conducted in WRCOG's Subregional Climate Action Plan, and will provide the necessary framework for jurisdictions to comply with SB 379 mandates.

Project Updates

Three major tasks remain for this project including the formation of a Regional Climate Collaborative, completing the Risk-Based Transportation Assessment Tool, and Regional Climate Adaptation and Resiliency General Plan Element Template. Additional information on each item is presented below.

1. Regional Climate Collaborative: Early meetings with stakeholders indicated that there may be limited interest in forming a collaborative. The project team proceeded carefully with the goal of bringing the value of the collaborative to the region, while being careful not to force the program prematurely and setting it up for failure. This effort culminated in the well-attended regional climate collaborative exploratory convening held in early August 2019, where it was confirmed that there is sufficient interest to move forward. As next steps, the project team reconvened the organizing committee for a series of meetings this fall and plan to form the collaborative in late 2019 and launch in early 2020. This adapted approach has allowed the project to achieve the initial end goal while avoiding the pitfalls of rushing through the due diligence needed in the earlier stages.

2. Regional Vulnerability Assessments: The project team is now utilizing the findings of both VAs for the pilot risk-based transportation planning project – initially, it was envisioned that the pilot would occur simultaneously, but it was subsequently determined that the pilot would yield better results if it was informed by the VA and therefore commenced upon its completion. The risk-based pilot is now anticipated to be completed in December 2019.

3. Regional Climate Adaptation and Resiliency General Plan Element Template : The consultant team has identified the format and content for the different components of the toolkit and is currently preparing to lead a series of listening sessions with member agency staff to identify specific issue areas and priorities to inform the regional customization of the template element. The listening sessions are anticipated to be scheduled in late October and early November 2019. The element template will then be finalized in January 2020.

The latest project materials can found on the Resilient IE website at http://www.wrcog.us/285/Resilient-IE.

Next Steps

The project team will be working diligently to prepare for the launch of the climate collaborative, complete the pilot assessment, and produce a regionally tailored climate adaptation and resiliency template in the coming months. Per the grant requirements, Resilient IE will conclude by the end of February 2020.

Prior Actions:

October 10, 2019: The Public Works Committee received and filed.

October 10, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

Caltrans is providing $683,431 of an estimated total project cost of $771,977. The grant monies will cover all consultant expenses and a portion of WRCOG staff expenses. WRCOG will contribute $88,546 through in-kind (staff time) services to meet a required local match of 11.47% of the project whole. The staff time not covered by the grant will be covered through the Local Transportation Fund (LTF), and is programmed in the approved Fiscal Year 2019/2020 Agency budget under the Transportation Department.

Attachment:

None.

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Item 6.A

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Report from the League of California Cities**

Contact: **Erin Sasse, Regional Public Affairs Manager, League of California Cities, esasse@cacities.org, (951) 321-0771**

Date: **November 4, 2019**

***The purpose of this item is to** provide an update of activities undertaken by the League of California Cities.*

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior Action:

August 5, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Item 6.B

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Presentation by the Riverside County Superintendent of Schools**

Contact: **Dr. Judy White, Riverside County Superintendent of Schools, jdwhite@rcoe.us, (951) 826-6670**

Date: **November 4, 2019**

***The purpose of this item is to** provide an update of being undertaken by the Riverside County Superintendent of Schools.*

Requested Action:

1. Receive and file.

Dr. Judy White will provide a presentation on current initiatives of the Riverside County Superintendent of Schools.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Southern California Edison Public Safety Power Shutoff Program**

Contact: **Luis Lara, Senior Business Analyst, Southern California Edison, luis.lara@sce.com, (909) 942-8020**

Date: **November 4, 2019**

The purpose of this item is to *provide an update on Southern California Edison's (SCE) Public Safety Power Shutoff Program.*

Requested Action:

1. Receive and file.

Mr. Luis Lara with SCE will provide a presentation on SCE's Public Safety Power Shutoff Program.

Background

In May 2019, SCE received approval from state regulators for its 2019 Wildfire Mitigation Plan to address the increasing threat of wildfires. The plan includes specific metrics that provide transparency to the public and other stakeholders and will enable the state to evaluate their performance. The Wildfire Mitigation Plan will further harden infrastructure, bolster situational awareness capabilities, enhance operational practices, and harness the power of data and technology. SCE is going far beyond traditional good utility practices and incorporating advanced mitigation measures deployed in high fire risk regions around the world.

Public Safety Power Shutoffs (PSPS) is an operational practice SCE may employ to pre-emptively turn off power – de-energize – to certain power lines during high fire risk weather conditions to enhance public safety. Turning off the power to customers is not something SCE takes lightly. Its commitment to deliver reliable electric service is something they take very seriously. The company maintains that PSPS will be used to complement infrastructure hardening measures when weather conditions threaten power lines in a way that presents an imminent danger to public safety. The actual frequency of PSPS events will depend on various weather and environmental factors. The company has been enhancing its PSPS program by using its increased situational awareness capabilities and real-time information to drive more precise decision-making around potential events. SCE has committed to providing timely notification to potentially impacted customers, businesses, local governments, public safety agencies, and the California State Warning Center. Notifications are generally made before, throughout the outage, when power has been shut off, and when it has been restored.

Additional information can be found at www.sce.com/wildfire or www.sce.com/psps.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

Item 6.D

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **PACE Programs Activities Update: Request to Amend the WRCOG HERO and California HERO Program Administration Agreement, and Update of Progress Towards Meeting Requirements of Renovate America's Stipulated Judgement**

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

Date: **November 4, 2019**

***The purpose of this item is to** provide a general PACE Programs activities update, as well as a request that the Executive Committee amend the Administration Agreement between Renovate America and WRCOG to allow Renovate America to expand its territory while providing WRCOG a nominal fee.*

Requested Actions:

1. Approve and authorize the Executive Director to execute a First Amendment to the WRCOG HERO Program and California HERO Program Administration Agreement.
2. Approve and authorize the Executive Director to execute Addendum Number 2 to the WRCOG HERO Program and California HERO Program Administration Agreement.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back from assessments revenues generated by placing a lien on the subject property's tax bill. The Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers HERO, CaliforniaFIRST, PACE Funding, and Ygrene as residential PACE providers and Greenworks, CleanFund, and Twain as commercial PACE providers.

Overall PACE Programs Update

The below table provides a summary of projects that have been completed under the WRCOG PACE Programs through September 30, 2019:

Residential	Date Program Launched	Projects Completed Last Month	Project Value Last Month	Projects Completed to Date	Total Project Value
WRCOG HERO	Dec 2011	37	$824,886	26,990	$535,925,362
California HERO	Dec 2013	148	$3,082,879	88,689	$1,886,945,815
CaliforniaFIRST	May 2017	3	$131,069	248	$7,327,250
PACE Funding Group	Nov 2017	25	$638,727	432	$10,172,962
Total:		**213**	**$4,677,561**	**116,359**	**$2,440,371,389**

Commercial	Date Program Launched	Projects Completed Last Month	Project Value Last Month	Projects Completed To Date	Total Project Value
Greenworks	Feb 2018	0	$0	13	$7,758,098
CleanFund	Dec 2018	0	$0	0	$0
Twain Financial	April 2019	0	$0	0	$0

The following table provides a summary of the types of projects completed to date in the WRCOG HERO and CA HERO PACE Programs:

Central Air Conditioner	18.31%
Solar	16.21%
Windows	14.25%
Doors	10.44%
Duct Replacement	8.76%
Cool Roof	4.90%
Attic Insulation	3.72%
Other*	23.42%

*Examples include Electric Vehicle Charging Stations, Cool Wall Coverings, Wall Insulation, Furnace, Lighting Control / Fixture, and Artificial Turf.

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

Estimated Economic and Environmental Impacts	
KW Hours Saved – Annually	722 GWh
GHG Reductions – Annually	187,780 tons
Gallons Saved – Annually	488 Million
$ Saved – Annually	$97 Million
Projected Economic Impact	$2.9 Billon
Projected Job Creation/Retention	17,019 Jobs

Renovate America and WRCOG Administrative Agreement

In 2015, the Executive Committee approved an addendum to the Administration Agreement between Renovate America and WRCOG that allowed Renovate America to expand its territory into 49 cities in Los Angeles County. By allowing Renovate America to expand its territory, WRCOG received a fee from Renovate America based on a formula agreed upon by both parties to cover the financial impacts of WRCOG losing those service territories. As a reminder, WRCOG receives a percentage of the Cost of Issuance (similar to a closing cost) to cover its operational costs. As the PACE market continues to evolve, staff no longer sees the necessity for the formula, and would rather implement a simple 0.25% fee on the principal amount of all new PACE assessments levied in the agreed upon jurisdictions in Los Angeles County.

In 2019, territory that was previously exclusive to other PACE providers under the CSCDA Open PACE Program, and not part of the California HERO Program, became available for Renovate America to compete in. Per the terms of the Administration Agreement with Renovate America, WRCOG is required to authorize in writing the ability for Renovate America to use a different bond issuer for projects completed outside of the HERO and California HERO Programs. As part of WRCOG agreeing to allow Renovate America to expand into these additional 23 jurisdictions, Renovate America has agreed to compensate WRCOG future losses with a 0.25% fee based on the principal amount of all new PACE assessments levied in those jurisdictions.

Renovate America Stipulated Judgment: Ad Hoc Committee Update

On August 9, 2019, WRCOG learned that Renovate America reached an agreement with the Riverside County District Attorney's Office which was leading a statewide examination into PACE financing and Renovate America's HERO Program. On August 26, 2019, staff requested a meeting and met with the DA's Office to discuss and gain understanding and perspective on the stipulated judgment and the various requirements that Renovate America agreed to implement as a result of the examination. Renovate America has 120 days from the date of the release of the judgment to implement its requirements.

Generally, there are 46 requirements in the judgment, which fall into the broad categories below:

1. Requirements that Renovate America already has in place
2. Requirements that Renovate America already has in place but need modification
3. New requirements

Within each of these categories, WRCOG and Renovate America have identified six different labels with which the stipulated judgment falls:

1. Advertising
2. Compliance
3. Disclosures
4. Records Retention
5. Senior Protection
6. Written Policies

At the WRCOG Executive Committee meeting on September 9, 2019, the Executive Committee received the report and formed an Ad Hoc Committee to meet on a monthly (or as needed) basis to review the progress of the implementation of the 46 requirements as outlined in the stipulated judgement. The Ad Hoc Committee consists of representatives from the Cities of Banning, Jurupa Valley, Moreno Valley, Murrieta, and Norco.

On September 23, 2019, the first Ad Hoc Committee meeting was held to discuss the stipulated judgment and determine how much progress Renovate America has made with each of the 46 requirements. The Committee went through each requirement individually to gain a full understanding of the stipulated judgment. Renovate America then presented the Committee with the progress they had made thus far.

On October 28, 2019, the second Ad Hoc Committee meeting was held to determine the progress Renovate America has made toward the 46 requirements since the previous Ad Hoc Committee meeting. The Committee discussed the requirements within each category, discussing at length Senior Protections both within the stipulated judgment and those that WRCOG and Renovate America have instituted that go beyond the judgment. Renovate America then presented the progress they had made since the previous Committee meeting, shown below.

Category	Status as of 9/23/19	Status as of 10/28/19
Advertising	75%	100%
Compliance	50%	60%
Disclosures	60%	90%
Records Retention	50%	75%
Senior Protections	20%	90%
Written Policies	50%	80%

The Ad Hoc Committee plans to meet at least once more prior to December 9th, 2019, which is 120 days from the date the judgement was released.

Prior Action:

October 9, 2019: The Administration & Finance Committee recommended that the Executive Committee approve and authorize the Executive Director to 1) execute a First Amendment to the WRCOG HERO Program and California HERO Program Administration Agreement; and 2) execute Addendum Number 2 to the WRCOG HERO Program and California HERO Program Administration Agreement.

Fiscal Impact:

Based on current volume in Los Angeles County, staff anticipates a positive fiscal impact of $50,000 annually; the fiscal impact of the additional cities is unknown.

Attachments:

1. First Amendment to the WRCOG HERO Program and California HERO Program Administration Agreement.
2. Amended and Restated Addendum Number 2 to the WRCOG HERO Program and California HERO Program Administration Agreement.

Item 6.D

PACE Programs Activities Update: Request to Amend the WRCOG HERO and California HERO Program Administration Agreement, and Update of Progress Towards Meeting Requirements of Renovate America's Stipulated Judgement

Attachment 1

First Amendment to the WRCOG HERO Program and California HERO Program Administration Agreement

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FIRST AMENDMENT TO THE
WRCOG HERO PROGRAM AND CALIFORNIA HERO PROGRAM
ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This FIRST AMENDMENT TO THE WRCOG HERO Program and California HERO Program Administration Agreement is made and entered into as of _________________, 2019, (the "Effective Date") by and between the Western Riverside Council of Governments ("WRCOG"), a California public agency and Renovate America, Inc., ("Renovate America") a Delaware corporation. WRCOG and Renovate America are sometimes individually referred to as a "Party" and collectively as the "Parties." This agreement may be referred to herein as the "Administration Agreement" or the "Agreement."

2. RECITALS.

2.1 The Executive Committee of WRCOG (the "Executive Committee") has undertaken proceedings to establish and did thereby establish a voluntary contractual assessment program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG HERO Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the "JPA"), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its members that elected to participate in the WRCOG HERO Program (the "Members"), to assist owners of residential properties within the jurisdictional boundaries such Members to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Products") that are permanently fixed to the properties of such owners.

2.2 The Executive Committee subsequently undertook proceedings to establish and did thereby establish a voluntary contractual assessment program designated as the California HERO Program (the "California HERO Program") pursuant to the provisions of Chapter 29, the JPA, and separate JPA Amendments entered into pursuant to the JPA by and between WRCOG and the cities and counties that elected to become Associate Members of WRCOG and to participate in the California HERO Program, to assist owners of residential properties within the jurisdictional boundaries such Associate Members to finance the cost of installation of Eligible Products that are permanently fixed to the properties of such owners.

2.3 WRCOG and Renovate America have entered into an Administration Agreement dated February 10, 2014, (the Master Agreement") to establish the terms and conditions pursuant to which Renovate America shall provide administration services to WRCOG for both the WRCOG HERO Program and the California HERO Program for Residential properties participating in such programs (the "Program Administration Services") as further described in the Master Agreement.

2.4 WRCOG and Renovate America desire to enter into this First Amendment to amend the terms and conditions of the Master Agreement related the limitations on Renovate America providing PACE services to additional cities in California on behalf of Other Issuers.

3. TERMS.

3.1 WRCOG and Renovate America agree to amend Section 4.2.2 of the Master Agreement to read as follows:

"4.2.2 Rights to provide Program Administrator Services to other entities and Limitations thereon

(a) Except as provided subsections (b) and (e) of this Section 4.2.2, WRCOG shall not during the term of this Agreement enter into an agreement with another entity for the provision of services similar to Program Administration Services except in markets where WRCOG and Renovate America determine, after good faith discussion, that California HERO cannot reasonably be made available through this Agreement.

(b) Within Western Riverside County, WRCOG shall have the right, but not the obligation, to engage PACE providers in addition to Renovate America.

(c) Outside California, Renovate America retains the right to perform services similar to Program Administration Services authorized to be provided under this Agreement for other public agencies implementing similar programs ("Other Issuers" and each an "Other Issuer").

(d) Within California, Renovate America shall: (i) market the WRCOG HERO Program or California HERO Program only on behalf of WRCOG, except (1) to cities and counties outside of Los Angeles and San Bernardino counties and (2) to those CSCDA Jurisdictions listed in Exhibit A of Amended and Restated Addendum; and (ii) retain the right to perform services similar to the Program Administration Services described in this Agreement for Other Issuers, but only within the unincorporated and incorporated portions of Los Angeles and San Bernardino counties or within the CSCDA Jurisdictions. The services for the County of Los Angeles and the CSCDA Jurisdictions shall be subject to the requirements set forth in Amended and Restated Addendum.

(e) If any city or county participating in the (a) WRCOG HERO Program elects for any reason or for no reason to use or engage any PACE administrator other than Renovate America, or (b) California HERO Program elects to terminate its relationship with WRCOG, then WRCOG and Renovate America, at the request of either party, may engage in good faith negotiations over whether the territories described above in subsection (d) of this Section 4.2.2 and the exclusivity restrictions in subsection (a) of this 4.2.2 should be adjusted. If a city or county not currently part of the WRCOG HERO or California HERO Programs requests, of its own accord, Renovate America to provide services similar to Program Administration Services for such city of county through an Other Issuer, Renovate America shall have the right, but not the obligation, to perform such services in such city, county or portion thereof for such Other Issuer; provided that (i) Renovate America shall provide WRCOG with prior notice of such a request,(ii) WRCOG shall have the right to meet with such city or county to discuss such request and (iii) Renovate America shall facilitate and attend such meetings.

3.2 Except as set forth herein, all provision of the Master Agreement, including without limitation the insurance and indemnity requirements, shall remain in full force and effect."

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	RENOVATE AMERICA, INC.
By: ______________________________ Rick Bishop, Executive Director	By: ______________________________ Shawn Stone, Chief Executive Officer

APPROVED AS TO FORM:

By: ______________________________
General Counsel
Best Best & Krieger LLP

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Item 6.D

PACE Programs Activities Update: Request to Amend the WRCOG HERO and California HERO Program Administration Agreement, and Update of Progress Towards Meeting Requirements of Renovate America's Stipulated Judgement

Attachment 2

Amended and Restated Addendum Number 2 to the WRCOG HERO Program and California HERO Program Administration Agreement

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AMENDED AND RESTATED ADDENDUM NUMBER 2 TO THE WRCOG HERO PROGRAM AND CALIFORNIA HERO PROGRAM ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This Amended and Restated Addendum ("Addendum") to the WRCOG HERO Program and California HERO Program Administration Agreement (the "Agreement") is made and entered into as of October 7, 2019 (the "Effective Date"), and replaces the previous Addendum to WRCOG HERO Program and California HERO Program Administration Agreement dated June 8, 2015 (the "Original Addendum") and is made by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and Renovate America, Inc., a Delaware corporation ("Renovate America"). WRCOG and Renovate America are sometimes individually referred to as "Party" and collectively as "Parties."

2. CONSTRUCTION.

Definitions attributable to capitalized terms shall have the meaning given to them in this Addendum, unless no such definition is given, in which case the capitalized term shall have the meaning given to them in the Agreement. Where there is a conflict between this Addendum and the Agreement, the Agreement shall govern.

3. PURPOSE OF ADDENDUM.

The purpose of this Addendum is to clarify the terms of Agreement between the Parties surrounding CSCDA Open PACE Jurisdictions that are not presently approved as part of the WRCOG California HERO Program and a going forward participation payment agreement concerning said CSCDA Open PACE Jurisdictions and LA Cities as noted in exhibits.

4. LIMITATIONS.

4.1. As of the Effective Date, Renovate America may provide Program Administration Services directly to the CSCDA Jurisdictions that are not presently participating in the WRCOG California HERO Program for the operation of a PACE program within the CSCDA Open PACE Jurisdictions that are not presently participants in the WRCOG California HERO Program.

4.2. CSCDA currently has entered into Associate Membership agreements with several Jurisdictions throughout the State of California as part of the CSCDA Open PACE Program ("CSCDA Program") with the expectation to expand in the future. The current jurisdictions are shown on "Exhibit A" to Addendum attached hereto (the "CSCDA Jurisdictions").

4.3. In addition to the jurisdictions listed on Exhibit "A", the CSCDA Jurisdictions shall also include jurisdictions not currently with the California HERO Program which are added to Open PACE after the Effective Date. Notwithstanding the above, Renovate America shall use its best efforts to include CSCDA Jurisdictions in the California HERO Program, and if a CSCDA Jurisdiction approves a resolution authorizing the California HERO Program within its boundaries, Renovate America shall cease operating under Open PACE in such jurisdiction upon confirmation of a successful judicial validation for such jurisdiction or determination by Renovate America and WRCOG that no such judicial validation is required.

5. PARTICIPATION PAYMENT.

5.1. Starting on Agreement Date, October 7, 2019, Renovate America shall pay to WRCOG a participation payment (the "Participation Payment") calculated as follows: (i) an issuer fee of 0.25 % based on the par amount of each Bond issued under the CSCDA Program for Residential Properties located within the CSCDA Open PACE Program as listed on attached Exhibit A and any additional jurisdictions added through the CSCDA Open PACE Program and (ii) an issuer fee of 0.25% based on the par amount of each Bond issued under the LA Program for Residential Properties located within the LA Cities as listed on attached Exhibit B.

5.2. Each Participation Payment shall be paid to WRCOG within 45 days at the end of each quarter following of the issuance of Bonds for which such Participation Payment is due. The payment obligations under Section 5.1 above in this Addendum shall end upon the termination of the Agreement or for individual Jurisdictions as those Jurisdictions that are acknowledged in this Agreement go live with the WRCOG California HERO Program.

5.3. WRCOG shall have the right to audit Renovate America's records as they pertain to this Agreement to ensure the accuracy of the Participation Payments. Renovate America shall keep complete and accurate records relating to the calculation of the Participation Payments, including without limitation, the documentation showing how the Participation Payments are calculated and the data upon which such calculations are based. All such records shall be maintained in accordance with Section 4.3 of the Agreement.

5.4 The terms of this Amended and Restated Addendum shall supersede the terms of the Original Addendum.

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	RENOVATE AMERICA, INC.
By:______________________________	By: __________________________________
Title: Rick Bishop, Executive Director	Title: Michael Mildenberger, Chief Risk Officer

EXHIBIT A

LIST OF CSCDA Jurisdictions

1	**Alameda in Alameda County**
2	Livermore in Alameda County
3	Hercules in Contra Costa County
4	Ridgecrest in Kern County
5	Town of Corte Madera in Marin County
6	Town of Ross in Marin County
7	Marina in Monterey County
8	Soledad in Monterey County
9	Folsom in Sacramento County
10	Hollister in San Benito County
11	County of San Benito
12	East Palo Alto in San Mateo County
13	Santa Barbara in Santa Barbara County
14	County of Santa Barbara
15	Los Altos in Santa Clara County
16	Palo Alto in Santa Clara County
17	Saratoga in Santa Clara County
18	Sunnyvale in Santa Clara County
19	Town of Los Altos Hills in Santa Clara County
20	Anderson in Shasta County
21	Arroyo Grande in San Luis Obispo County
22	Atascadero in San Luis Obispo County
23	County of Ventura

EXHIBIT B

LIST OF LA CITIES

1	Alhambra
2	Arcadia
3	Avalon
4	Azusa
5	Baldwin park
6	Bellflower
7	Bradbury
8	Carson
9	Claremont
10	Commerce
11	Covina
12	Diamond Bar
13	E I Monte
14	El Segundo
15	Gardena
16	Glendora
17	Hawthorne
18	Hermosa Beach
19	Industry
20	Inglewood
21	Irwindale
22	La Canada Flintridge
23	La Verne
24	Lancaster
25	Lawndale
26	Lomita
27	Malibu
28	Monrovia
29	Montebello
30	Monterey Park
31	Palmdale
32	Pomona
33	Rancho Palos Verdes

34	Redondo Beach
35	Rolling Hills
36	Rolling Hill s Estates
37	Rosemead
38	San Dimas
39	San Fernando
40	San Gabriel
41	San Marino
42	Santa Monica
43	Sierra Madre
44	South El Monte
45	South Pasadena
46	Temple City
47	Torrance
48	Walnut
49	West Covina

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Consideration of 2019 TUMF Construction Cost Index Adjustment**

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

Date: **November 4, 2019**

The purpose of this item is to *request that the Executive Committee consider a recommendation regarding the Construction Cost Index (CCI) adjustment to the TUMF schedule.*

Requested Actions:

1. Approve the implementation of the adjusted TUMF CCI as of July 1, 2020, with the following fee amounts:
   a. Single-Family: $9,478 per dwelling unit
   b. Multi-Family: $6,389 per dwelling unit
   c. Retail: $7.50 per square foot
   d. Service: $4.75 per square foot
   e. Industrial: $1.81 per square foot
2. Approve the implementation of the adjusted TUMF CCI as of January 1, 2021, with the following fee amounts:
   a. Single-Family: $9,810 per dwelling unit
   b. Multi-Family: $6,389 per dwelling unit
   c. Retail: $7.50 per square foot
   d. Service: $4.75 per square foot
   e. Industrial: $1.81 per square foot

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March JPA participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, the Western Riverside County Regional Conservation Authority (RCA) and the Riverside Transit Agency (RTA).

Background

Staff is required to bring annual Construction Cost Index (CCI) adjustment information through the WRCOG Committee structure for discussion and recommendation for final consideration by the Executive Committee. The CCI is an administrative element of the TUMF Program and is intended to keep the dollar value of the TUMF Program whole. In recent years, the Executive Committee has not approved a CCI adjustment to the TUMF.

Proposed CCI Adjustment to the Existing TUMF

Since the adoption of the 2016 TUMF Nexus Study, construction, labor, and land costs have demonstrated an increasing trend. Factors contributing to a potential increase in the CCI include tariffs and the rebounding economy placing competition on transportation construction from other sectors for materials and labor. This is intended to demonstrate the rising costs of transportation improvements in the state, including a handful of interchange projects that are currently underway in the WRCOG subregion. Information provided by the Public Works Committee (PWC) indicates that project costs continue to escalate, forcing agencies to find additional funding for their transportation projects.

The table below documents the current TUMF fee schedule, the TUMF fee schedule included in the 2016 Nexus Study, and the proposed CCI adjustment. WRCOG is required, per the TUMF Administrative Plan, to present a proposed CCI adjustment for consideration by the Executive Committee each year after the approval of the Nexus Study.

Land Use Type	Units	2016 Nexus Study TUMF	Current TUMF	CCI Adjustment
Single-Family Residential	DU	$ 9,418	$ 9,146	$ 9,810
Multi-Family Residential	DU	$ 6,134	$ 6,134	$ 6,389
Retail	SF	$ 12.31	$ 7.50	$ 13.01
Service	SF	$ 4.56	$ 4.56	$ 4.75
Industrial	SF	$ 1.77	$ 1.77	$ 1.81

Staff would note that during the 2016 Nexus Study update process the Executive Committee approved a reduction to the TUMF retail land use fee in response to comments from stakeholders regarding retail developments in Western Riverside County. The Fee Analysis Study completed by WRCOG in 2017, and updated in 2019, confirmed that, on average, the impact fee costs to develop a retail project is higher in Western Riverside County than in surrounding areas.

Additionally, as part of the adoption of the 2016 Nexus Study, the Executive Committee approved a two-year freeze, followed by a two-year phase-in, to the Single-Family residential fee. The first portion of the phase-in was implemented on July 1, 2019. Staff has reviewed the TUMF collections made since the 2016 Nexus Study fee schedule took effect and has estimated that approximately $5 million in TUMF has not been collected as a result of the Single-Family residential freeze.

At its May 9, 2019, meeting, the PWC directed staff to develop options for implementation of an adopted CCI increase. At its June 13, 2019 meeting, the PWC recommended that the Executive Committee implement the CCI adjustment as noted below, which would maintain the retail fee reduction and phase-in the Single-Family residential fee increase. The Technical Advisory Committee (TAC) approved this option at its July 18, 2019 meeting.

Land Use Type	Units	2016 Nexus Study TUMF	Current TUMF	Interim Fee Increase (with CCI)	Final Fee Increase (with CCI)
Single-Family Residential	DU	$ 9,418	$ 9,146	$ 9,478	$ 9,810
Multi-Family Residential	DU	$ 6,134	$ 6,134	$ 6,389	$ 6,389
Retail	SF	$ 12.31	$ 7.50	$ 7.50	$ 7.50
Service	SF	$ 4.56	$ 4.56	$ 4.75	$ 4.75
Industrial	SF	$ 1.77	$ 1.77	$ 1.81	$ 1.81

Staff would note that the CCI adjustment to the TUMF results in an increase for transportation improvements that are included in the 2016 Nexus Study. The average increase per facility is approximately 5%, which means that available TUMF funding for each facility would increase by a commensurate amount.

Implementation

The current TUMF ordinance, which was adopted by WRCOG's member agencies, has the following fee schedule in effect from now until July 1, 2020:

Land Use Type	Units	Current TUMF
Single-Family Residential	DU	$ 9,146
Multi-Family Residential	DU	$ 6,134
Retail	SF	$ 7.50
Service	SF	$ 4.56
Industrial	SF	$ 1.77

Because of a previous action by the Executive Committee, the full fee increase for single-family homes was deferred until July 1, 2020. Because of that deferral, the following fee schedule will take effect on July 1, 2020 regardless of any action related to the CCI.

Land Use Type	Units	Current TUMF
Single-Family Residential	DU	$ 9,418
Multi-Family Residential	DU	$ 6,134
Retail	SF	$ 7.50
Service	SF	$ 4.56
Industrial	SF	$ 1.77

If approved by the Executive Committee, WRCOG would work with each agency participating in the TUMF Program to adopt an updated TUMF Ordinance, which would have the following fee schedule:

Land Use Type	Units	July 1, 2020 TUMF (with CCI)	January 1, 2021 TUMF (with CCI)
Single-Family Residential	DU	$ 9,478	$ 9,810
Multi-Family Residential	DU	$ 6,389	$ 6,389
Retail	SF	$ 7.50	$ 7.50
Service	SF	$ 4.75	$ 4.75
Industrial	SF	$ 1.81	$ 1.81

Our experience historically is that it requires 3 to 6 months for various WRCOG agencies to adopt an updated fee schedule. Because of the time frame, WRCOG recommends that the initial CCI increase be scheduled to take effect on July 1, 2020. This period of time will allow ample time for WRCOG to notify its member agencies and developers in the subregion that the fee will be increasing.

The final fee increases for the Single-Family residential would occur on January 1, 2021. This recommendation is consistent with the direction of the PWC and TAC, in which both identified a need to phase-in the Single-Family residential increase. Implementing a CCI increase will generate additional revenues for the TUMF Program, resulting in approximately 5% additional revenue per year after the implementation of the CCI increase.

WRCOG reviewed each of these fee increases in terms of overall development costs, as identified in the updated Fee Comparison Study (April 2019). As shown in the table below, the fee increase will have a nominal increase in overall fees and development costs.

Land Use Type	Units	Percentage Increase in Fees (with CCI)	Percentage Increase in Development Costs (with CCI)
Single-Family Residential	DU	1%	0.07%
Multi-Family Residential	DU	1%	0.08%
Retail	SF	0%	0.00%
Service	SF	1%	0.06%
Industrial	SF	1%	0.03%

To illustrate the limited impact of the CCI adjustment, consider fees and costs associated with a Single-Family home. Based on the data collected by WRCOG and summarized in the 2019 Fee Comparison Study, a prototypical Single-Family home (2,700 square feet) pays approximately $47,000 in all impact fees including traffic, water / sewer, park, school, and other city fees. That home, on average, would have a price of approximately $561,000 based on the 2019 WRCOG Fee Comparison Study. A $400 increase in TUMF fees would result in a 1% increase in all of the fees ($400 / $47,000) and an overall impact in the cost of a house of 0.07% ($400 / $561,000). Therefore, staff would note that this fee increase would have a nominal effect on overall fees, home prices, and affordability. Most importantly, this fee would only apply to new homes and not existing homes since fees are collected from developers during the construction process.

Staff acknowledges that there is wide-variety of housing products and home prices throughout the WRCOG subregion. To present how this fee increase might impact housing of various cost levels, the table below documents the anticipated increase in overall development costs with the implementation of the CCI adjustment. As noted in the table below, the increase is nominal regardless of the home price.

New Home Cost	Percentage Increase in Development Costs (with CCI)
$300,000	0.13%
$400,000	0.10%
$500,000	0.08%
$600,000	0.07%

Prior Actions:

October 9, 2019: The Administration & Finance Committee recommended that the Executive Committee implement the TUMF CCI adjustment as identified below with a Single-Family residential phase-in and no increase to the retail fee.

July 18, 2019: The Technical Advisory Committee recommended that the Executive Committee implement the CCI with the actions approved by the Executive Committee as part of the 2016 Nexus Study in July 2017 (maintain the retail reduction and continue the phase-in for Single-Family residential).

June 13, 2019: The Public Works Committee recommended that the Executive Committee implement the CCI with the actions approved by the Executive Committee as part of the 2016 Nexus Study in July 2017 (maintain the retail reduction and continue the phase-in for Single-Family residential).

May 16, 2019: The Technical Advisory Committee received and filed.

May 9, 2019: The Public Works Committee received and filed.

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

Fiscal Impact:

Adopting a CCI increase would increase revenues generated by the TUMF Program by approximately 5% in the 2020/2021 Fiscal Year.

Attachments:

1. October 9th Comment Letter from Building Industry Association.
2. WRCOG's Response to BIA Comment Letter.

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Item 6.E

Consideration of 2019 TUMF Construction Cost Index Adjustment

Attachment 1

October 9th Comment Letter from Building Industry Association

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October 9, 2019

BIA
Riverside County Chapter
Building Industry Association of Southern California
3891 11th Street
Riverside, California 92501
Tel (951) 781-7310
Fax (951) 781-0509

3390 University Ave. Suite 450
Riverside, CA 92501
Chair Bonnie Wright
Admin and Finance Committee Members

RE: Transportation Uniform Mitigation Fee Construction Cost Index Adjustment

Dear Chair Wright and Admin and Finance Committee Members,

The Building Industry Association – Riverside Chapter (BIA-RC) is writing in reference to the proposed "Transportation Uniform Mitigation Fee Construction Cost Index Adjustment" scheduled to be heard at the October 9th, 2019 Western Riverside Council of Governments (WRCOG) Admin and Finance Committee. As the lead body in Riverside County, that is dedicated to protecting and advocating for the interests of the building industry, we submit the following comments.

1. The BIA-RC requests copes of the hybrid National Association of Realtors (NAR) and Cal-Trans tables and charts used to create the CCI Adjustment of 3.6% from current to first implementation on July 1, 2020 and a 3.5% increase from the first implementation to the second implementation on January 1, 2021, or a 7.2% increase overall (average of around 5% per year) from current rate to the second implementation.

2. The BIA-RC respectfully requests a written explanation as to the methodology used for the hybrid between the NAR and Cal-Trans tables arrived at the proposed CCI adjustment levels.

3. The BIA-RC requests the methodology used to determine the average cost of a new home to be $561,000 in Western Riverside County. When The BIA-RC examined the average prices of new homes, except for a few cities, we find the average price of a new home to be several hundred thousand dollars below the $561,000 estimate.

The BIA appreciates our working partnership with WRCOG.. For any questions or clarification, please call 951-781-7310.

Thank you,

Damian Fussel
Deputy Director of Governmental Affairs

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Item 6.E

Consideration of 2019 TUMF Construction Cost Index Adjustment

Attachment 2

WRCOG's Response to BIA Comment Letter

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October 22, 2019

Damian Fussel, Deputy Director of Governmental Affairs
Building Industry Association of Southern California
Riverside County Chapter
3891 11th Street
Riverside, CA 92501

Subject: WRCOG's Response to BIA Letter Regarding Proposed TUMF Construction Cost Index Fee Increase

Dear Mr. Fussel:

WRCOG is in receipt of your correspondence dated October 9, 2019, in which you requested several additional items regarding the proposed TUMF Construction Cost Index Fee Increase (CCI). Your letter posed three questions, for which WRCOG is providing responses to each below.

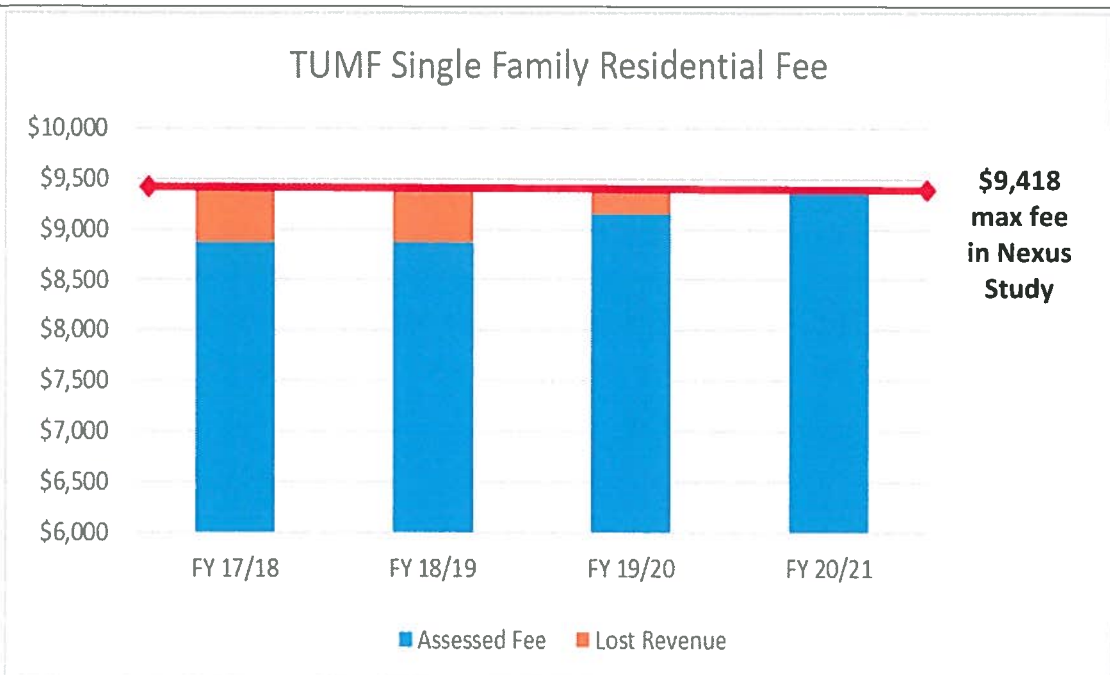
Question #1: The BIA-RC requests copies of the hybrid National Association of Realtors (NAR) and Caltrans tables and charts used to create the CCI adjustment of 3.6% from current to first implementation on July 1, 2020, and a 3.5% increase from the first implementation to the second implementation on January 1, 2021, or a 7.2% increase overall (average of approximately 5% per year) from current rate to the second implementation.

Response #1: Per the WRCOG Executive Committee, the TUMF CCI is calculated using two factors including the Engineering News Report (ENR) national CCI and the National Association of Realtors (NAR) median home price for Riverside and San Bernardino Counties. The actual calculations for each index are provided in Table 1 (attached) which includes the source of each data. This table also lists the percentage increase in each index (3.58% for the ENR CCI and 5.66% for the NAR). The CCI data from Caltrans is not used in this analysis but presented for informational purposes.

One point that staff would like to state is that the single-family fee is only increasing by 4% from its current level since the 2016 Nexus Study recommended a single-family fee of $9,418 per unit. The Executive Committee deferred this increase for two years and then directed staff to implement 50% of the fee increase from the previous level of $8,873. The current fee ($9,146) was the interim fee increase, per the direction of the Executive Committee. The single-family fee is already scheduled to increase from $9,146 to $9,418 even if no action is taken on the CCI in July of 2020. Therefore, the CCI increase only results in a fee increase from $9,418 to $9,810 (4%).

Staff would also state that deferring the single-family fee increase has cost the TUMF Program approximately $5 M since we have not been collecting the full amount allowed under the 2016 Nexus Study after its adoption. The change in single-family fees are shown on Figure 1 below.

Figure 1



Question #2: The BIA-RC respectfully requests a written explanation as to the methodology used for the hybrid between the NAR and Caltrans tables arrived at the proposed CCI adjustment levels.

Response #2: As noted above, the CCI calculation uses only two factors, the ENR and the NAR. The ENR is applied to any construction costs calculated in the 2016 Nexus Study. The NAR is applied to any Right of way (ROW) costs in the 2016 Nexus Study.

To illustrate how this works in both instances, please consider the following examples:

Example #1 – The 2016 Nexus Study included a line item for a one lane of roadway for one mile in level terrain. That cost was estimated to be $692,000. The appropriate CCI to apply would be the ENR CCI, since this cost includes the actual cost of roadway construction itself. Applying a factor of 3.58% increases that line item to $717,000. That line item cost is then applied to each facility with that designation, which is then input into the total construction cost of each facility. That total construction cost is then summed up for each facility in the Nexus Study.

Example #2 – The 2016 Nexus Study included a line item for ROW that would be needed to add one mile of single lane roadway in a suburban area. This cost was estimated to be $2,263,000 per lane mile. Applying the NAR factor of 5.66% increases the ROW cost to $2,391,000 per lane mile. That line item is then applied to each roadway, which increases the total cost of each project. That total cost is then summed up for each facility in the Nexus Study.

As noted above, the Caltrans data is only provided for reference and not used in the analysis.

Question #3: The BIA-RC requests the methodology used to determine the average cost of a new home to be $561,000 in Western Riverside County. When The BIA-RC examined the average prices of new homes, except for a few cities, the average price of a new home is several hundred thousand dollars below the $561,000 estimate.

Response #3: The $561,000 estimate is taken from WRCOG's Fee Comparison Study, which can be found at http://www.wrcog.cog.ca.us/DocumentCenter/View/5901/Fee-Comparison-Analysis-2018?bidId=. The data is derived from an analysis of prototypical development in Western Riverside County for Single-Family, Multi-Family, Retail, Office, and Industrial projects. For each type of development, WRCOG's consultant, Economic and Planning Systems (EPS), developed a detailed pro-forma based on recent projects and identified total development costs for each land use type. For single-family projects, that prototypical project is a 2,700 square foot, single-family, detached multi-story home on a 7,200 square foot acre lot. The average cost for that home was calculated to be $561,000.

WRCOG does acknowledge that home prices within the subregion vary significantly with some communities having higher new home prices and others having lower prices. Recognizing this range of costs, WRCOG prepared an updated analysis which demonstrates the effect of the proposed $400 fee increase on homes of varying costs across the region as shown in the following table:

Table 2	
New Home Cost	Percentage Increase in Housing Costs (with CCI)
$300,000	0.13%
$400,000	0.10%
$500,000	0.08%
$600,000	0.07%

As shown in the table above, the proposed TUMF increase of $400 will increase home prices by 1/10 of 1% or a negligible amount. Therefore, WRCOG can conclude that this fee increase will have no significant effect on housing affordability.

WRCOG would be happy to meet with you and the rest of the BIA staff to discuss the proposed TUMF CCI increase. Please let us know if you have any questions or require additional information.

Sincerely,

Christopher Gray
Director of Transportation & Planning

Attachment: Table 1 – CCI Data

Table 1
WRCOG CCI Calculations

Engineering News Record Construction Cost Index (CCI)
Source: BNP Media Engineering News Record - Construction Index History (http://www.enr.com/economics/historical_indices/construction_cost_index_history?)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2009	8,549	8,533	8,534	8,528	8,574	8,578	8,566	8,564	8,586	8,596	8,592	8,641	8,570
2010	8,660	8,672	8,671	8,677	8,761	8,805	8,865	8,858	8,836	8,921	8,951	8,952	8,802
2011	8,938	8,998	9,011	9,027	9,035	9,053	9,080	9,088	9,116	9,147	9,173	9,172	9,070
2012	9,176	9,198	9,268	9,273	9,290	9,291	9,324	9,351	9,341	9,376	9,398	9,412	9,308
2013	9,437	9,453	9,456	9,484	9,516	9,542	9,552	9,545	9,552	9,689	9,666	9,668	9,547
2014	9,664	9,681	9,702	9,750	9,796	9,800	9,835	9,846	9,870	9,886	9,912	9,936	9,806
2015	9,972	9,962	9,972	9,992	9,979	10,039	10,037	10,039	10,065	10,128	10,092	10,135	10,034
2016	10,133	10,182	10,242	10,280	10,315	10,337	10,379	10,385	10,403	10,434	10,442	10,530	10,338
2017	10,532	10,281	10,277	10,678	10,692	10,703	10,789	10,826	10,823	10,817	10,870	10,873	10,737
2018	10,878	10,889	10,959	10,971	11,013	11,069	11,116	11,124	11,170	11,183	11,184	11,186	11,062

CCI Percentage Change
July 2017 to December 2018 3.68%

National Association of Realtors (NAR) Median Sales Price of Existing Single Family Homes in the Riverside/San Bernardino Metropolitan Statistical Area

Source: NAR Website - Metropolitan Area Existing-Home Prices and State Existing-Home Sales Quarterly Reports (http://www.realtor.org/topics/metropolitan-median-area-prices-and-affordability)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	ANNUAL
2009	172.5	161.5	168.1	176.8	169.7
2010	180.5	190.2	182.9	177.6	179.3
2011	173.4	171.5	172.1	172.3	172.3
2012	174.3	183.0	193.9	209.3	189.3
2013	216.7	239.6	249.1	263.6	241.4
2014	266.4	274.6	275.4	277.7	273.9
2015	281.0	291.7	292.8	295.6	290.7
2016	297.9	315.5	319.0	317.7	313.5
2017	326.5	340.7	339.9	340.0	336.0
2018	350.0	360.0	362.5	360.0	360.0

NAR Percentage Change

2nd Qtr 17 to 4th Qtr 18 5.66%