Western Riverside Council of Governments
Executive Committee

AGENDA

Monday, December 5, 2016
2:00 p.m.

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

The following teleconference number is provided exclusively for members of the public wishing to address the WRCOG Executive Committee directly during the public hearing portion of item 7.A on the agenda:

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

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the WRCOG Executive Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

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

1. CALL TO ORDER / ROLL CALL (Ben Benoit, Chair)

2. PLEDGE OF ALLEGIANCE

3. SPECIAL RECOGNITION: Ike Bootsma, Mayor, City of Eastvale
Kenn Young, Riverside County Superintendent of Schools
Michael Milhiser, CAO, Morongo Band of Mission Indians

4. 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.

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.

A. Summary Minutes from the November 7, 2016, WRCOG Executive Committee meeting are available for consideration. **P. 1**

Requested Action: *1. Approve Summary Minutes from the November 7, 2016, WRCOG Executive Committee meeting.*

B. Finance Department Activities Update ***Ernie Reyna*** **P. 11**

Requested Action: *1. Receive and file.*

C. Financial Report Summary through September 2016 ***Ernie Reyna*** **P. 13**

Requested Action: *1. Receive and file.*

D. Community Choice Aggregation Program Activities Update ***Barbara Spoonhour*** **P. 19**

Requested Action: *1. Receive and file.*

E. Regional Streetlight Program Contract Extension ***Tyler Masters*** **P. 21**

Requested Action: *1. Receive and file.*

F. Western Riverside Energy Leader Partnership Update ***Tyler Masters*** **P. 39**

Requested Action: *1. Direct the Executive Director, subject to legal counsel final review and approval, to execute the Fifth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program, including the continuation of the Western Riverside Energy Leader Partnership through year 2018, substantially as to form.*

G. Environmental Department Activities Update ***Dolores Sanchez Badillo*** **P. 51**

Requested Action: *1. Receive and file.*

H. Clean Cities Coalition Activities Update ***Christopher Gray*** **P. 55**

Requested Action: *1. Receive and file.*

I. General Assembly and Executive Committee Meeting Schedule for 2017 ***Janis Leonard*** **P. 57**

Requested Action: *1. Approve the Schedule of General Assembly and Executive Committee meetings for 2017.*

J. **Appointment of WRCOG Representatives to Committees** — ***Rick Bishop*** — **P. 63**

Requested Actions: *1.* *Appoint representatives to the following Committees for the period commencing January 1, 2017, and ending December 31, 2018, as follows:*

a. California Association of Councils of Government (1 primary and 1 alternate).

Brian Tisdale (Lake Elsinore):	*Primary*
Laura Roughton (Jurupa Valley):	*Alternate*

b. Riverside County Waste Management Local Task Force (2 primary and 2 alternates).

Linda Krupa (Hemet):	*Primary 1*
Jordan Ehrenkranz (Canyon Lake):	*Primary 2*
Debbie Franklin (Banning):	*Alternate for 1*
Dick Haley (Corona):	*Alternate for 2*

c. Santa Ana Watershed Protection Authority Steering Committee (1 primary and 1 alternate).

Laura Roughton (Jurupa Valley):	*Primary*
Linda Krupa (Hemet):	*Alternate*

d. San Diego Association of Governments Borders Committee (1 primary and 1 alternate).

Marsha Swanson (Wildomar):	*Primary*
Jeffrey Giba (Moreno Valley):	*Alternate*

e. Southern California Association of Governments Policy Committees (6 appointments).

Deborah Franklin (Banning):	*Community, Economic and Human Development*
Jordan Ehrenkranz (Canyon Lake):	*Energy and Environment*
Bonnie Wright (Hemet):	*Energy and Environment*
Randon Lane (Murrieta):	*Transportation*
Ben Benoit (Wildomar):	*Transportation*
Linda Krupa (Hemet):	*Transportation*

K. **Continued Membership of the Riverside County Superintendent of Schools on WRCOG** — ***Rick Bishop*** — **P. 65**

Requested Action: *1.* *Approve a one-year extension to the MOU between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.*

L. **SANDAG Borders Committee Activities Update** — ***Rick Bishop*** — **P. 71**

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

6. ITEMS PULLED FOR DISCUSSION

7. REPORTS/DISCUSSION

A. PACE Program Activities Update — ***Michael Wasgatt, WRCOG*** — **P. 77**

Requested Actions:
1. *Receive summary of the Revised California HERO Program Report.*
2. *Conduct a Public Hearing Regarding the Inclusion of the Town of Hillsborough and the City of Yreka, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
3. *Continue the Public Hearing for the County of Colusa Unincorporated Areas until January, 9, 2017.*
4. *Adopt WRCOG Resolution Number 39-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.*
5. *Accept the Counties of Mendocino and Siskiyou unincorporated areas as Associate Members of the Western Riverside Council of Governments.*
6. *Adopt WRCOG Resolution Number 40-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*

B. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update — ***Christopher Gray, WRCOG*** — **P. 155**

Requested Actions:
1. *Authorize the WRCOG Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project in an amount not to exceed $11,261,500.*
2. *Approve the TUMF Administrative Plan revision to include an additional process in which developers receive credit against TUMF obligations.*
3. *Approve the Memorandum of Understanding between WRCOG and Riverside Transit Agency (RTA) to set forth a process for WRCOG to allocate RTA's TUMF Share to RTA.*

C. Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County — ***Christopher Gray, WRCOG*** — **P. 211**

Requested Action:
1. *Receive and file.*

D. Report from the League of California Cities — ***Erin Sasse, League of California Cities*** — **P. 215**

Requested Action:
1. *Receive and file.*

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

9. REPORT FROM COMMITTEE REPRESENTATIVES

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

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

11. ITEMS FOR FUTURE AGENDAS *Members*

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

12. GENERAL ANNOUNCEMENTS *Members*

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

13. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO SECTION 54956.9(d)(1)

- **Case Number RIC1614434**

14. NEXT MEETING: **The next WRCOG Executive Committee meeting is scheduled for Monday, January 9, 2017, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**

15. ADJOURNMENT

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Western Riverside Council of Governments

5.A

Regular Meeting
~ Minutes ~

Monday, November 7, 2016 | **2:00 PM** | **County Administrative Center**

1. Call to Order / Roll Call

Jurisdiction	Attendee Name	Status	Arrived
City of Banning	Debbie Franklin	Present	1:31 PM
City of Calimesa	Jeff Hewitt	Present	1:41 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:42 PM
City of Corona	Randy Fox	Present	1:28 PM
City of Eastvale	Ike Bootsma	Present	1:43 PM
City of Hemet		Absent	
City of Jurupa Valley	Laura Roughton	Present	1:40 PM
City of Lake Elsinore	Brian Tisdale	Present	1:28 PM
City of Menifee	John Denver	Present	1:41 PM
City of Moreno Valley	Jeffrey Giba	Present	1:39 PM
City of Murrieta		Absent	
City of Norco	Kevin Bash	Present	1:30 PM
City of Perris	Rita Rogers	Present	1:42 PM
City of Riverside	Rusty Bailey	Present	1:30 PM
City of San Jacinto	Crystal Ruiz	Present	1:40 PM
City of Temecula	Mike Naggar	Present	1:36 PM
City of Wildomar	Ben Benoit	Present	1:32 PM
District 1	Kevin Jeffries	Present	1:30 PM
District 2		Absent	1:29 PM
District 3	Chuck Washington	Present	1:31 PM
District 5	Marion Ashley	Present	1:30 PM
EMWD	David Slawson	Present	1:22 PM
WMWD	Brenda Dennstedt	Present	1:38 PM
Morongo	Robert Martin	Present	1:41 PM
Office of Education (non-voting)		Absent	
Executive Director	Rick Bishop	Present	1:33 PM
TAC Chair	Gary Nordquist	Present	1:38 PM

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

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

Arnold San Miguel, Southern California Association of Governments (SCAG), announced that SCAG, in partnership with the Southern California Leadership Council, will be holding a 7th annual Southern California Economic Summit on Thursday, December 1, 2016; registration is open.

4. CONSENT CALENDAR

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

A. Summary Minutes from the October 3, 2016, WRCOG Executive Committee meeting are available for consideration.

Action: *Approved Summary Minutes from the October 3, 2016, WRCOG Executive Committee meeting.*

B. Finance Department Activities Update

Action: *1. Received and filed.*

C. Financial Report Summary through August 2016

Action: *1. Received and filed.*

D. Community Choice Aggregation Program Activities Update

Action: *1. Item 4.D was pulled and moved to ITEMS PULLED FOR DISCUSSION.*

E. Regional Streetlight Program Activities Update

Action: *1. Received and filed.*

F. Western Riverside Energy Leader Partnership Update

Action: *1. Received and filed.*

G. Environmental Department Activities Update

Action: *1. Received and filed.*

H. Clean Cities Coalition Activities Update

Action: *1. Received and filed.*

I. 1st Quarter Draft Budget Amendment for Fiscal Year 2016/2017

Action: *1. Received and filed.*

J. Single Signature Authority Report

Action: *1. Received and filed.*

K. Revised Policies and Procedures

Action: *1. Approved the revised WRCOG Policies and Procedures.*

L. Committee Members Taxation Status

Action: *Item 4.L was pulled and moved to ITEMS PULLED FOR DISCUSSION.*

M. BEYOND Framework Fund Program

Action: *Item 4.M was pulled and moved to ITEMS PULLED FOR DISCUSSION.*

N. SCAG Sustainability Planning Grants

Action: *1. Received and filed.*

O. SEI Form 700 e-Filing

Action: *1. Received and filed.*

P. AQMD Electric Vehicle Charging Equipment Grant

Action: *1. Authorized the WRCOG Executive Director to enter into a cooperative agreement with the County of Riverside to install six dual port EV Charging stations across three locations in Riverside.*

Q. Preliminary Examinations of Riverside County as a Metropolitan Planning Organization

Action: *1. Received and filed.*

5. ITEMS PULLED FOR DISCUSSION

4.D: Community Choice Aggregation Program Activities Update

Committee member Kevin Jeffries indicated that the Community Choice Aggregation (CCA) Program continues to factor in the unincorporated areas of Riverside County participating in the CCA going forward; that is not the case. WRCOG has chosen a path to pursue. Propaganda being carried out against the County is disturbing. The propaganda is being pushed by the California Alliance for Community Energy and distributed by WRCOG. There are six pages of attack material against the County and its possible operator. This is a sad path being chosen by the Alliance and potentially WRCOG for distributing the material. Committee member Jeffries asked Brian Nestande to say a few words to push back on the material being distributed against the County and the accusations being made. The path WRCOG is pursuing is paying for the most renewable package possible. The County is choosing a turnkey operation, which does not utilize all renewables.

Brian Nestande, County of Riverside, indicated that a report, sent to him through WRCOG and the Coachella Valley Association of Governments (CVAG), is an attack piece on a model the County is not using. The County is being attacked on false and erroneous information, which makes it extremely difficult to have a conversation. In a WRCOG staff report, EES Consulting incorrectly states that the outsourcing model costs more because the cost of money will not be public money and therefore the private market rate is higher. The County is not contemplating selling bonds to build a power plant or solar field. The only money involved would be short-term bridge loans and such. It is difficult to evaluate the two Programs when not using the same facts. Good Energy is contemplating legal action.

Committee member Jeffries indicated that he will be not vote on this item when it comes up in future meetings. This Program creates a new Joint Powers Agency of approximately 15 – 20 employees, all on PERS. Given that the County will not be a partner of this Program, County representatives may not even be able to participate in votes any way.

Rick Bishop responded that the report was forwarded to WRCOG and the County by CVAG. In the course of its due diligence, CVAG came across the report and forwarded it for informational purposes. WRCOG responded to those in the email string indicating it was ridiculous. As far as distribution, it never went beyond the staff level for which it was intended. There is no WRCOG staff support for that report. With regard to where WRCOG is headed, the Agency has direction to move ahead with further researching the benefits of creating a CCA. No decision has been made with regard to any governance structure. At this time, staff is not sure what that best structure is. Different models will be analyzed, both with and without the County's participation, in order to determine the best path. Mr. Bishop reiterated that no decision has been made with regard to actually creating a CCA, let alone on any governance structure. Staff is hoping to have further discussions with the County. A comprehensive package of information will be provided to this Committee in the future.

Committee member Marion Ashley indicated that the County has a good model, which will provide superior savings for consumers. The County was taken aback by the erroneous information being disseminated.

Action: *1. Received and filed.*

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

4.L Committee Members Taxation Status

Committee member Kevin Jeffries asked what happens for those who do not accept a stipend.

Ernie Reyna responded that Committee members currently receiving a Form1099 are being converted from contract status to an employee. This will become effective beginning January 2017. Small amounts of taxes will be taken out. In lieu of social security withholdings, a mandatory 7.5% will be withheld from stipends and deposited into a 457 plan. Direct deposit will now be available, in some instances as soon as the next business day. The IRS recently ruled that, in general, Board members' stipends are considered income, therefore considered employees, and should therefore be taxed.

Action: *1. Received and filed.*

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

4.M BEYOND Framework Fund Program

Committee member Kevin Jeffries indicated that the County is attempting to repurpose its grant under this Program. The goal is to apply it towards homeless sheltering for unincorporated area residents, and is looking forward to working with Cities should they elect to choose to participate in a homeless shelter program and utilize their funds towards that.

Committee member Chuck Washington indicated that the County's funding is approximately $160k for all County Districts combined.

Jennifer Ward responded that through the first round of funding, the County as a whole was allocated approximately $161k. Of that, the County approved $25k to a health project; a balance of approximately $136k remains.

Committee member Washington indicated that there was a brief discussion at prior Board of Supervisor's (BOS) meeting on how that funding will be used. A decision by the County Executive Office will be determined on how the allocation will be used. As this funding will be used by each County District, Committee member Washington suggested WRCOG hold the funds until the BOS determines how to allocate that funding. Many have expressed a desire to support efforts in providing better cancer services in the southwest portion of the County.

Ms. Ward responded that it is up to the County on how it allocates those funds; simply submit a new application. An end date of Round I funding is set for mid-year 2017; however, that deadline is flexible and can be extended.

Committee member Mike Naggar indicated that the Cities of Lake Elsinore, Menifee, Murrieta, and Temecula have just created a cancer services task force. Major players from the oncology medical field in the task force include the American Cancer Association and Loma Linda. The task force is in need of funding and a facilitator. Committee member Naggar asked for confirmation that it would be okay to reallocate funding.

Ms. Ward responded that it can, it is a flexible Program.

Committee member Rusty Bailey indicated the homeless issue is a number one priority for the City of Riverside and many of its residents. Perhaps the City could use WRCOG as a regional problem solver / clearing house of best practices / a way to support member jurisdictions in addressing homelessness.

Action: *1. Received and filed.*

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

6. REPORTS/DISCUSSION

A. PACE Program Activities Update

Michael Wasgatt reported that the County of Colusa is being added to WRCOG Resolution Number 38-16, to be accepted as an Associate Member.

A custom application has been submitted for an energy efficient natural gas fireplace insert. This item exceeds energy requirements, burns more efficiently and cleanly, and better distributes heat.

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

Actions:

1. *Approved a Custom Product Application for installation of a natural gas fireplace insert and include the product as an eligible improvement for future projects.*
2. *Received summary of the Revised California HERO Program Report.*
3. *Conducted a Public Hearing Regarding the Inclusion of the Cities of Belmont, Fort Bragg, Grass Valley, Half Moon Bay, Newark, Pacifica, Paradise, Point Arena, Redding, Watsonville, and Weed, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
4. *Adopted WRCOG Resolution Number 37-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.*
5. *Accepted the Town of Hillsborough and the City of Yreka, and the County of Colusa as Associate Members of the Western Riverside Council of Governments.*
6. *Adopted WRCOG Resolution Number 38-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*

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

B. Public Service Fellowship Update

Jennifer Wared reported that the genesis of this Program is to address the “brain drain” in Riverside County. Most students graduating from local colleges leave the area to seek employment elsewhere. WRCOG has partnered with the University of California, Riverside (UCR), and California Baptist University. Seventeen students who have either recently graduated or are pursuing a Master’s Degree have been placed with WRCOG member agencies, mainly in City Managers’ Offices.

Ms. Ward introduced Bobby Frisch, who was placed with the City of Hemet.

Mr. Frisch reported that he is a Master of Business Administration student at Cal Baptist. Mr. Frisch has spent five months working alongside with the Hemet City Manager and City Council in the areas of economic development, social media outreach, community outreach, and most recently Veteran's Day outreach. Social media has been a big foundation of many of Mr. Frisch’s projects, engaging with the younger generation, and utilizing different strategies. Mr. Frisch coordinated a small team for Small Business Saturday, which will be held November 26, 2017. This has been rebranded for the local level to encourage people to shop locally. One of the bigger projects Mr. Frisch worked on has been the City’s online newsletter, “What's Up Hemet”, which is aimed at bridging the gap between City Hall and residents. The most valuable asset in this Fellowship for Mr. Frisch has been being mentored by the City Manager every day. Mayor Bonnie Wright has been vital in Mr. Frisch’s personal development. Mr. Frisch thanked WRCOG for providing a strong foundation to build from.

Ms. Ward indicated that the first Fellowship success story is that a Fellow has left the Program for full time employment within the City of Calimesa.

Round II funding of the Fellowship Program will be launching soon. Partnership with UCR and Cal Baptist will continue, and staff have been instructed to widen the pool of candidates by reaching out to California State Universities, San Bernardino and San Marcos in Temecula.

Committee member Jeff Hewitt added that Calimesa's Fellow was great. This is a good Program.

Action: *1. Received and filed.*

C. Water Quality Enhancement Framework

Christopher Gray reported that Regional Water Boards set up Permit requirements, flowing from the Environmental Protection Agency, to the Water Boards, to local jurisdictions. WRCOG first learned about this subject a few years ago, and conducted a study using SCAG funding. It was determined that there is a significant problem in that new Permit requirements made some development projects infeasible in some instances.

In conjunction with the Riverside County Flood Control and Water Conservation District, the Building Industry Association, and Water Board Members, WRCOG convened a Working Group to further explore the concept of Alternative Compliance, a voluntary program. The idea with Alternative Compliance is that every project does not have to meet its storm water requirements on that site. This technique has been established and commonly used throughout the eastern United States, and is not particularly advanced in California. There is a large regional project in the City of Chino called the Mill Creek Wetlands. The City and County of San Diego are currently reviewing this type of program, as is Orange County.

WRCOG member jurisdictions have indicated that this matter is a high priority for them, and have asked for WRCOG's assistance; Flood Control has also sought WRCOG's assistance. At this time, WRCOG is only facilitating a study to determine if this approach is worthwhile and beneficial. This type of program would be similar to cap and trade for storm water.

For example, if a city built a large regional facility it would receive credits, which could then be used by developers. Credits can even be traded. Whichever agency ends up running this program, if created, would not have land use authority, would not be a permittee, and would not build, own, or maintain any facilities.

WRCOG will be spending the next two years researching funding, liability costs, applicability across multiple Water Boards, program scope and scale, and governance. Any creation of a program will have an opt-out component. One challenge of note with trading or off-site facilities, they must be part of one program.

The Working Group will continue to meet monthly. WRCOG will continue working with Flood Control to determine how much a program would cost, which agency should administer the program, legal requirements, etc.

Stuart McKibben of Flood Control indicated that Flood Control has limited experience with fee programs and appreciates WRCOG's partnership in this matter.

Action: *1. Received and filed.*

D. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

Christopher Gray reported that with regard to the Nexus Study Update, the Ad Hoc Committee has met twice, and is reviewing potential phase-in scenarios, ways to reduce costs, and potentially the removal of facilities.

A major task of the Ad Hoc Committee is to verify that every project listed in the Nexus Study is still needed and meets a series of quantifiable criteria. Based on changes in the growth forecast and traffic patterns, approximately 10% of the projects listed no longer qualify. The Ad Hoc Committee has asked staff to further review the list. Removal of these projects will substantially reduce fees.

The comprehensive Development Impact Fee Study is nearly complete; a draft report will be presented within the next couple of months. One of the questions raised is the impact of increasing fees on the overall development project. On average, the cost of building a house in Riverside County is approximately half of what it is listed for sale. Fees, on average, are approximately 10% of the total cost of the house; the total TUMF is approximately 2% of that. In the Study, the retail TUMF fee has been determined to be the highest fee. The Ad Hoc Committee has asked for ways to mitigate that fee through either a phase-in, or adjustments to that fee.

TUMF costs over time have leveled off, and historically, TUMF has kept pace with Construction Cost Indices. City Managers have asked staff to research how the TUMF Program works in general – reimbursements, outreach, TUMF Zones, etc. Once the Nexus Study has been completed, staff can create a Program framework for discussion and review. Members of the Ad Hoc Committee have expressed interest in further participating.

Action: *1. Authorized the WRCOG Executive Director to execute a TUMF Reimbursement Agreement with the City of Temecula for the SR-79 / I-15 South Overcrossing & Interchange Project in an amount not to exceed $10,025,244.*

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

The water districts do not vote on TUMF matters.

E. Report from the League of California Cities

Erin Sasse was absent from the meeting but provided an update to Chairman Benoit, who reported that Carolyn Coleman has been hired as the League's new Executive Director.

Action: *1. Received and filed.*

7. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR

Gary Nordquist reported that the Technical Advisory Committee met on October 20, 2016, and received the same presentations as provided here today.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, SCAG Community, Economic, and Human Development (CEHD) representative, reported that the CEHD received a presentation on the City of Claremont, which has a "Locally Grown Power Initiates" project to hire local people that make solar panels, to be sold as part of the City's power and solar program. This not only provides local jobs, reduce energy costs, it also provides sales tax to the City. The CEHD also received a presentation on best cities for successful aging; one in five of the population is a senior. Mayors will be asked to sign a pledge, looking for ways to be better cities for aging; this is a nationwide program. Lastly, an overview from the housing challenge was provided in Committee members' folders today.

Chairman Benoit, AQMD representative for Cities in Riverside County, reported that the Air Quality Management Plan is still being updated. A community meeting will be held here in Riverside later this week.

Brian Tisdale, CalCOG representative, reported that there is a CalCOG meeting scheduled for next Monday.

9. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR

Rick Bishop reported that the official signing ceremony marking the transfer of the Ontario International Airport from the Los Angeles World Airport Authority to the Ontario International Airport Authority was held last week. Attendees included Senator Feinstein, numerous members of Congress, and the Director of the Federal Aviation Administration.

Tours of the Regional Streetlight Demonstration Area in the City of Hemet are being scheduled for November 10, 14, 29, and December 7, 2016, at 6:00 p.m.

10. ITEMS FOR FUTURE AGENDAS

Committee member Mike Naggar announced that the Cities of Lake Elsinore, Menifee, Murrieta, and Temecula are forming a Cancer Needs Task Force and would like WRCOG's participation; members of the Task Force can provide a presentation to this Committee.

Committee member Rusty Bailey is seeking a regional perspective on homelessness. The County is anticipated to release a report in January, and Committee member Bailey would like a report from the County to this Committee so that WRCOG can determine how it can provide an added value in this regional discussion.

Committee member Debbie Franklin announced that the Riverside County Continuum of Care meets every other month, and would like a report on what it is doing and how it is impacting cities.

11. GENERAL ANNOUNCEMENTS

Committee member Jeffrey Giba thanked WRCOG for assistance over the weekend on an event in his City. Lucy Jones provides excellent earthquake preparedness events and has an upcoming workshop scheduled for November 9, 2016.

Committee member Kevin Bash announced that the City of Norco holds the largest Pearl Harbor ceremony on the west coast. This year's event is scheduled for December 7, 2016, at 10:00 a.m.

Committee member Crystal Ruiz wished good luck to those up for reelection and a happy Thanksgiving to all.

12. CLOSED SESSION

There were no reportable actions.

13. NEXT MEETING: **The next WRCOG Executive Committee meeting is scheduled for Monday, December 5, 2016, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**

14. ADJOURNMENT

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Finance Department Activities Update**

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

Date: **December 5, 2016**

The purpose of this item is to *provide an update on the interim WRCOG audit of Fiscal Year 2015/2016, which should result in a final Comprehensive Annual Financial Report issued in December 2016. This report also provides an update on agency budget amendments, and an update on the annual TUMF Audit for 2015/2016.*

Requested Action:

1. Receive and file.

Financial Audit

Financial auditors from Vavrinek, Trine, Day, & Co., conducted their interim audit work for Fiscal Year (FY) 2015/2016 at the end of July 2016. The auditors worked with WRCOG staff to begin the process of reviewing the financial ledgers, and returned during the week of September 26 to conduct final fieldwork. The process of creating the year end financials has begun, and it is anticipated that the audit will conclude in November 2016, with the final Comprehensive Annual Financial Report being issued shortly thereafter.

Budget Amendment

December 31, 2016, will mark the end of the second quarter of Fiscal Year 2016/2017, and the WRCOG Administration & Finance Committee will be presented with the budget amendment at its January 11, 2016, meeting. The Technical Advisory Committee will also consider the amendment report at its January 19, 2017, meeting. The Executive Committee will consider the amendment report at its February 6, 2017, meeting.

Annual TUMF Audit for FY 2015/2016

Letters were transmitted to each member agency during the month of August to schedule annual TUMF audit visits, and WRCOG staff is in the process of meeting with the various Member Agencies to complete this process. At the time of this writing, staff have visited the following jurisdictions: Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, March JPA, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Temecula, and Wildomar. Currently, there are only four more jurisdictions left to be visited including: The County of Riverside, Lake Elsinore, Menifee, and Perris. It is anticipated that the TUMF audits will be completed in November 2016, with the final reports issued in January or February of 2017 The TUMF audits allow staff to ensure that member agencies are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Financial Report Summary through September 2016**

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

Date: **December 5, 2016**

***The purpose of this item is to** provide a monthly summary of WRCOG's financial statements in the form of combined Agency revenues and costs.*

Requested Action:

1. Receive and file.

Attached for Committee review is a Financial Report Summary through September 2016.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

1. Financial Report Summary – September 2016.

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Item 5.C
Financial Report Summary through September 2016

Attachment 1
Financial Report Summary – September 2016

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending September 30, 2016

		Approved 6/30/2017 Budget	Thru 9/30/2016 Actual	Remaining 6/30/2017 Budget
	Revenues			
40001	Member Dues	309,410	306,410	3,000
40601	WRCOG HERO	1,963,735	409,874	1,553,861
40604	CA HERO	7,615,461	1,810,622	5,804,839
40605	The Gas Company Partnership	62,000	16,944	45,056
40606	SCE WRELP		4,692	(4,692)
40607	WRCOG HERO Commercial	27,500	756	26,744
40609	SCE Phase III	-	10,634	(10,634)
40611	WRCOG HERO Recording Revenue	335,555	103,300	232,255
40612	CA HERO Recording Revenue	1,301,300	443,410	857,890
40614	Active Transportation	200,000	50,254	149,746
41201	Solid Waste	107,915	93,415	14,500
41401	Used Oil Opportunity Grants	250,000	264,320	(14,320)
41402	Air Quality-Clean Cities	139,500	128,000	11,500
41701	LTF	692,000	701,300	(9,300)
43001	Commercial/Service - Admin (4%)	37,074	11,171	25,903
43002	Retail - Admin (4%)	142,224	42,177	100,047
43003	Industrial - Admin 4%)	128,446	30,464	97,982
43004	Residential/Multi/Single - Admin (4%)	1,067,271	135,005	932,267
43005	Multi-Family - Admin (4%)	224,983	13,459	211,524
43001	Commercial/Service	889,786	268,112	621,673
43002	Retail	3,413,375	1,012,246	2,401,128
43003	Industrial	3,082,710	731,146	2,351,564
43004	Residential/Multi/Single	25,614,514	3,240,111	22,374,403
43005	Multi-Family	5,399,595	323,015	5,076,580
	Total Revenues	**61,125,676**	**10,150,838**	**50,974,838**
	Expenditures			
	Wages and Benefits			
60001	Wages & Salaries	1,945,017	505,313	1,439,704
61000	Fringe Benefits	569,848	176,956	392,892
	Total Wages and Benefits	**2,574,865**	**682,269**	**1,892,596**
	General Operations			
63000	Overhead Allocation	1,518,136	379,533	1,138,603
65101	General Legal Services	405,750	148,022	257,728
65401	Audit Fees	25,000	1,300	23,700
65505	Bank Fees	25,500	7,580	17,920
65507	Commissioners Per Diem	45,000	13,200	31,800
73001	Office Lease	145,000	45,077	99,923
73104	Staff Recognition	1,200	160	1,040
73107	Event Support	183,000	19,836	163,164
73108	General Supplies	22,750	4,051	18,699
73109	Computer Supplies	7,500	1,484	6,016
73110	Computer Software	13,000	10,638	2,362
73111	Rent/Lease Equipment	25,000	2,642	22,358
73113	Membership Dues	40,600	6,280	34,320
73114	Subcriptions/Publications	5,000	5,048	(48)
73115	Meeting Support/Services	13,750	2,509	11,241
73116	Postage	5,600	465	5,135
73117	Other Household Expenditures	2,100	1,647	453
73122	Computer Hardware	4,000	337	3,663
73201	Communications-Regular	2,000	210	1,790
73203	Communications-Long Distance	1,200	57	1,143
73204	Communications-Cellular	10,863	1,998	8,865
73206	Communications-Comp Sv	17,000	55	16,945
73209	Communications-Web Site	15,600	311	15,289
73302	Equipment Maintenance - Computers	2,000	3,267	(1,267)
73405	Insurance - General/Business Liason	63,170	63,950	(780)
73506	CA HERO Recording Fee	1,636,855	282,188	1,354,667
73601	Seminars/Conferences	25,050	4,559	20,491
73611	Travel - Mileage Reimbursement	22,433	2,821	19,612
73612	Travel - Ground Transportation	9,985	1,144	8,841
73613	Travel - Airfare	22,000	3,387	18,613
73620	Lodging	19,550	3,073	16,477
73630	Meals	8,850	2,555	6,295
73640	Other Incidentals	13,550	3,036	10,514
73650	Training	14,200	40	14,160
73706	Radio & TV Ads	44,853	5,000	39,853
XXXXX	TUMF Projects	38,399,980	7,983,018	30,416,961
85101	Consulting Labor	3,523,948	148,821	3,375,127
90101	Computer Equipment/Software	31,500	7,417	24,083
	Total General Operations	**57,402,253**	**8,787,723**	**48,614,529**
	Total Expenditures	**59,977,118**	**9,469,992**	**50,507,125**

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Item 5.D

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Community Choice Aggregation Program Activities Update**

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

Date: **December 5, 2016**

The purpose of this item is to *provide the Committee with an update on WRCOG's efforts to examine the feasibly of a Community Choice Aggregation Program for either the subregion, Riverside County, or two Counties (Riverside and San Bernardino).*

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing formation of CCAs as a way to lower energy costs and/or provide "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue the feasibility of Community Choice Aggregation for Western Riverside County. WRCOG, the San Bernardino Associated Governments (SANBAG) and Coachella Valley Association of Governments (CVAG) have funded a joint, two-county feasibility study in response to the Executive Committee's direction; the study has recently been completed.

CCA Activities Update

In January 2016, staff received direction from the Executive Committee to pursue a Feasibility Study for the potential formation of a CCA Program. To achieve economies of scale and resource efficiencies, San Bernardino Associated Governments (SANBAG) and the Coachella Valley Association of Governments (CVAG) joined WRCOG's effort to have a multi-county study completed. To complete the Feasibility Study, WRCOG entered into an agreement with BKi.

On October 3, 2016, the Executive Committee directed staff to move forward with the development of a Community Choice Aggregation Program and to return with recommendations from the Administration & Finance Committee on governance and operational structures.

On November 4, 2016, staff released its 3rd Draft Feasibility Study, which outlines the preliminary data and key findings regarding the feasibility of a CCA for the two-county region, including data and findings for the WRCOG, SANBAG and CVAG subregion geographies, as well. While the Study continues to show that the feasibility of developing a CCA is favorable, staff continues to work with its consultants to fine-tune the Study and anticipates releasing its 4th and final version of the Study in mid-December 2016.

The final version will include additional information on operational structures, including a governance structure using a 3rd party model, as well as clearly outlining various governance structures.

Next Steps: In addition to identifying governance structures, there are other steps that need to be developed in moving forward. These include:

1. Vet business plan and finalize
2. Determine governance preference
3. Decision on moving forward
4. Select power supply and data management vendor
5. File Implementation Plan with CPUC
6. File Notice of Intent with SCE
7. Arrange financing of start-up costs
8. SCE data testing
9. Opt-out notice – 1 and 2
10. Launch phase 1
11. Opt-out notices – 3 and 4

Prior WRCOG Action:

November 7, 2016: The Executive Committee received report.

WRCOG Fiscal Impact:

WRCOG's portion for Phase 1 is estimated to be $130,000 to cover the costs of the CCA Feasibility Study, SCE data request, and WRCOG staffing. The costs for this will come from existing carryover funds and will be reflected in the Fiscal Year 2016/2017 2nd Quarter Budget Amendment.

Attachment:

None.

Item 5.E

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Streetlight Program Contract Extension**

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

Date: **December 5, 2016**

The purpose of this item is to *provide the Committee with an update on the Demonstration Area Tours being conducted in the City of Hemet and the contract work for the Regional Streetlight Program. During development of this Program, additional time and work has been provided for tasks requested by member jurisdictions. A contract amendment approved by the Administration & Finance Committee incorporates these additional tasks.*

Requested Action:

1. Receive and file.

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

Background

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

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

Demonstration Area Tour Update: In Partnership with the City of Hemet, WRCOG has implemented a variety of LED streetlights across five Demonstration Areas in the City. These five Demonstration Areas represent different street and land use types, from school, residential and commercial areas, to low, medium, and high traffic street areas. 12 Outdoor lighting manufacturers are participating in these Demonstration Areas.

Input from local government officials, public safety staff, health experts, residents, business owners, and other community stakeholder is important before moving forward with a plan to upgrade streetlights in the subregion. With support from Riverside Transit Agency (RTA), WRCOG is able to provide guided bus tours of the five Demonstration Areas for participants. Below is the list of dates the tours occur on:

- November 10, 2016, at 5:30 p.m.
- November 14, 2016, at 5:30 p.m.
- November 29, 2016, at 5:30 p.m.
- December 7, 2016, at 5:30 p.m.

During the first two tours, WRCOG received participation from nearly 50 participants from the following agencies:

- Board of Trustees of Orange County Astronomers
- California Streetlight Association
- Chino Hills
- Claremont
- County of Riverside – Transportation
- Hemet
- Moreno Valley
- Murrieta
- Palomar Mount / CalTech
- Public Finance Management
- Riverside
- Temecula
- Temecula Public Traffic/Safety Committee
- The Press Enterprise
- Wildomar Astronomy Club
- Wildomar
- WRCOG

(Left) Hemet City Manager, Alexander Meyerhoff, under existing Streetlights. (Right) Alexander Meyerhoff standing under proposed LED streetlight.

November 10, 2016, tour participants wearing their yellow and orange reflective vests under existing Low-Pressure Sodium lights.

Additionally, 62 individuals have registered for the November 29, and December 7, 2016, tours. During the tours, participants are asked to rate various streetlights and compare them to the existing lighting. The Demonstrations Areas are set-up in a way to allow participants to view a LED streetlights side-by-side to the existing streetlights fixtures to compare the similarities and differences. These assessments will be compiled with public input and used by WRCOG to analyze the results and to provide recommendations of LED streetlights, at the conclusion of the Streetlight Demonstration Area for Committee review.

Program contract extension: On October 5, 2015, the Executive Committee authorized the Executive Director to execute a Professional Services Agreement with Southern Contracting to provide Streetlight Acquisition Assistance and Lighting Design Standards for interested WRCOG member jurisdictions. The original contract was authorized in an amount not-to-exceed $550,000 over a two-year term.

On November 9, 2016, the Administration and Finance Committee, which has the authority to authorize contracts and amendments under $100,000, authorized the Executive Director to execute the First Contract Amendment of the Professional Services Agreement between WRCOG and Southern Contracting for Streetlight Acquisition Assistance and Lighting Design Standards for the Regional Streetlight Program. The amendment represents an increase in scope of work and fiscal addition to the Agreement in the amount not-to-exceed $70,778.72 for Southern Contracting to complete work tasks identified in the attached Change Order Request #1.

These additions to the scope of work include tasks requested by member jurisdictions and WRCOG staff. These tasks include:

- Increase in the number of meetings with jurisdictional staff as related to various SCE valuation, financial / cash flow, lighting design standard / engineering tasks.
- Additional tax analysis of SCE Streetlight Valuation and associated jurisdictional meetings regarding the valuation analysis.
- Increase in number of Demonstration Area tours (from one to four) and additional time needed of Contracted Lighting Engineers to support the tour(s), develop the test bed design and lighting fixture placement.
- Increase in size of Demonstration Area to include all LED lighting manufacturers that met LED Technology criteria as identified in this Program.
- Additional analysis and incorporation of streetlight impact of acquisition, retrofit, ongoing operations and maintenance upon Cities' special districts. Analysis and areas of concerns include, but are not limited to, County Community Services Areas (CSA), Jurupa Valley and Eastvale Community Services Districts (CSD), and the multiple special districts (Landscape & Lighting Maintenance Districts, Community Financing Districts, etc.) across Western Riverside County that includes streetlights.

The First Amendment to the Master Professional Services Agreement ensures that adequate support is provided to jurisdictional staff to identify the feasibility of, and assist members through, the associated acquisition processes.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee authorized the WRCOG Executive Director to execute the First Contract Amendment of the Professional Services Agreement between WRCOG and Southern Contracting for Streetlighting Acquisition Assistance and Lighting Design Standards for Streetlight Program, upon final review by legal counsel.

WRCOG Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget. The additional costs associated with this contract amendment in the amount of $70,779 will be included in a future Agency Budget Amendment.

Attachment:

1. Southern Contracting Change Order Request #1.

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Item 5.E

Regional Streetlight Program Contract Extension

Attachment 1

Southern Contracting Change Order Request #1

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Southern Contracting Company LIC NO.222252
559 Twin Oaks Valley Road • P.O. Box 445 • San Marcos, CA 92079
Phone 760-744-0760 • Fax 760-744-6475

October 27, 2016

Mr. Tyler Masters
Program Manager
Western Regional Council of Governments
4080 Lemon Street
3rd Floor, MS 1032
Riverside, CA 92501-3609

Subject: Southern Contracting Change Order Request #1

Dear Mr. Masters,

After reviewing our cost and schedule performance to date last week we are presenting Change Order Request #1 for review and approval. We are requesting $70,778.72 as follows:

Subcontractor Change Order Request Recap

Benya-Burnett		$9,280.00
Muni-Fed		$37,625.00
Subtotal		**$46,905.00**
SCC Fee	15%	$7,035.75
Total Subcontractor		**$53,940.75**
SCC Hemet Test Bed		$16,837.97
Total Change Order Request		**$70,778.72**

Below is an analysis justification for the requested additional costs:

Benya-Burnett

Benya Burnett has a fixed price contract with Southern totaling $223,960 to provide the Regional Lighting Design Standards for the project. The requested additional $9,328.00 covers two items:

1. Test Bed Design Change to allow Excellence OPTO. <u>Requested Cost = $2,680.00</u>. This request covers the cost to allow OPTO to become part of the Test Bed after the design and supplier negotiations had been completed. The requested fee of $2,680 covers the direct time to modify the design, related maps and tables, including coordination with Southern and the City of Hemet to confirm placement location. Mr. Masters directed Southern to include Excellence OPTO.
2. Test Bed Tour Guide by Christopher Monrad. Requested Cost = $5,880.00 This requested cost covers the preparation, travel and time to be spent on the first scheduled Test Bed Tour on November 10, 2016. Mr. Monrad will be the technical tour guide. Mr. Masters directed Southern to provide Mr. Monrad's services for this first scheduled event.

Benya-Burnett is also requesting an $800, or 9.4% of the direct costs, as their fee to cover administrative and project management overhead. Formal backup is attached from both Benya and Monrad.

Total Benya-Burnett Request:

Original Budget

Original Budget	**=**	**$223,960.00**
Test Bed Design Change	=	$2,680.00
Test Bed Tour	=	$5,800.00
Administrative Fee	=	$800.00
Total Request		**$9,280.00**
Proposed Revised Budget	**=**	**$233,240.00**

Page 3, Southern Contracting Change Order Request #1

Muni-Fed

Southern is requesting an additional $37,625 from Muni-Fed to cover additional consulting fees as follows:

Original and Current Budget

TABLE 1

Orignal Starting Budget	**$113,545.45**
Change Order #1 - Tony Smith	$5,100.00
Change Order #2 - Tony Smith	$7,500.00
Change Order #3 - Temporary Relief	$32,000.00
Current Budget	**$158,145.45**
Change Order Request #4	$37,625.00
Revised Budget	**$195,770.45**

Muni-Fed's contract with Southern was originally $113,545.45 (*Table 1* above) covering the Muni-Fed fees per Southern's original Not-To-Exceed Budget of $550,000 with WRCOG. During the course of the contract, special SCE tax counsel related to an unforeseen SCE tax adjustment issue was requested by WRCOG. Muni-Fed provided the services of Mr. Tony Smith, former SCE executive, to analyze the tax issue and provide guidance to WRCOG. These costs, reflected above as approved Change Orders #1 ($5,100) and #2 ($7,500), were approved and allocated to Muni-Fed from the unused portion of the Southern Contract with WRCOG from the MRW Contract account. MRW's original fee of $61,800 was reduced by this $12,600 ($5,100=$7,500) to $49,200, then shifted to Muni-Fed to pay for the services of Mr. Smith, requiring no further action from WRCOG at that time. WRCOG was advised of these budget shift changes prior to their occurrence.

Subsequently, Muni-Fed advised Southern that actual time-related costs continued to climb well above the original budget due to unanticipated extra meetings with WRCOG cities and the County, related cash flow modeling and reconciliation work with PFM. Since MRW's revised budget stood at $49,200, Southern again shifted $32,000 from MRW to Muni-Fed to provide contractual budget relief so Muni-Fed could be paid for services rendered. This reduced MRW's budget from $49,200 to $17,200.00.

Muni-Fed's current budget with Southern now stands at $158,145.45 as shown in *Table 1* above.

Current Request

Muni-Fed's actual cost to date and projected remaining costs to complete are itemized in *Table 2* below:

Table 2

Muni-Fed -- Additional Cost Justification	
Additional SEC Valuation "Below the Line/Tax" Analysis	$4,200
Cash Flow Model Updates (Tariffs, Incentives, LS-1E, LS-3)	$7,800
Additional City Cash Flow Meetings	$6,000
Additional PSA Analysis and Review	$4,625
City Engineering Meetings	$3,750
Unanticipated Jurisdiction Issues (Jurupa Valley/RCSD, County of Riverside, LLMD's, Eastvale/JCSD)	$2,000
SPENT TO DATE	**$28,375**
SCE Valuation Tax Analysis	$7,500
Future City Staff Council Presentation Assitance	$11,250
Future City Council Workshops	$11,250
Future City Council Meetings	$11,250
PROJECTED COST	**$41,250**
SUBTOTAL	**$69,625**
Less Change Order #3 (approved by Southern)	**($32,000)**
Change Order Request #4	**$37,625**

Southern Contracting is formally requesting an additional $37,625 to cover the expended to date and projected remaining costs totaling $69,625, less the reallocated $32,000 described above in *Table 2*.

Southern Contracting OH&P Fee

The contract between Southern and WRCOG specifies a 15% fee in the amount of $7,035.75 applied to subcontractor costs, including Benya and Muni-Fed as follows.

$9,280.00 (Benya) plus $37,625 (Muni-Fed) = $46,905.00

$46,905.00 x 15% = $7,035.75.

This fee covers for the recovery of administrative overhead and profit under the contract.

Hemet Test Bed Direct Installation Costs

The original budget contained within the $550,000 contract to provide a journeyman electrician and bucket truck was $2,880. The original allowance to set up the Test Bed was based on a test bed set up for the City of

Oceanside by Southern about two years ago. This test bed covered four manufacturers and just two LED light sources (3,000K CCCT and 4,000K CCT). It was originally envisioned that the WRCOG test bed would be similar, with one luminaire type per roadway configuration per manufacturer. This allowance provided for 24 hours of field work, with an estimated 45 luminaires covering three roadway configurations.

Since then the Test Bed design has grown considerably. Here is a recap of the current Test Bed configuration:

1. LED Types: 3,000K CCT, 2,700K CCT, 2,400K CCT, amber LEDs, and filtered LEDs
2. Twelve (12) manufacturers
3. 162 installed luminaires
4. Five different test bed areas, spread out across the city.
5. Added two tags to the base of each pole

Due to this significant test bed growth the costs to build the test bed have grown. The total expended and projected hours and dollars are presented below in *Table Three*:

Table Three

	Quantity	Unit	Total
Expended JW Installation Hours	136		
JW Rate		$120.00	
Billable Cost per Contract			**$16,320.00**
Expended Non-JW tag Installation hours	26		
Proposed Tag Installation Rate		$67.10	
Proposed Truck Rate		$13.80	
Proposed Total Rate		$80.90	
Billable Cost per above proposed rates			**$2,103.50**
Estimate To Complete			
Hours to Install Second Set of Pole Tags	16		
Proposed Rate per above		$80.90	
Dollars			**$1,294.46**
Less: Original Budget			**($2,880.00)**
Requested Change Order relief			$16,837.97

Page 6, Southern Contracting Change Order Request #1

Southern is requesting an additional $16,837.97 to cover the added costs. Please note that we are requesting the addition of a new rate classification to be part of the contract under this change order request of $80.90. This covers the cost of an Apprentice Electrician and a Pickup Truck to install the pole tags.

Summary

Original Budget between Southern and WRCOG	$550,000.00
Change Order Request #1	$70,778.72
Revised Proposed Budget	**$620,778.72**

We trust the above provides WRCOG sufficient detail and information to approve this change order Request #1. Detailed time charge records are available upon request and match to all submitted and approved invoices paid to date. Please contact us if you need additional information regarding the above.

Sincerely,

James Filanc

James Filanc, LEED AP
Director, Business Development

Change Memorandum #1

Client
Southern Contracting
San Marcos, CA

Project
WRCOG

Date
October 17, 2016 Rev October 27, 2106

Description of Change

1. Added costs of Monrad Engineering accommodating Excellence Opto lighting into Hemet Test Bed.
2. Added fee for Chris Monrad to serve as Test Bed Tour Guide including preparation time.
3. Project management and administration by Benya Burnett.

Added Cost and Time
Monrad Engineering for Excellence Opto, $2680 in fees only (lump sum).
Monrad Engineering for Test Bed Tour, $5800 in fees and expenses (lump sum).
Benya Burnett $800 for administration and project management fees (lump sum)

We are proceeding with the work immediately.

James R Benya, PE 10/17/16

Huntington Beach

Task 1	Emails/Calls/ Maps/Calcs/Field Reviews	PE	SED	DE	DP	C	Cost	Expenses Man trip	Totals
	Monrad	8.0		8.0			$2,680.00		$0
						Subtotal:	$2,680.00		

Task 2		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00		$0
	Southern						$0.00		
						0.0	$0.00		
						Subtotal:	$0.00		

Task 3		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00	0	$0
	Southern						$0.00		
						Subtotal:	$0.00		

Task 4		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00	0	$0
	Southern						$0.00		
						Subtotal	$0.00		

		PE	SED	DE	DP	C	Cost		
							$0.00		$0
	Southern						$0.00		
						Subtotal:	$0.00		

PE	SED	DE	DP	C	Cost
					$0.00
					$0.00
				Subtotal:	$0.00

PE	SED	DE	DP	C	Cost	
					$0.00	
					$0.00	
					$0.00	
					$0.00	
				Subtotal:	$0.00	$0 Expenses

PROPOSED FEE , LUMP SUM **$2,680.00**

ADDITIONAL SERVICES FOR BUS TOUR ASSISTANCE WRCOG

Task 1	Emails/Calls/ Scripts/Maps/Travel/Field Reviews	PE	SED	DE	DP	C	Cost	Man trip	Expenses Totals
	Monrad	24.0					$4,800.00		$1,000
						Subtotal:	$4,800.00		

Task 2		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00		$0
							$0.00		
						0.0	$0.00		
						Subtotal:	$0.00		

Task 3		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00	0	$0
	Southern						$0.00		
						Subtotal:	$0.00		

Task 4		PE	SED	DE	DP	C	Cost		
	Monrad						$0.00	0	$0
	Southern						$0.00		
						Subtotal	$0.00		

		PE	SED	DE	DP	C	Cost		
							$0.00		$0
	Southern						$0.00		
						Subtotal:	$0.00		

PE	SED	DE	DP	C	Cost
					$0.00
					$0.00
				Subtotal:	$0.00

PE	SED	DE	DP	C	Cost		
					$0.00		
					$0.00		
					$0.00		
					$0.00		
				Subtotal:	$0.00	$1,000	Expenses

PROPOSED FEE , LUMP SUM **$5,800.00**

Jim Filanc

From:	Phil Bowman <pbowman@munifedenergy.com>
Sent:	Thursday, October 27, 2016 10:13 AM
To:	Jim Filanc
Subject:	WRCOG Budget Increase Request
Attachments:	2016 10 27 WRCOG Budget Justification for Muni-Fed (1).xlsx

Jim - Muni-Fed Energy is hereby requesting a budget increase of $37,625 to cover the additional anticipated costs to complete our work under the WRCOG sub-contract. The additional work primarily includes tax analysis and ongoing preparation and meetings with city staff and council members to enter into PSA's with SCE. Attached is a spreadsheet with a more detailed breakdown.

Thank you for your consideration of this request. - Phil

Phil Bowman
CEO
Muni-Fed Energy
192 Marina Dr
Long Beach, CA 90803
p: 949.466.4773
e: pbowman@munifedenergy.com

Muni-Fed -- Additional Cost Justification	
Additional SEC Valuation "Below the Line/Tax" Analysis	$4,200
Cash Flow Model Updates (Tariffs, Incentives, LS-1E, LS-3)	$7,800
Additional City Cash Flow Meetings	$6,000
Additional PSA Analysis and Review	$4,625
City Engineering Meetings	$3,750
Unanticipated Jurisdiction Issues (Jurupa Valley/RCSD, County of Riverside, LLMD's, Eastvale/JCSD)	$2,000
SPENT TO DATE	**$28,375**
SCE Valuation Tax Analysis	$7,500
Future City Staff Council Presentation Assitance	$11,250
Future City Council Workshops	$11,250
Future City Council Meetings	$11,250
PROJECTED COST	**$41,250**
SUBTOTAL	**$69,625**
Less Change Order #3 (approved by Southern)	**($32,000)**
Change Order Request #4	**$37,625**

Orignal Starting Budget	**$113,545.45**
Change Order #1 - Tony Smith	$5,100.00
Change Order #2 - Tony Smith	$7,500.00
Change Order #3 - Temporary Relief	$32,000.00
Current Budget	**$158,145.45**
Change Order Request #4	$37,625.00
Revised Budget	**$195,770.45**

Table Three

	Quantity	Unit	Total
Expended JW Installation Hours	136		
JW Rate		$120.00	
Billable Cost per Contract			**$16,320.00**
Expended Non-JW tag Installation hours	26		
Proposed Tag Installation Rate		$67.10	
Proposed Truck Rate		$13.80	
Proposed Total Rate		$80.90	
Billable Cost per above proposed rates			**$2,103.50**
Estimate To Complete			
Hours to Install Second Set of Pole Tags	16		
Proposed Rate per above		$80.90	
Dollars			**$1,294.46**
Less: Original Budget			**($2,880.00)**
Requested Change Order relief			$16,837.97

Item 5.F

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Western Riverside Energy Leader Partnership Update**

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

Date: **December 5, 2016**

The purpose of this item is to *provide the Committee with an update on the 3rd Annual Holiday LED Lighting Exchange & FREE Energy Efficiency Kits, relay the Climate Registry's & Southern California Edison's (SCE) recognition to the City of Hemet for their efforts in sustainability, and to recommend that the Executive Committee direct the Executive Director, subject to legal counsel review, to execute the Fifth Contract Amendment with SCE.*

Requested Action:

1. Direct the Executive Director, subject to legal counsel final review and approval, to execute the Fifth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program, including the continuation of the Western Riverside Energy Leader Partnership through year 2018, substantially as to form.

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

2016 Holiday LED Light Exchange and FREE Energy Efficiency Kits

WRELP is hosting its 3rd Annual Holiday LED Light Exchange that will be held during the month of December at five member cities within the Western Riverside subregion. Staff will be participating in holiday-themed community events where they will distribute 100 strands of LED lights at each event.

Over the past two years, WRELP has supplied over 450 households in Western Riverside County with LED holiday lights in the following communities: 2014 – Lake Elsinore, Menifee, Murrieta, Norco, and Wildomar; 2015 – Calimesa, Eastvale, Hemet, Perris, San Jacinto, Temecula. The events allowed residents within the SCE territory to exchange their old inefficient incandescent holiday lights with new LED equivalents for FREE. This exchange comes at no cost to the City or its residents, and is valid for lighting strand counts of 50 or more.

In 2016, WRCOG will host the Exchanges in the Cities of Canyon Lake, Hemet, Murrieta, Norco, and Wildomar at community events, providing the same energy and money saving opportunities. (Note: These events are open to all residents in the SCE territory.)

Date	Event	City / Location
12/3/2016	Christmas in the Park	Hemet (2500 W. Florida Avenue)
12/3/2016	Festival of Lights & Tree Lighting	Murrieta (Town Square Park)
12/4/2016	Tree Lighting Ceremony	Canyon Lake (The Lodge, 22200 Canyon Club Drive)
12/10/2015	Breakfast with Santa	Wildomar (32637 Gruwell Street)
12/10/2015	Parade of Lights and Christmas Festival	Norco (3737 Crestview Avenue)

Participating in the Exchange is easy; each resident must bring:

- Old, inefficient, incandescent holiday lights to exchange
- A recent copy of SCE monthly bill (or proof of electronic bill payment)
- A license or picture identification matching customer name on the SCE bill

New this year! In addition to providing the community with holiday lights, SoCal Gas will be providing 50 Energy Efficiency Starter Kits at each event. Each Kit consists of a low-flow shower head and three faucet aerators. These Kits will come at no cost to the local jurisdictions or residents. In order to receive a FREE Energy Efficiency Kit, each resident must bring:

- A recent copy of their SoCal Gas monthly bill (or proof of electronic bill payment)
- A license or picture identification matching customer name on the SoCal Gas bill

2016 Cool Planet Award recognition to Hemet City Council

On November 15, 2016, WRCOG, SCE, and The Climate Registry presented the Cool Planet Champion Award to the City of Hemet City Council for the City's work in the field of sustainability. The Climate Registry recognizes the valuable contributions of SCE customers who have demonstrated leadership in energy and carbon management within their respective organizations. Cool Planet Award applications were evaluated by The Climate Registry and SCE using a point-based system. Organizations received points based on their participation in a variety of SCE energy management and demand response programs, energy efficiency projects, and energy audits. The Champion Award is provided to the organization which has the most points based on the system that is used by The Climate Registry and SCE.

The City of Hemet was recognized by both The Climate Registry and SCE for its involvement in Southern California's Energy Leader Partnership, achieving over 500,000 kWh savings (2013 - 2016), and participating in over 130 SCE Demand Response Program events. Through the City's valuable efforts, Hemet was awarded this prestigious award for their involvement in promoting

City of Hemet staff and Mayor Wright posing alongside SCE, Climate Registry, and WRCOG staff.

Fifth Amendment to Southern California Edison WRELP Agreement

In March 2010, WRCOG entered into an agreement with SCE to implement WRELP and provide energy efficiency technical support to participating jurisdictions for energy efficiency projects at its facilities for the 2010-2012 Program cycle. In March 2013, WRCOG and SCE extended its contract to continue its services through the 2013-2014 Program cycle. In December 2014, a second contract amendment was executed further extending Program services through 2015. In December 2015, a third contract amendment was executed further extending Program services for the WRELP partnership through 2015. The fourth contract amendment was previously executed in October 2016, which updated the fully burdened rate table to assist with the invoicing of WRCOG staff labor to SCE.

SCE has developed and provided a contract amendment to extend the WRELP's Program services through 2018. WRCOG staff is requesting the Executive Committee direct the Executive Director, subject to legal counsel review, to execute the attached contract amendment, substantially as to form.

Prior WRCOG Action:

November 7, 2016: The Executive Committee received report.

WRCOG Fiscal Impact:

For Calendar Year 2017: Revenue budget: SCE – $89,000.

Attachment:

1. Fifth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program including the continuation of the Western Riverside Energy Leader Partnership through year 2017.

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Item 5.F

Western Riverside Energy Leader Partnership Fifth Contract Amendment

Attachment 1

Fifth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program including the continuation of the Western Riverside Energy Leader Partnership through year 2017

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FIFTH AMENDMENT

THIS FIFTH AMENDMENT ("FIFTH AMENDMENT") TO THE AGREEMENT TO JOINTLY DELIVER THE 2010-2012 WESTERN RIVERSIDE ENERGY LEADER PARTNERSHIP PROGRAM dated January 1, 2010 (as amended, the "Agreement") is effective as of January 1, 2017 (the "Fifth Amendment Effective Date") by and between SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG"). Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. SCE may be referred to individually herein as the "Utility". The Utility and WRCOG may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the Parties previously executed the Agreement effective January 1, 2010 and subsequently amended the Agreement four times to, among other things, extend its term through December 31, 2016 in accordance with the applicable decisions of the California Public Utilities Commission ("Commission");

WHEREAS, on September 1, 2016, SCE filed with the Commission Advice Letter 3465-E seeking approval of SCE's proposed 2017 budget for the Energy Efficiency Partnership Programs, consistent with the terms and conditions set forth in the Agreement. and

WHEREAS, the Parties desire to further amend the Agreement as necessary to set forth the 2017 program budget to extend the Agreement through the end of the program cycle beginning January 1, 2017 and ending December 31, 2018 ("2017-2018 Program").

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. To the extent applicable, any reference in the Agreement, as amended, to the "2010-2012 Program" shall also hereby include the 2017-2018 Program.

2. Section 11 of the Agreement is hereby deleted in its entirety and replaced with the following:

   11. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES

   Unless this Agreement is terminated pursuant to Section 25 below, or unless otherwise agreed to by the Parties or so ordered by the Commission, the Parties shall complete all Program Administrative activities (as defined in the PIP) and all reporting requirements by no later than March 31, 2019, and all Direct Implementation and Marketing & Outreach activities by no later than December 31, 2018.

3. Section 12 of the Agreement is hereby deleted in its entirety and replaced with the following:

   12. FINAL INVOICES

   WRCOG must submit final invoices to the Utility no later than March 31, 2019.

4. Section 25.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

   25.1 Term. This Agreement shall be effective as of the Effective Date. Subject to Section 37, the Agreement shall continue in effect until June 30, 2019 unless otherwise terminated in accordance with this Agreement, as amended.

5. Exhibit A-1 to A-11 (ENERGY LEADER PARTNERSHIP PROGRAM LEVEL DATA) of the Agreement are hereby deleted in their entirety.

6. Exhibit B (ENERGY LEADER PARTNERSHIP PROGRAM 2010-2012 GOALS & PARTNER BUDGET) of the Agreement is hereby deleted in its entirety and replaced with the version of Exhibit B (ENERGY LEADER PARTNERSHIP PROGRAM 2017-2018 GOALS & PARTNER BUDGET FOR WRCOG) attached to this Fifth Amendment, which attached versions are incorporated herein by reference and made a part of the Agreement. The Parties acknowledge and agree that if a Commission decision or order alters the amount approved for the 2017-2018 Program budget(s), as set forth in Exhibit B, SCE shall amend Exhibit B to reflect the approved 2017-2018 Program budget in any such Commission decision or order, in accordance with Section 30 of this Agreement.

7. Section 26 of the Agreement is hereby deleted in its entirety and replaced with the following:

   26. WRITTEN NOTICES

   Any written notice, demand or request required or authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

WRCOG
Barbara Spoonhour
Director of Energy and Environmental Programs
4080 Lemon Street, 3rd Floor
Riverside, CA 92501

SCE:
Southern California Edison Company
Joanna Chang, Program Manager
1515 Walnut Grove Avenue
Rosemead, CA 91770

   Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m. PST (or PDT, as applicable), or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier, on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery.

8. This Fifth Amendment may be executed in one or more counterparts and delivered by electronic means, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

9. General. From and after the Fifth Amendment Effective Date, any reference to the Agreement contained in any notice, request, certificate or other instrument, document or agreement shall be deemed to mean the Agreement, as amended by any prior amendments to the Agreement, and this

Fifth Amendment. In the event of any conflict between the Agreement, as amended, and this Fifth Amendment, this Fifth Amendment shall prevail. Except as amended by this Fifth Amendment, all provisions of the Agreement, as previously amended, shall remain in full force and effect and shall govern the actions of the Parties. Each party is fully responsible for ensuring that the person signing this Fifth Amendment on that party's behalf has the requisite legal authority to do so.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Fifth Amendment to be executed by their duly authorized representatives as of the Fifth Amendment Effective Date.

WESTERN RIVERSIDE ENERGY LEADER PARTNERSHIP:

<u>WRCOG</u>

By: ______________________________

Name Printed: Rick Bishop

Title: Executive Director

Date: _______________

APPROVED AS TO FORM

By: ______________________________

Name Printed: Best Best & Krieger

Title: General Counsel

Date: _______________

SCE:

<u>SOUTHERN CALIFORNIA EDISON COMPANY</u>

By: ______________________________

Name Printed: Marc Ulrich

Title: Vice President, Customer Programs and Services

Date: _______________

EXHIBIT B

ENERGY LEADER PARTNERSHIP PROGRAM 2017-2018 GOALS & PARTNER BUDGET FOR *WRCOG*

2017-2018 Budget		
Budget Category	**2017[1]**	**2018[1]**
Administrative	**$ 10,000**	**TBD**
Marketing & Outreach	**$ 9,000**	
Direct Implementation[2]	**$ 70,000**	
Partner Budget Total Not To Exceed	**$ 89,000**	
Technical Assistance[3]	**$ 6,000**	**TBD**

2017-2018 Energy Savings Goal		
	2017[1]	**2018[1]**
Energy Savings (kWh)	**0**	**TBD**
Demand Reduction (kW)	**0**	

Footnotes:

(1) Budget and Savings Goal are subject to be revised or provided upon CPUC Approval for the funding year.

(2) Direct Implementation does not include technical assistance, strategic plan, or incentives.

(3) Technical Assistance fund is administrated by SCE for SCE approved T/A projects.

Exhibit B Continued

Fully Burdened Labor Rate Table

The rates in below table are fully burdened (see footnotes) and serve as maximum billing rates for actual costs incurred for each labor title.

Position	Fully Burdened Rates
Senior Consultant	$300.00
Chief Financial Officer	$218.36
Director of Energy and Environmental Programs	$200.76
Program Manager	$114.71
Staff Analyst II	$73.59
Staff Analyst I #1	$62.42
Staff Analyst I #2	$63.95
Administrative Assistant	$72.05
IT Administrator	$119.21
Accounting Analyst	$89.46
Technician	$54.34
Legal Counsel	$300.00

Footnotes:

(1) Fully burdened hourly rates set forth herein which include all related cost including, but not limited to, actual wages, statutory taxes, benefits, insurance, office supplies, office printing, and overhead. Overhead includes, but not limited to, rent, technology, equipment, software, phone, internet, audit services and legal services.

(2) Any reimbursable expenses, including any and all subcontractor expenses, shall be reimbursed at actual cost **without markup**. All reimbursable expenses require written approval, in advance, by the SCE Representative referenced in this contract.

(3) For avoidance of doubt, the fully burdened hourly rates apply to WRCOG's staff and Contractors, as applicable.

Item 5.G

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: Environmental Department Activities Update

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

Date: December 5, 2016

The purpose of this item is to *provide an update on the Used Oil and Filter Exchange events and the progress of WRCOG's Pilot Litter Program being conducted in the City of Lake Elsinore.*

Requested Action:

1. Receive and file.

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

Recycling Program Activities Update

Throughout the previous weeks, two used oil events took place in Western Riverside County cities, along with three community events. Staff participated in outreach events each weekend in October in various cities.

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

On Saturday, November 5, 2016, O'Reilly's Auto Part Store located at 33417 Temecula Parkway was the site of a Used Oil and Filter Exchange event. Residents attended the morning event and those who brought in their used oil were provided with a free oil filter. Staff handed out promotional items such as oil buckets, funnels and oil towels.

On Saturday, November 19, 2016, a Used Oil and Filter Exchange event in the City of Riverside attracted just over 85 residents. Additionally, 120 oil filters were recycled and 200 gallons of oil was collected at the AutoZone store located at 4980 La Sierra Avenue. Staff engaged attendees in discussion about DIY oil changes and other HHW issues. Informational materials were passed out along with shop towels, funnels, oil wrenches and the popular Used Oil containers.

Staff was joined by HOT Radio 103.9 at the November 19th Used Oil Event in the City of Riverside.

Community Outreach

In the past month, staff participated in three community events in Western Riverside County. On Saturday October 29, 2016, staff was on hand at the City of Temecula's Fall City-Wide Clean-Up. Over 170 plastic used oil containers were provided to residents of the City who attended the event. Staff engaged in conversation about the Used Oil program and the importance of properly disposing used motor oil. CR&R Environmental Services supported the event by receiving and delivering the materials to Chaparral High School, where the Clean-Up event is held each spring and fall.

Later than evening, Intern Kyle Rodriquez donned a Bear Suit and joined a plain-dressed Staff Analyst Anthony Segura at the Annual Wildomar Trunk or Treat event. Hundreds of children and their parents attended the popular Community Night Out at Marna O'Brien Park.

On Saturday November 19, 2016, WRCOG partnered with Riverside County agencies to provide an America Recycles outreach event in Nuevo. The event was coordinated by Riverside County District 5 Supervisor Marion Ashley's office. WRCOG Intern Jorge Nieto participated and worked alongside Riverside County Department of Waste Resources and Waste Management.

Upcoming Used Oil Events

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

Date	Event	Location	Time
12/10/16	City of Eastvale Used Oil Event	AutoZone 14228 Schleisman Rd.	9 a.m. – 12 p.m.
1/7/17	City of Murrieta Used Oil Event	AutoZone 40950 Cal Oaks Rd.	9 a.m. – 12 p.m.
1/28/17	City of Lake Elsinore Used Oil Event	AutoZone, 322231 Mission Trail	9 a.m. – 12 p.m.

<u>WRCOG Pilot and Regional Litter Initiative</u>

<u>Riverside Flood Control and Water Conservation District joins the Clean Extreme Team</u>: Over 75 residents signed a "Say No To Litter Pledge" at the October 15, 2016, Lake Elsinore City-Wide Clean-Up Event. The number of people who have signed on NOT to litter has ticked up since then, as the City's Program has taken on a new partner, the Riverside County Flood Control and Water Conservation District. The District's mission includes anti-illegal dumping and littering programs. When the District's Government Affairs Officer Darcy Kuenzi learned of the Lake Elsinore Pilot Program, it soon became clear that there is power in numbers! Between the City, WRCOG, and the County Agency - along with the steady support of CR&R Environmental Services - the anti-litter Program is gaining momentum!

Lake Elsinore Pilot Litter Program social media outreach kick-off coming soon, complete with interactive contests, and an Adopt a Highway Program. Stay tuned to learn more as this program evolves into a regional program!

<u>Prior WRCOG Action</u>:

<u>November 7, 2016</u>: The Executive Committee received report.

<u>WRCOG Fiscal Impact</u>:

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

<u>Attachment</u>:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Clean Cities Coalition Activities Update**

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

Date: **December 5, 2016**

The purpose of this item is to *provide an on-going briefing for the Clean Cities Coalition, which is an on-going program to encourage the purchase and use of alternative fueled vehicles within the WRCOG subregion.*

Requested Action:

1. Receive and file.

Research into Scope of Work Tasks for Clean Cities Coalition member jurisdictions

WRCOG is continuing its research into providing additional assistance related to the Clean Cities Coalition for dues paying member jurisdictions. After WRCOG concludes its research, it proposes to submit a Scope of Work to each member. Among the items being researched and proposed tasks to be included in the Scope of Work are AB 2767 reports on behalf of cities, monthly updates on grant opportunities for clean vehicle fleets to member jurisdictions, quarterly meetings, and a set number of hours to Clean Cities dues paying members with grant writing assistance specific to Clean Cities grant opportunities (number of hours to be determined). Staff will continue to work on a proposed Scope of Work and will provide updates and a draft Scope of Work at the earliest stage possible.

Clean Cities Coalition Quarterly Meeting

WRCOG held its quarterly meeting on Wednesday, October 26, 2016, at the University of California, Riverside's Center for Environmental Research and Technology (CE-CERT). The meeting included a presentation by the Deputy Director of CE-CERT, Nicole Davis, who introduced CE-CERT's research, specifically on applicable topics for Clean Cities Coalition members. Among the topics that garnered the most interest were emissions and fuel research – encompassing measurement of vehicle emissions in the laboratory and in the field, under controlled and "real world" operating conditions; and CE-CERT's Sustainable Integrated Grid Initiative – research to integrate solar electricity generation, smart distribution, commercial-scale energy storage, and electric transportation.

Attendees expressed interest in postponing the tour of CE-CERT's facilities to a future meeting, so that more Clean Cities Coalition members are able to view and experience the research being conducted in some of the technologies that will advance the Clean Cities' goal to advance the reduction of petroleum use in transportation. WRCOG staff is in the process of following up with CE-CERT to schedule an appropriate date to hold the meeting at its facilities and take-in a tour.

Prior WRCOG Action:

November 7, 2016: The Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.

Item 5.I

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: General Assembly and Executive Committee Meeting Schedule for 2017

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

Date: December 5, 2016

Requested Action:

1. Approve the Schedule of General Assembly and Executive Committee meetings for 2017.

Attached are the proposed meeting dates for the 2017 General Assembly and Executive Committee meetings. All Executive Committee meeting dates are proposed for the first Monday of the month, with the exception of being proposed for the second Monday in July due to observance of Independence Day, and the second Monday in September due to observance of Labor Day. All Executive Committee meetings are scheduled at 2:00 p.m. in the County of Riverside Administrative Center, 1st Floor Board Chambers.

The 2017 General Assembly is scheduled for the evening of the 4th Thursday, June 22, 2017.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

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

Attachment:

1. Schedule of General Assembly and Executive Committee meetings for 2017.

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Item 5.I

General Assembly and Executive Committee Meeting Schedule for 2017

Attachment 1

Schedule of General Assembly and Executive Committee meetings for 2017

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
SCHEDULE OF MEETINGS FOR 2017

WRCOG Standing Committees	Day	Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
General Assembly	4th Thur. in June	6:00 p.m.	-	-	-	-	-	22	-	-	-	-	-	-
Executive Committee	1st Mon.	2:00 p.m.	9	6	6	3	1	5 & 23*	3	7	11**	2	6	4

*June 23 Executive Committee meeting will be held at 10:00 a.m. at the Morongo Casino, Resort & Spa, Club 360, 26th Floor, in Cabazon.

**September Executive Committee meeting scheduled for the 2nd Monday due to Labor Day.

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Item 5.J

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Appointment of WRCOG Representatives to Committees**

Contact: **Rick Bishop, Executive Director, bishop@wrcog.cog.ca.us, (951) 955-8303**

Date: **December 5, 2016**

***The purpose of this item is to** recommend that the Executive Committee consider recommendations provided from the Administration & Finance Committee on a number of Committee appointments, and make the appointments.*

Requested Actions:

1. Appoint representatives to the following Committees for the period commencing January 1, 2017, and ending December 31, 2018, as follows:

   a. California Association of Councils of Government (1 primary and 1 alternate).

Brian Tisdale (Lake Elsinore):	Primary
Laura Roughton (Jurupa Valley):	Alternate

   b. Riverside County Waste Management Local Task Force (2 primary and 2 alternates).

Linda Krupa (Hemet):	Primary 1
Jordan Ehrenkranz (Canyon Lake):	Primary 2
Debbie Franklin (Banning):	Alternate for 1
Dick Haley (Corona):	Alternate for 2

   c. Santa Ana Watershed Protection Authority Steering Committee (1 primary and 1 alternate).

Laura Roughton (Jurupa Valley):	Primary
Linda Krupa (Hemet):	Alternate

   d. San Diego Association of Governments Borders Committee (1 primary and 1 alternate).

Marsha Swanson (Wildomar):	Primary
Jeffrey Giba (Moreno Valley):	Alternate

   e. Southern California Association of Governments Policy Committees (6 appointments).

Deborah Franklin (Banning):	Community, Economic and Human Development
Jordan Ehrenkranz (Canyon Lake):	Energy and Environment
Bonnie Wright (Hemet):	Energy and Environment
Randon Lane (Murrieta):	Transportation
Ben Benoit (Wildomar):	Transportation
Linda Krupa (Hemet):	Transportation

The Executive Committee appoints a number of elected officials to represent the Agency and/or the subregion's interests on a number of committees. These include the following:

- California Association of Councils of Governments (CALCOG) (one appointment plus an alternate)
- Southern California Association of Governments Policy Committees (six appointments)
- San Diego Association of Governments Borders Committee (one appointment plus an alternate)
- County of Riverside Waste Management Local Task Force (two appointments plus two alternates)
- SAWPA's One Water, One Watershed (OWOW) Steering Committee (one appointment)

Per policy, all WRCOG appointees to Committees serve for a two-year term. Current terms for WRCOG appointees expire on December 31, 2016.

WRCOG notified all City and County elected officials of opportunities to serve on the above committees and requested that individuals interested in serving to contact Rick Bishop by Wednesday, November 2, 2016.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee recommended to the Executive Committee the above listed appointments.

WRCOG Fiscal Impact:

Stipends are allocated in WRCOG's Fiscal Year 2016/2017 Budget under the General Fund.

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Continued Membership of the Riverside County Superintendent of Schools on WRCOG**

Contact: **Rick Bishop, Executive Director, bishop@wrcog.cog.ca.us, (951) 955-8303**

Date: **December 5, 2016**

The purpose of this item is to *recommend approval of the MOU between WRCOG and the Riverside County Superintendent of Schools providing for the Superintendent to continue serving as an ex-officio representative to the Executive Committee.*

Requested Action:

1. Approve a one-year extension to the MOU between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.

Background

WRCOG has a Memorandum of Understanding (MOU) with the Riverside County Superintendent of Schools for an advisory, ex-officio membership on the Executive Committee. The MOU provides for the Executive Committee to review the participation arrangement and expand the membership beyond ex-officio status. Alternatively, ex-officio membership would continue on an annual basis as authorized by a letter extending MOU by written agreement, to be executed by both parties. The Executive Director is authorized to execute said letter.

The Executive Director and the Riverside County Superintendent of Schools have discussed the ex-officio arrangement and are proposing to the Executive Committee that the current arrangement as articulated in the MOU be extended for another year. Attached is a draft MOU extension letter to be executed by both parties, upon approval by the Executive Committee.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee recommended to the Executive Committee that it approve a one-year extension to the MOU between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.

WRCOG Fiscal Impact:

The Riverside County Superintendent of Schools pays annual dues to WRCOG in the amount of $17,000, which is budgeted in the General Fund and recorded as revenue.

Attachment:

1. Letter Extending MOU by Written Agreement.

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Item 5.K

Continued Membership of the Riverside County Superintendent of Schools on WRCOG

Attachment 1

Letter Extending MOU by Written Agreement

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December 5, 2016

Kenneth M. Young
Riverside County Superintendent of Schools
3939 Thirteenth Street
PO Box 868
Riverside, CA 92502

Subject: Letter Extending MOU by Written Agreement

Dear Superintendent Young:

On November 7, 2011, the Riverside County Superintendent of Schools (Superintendent) and the Western Riverside Council of Governments (WRCOG) entered into a Memorandum of Understanding (MOU) which set forth the understanding of the parties regarding the Superintendent's position as an ex-officio, advisory member of WRCOG in order to help address the educational challenges of the region.

Pursuant to Section 3 of the MOU, the Superintendent and WRCOG may extend the ex-officio arrangement by written agreement. This letter of extension constitutes the Superintendent and WRCOG's mutual written agreement to extend the ex-officio arrangement through December 31, 2017, unless earlier terminated as provided in the MOU.

To affirm and agree to the extension of Superintendent's position as an ex-officio, advisory member of WRCOG, as set forth in this letter, please sign both letters; keep one for your files and return the other to WRCOG.

Sincerely,

By: ____________________________
Rick Bishop
Executive Director

Affirmed and Agreed:

RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS

By: ____________________________
Kenneth M. Young
Riverside County Superintendent of Schools

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **SANDAG Borders Committee Activities Update**

Contact: **Marsha Swanson, Committee Representative, MSwanson@CityofWildomar.org, (951) 677-7751**

Date: **December 5, 2016**

The purpose of this item is to *inform the Committee of activities occurring on the SANDAG Borders Committee.*

Requested Action:

1. Receive and file.

Attached to this staff report is a meeting recap of October 28, 2016.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

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

Attachment:

1. SANDAG Borders Committee meeting recap of October 28, 2016.

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Item 5.L

SANDAG Borders Committee Activities Update

Attachment 1

SANDAG Borders Committee meeting recap of October 28, 2016

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WRCOG, Executive Committee,

I attended the SANDAG Border Committee on October 28th, there will not be a meeting in December.

Public Comments:

None

Action Items

Approval of the 9/23/16 meeting minutes .

Reports at this meeting:

1. REPORT FROM THE CONSUL GENERAL OF MEXICO, Honorable Marcela Celorio, General introduction of the new Consul General.

2. TRIBAL LIAISON PROGRAM STATUS REPORT ON RECENT TRANSPORTATION PLANNING EFFORTS (Adam Geisler, Tribal Transportation Working Group Co-Chair, La Jolla Band of Luiseño Indians; Claudine Montes, SCTCA; Jane Clough, SANDAG)

Since 2007, SANDAG and the Southern California Tribal Chairmen's Association (SCTCA) have had a government-to-government framework in place to coordinate on regional and transportation issues. Adam Geisler of the La Jolla Band of Luiseño Indians, Tribal Transportation Working Group Co-Chair, along with tribal liaison staff from SCTCA and SANDAG, will provide an update on the program's structure and recent activities.

3. BINATIONAL MODELING IN THE SAN DIEGO/TIJUANA REGION: BORDER WAIT TIMES (Clint Daniels) INFORMATION

Staff provided an update on the modeling platform that includes the Tijuana, Tecate, and Playas de Rosarito Metropolitan Zone, which is part of the ongoing planning and modeling efforts to strengthen regional collaboration.

4. REGIONAL MOBILITY HUB IMPLEMENTATION STRATEGY (Miriam Kirshner and Marisa Mangan) INFORMATION

Staff presented an update on the Regional Mobility Hub Implementation Strategy, a joint effort of SANDAG and the Imperial County Transportation Commission.

Again I saw nothing directly affecting Riverside County. We are encouraged to report issues and activities within our subregion that are of interest or within the purview of the Borders Committee. Please let me know if we have anything to report.

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Item 7.A

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **PACE Program Activities Update**

Contact: **Michael Wasgatt, Program Manager, wasgatt@wrcog.cog.ca.us, (951) 955-8301**

Date: **December 5, 2016**

***The purpose of this item is to** provide the Committee with an update on the PACE Programs that WRCOG oversees. This includes the HERO Program, CaliforniaFIRST and Spruce Finance.*

Requested Actions:

1. Receive summary of the Revised California HERO Program Report.
2. Conduct a Public Hearing Regarding the Inclusion of the Town of Hillsborough and the City of Yreka, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program.
3. Continue the Public Hearing for the County of Colusa Unincorporated Areas until January, 9, 2017.
4. Adopt WRCOG Resolution Number 39-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.
5. Accept the Counties of Mendocino and Siskiyou unincorporated areas as Associate Members of the Western Riverside Council of Governments.
6. Adopt WRCOG Resolution Number 40-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.

WRCOG's PACE Programs provide financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. The CaliforniaFirst and Spruce Programs will launch in 4th Quarter 2016 and 1st Quarter 2017, respectively.

Overall HERO Program Activities Update

Residential: As of this writing, over 106,000 applications in both the WRCOG and California HERO Programs have been approved to fund more than $6.4 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: Over 21,700 projects, totaling over $418 million, have been completed (Attachments 1 and 2).

Statewide Program: As of this writing, 361 jurisdictions outside the WRCOG and San Bernardino Associated Governments' subregions have adopted Resolutions of Participation for the California HERO Program. Over 39,000 projects have been completed, totaling nearly $837 million (Attachment 3).

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

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	565 GWh
GHG Reductions – Annually	146,839 Tons
Gallons Saved – Annually	371 Million
$ Saved – Annually	$73 Million
Projected Annual Economic Impact	$2.1 Billion
Projected Annual Job Creation/Retention	10,659 Jobs

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

Project Data	
HVAC	29.5%
Windows/Doors	19.5%
Solar	19.1%
Roofing	10.2%
Landscape	9.8%

Public Hearing and Related Resolution: On June 3, 2013, the Executive Committee, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code ("Chapter 29"), conducted a public hearing to consider formally establishing the Program. At the conclusion of the public hearing the Executive Committee adopted its Resolution Number 10-13 confirming the Program Report for the Program and establishing the Program.

Recently, the Town of Hillsborough and the City of Yreka, took action to become Associate Members of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the "Program Area") to include the jurisdictions of such Associate Members.

On November 7, 2016, the Executive Committee adopted its Resolution Number 38-16 setting a public hearing to be held on December 5, 2016, as required pursuant to Chapter 29, to consider the modification of the Program Report to increase the Program Area to include the jurisdictional boundaries of such additional Associate Members.

For the December 5, 2016, Executive Committee meeting, staff is presenting the revised Appendix B "Boundary Map" from the Program Report for consideration and potential approval; the Executive Committee will hold a public hearing to consider increasing the Program Area to include all of the aforementioned Associate Members and, following the closing of the public hearing, will be asked to consider the adoption of Resolution Number 39-16 (Attachment 4), approving the revised Appendix B "Boundary Map" from the Program Report (Attachment 5).

New Associate Members: The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the "Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the

City” (the “JPA Amendment”), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the November 7, 2016, Executive Committee meeting.

County of Mendocino unincorporated areas – November 14, 2016
County of Siskiyou unincorporated areas – November 15, 2016

The next step in the California HERO Program is for the Executive Committee to adopt Resolution Number 40-16 (Attachment 6), which accepts the above mentioned Cities as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for January 9, 2017.

At the January 9, 2017, Executive Committee meeting, staff will bring forward the revised Appendix B “Boundary Map” from Program Report for consideration and potential approval; the Executive Committee will hold the Program’s required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B “Boundary Map” from the Program Report.

Prior WRCOG Actions:

November 7, 2016: The Executive Committee 1) approved a Custom Product Application for installation of a natural gas fireplace insert and include the product as an eligible improvement for future projects; 2) received summary of the Revised California HERO Program Report; 3) conducted a Public Hearing Regarding the Inclusion of the Cities of Belmont, Fort Bragg, Grass Valley, Half Moon Bay, Newark, Pacifica, Paradise, Point Arena, Redding, Watsonville, and Weed, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program; 4) adopted WRCOG Resolution Number 37-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered; 5) accepted the Town of Hillsborough and the City of Yreka as Associate Members of the Western Riverside Council of Governments; and 6) adopted WRCOG Resolution Number 38-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.

October 20, 2016: The Technical Advisory Committee received report.

WRCOG Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated in the Fiscal Year 2016/2017 Budget under the Energy Department.

Attachments:

1. WRCOG HERO Program Summary.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. WRCOG Resolution Number 39-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.
5. California HERO Program Report, Revised December 5, 2016.

6. WRCOG Resolution Number 40-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.

Item 7.A

PACE Program Activities Update

Attachment 1

WRCOG HERO Program Summary

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HERO Program Summary Update

(Launch through 11/23/16)

City	Approved Apps	Approved Amount
Banning	475	$12,661,446
Calimesa	159	$5,897,040
Canyon Lake	508	$26,411,785
Corona	2,906	$157,776,032
County	5,610	$275,836,453
Eastvale	794	$49,907,880
Hemet	1,039	$26,158,015
Jurupa Valley	1,885	$76,339,760
Lake Elsinore	1,274	$48,475,066
Menifee	2,331	$82,620,827
Moreno Valley	4,303	$143,953,151
Murrieta	2,489	$115,771,691
Norco	675	$38,729,721
Perris	869	$27,526,477
Riverside	5,603	$235,925,107
San Jacinto	661	$18,802,844
Temecula	2,351	$121,589,633
Wildomar	820	$31,732,398
	34,746	$1,496,115,328

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Item 7.A
PACE Program Activities Update

Attachment 2
WRCOG HERO Snapshot

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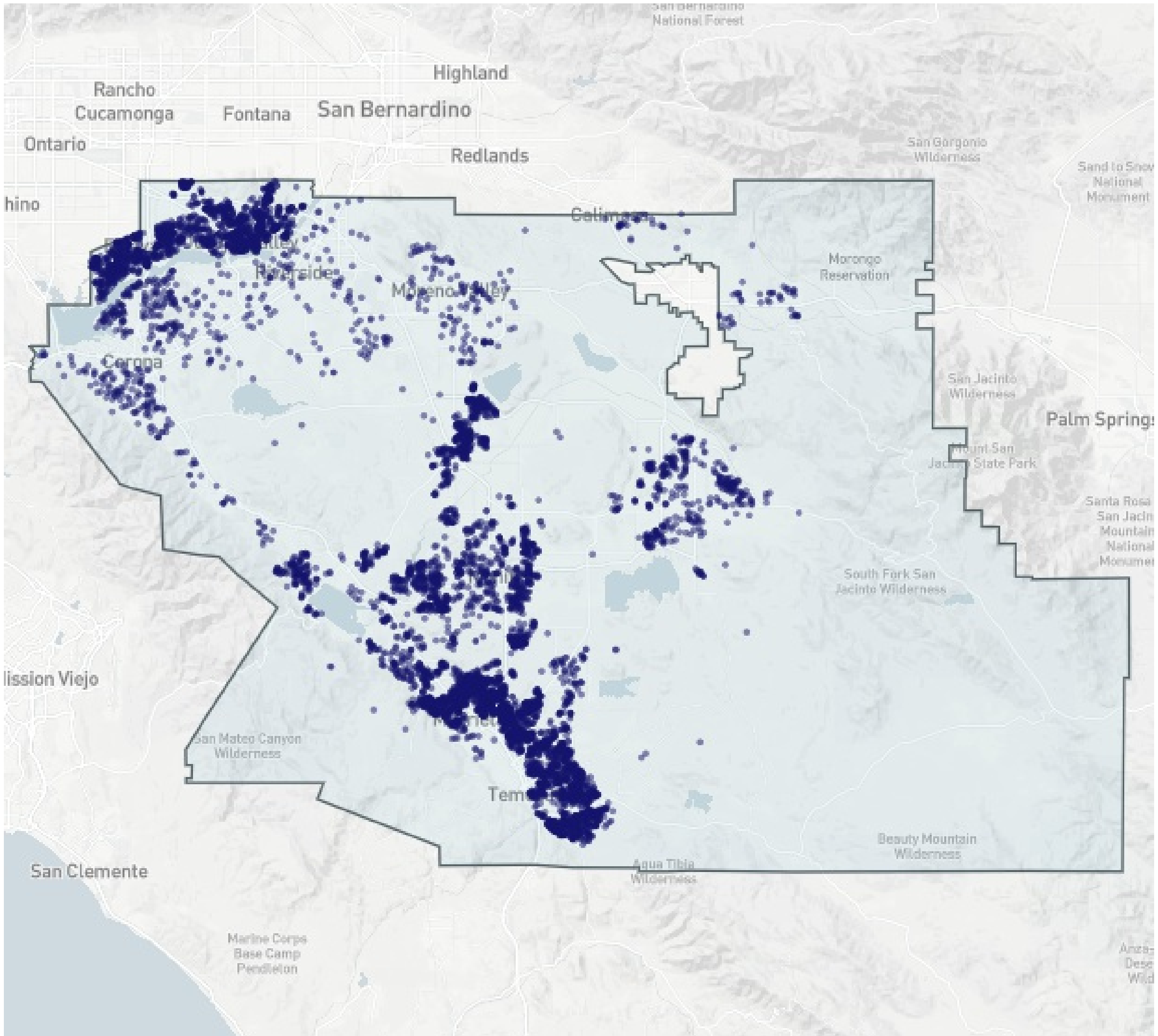
WRCOG - Western Riverside Council of Governments

18,688 Homes Improved

12/14/2011
HERO Launch Date

460,635
Housing Count

01/01/2011 - 11/23/2016
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	24.8K	$288M
Solar	12.1K	$507M
Water	1,603	$11.5M

Lifetime Impact

Applications Submitted	51.2K
Applications Approved	34.7K
Funded Amount	$419M
Economic Stimulus	$726M
Jobs Created	3,558
Energy Saved	3.09B kWh
Emissions Reduced	836K tons
Water Saved	1.26B gal

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

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Item 7.A

PACE Program Activities Update

Attachment 3

CA HERO Snapshot

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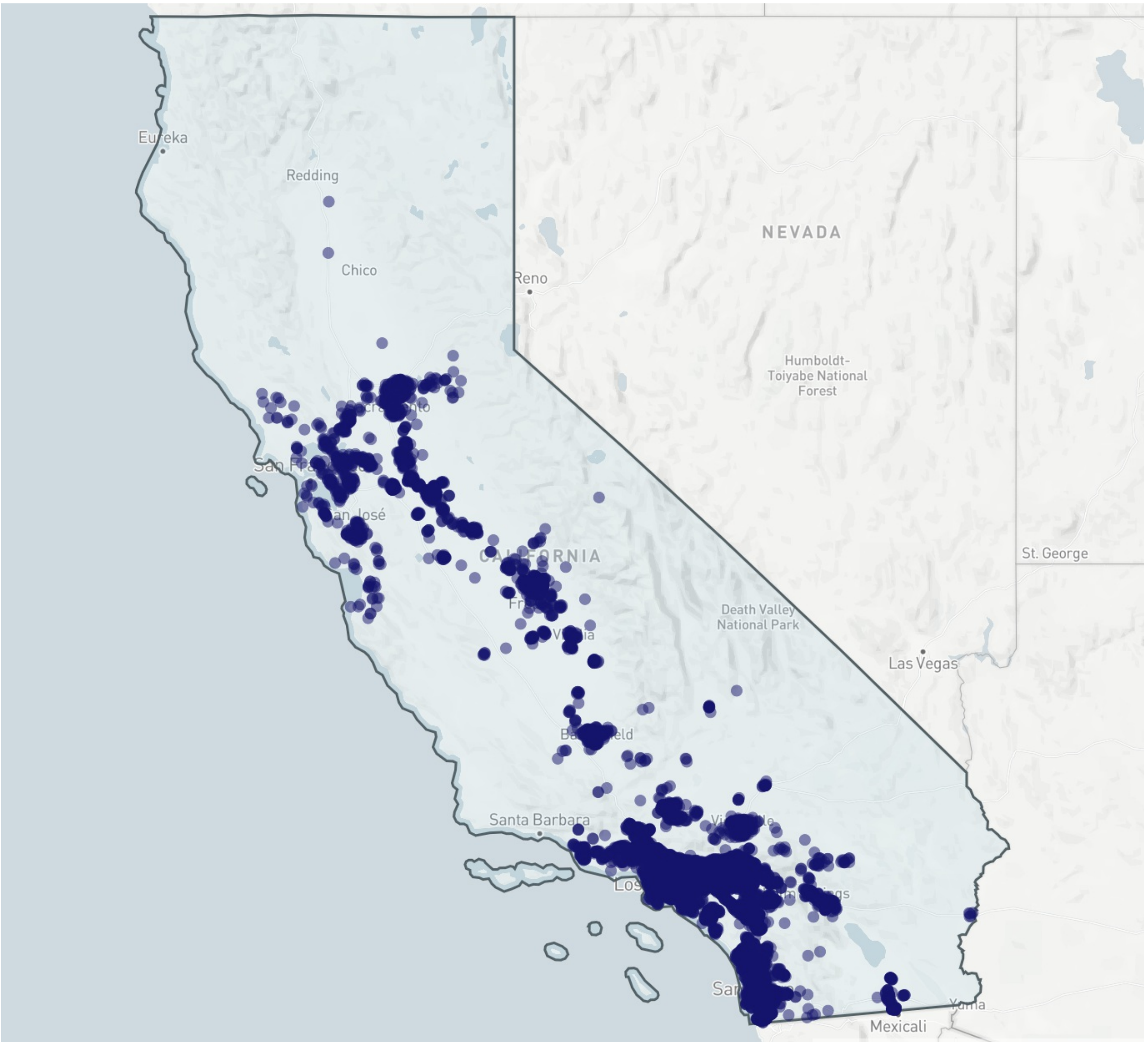
California HERO Program

34,863 Homes Improved

02/10/2014
HERO Launch Date

5,644,977
Housing Count

02/10/2014 - 11/23/2016
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	48.5K	$584M
Solar	19.9K	$918M
Water	3,618	$28.5M

Lifetime Impact

Applications Submitted	97.8K
Applications Approved	72.2K
Funded Amount	836M
Economic Stimulus	$1.45B
Jobs Created	7,101
Energy Saved	5.34B kWh
Emissions Reduced	1.42M tons
Water Saved	3.09B gal

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

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Item 7.A

PACE Program Activities Update

Attachment 4

WRCOG Resolution Number 39-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered

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RESOLUTION NUMBER 39-16

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONFIRMING MODIFICATION OF THE CALIFORNIA HERO PROGRAM REPORT SO AS TO EXPAND THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED

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

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

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

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

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 38-16 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Town of Hillsborough and the City of Yreka, ordered a public hearing to be held on December 5, 2016, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the Town of Hillsborough and the City of Yreka, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the Town of Hillsborough and the City of Yreka, in the California HERO Program is hereby approved and confirmed.

Section 3. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on December 5, 2016.

____
Ben Benoit, Chair
WRCOG Executive Committee

____
Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

____
Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _______ NOES: _______ ABSENT: _______ ABSTAIN: _______

Item 7.A

PACE Program Activities Update

Attachment 5

California HERO Program Report, Revised December 5, 2016

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Program Report

Cities/Towns of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, , Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calexico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin ,Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Piedmont, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills Estates, Rolling Hills, Rosemead, SACRAMENTO, Salinas, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San Marcos, San Marino, San Mateo, San Pablo, San Rafael, SAN Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville , Yreka, And Yuba City, and the unincorporated counties of Alameda, Butte, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Riverside, Sacramento, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Yolo, and Yuba.

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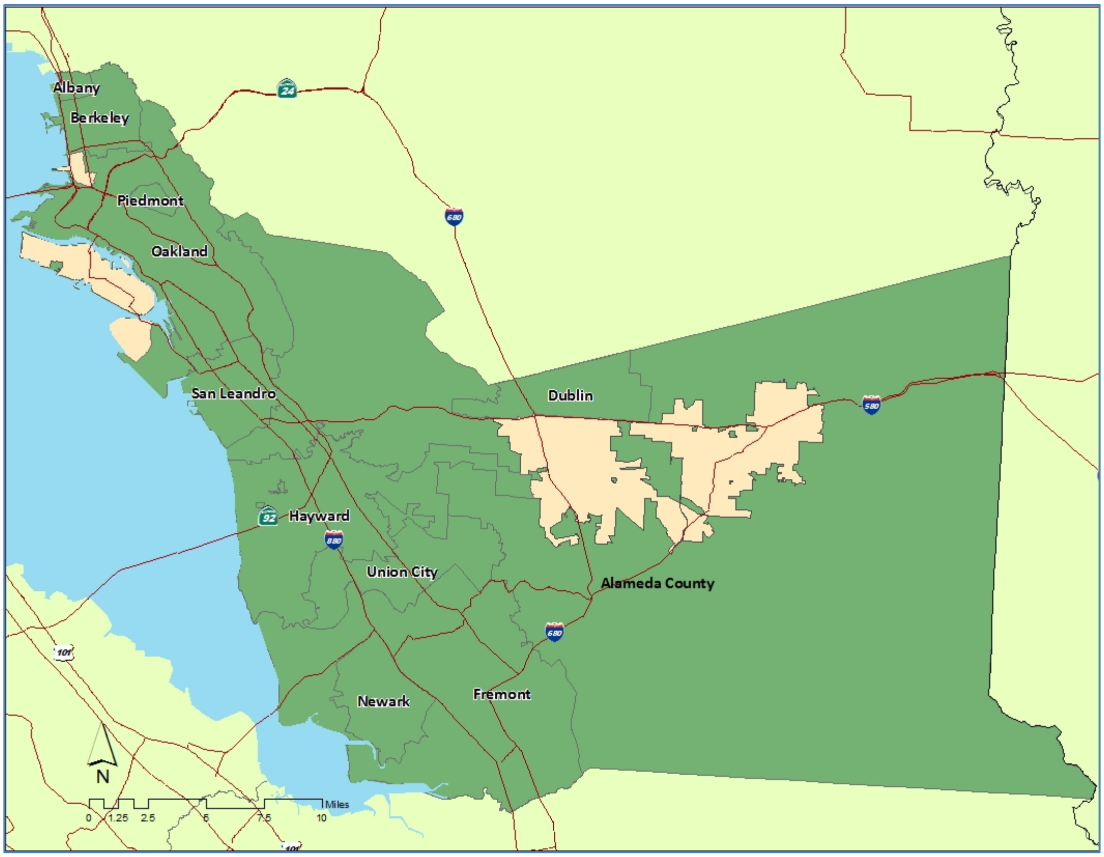
APPENDICES

Appendix B

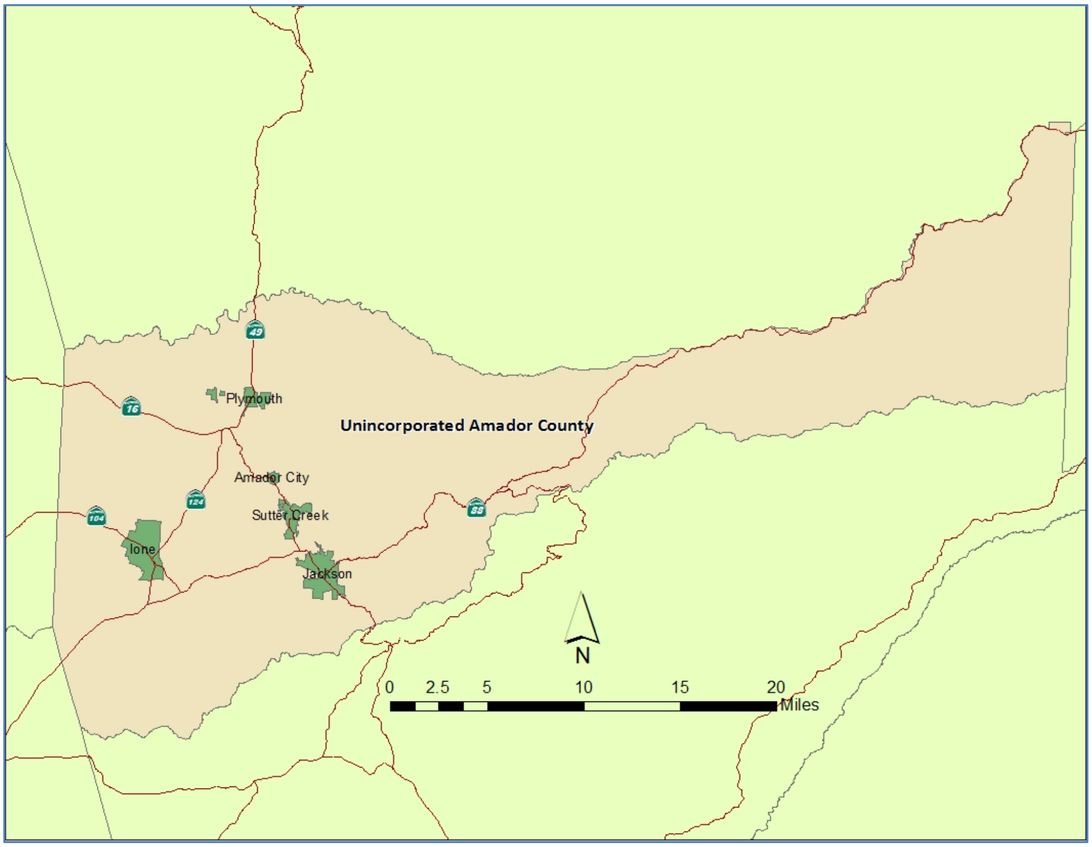
MAP OF PROGRAM AREA
(DECEMBER 5, 2016)

The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calexico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin, Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Piedmont, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills, Rolling Hills Estates, Rosemead, Sacramento, Salinas, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San Marcos, San Marino, San Mateo, San Pablo, San Rafael, San Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville, Yreka, and Yuba City, And The Unincorporated Counties Of Alameda, Butte, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Yolo, and Yuba.

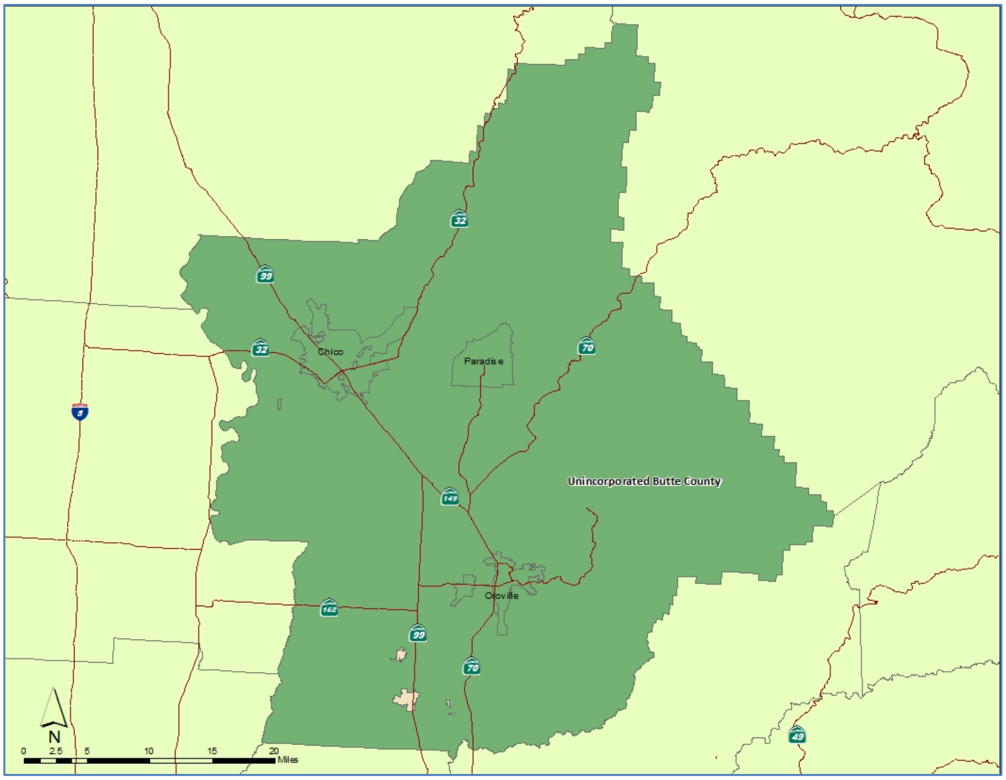
Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



Cities of Amador, Ione, Jackson, Plymouth, and Sutter Creek, in Amador County, California



Cities of Chico, Paradise, Oroville, and Butte County unincorporated areas, located in Butte County, California



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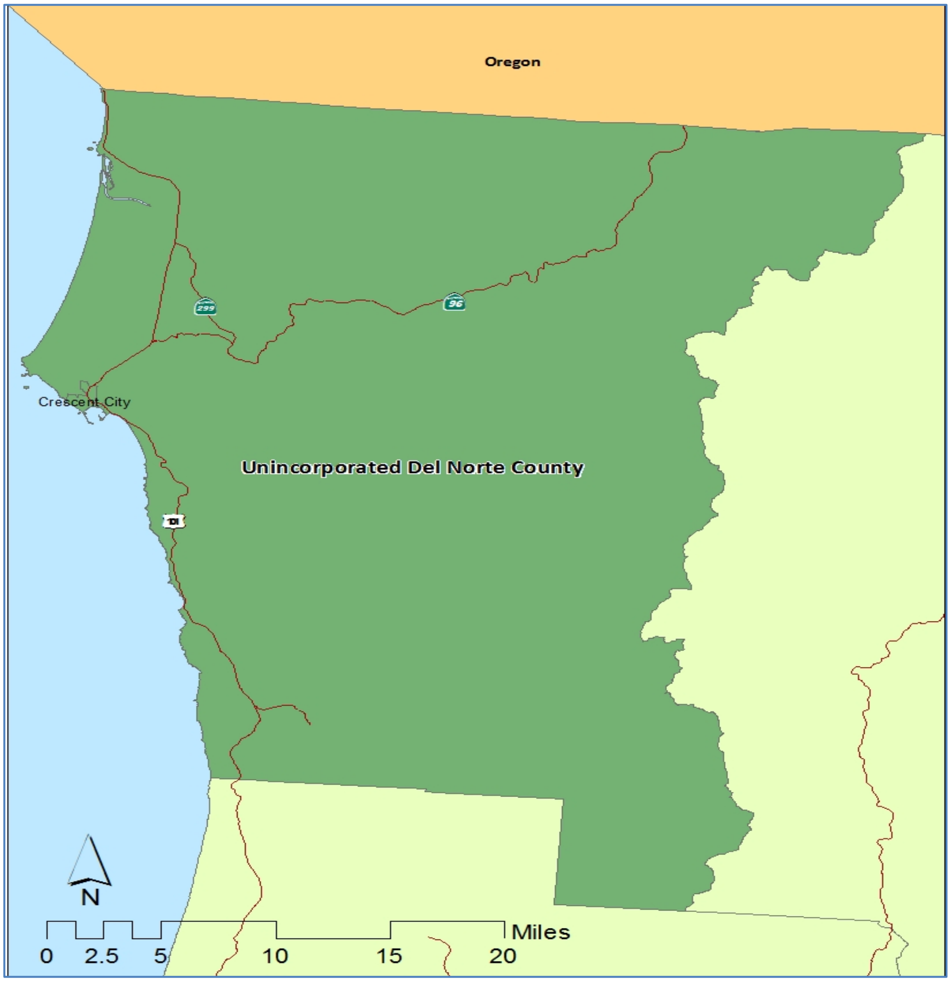
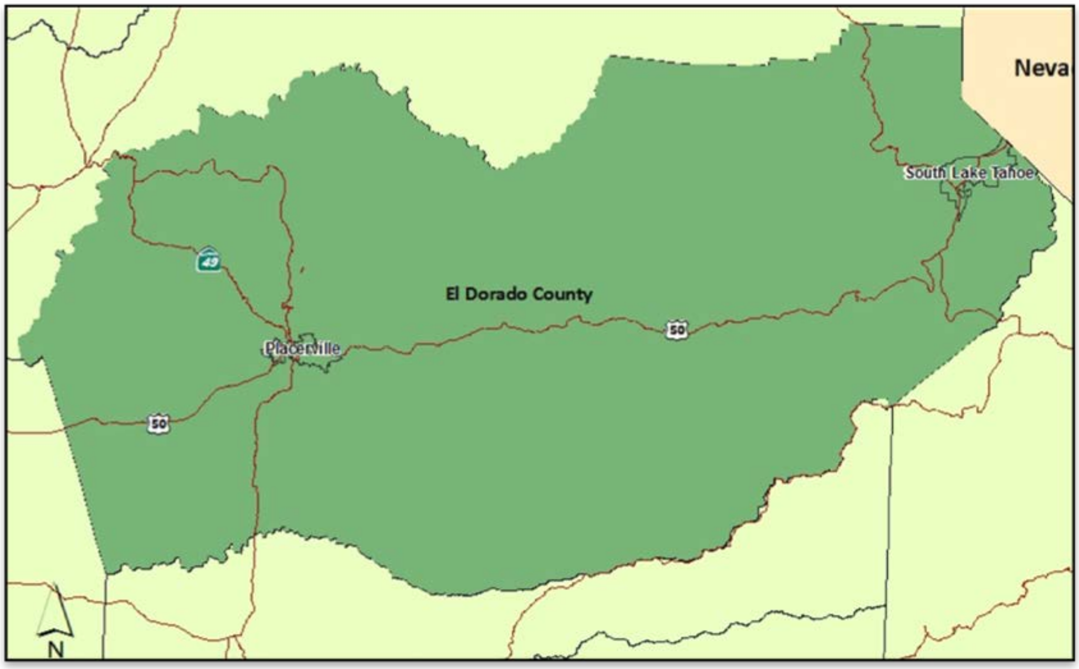
Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Town of Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, Walnut Creek, and Contra Costa unincorporated areas, located in Contra Costa County, California

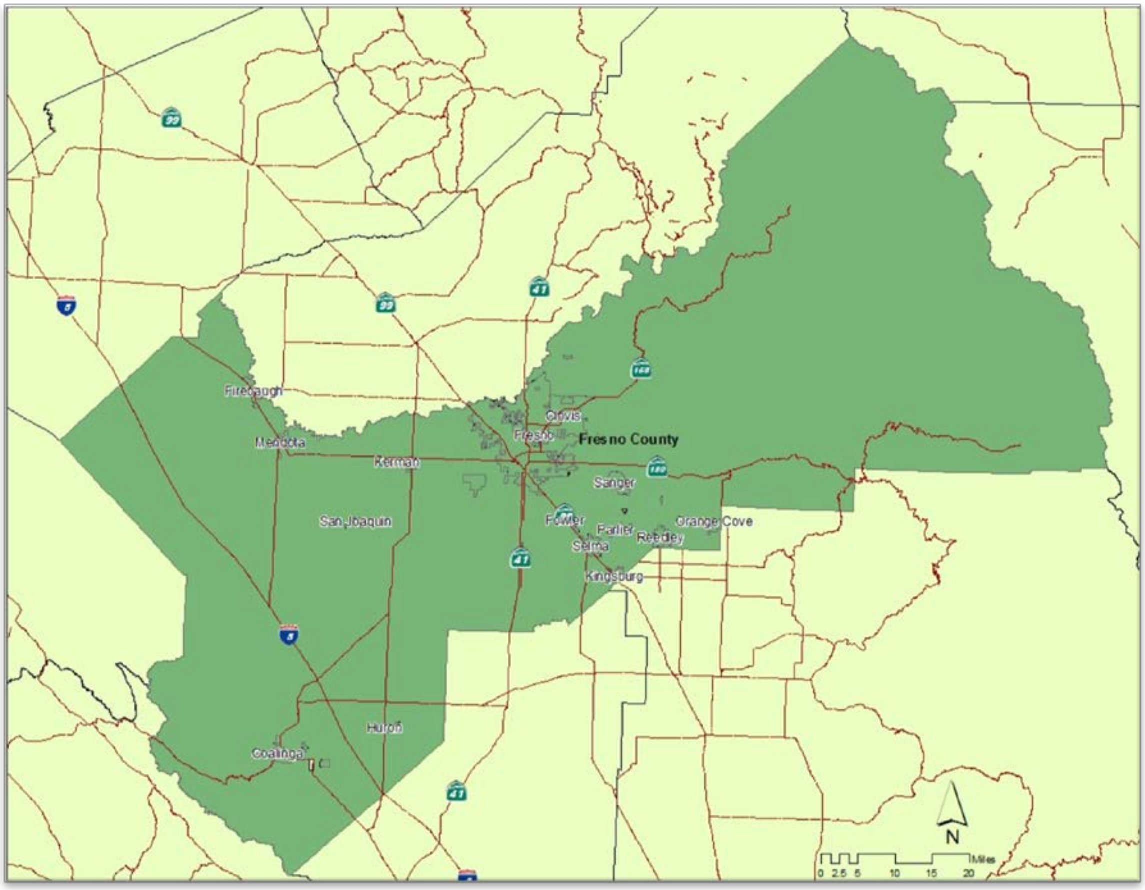
City of Crescent City and County of Del Norte unincorporated areas, located in Del Norte County, California



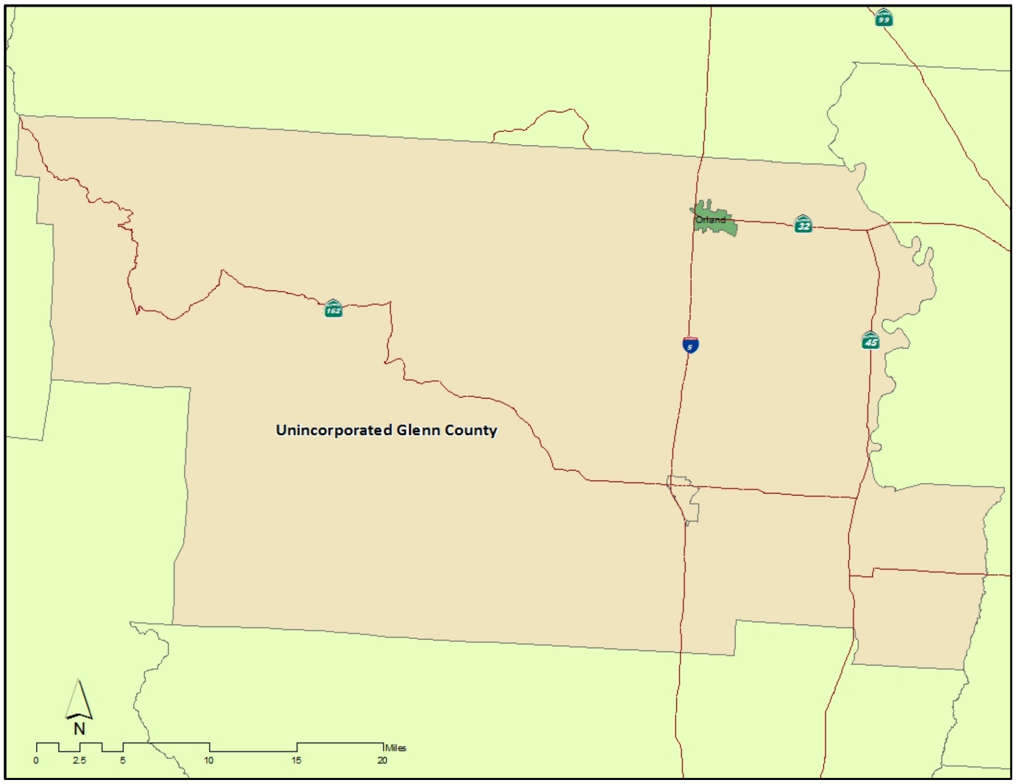
Cities of Placerville and South Lake Tahoe, and El Dorado County Unincorporated areas located in El Dorado County, California



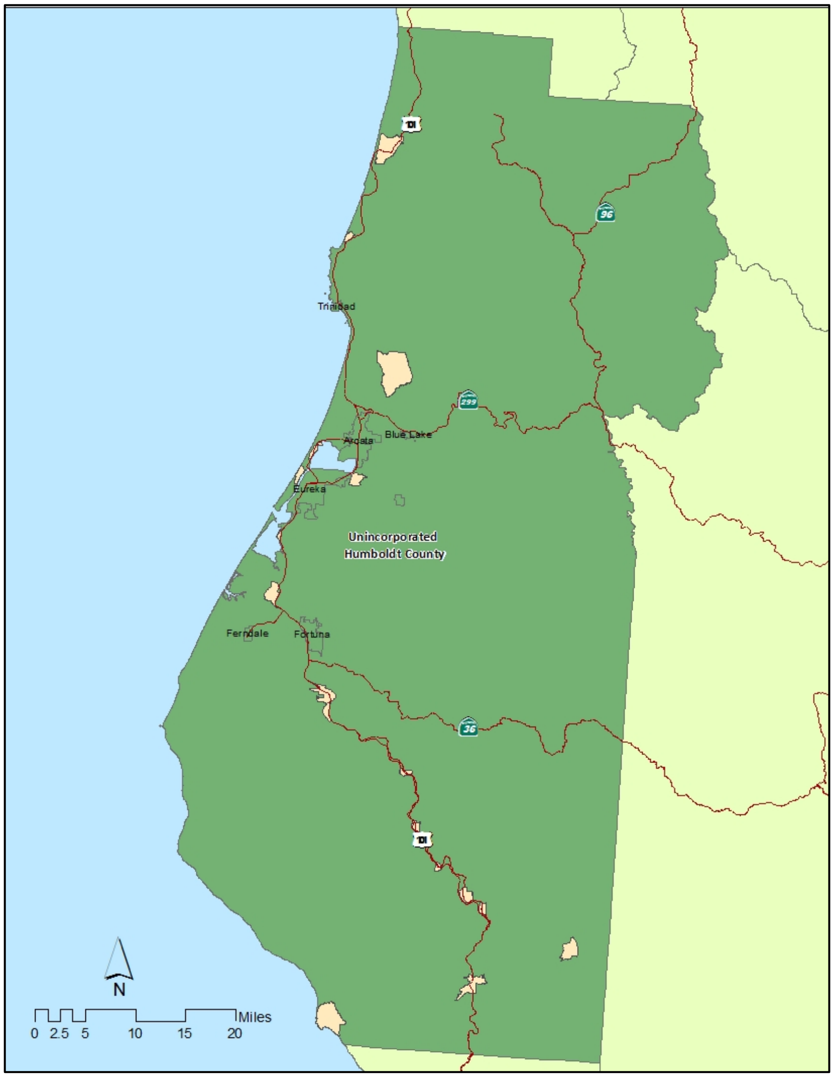
Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, Sanger, San Joaquin, Selma, and Fresno County unincorporated areas, located in Fresno County, California



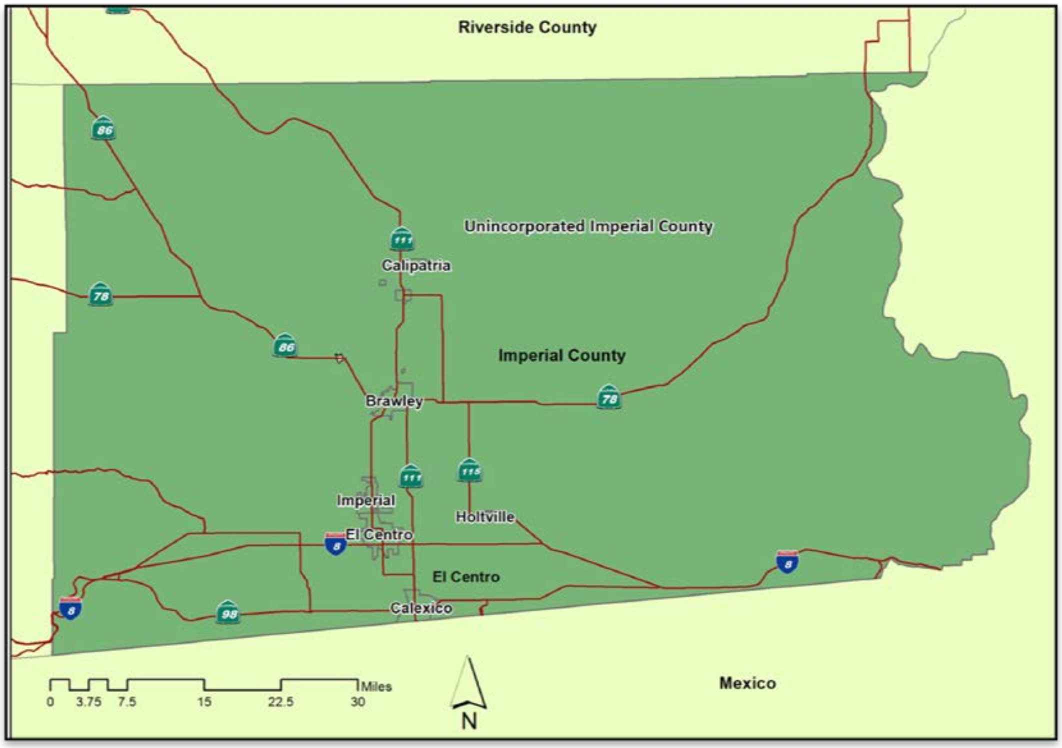
City of Orland, located in Glenn County, California



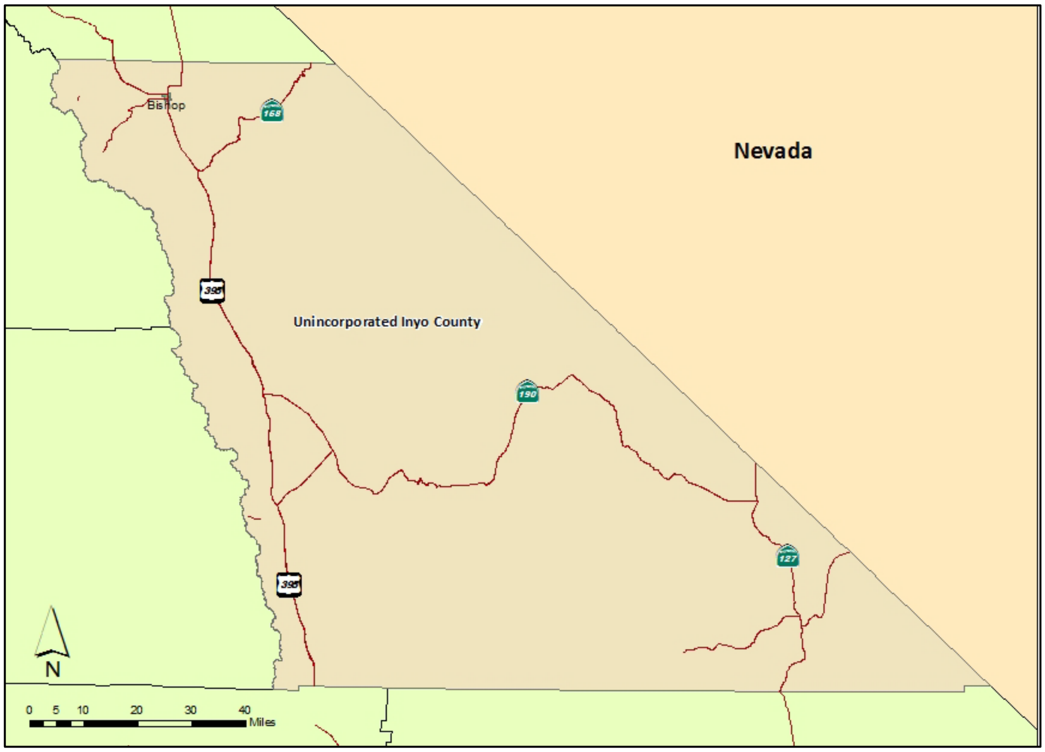
Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Humboldt County unincorporated areas, located in Humboldt County, California



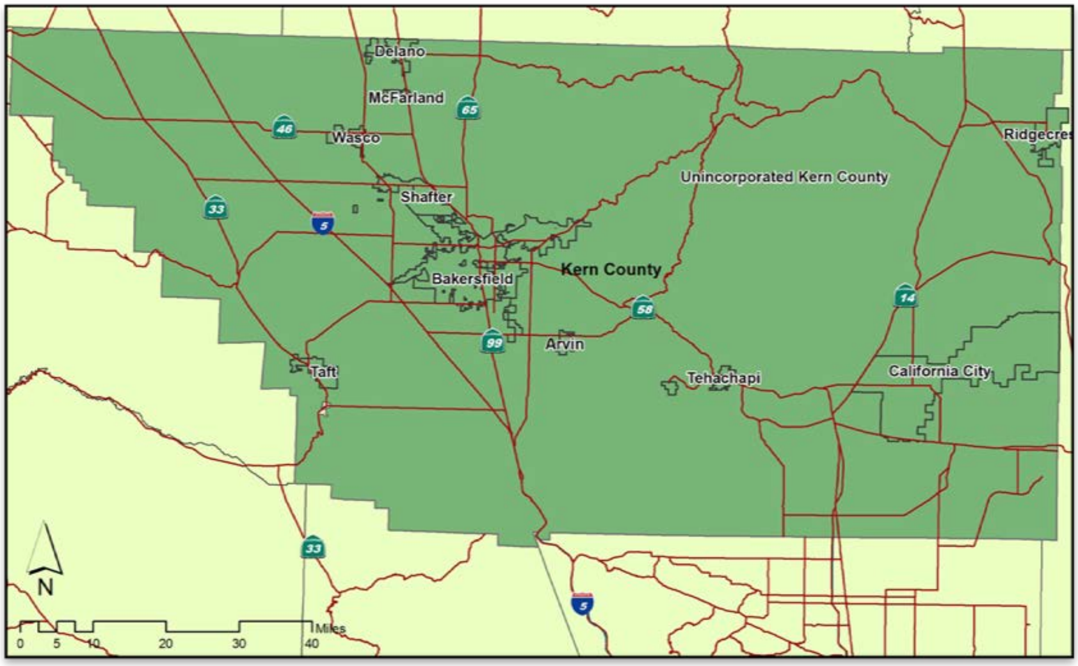
Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, and Imperial County unincorporated areas, located in Imperial County, California



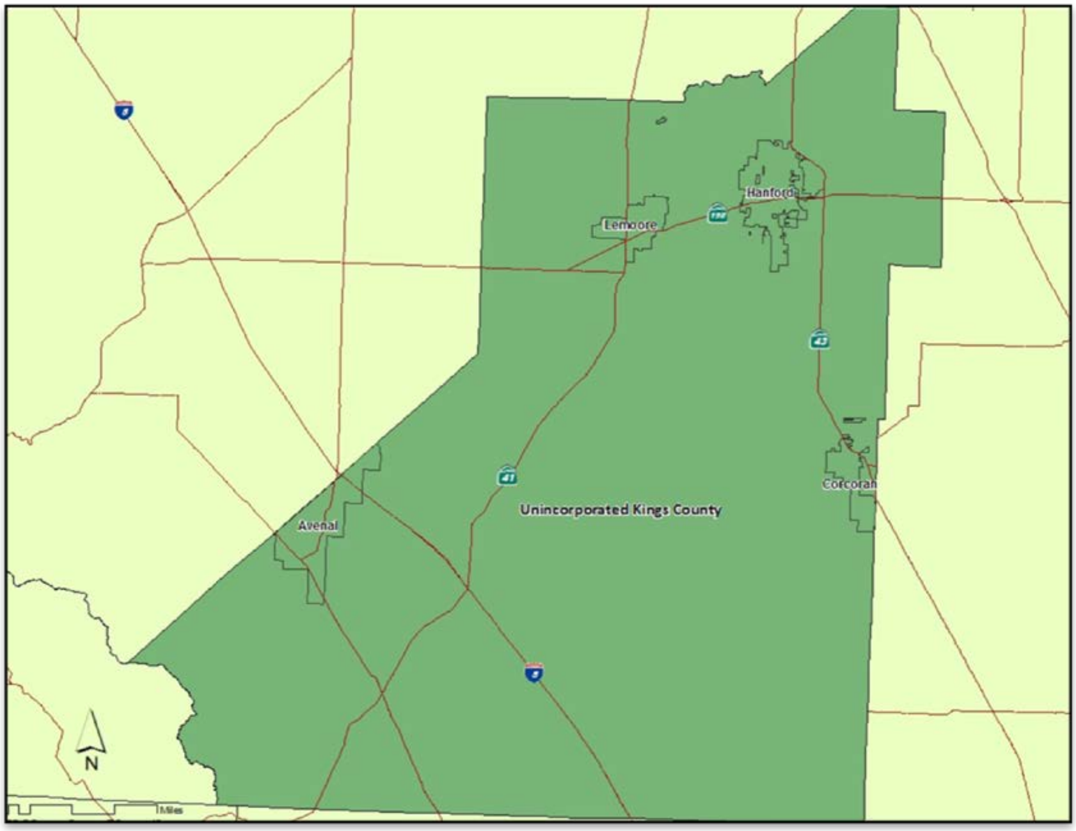
City of Bishop, located in Inyo County, California



Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, Wasco, and Kern County unincorporated areas, located in Kern County, California

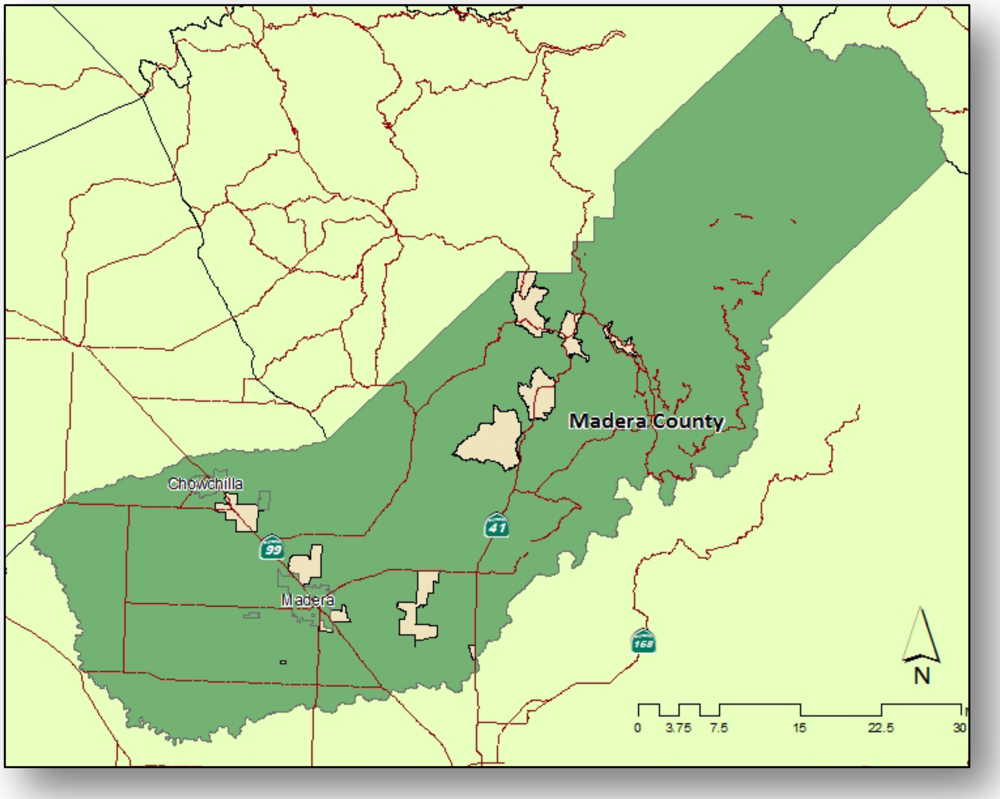


Cities of Avenal, Corcoran, Hanford, Lemoore, and Kings County unincorporated areas, located in Kings County, California



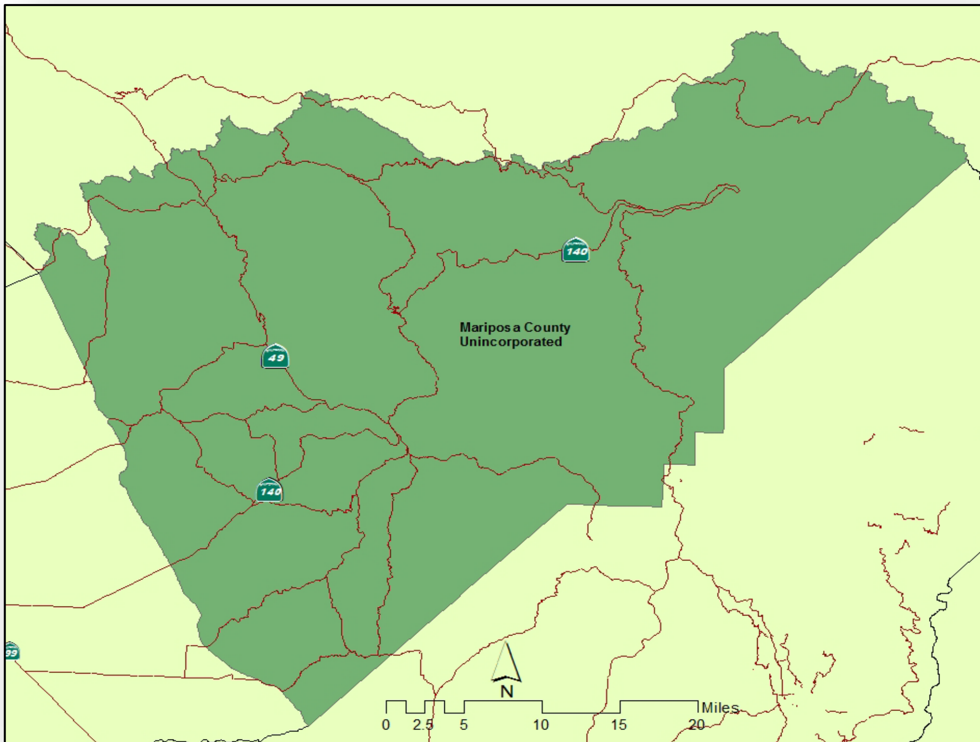
Cities of Alhambra, Arcadia, Avalon (Commercial Only), Azusa, Baldwin Park, Bell Garden (Commercial Only), Bellflower, Bradbury, Calabasas (Commercial Only), Carson, Claremont, Commerce, Covina, Diamond Bar, El Monte, El Segundo, Gardena, Glendora, Hawthorne, Hermosa Beach, Industry, Inglewood, Irwindale, La Canada Flintridge, La Verne, Lancaster, Lawndale, Lomita, Long Beach (Commercial Only), Malibu, Monrovia, Montebello, Monterey Park, Palmdale, Pomona, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Monica, Sierra Madre, South El Monte, South Pasadena, Temple City, Torrance, Walnut, and West Covina, located in Los Angeles County, California.

Cities of Chowchilla, Madera and Madera County unincorporated areas, located in Madera County, California



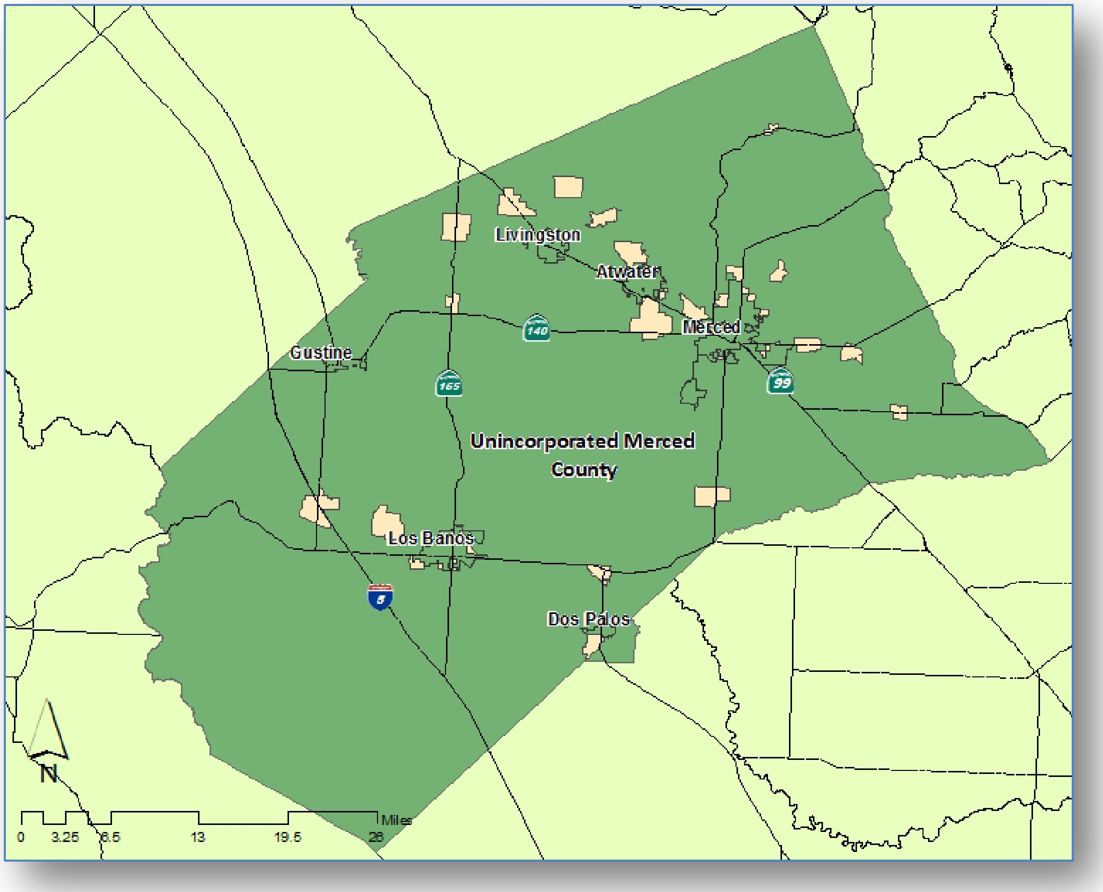
Cities of Belvedere, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Tiburon, and County of Marin unincorporated areas, located in Marin County, California

County of Mariposa unincorporated areas, located in Mariposa County, California

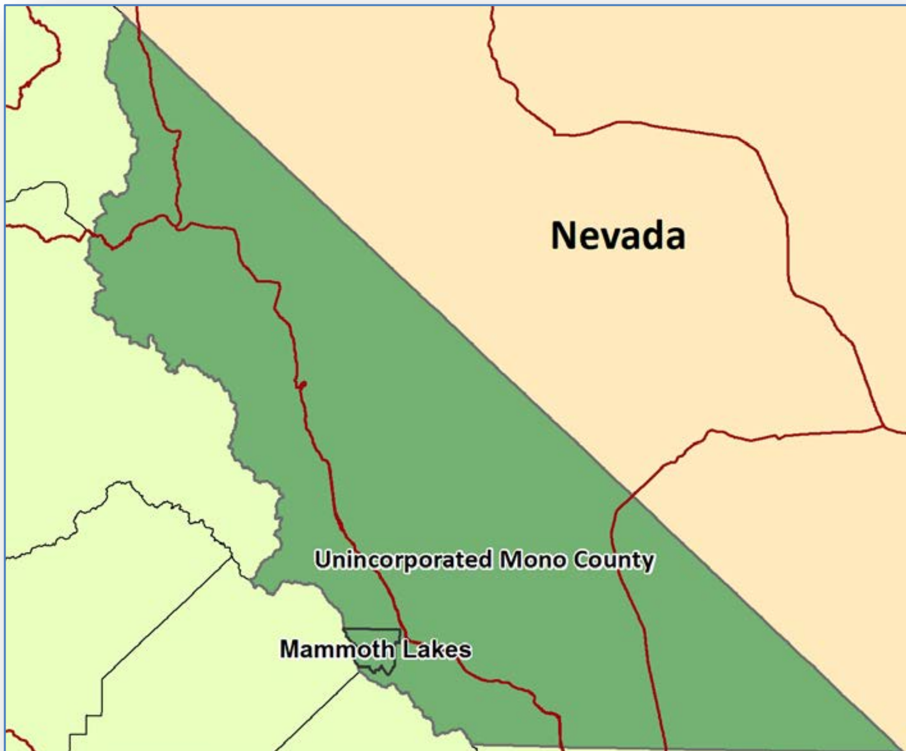


Cities of Fort Bragg, Point Arena, and Ukiah, located in Mendocino County, California

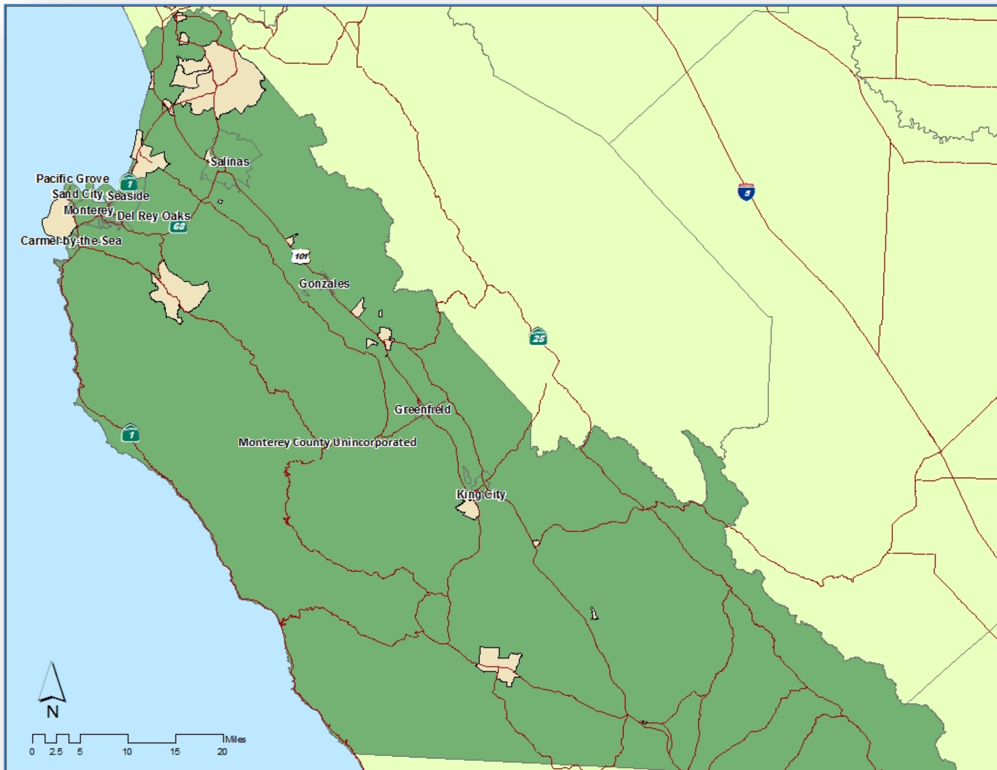
Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, and Merced County unincorporated areas, located in Merced County, California



Town of Mammoth Lakes and Mono County unincorporated areas, located in Mono County, California

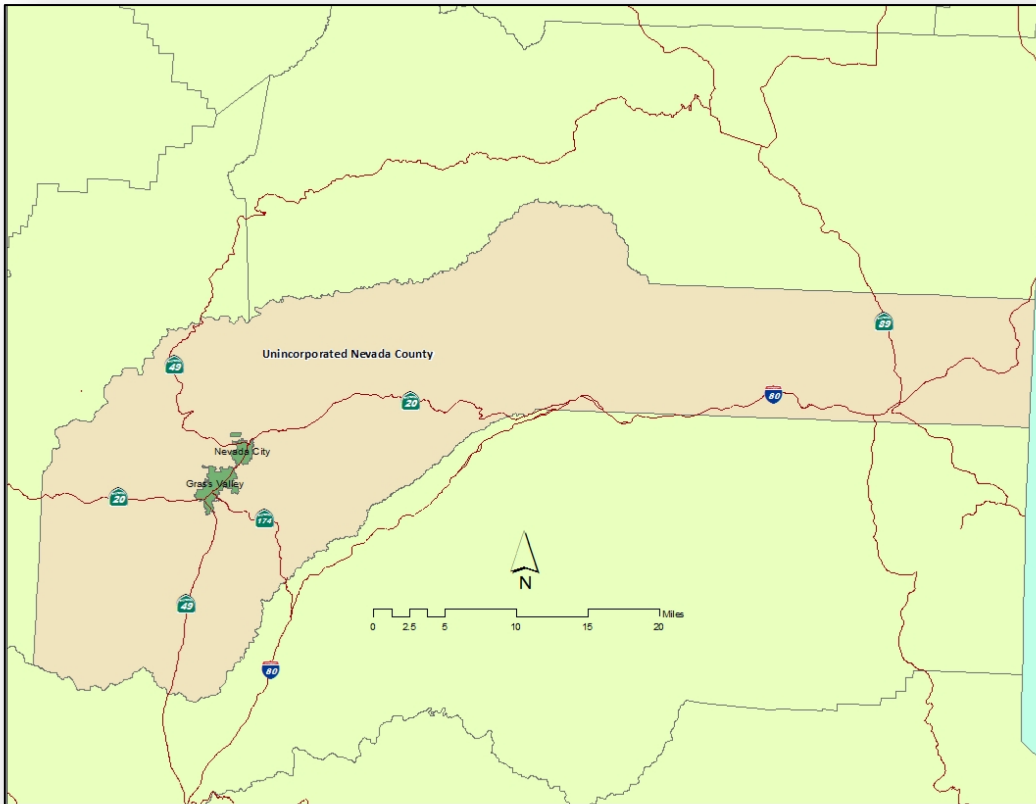


Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, Kings City, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Monterey County unincorporated areas, located in Monterey County, California



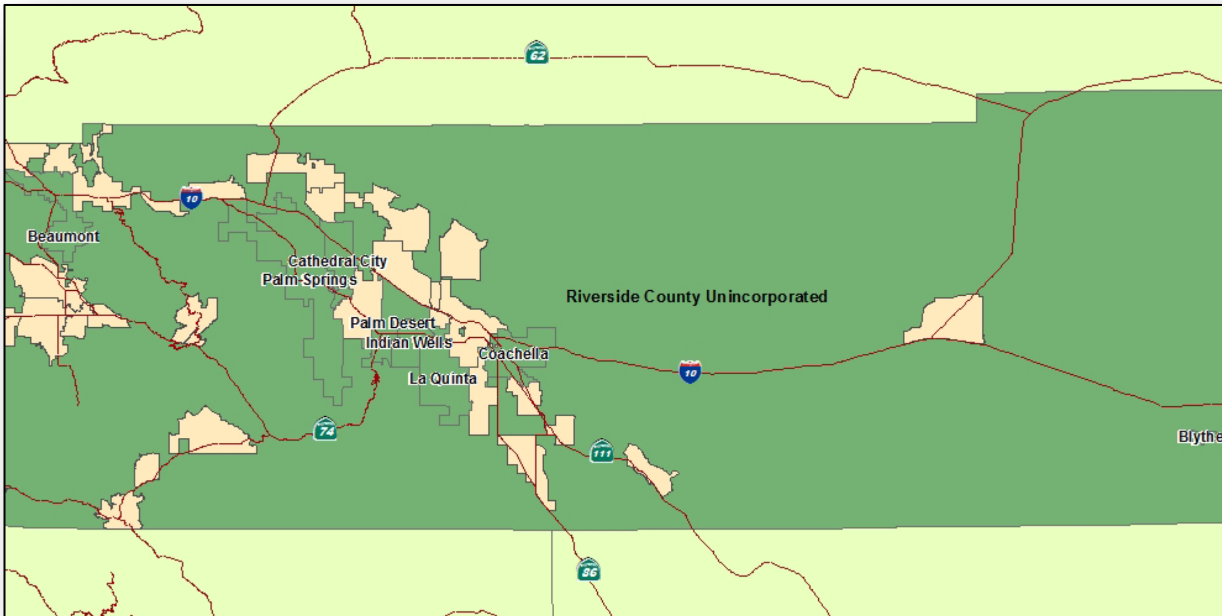
Cities of American Canyon, Calistoga, Napa St. Helena, Yountville, and the County of Napa unincorporated areas, located in Napa County, California

Cities of Grass Valley and Nevada City, located in Nevada County, California

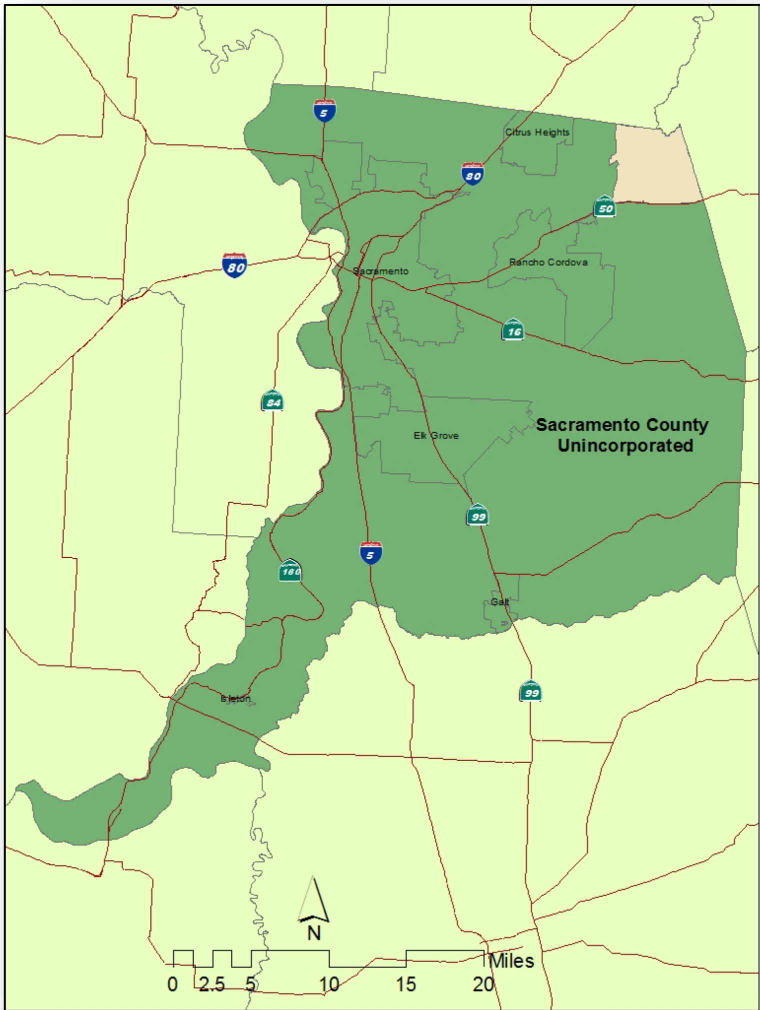


Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Garden Grove, Huntington Beach, La Habra, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.

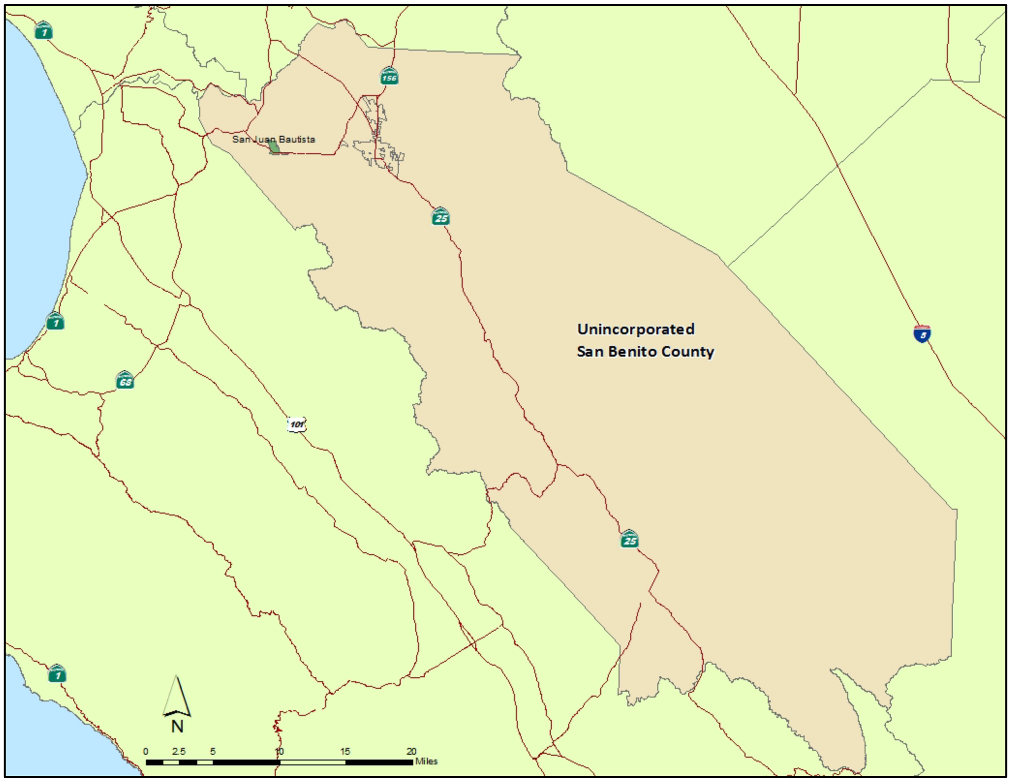
Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and Riverside County unincorporated areas located in Riverside County, California



Cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova, and Sacramento, and the County of Sacramento unincorporated areas located in Sacramento County, California



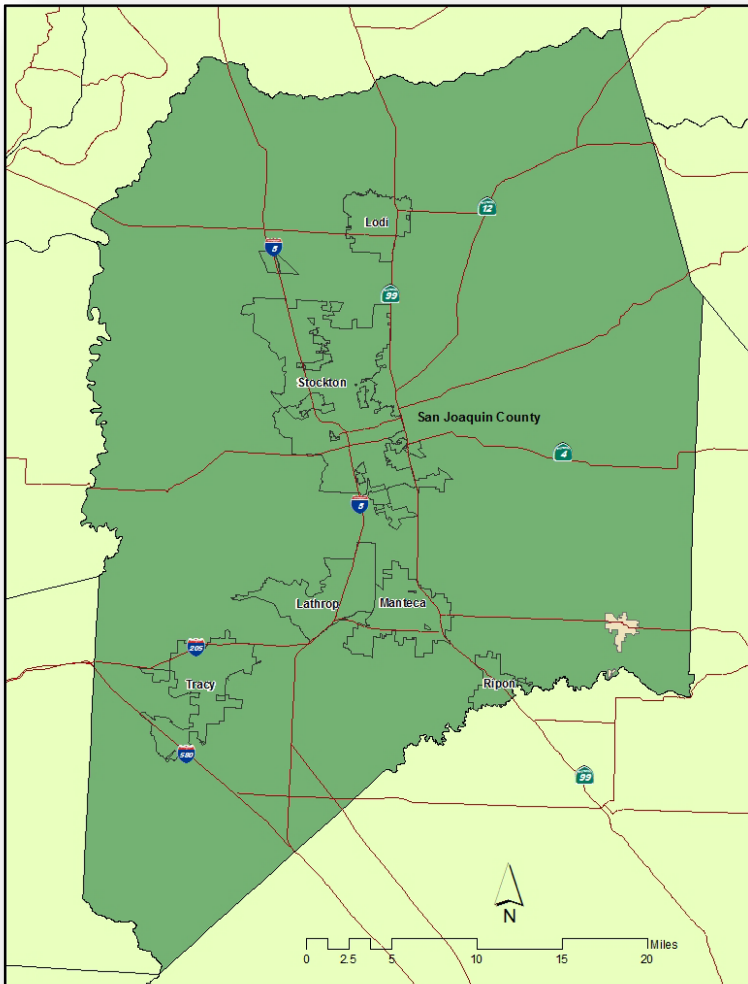
City of San Juan Bautista, located in San Benito County, California



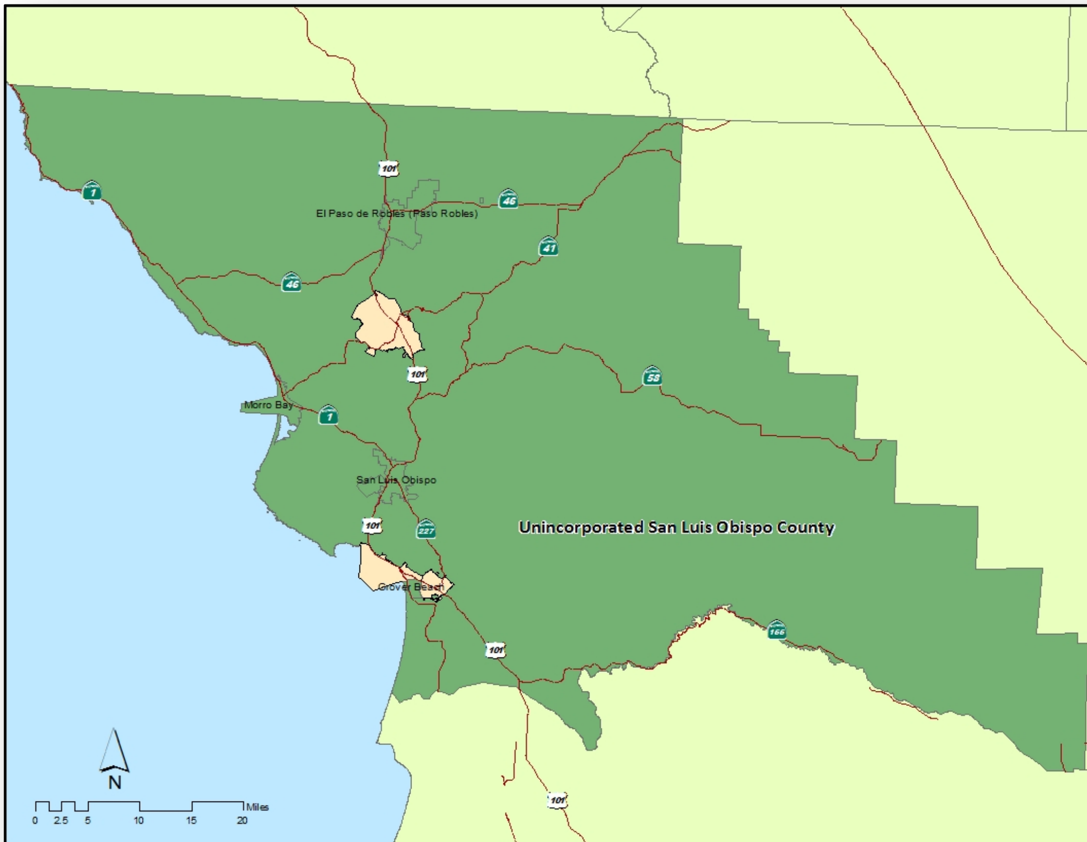
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated areas, located in San Diego County, California

City/County of San Fransisco, located in San Francisco County, California

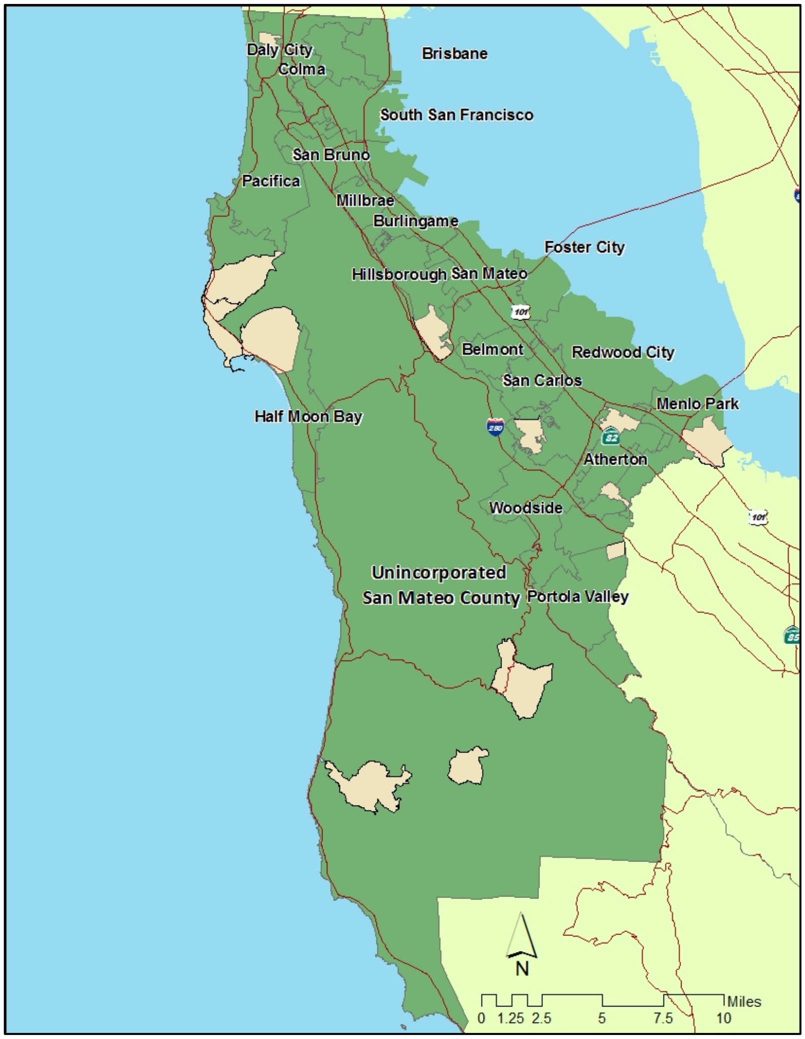
Cities of Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy, and San Joaquin County unincorporated areas, located in San Joaquin County, California



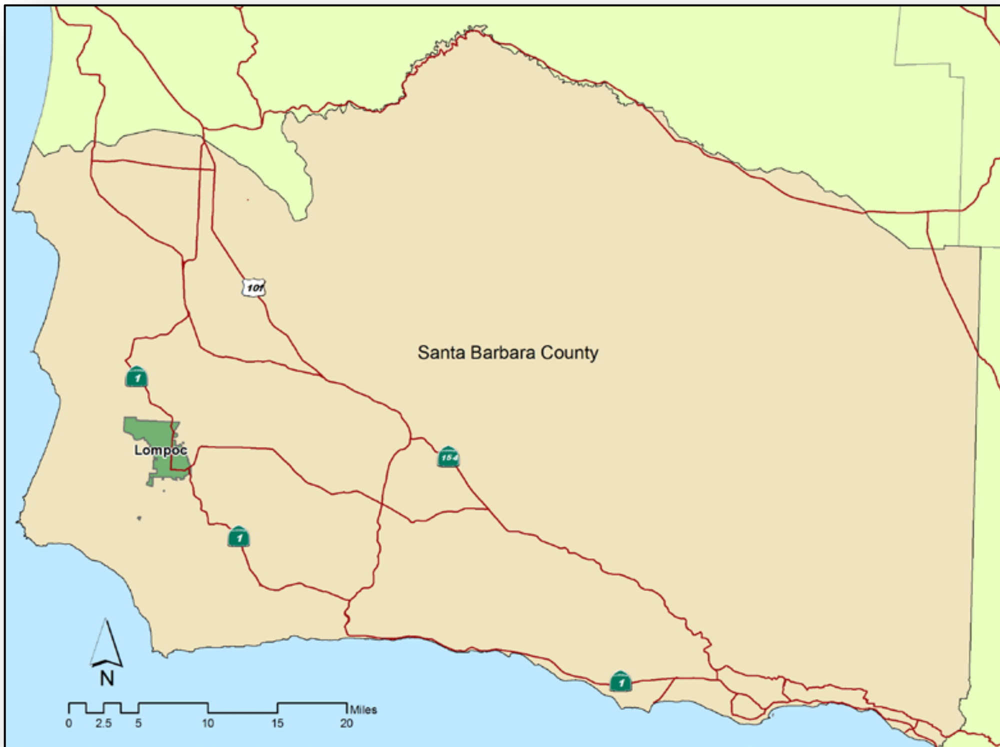
Cities of Grover Beach, Morro Bay, Paso Robles, San Luis Obispo, and San Luis Obispo County unincorporated areas, located in San Luis Obispo County, California



Cities/Towns of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated areas, located in San Mateo County, California



City of Lompoc, located in Santa Barbara County, California



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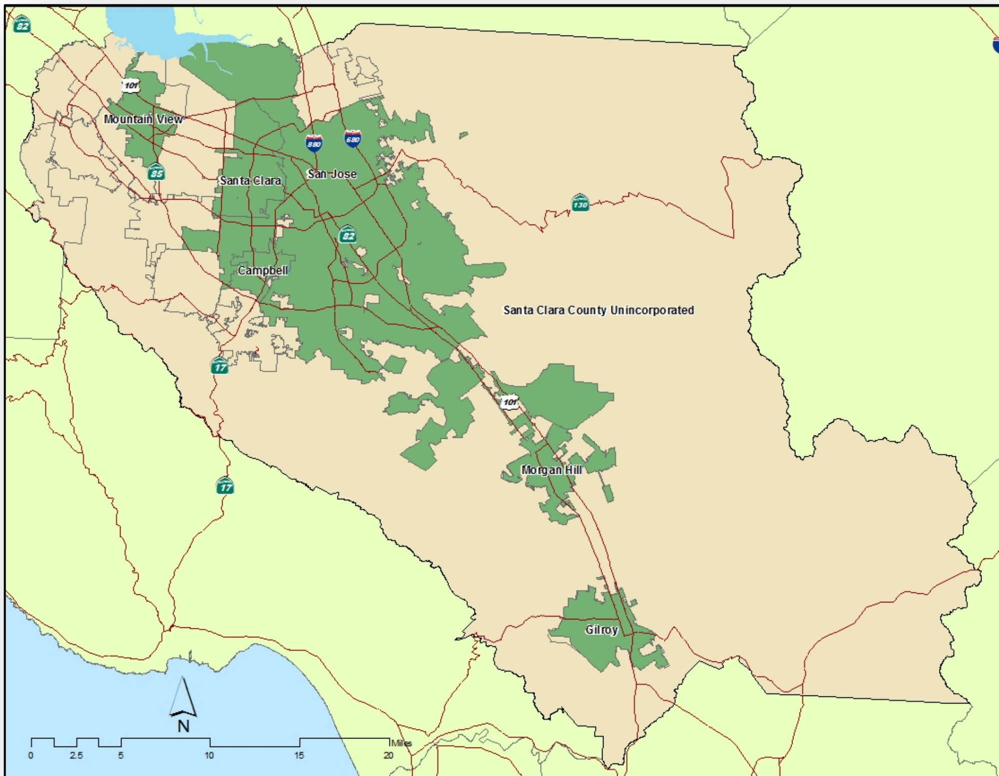
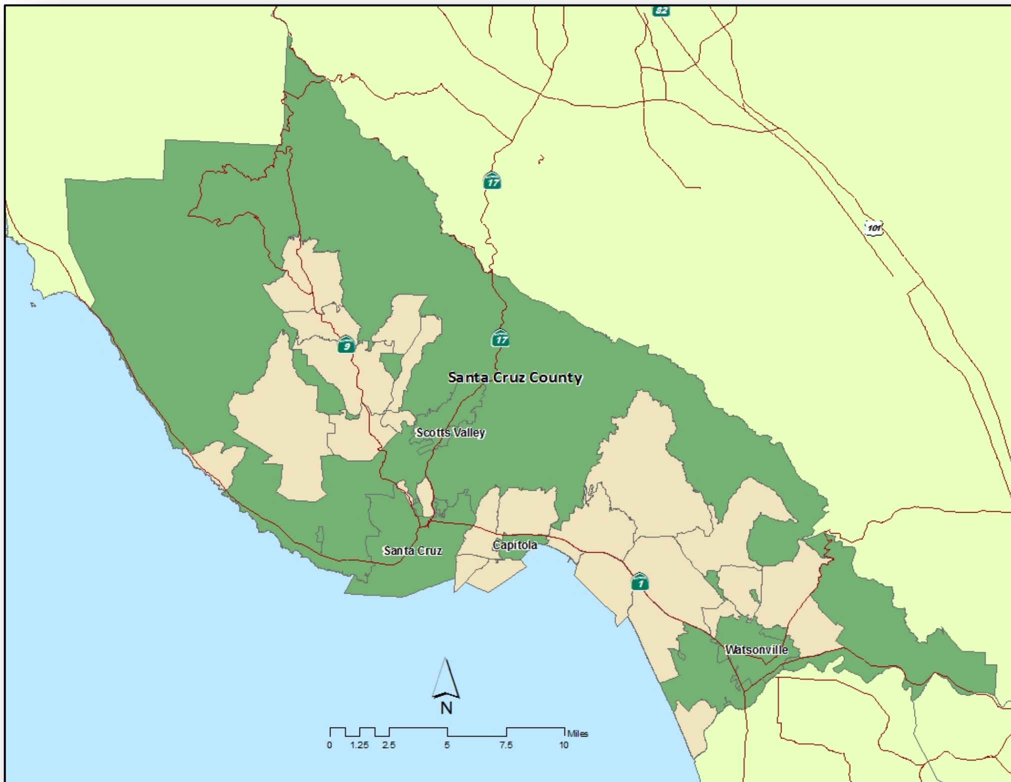
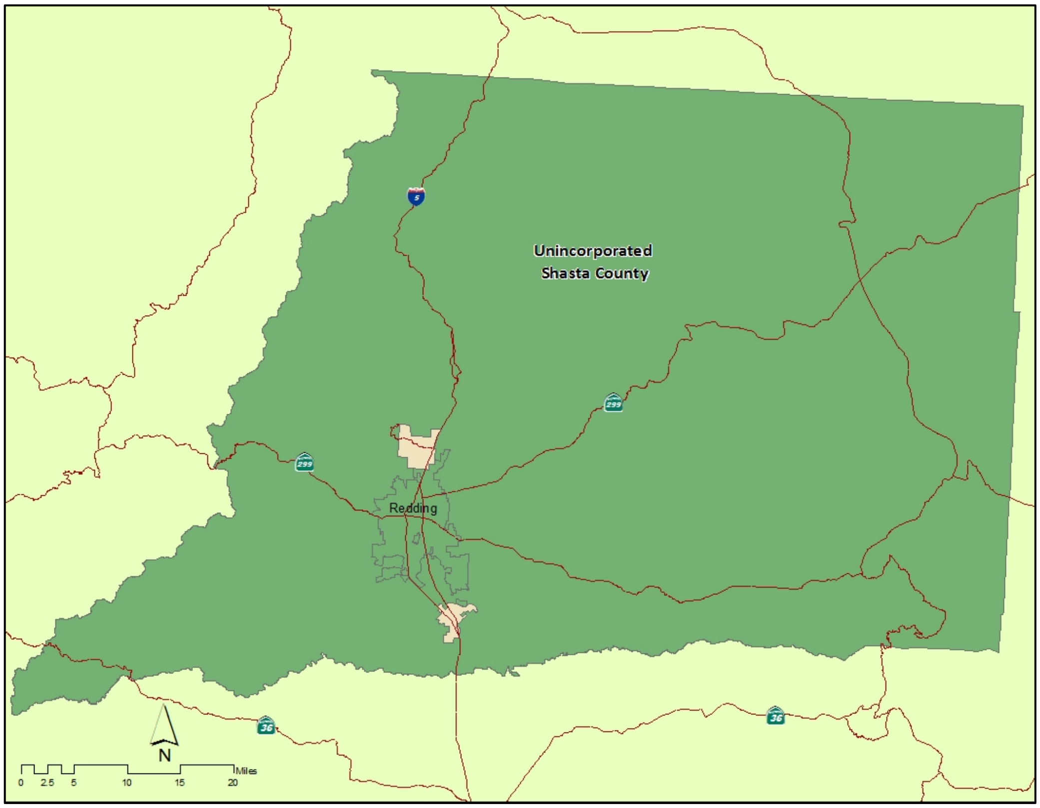
Cities of Campbell, Gilroy, Morgan Hill, Mountain View, San Jose, and Santa Clara, located in Santa Clara County, California



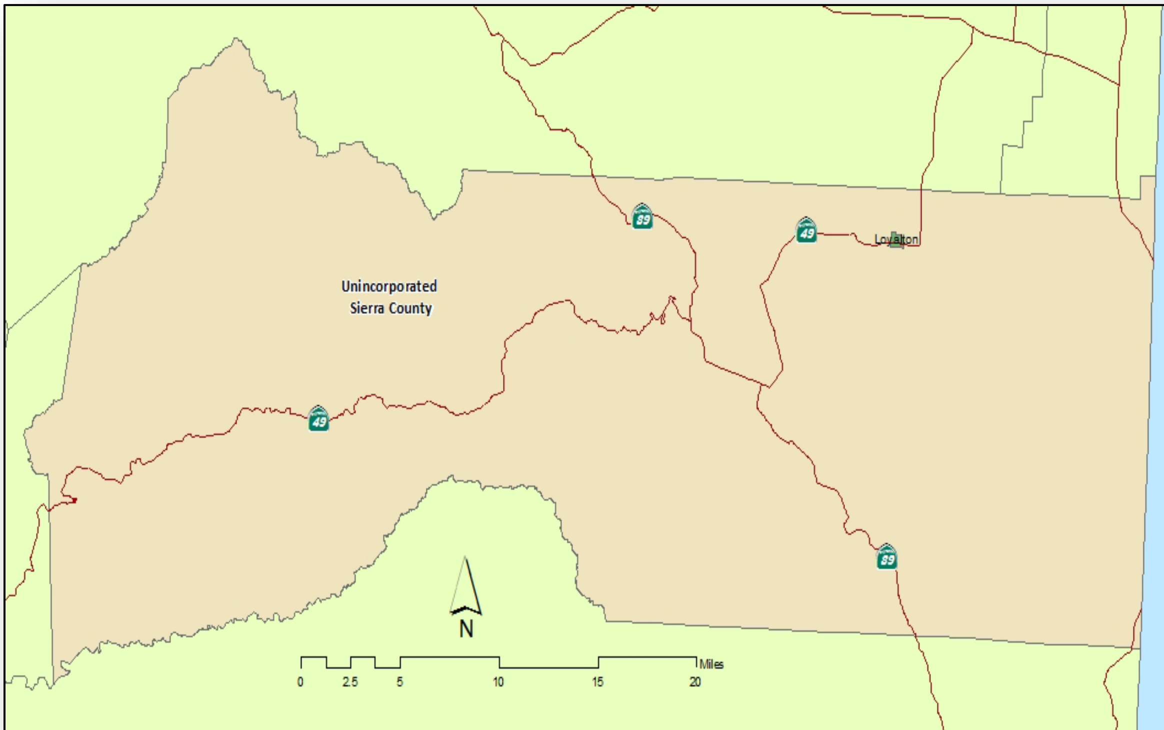
Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and Santa Cruz County unincorporated areas, located in Santa Cruz County, California



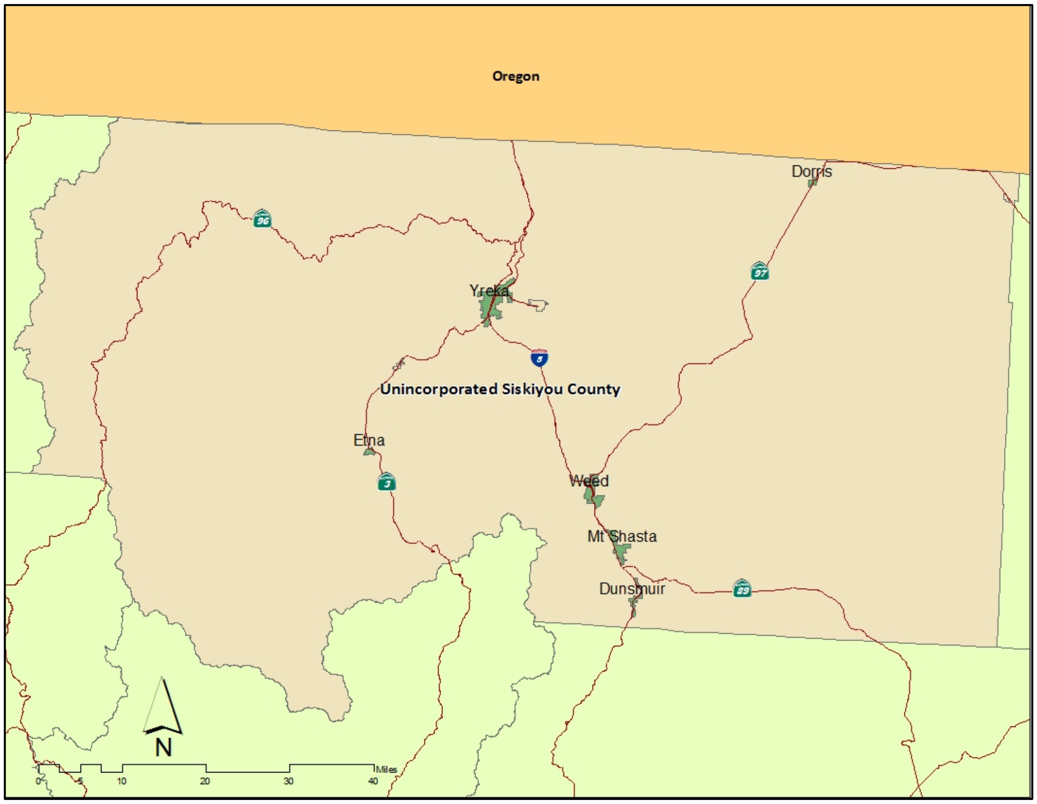
City of Redding and County of Shasta unincorporated areas, located in Shasta County, California



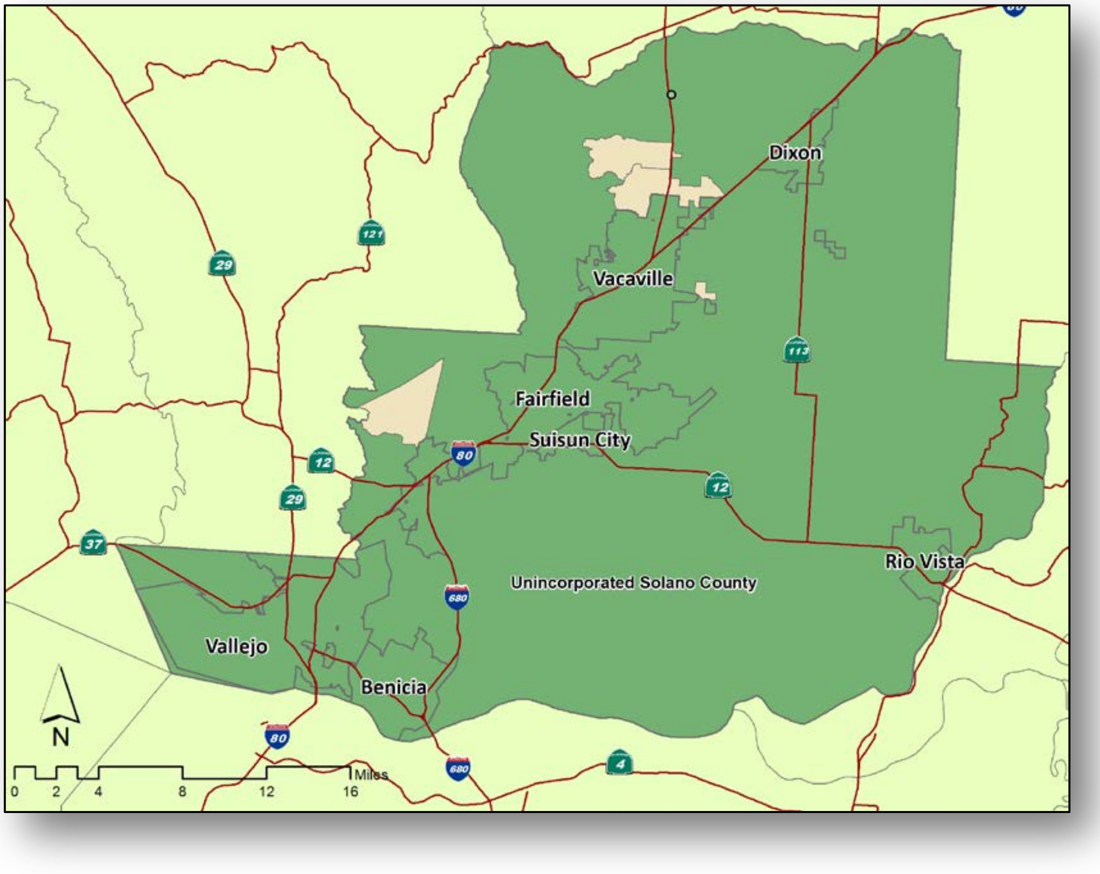
City of Loyalton, located in Sierra County, California



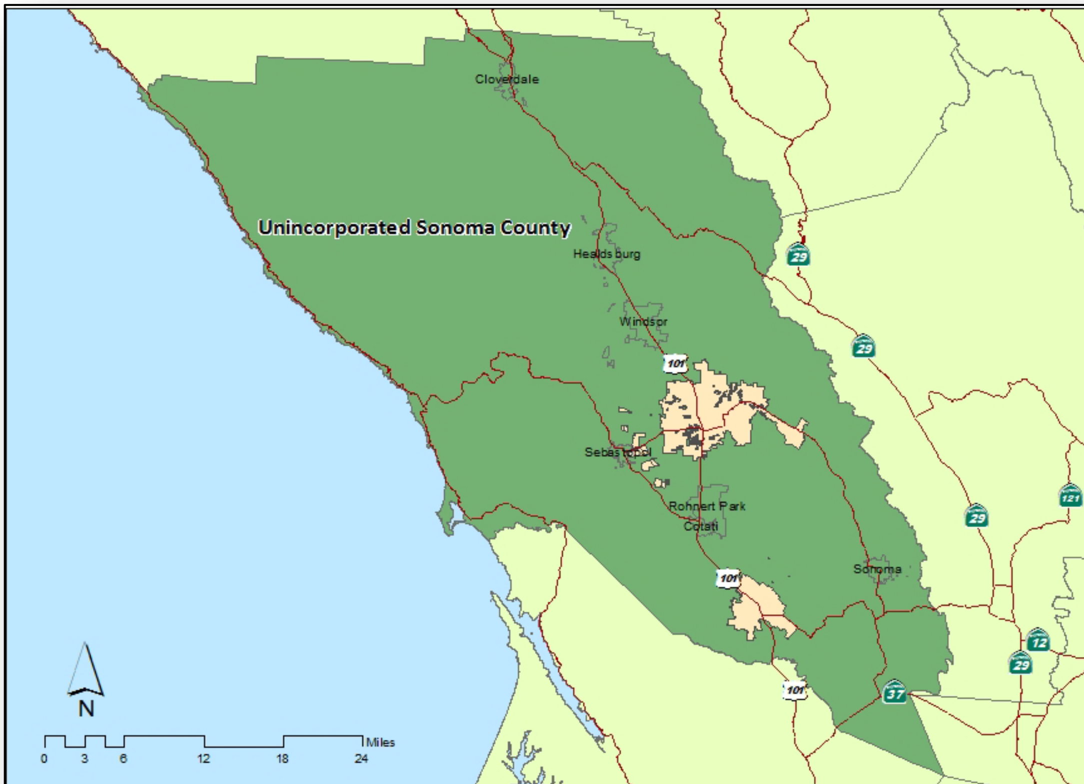
Cities of Dorris, Dunsmuir, Etna, Mount Shasta, Weed, and Yreka located in Siskiyou County, California



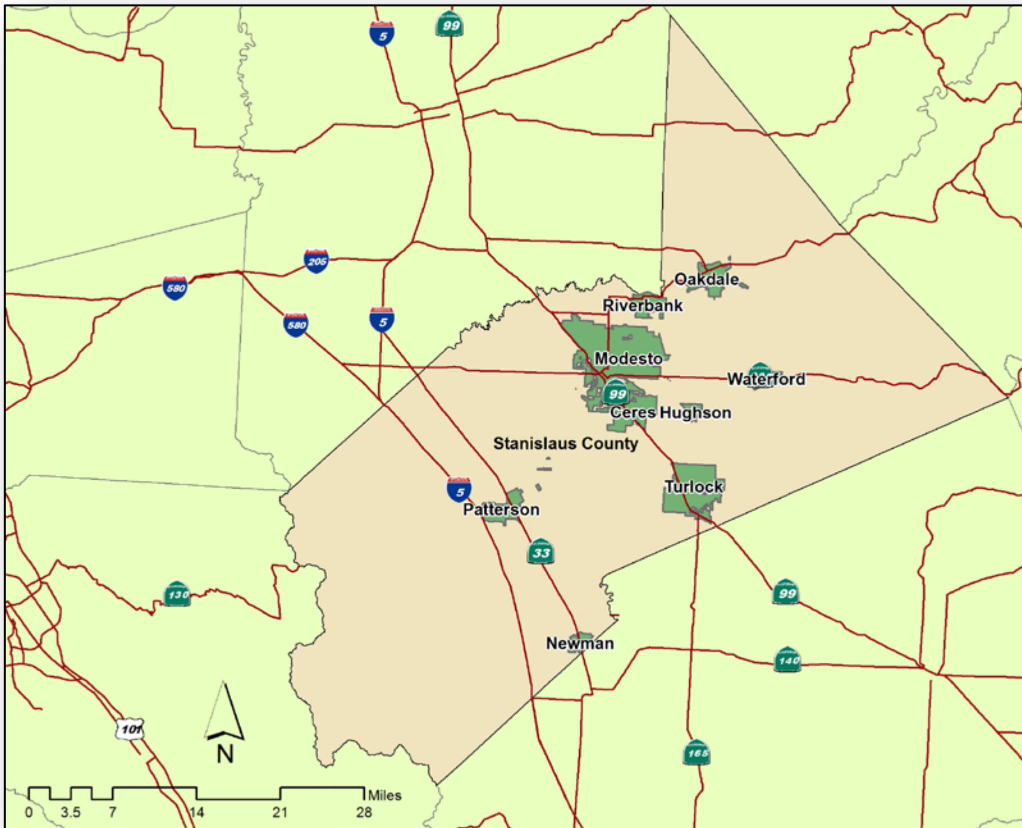
Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated areas, located in Solano County, California



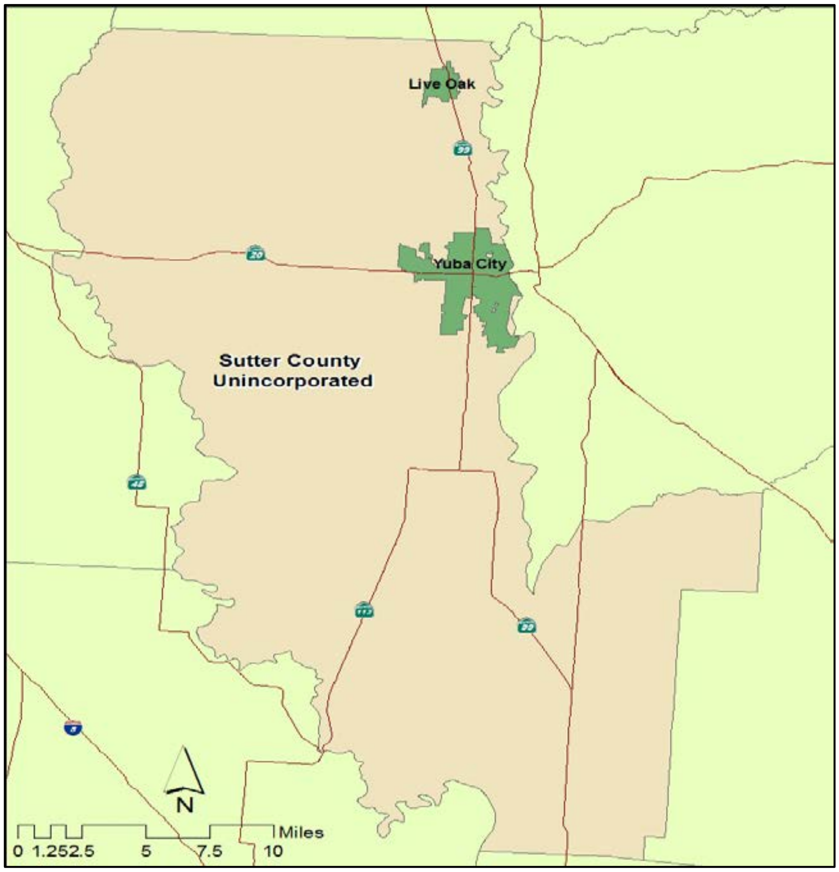
Cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated areas, located in Sonoma County, California



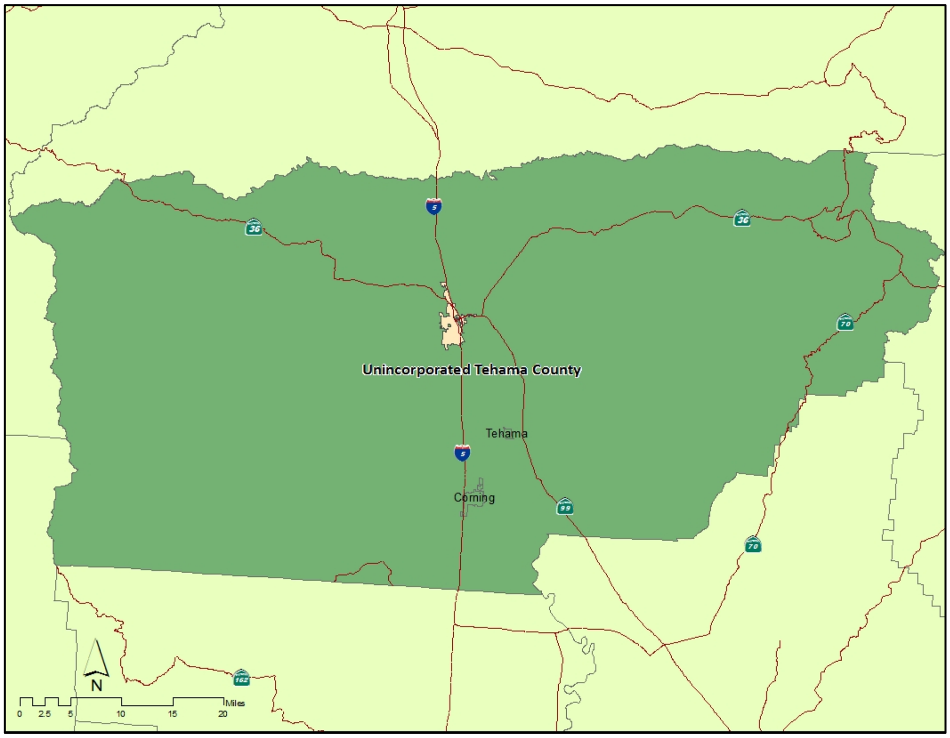
Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



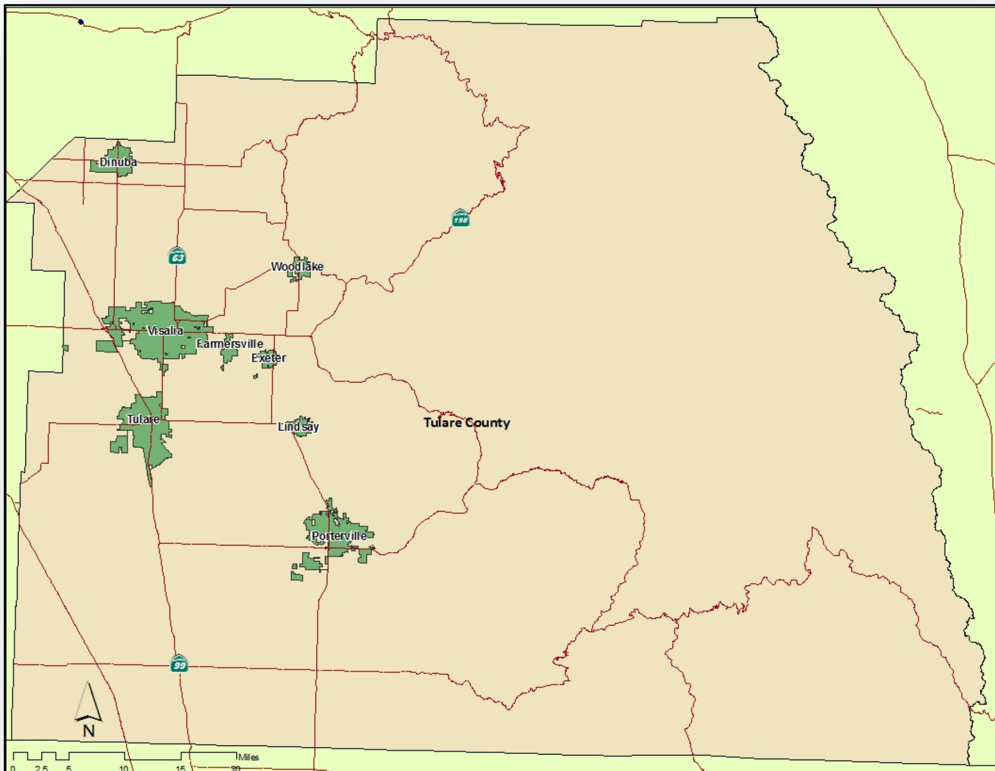
Cities of Live Oak and Yuba City, located in Sutter County, California



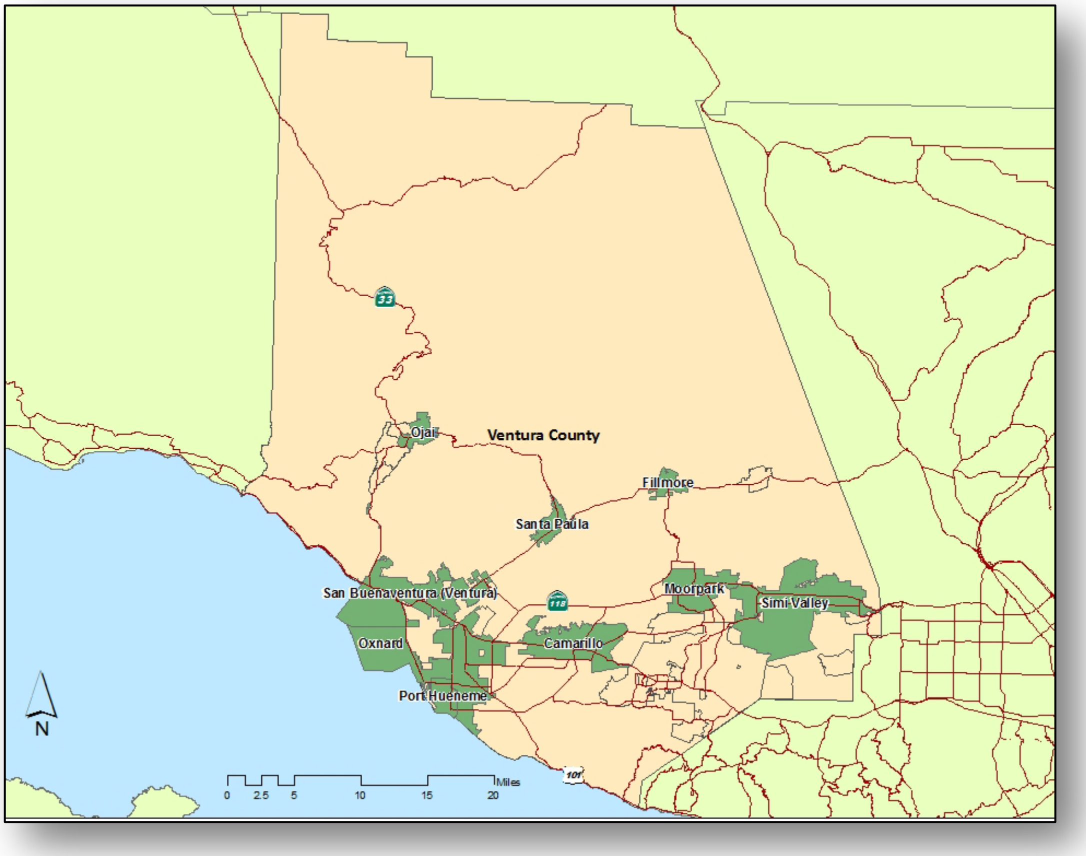
Cities of Corning, Tehama, and Tehama County unincorporated areas, located in Tehama County, California



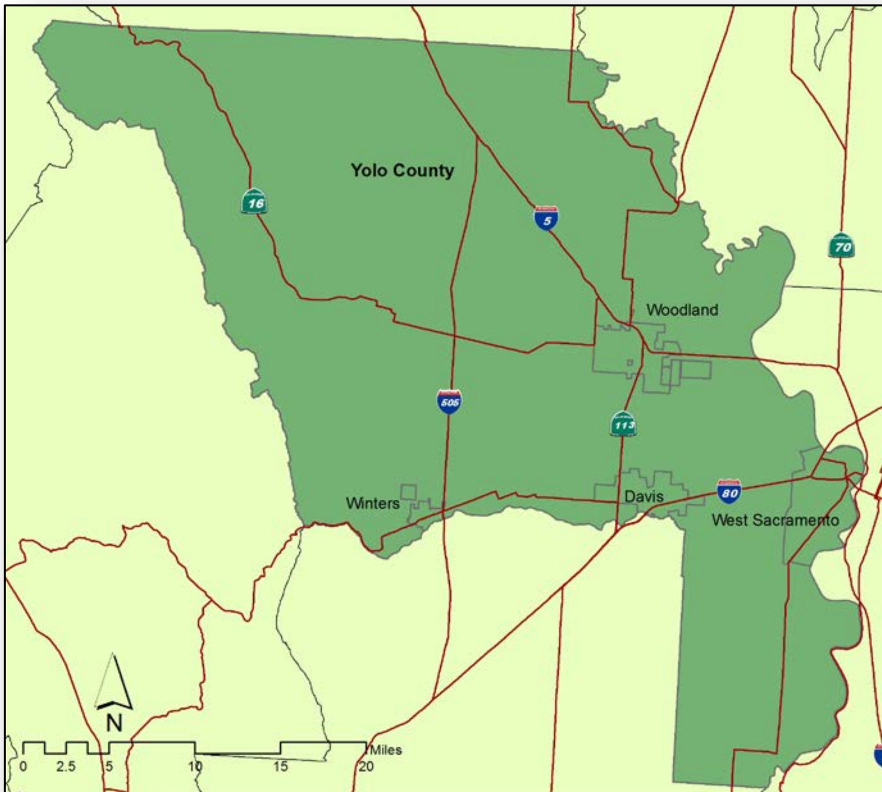
Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, and Woodlake, located in Tulare County, California



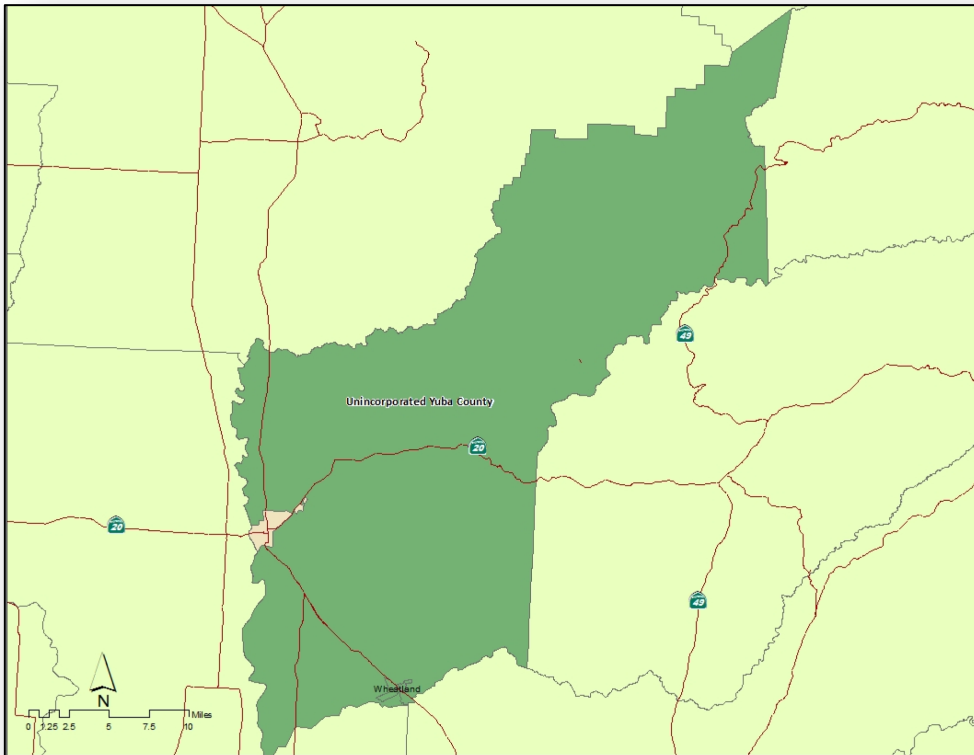
Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buenaventura, Santa Paula, Simi Valley, and Thousand Oaks, located in Ventura County, California



Cities of Davis, West Sacramento, Winters, Woodland, and Yolo County unincorporated areas, located in Yolo County, California



City of Wheatland, and Yuba County unincorporated areas, located in Yuba County, California



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Item 7.A

PACE Program Activities Update

Attachment 6

WRCOG Resolution Number 40-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon

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RESOLUTION NUMBER 40-16

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

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

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

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

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

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Counties of Colusa, Mendocino and Siskiyou unincorporated areas, (the "Additional Associate Members") in the Program Area.

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

4080 Lemon Street, 3rd Floor Annex, MS1032 • Riverside, CA 92501-3609 • (951) 955-7985 • Fax (951) 787-7991 • www.wrcog.cog.ca.us

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

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on January 9, 2017, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

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

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

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on December 5, 2016.

____
Ben Benoit, Chair
WRCOG Executive Committee

____
Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

____
Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _______ NOES: _______ ABSENT: _______ ABSTAIN: _______

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Transportation Uniform Mitigation Fee (TUMF) Program Activities Update**

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

Date: **December 5, 2016**

***The purpose of this item is to** 1) request that the Executive Committee authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment, 2) receive approval from Committee members on the language proposed for inclusion in the TUMF Administrative Plan for a developer to receive credit for monetary contributions, and 3) receive approval on a MOU with the Riverside Transit Agency to provide TUMF revenues.*

Requested Actions:

1. Authorize the WRCOG Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project in an amount not to exceed $11,261,500.
2. Approve the TUMF Administrative Plan revision to include an additional process in which developers receive credit against TUMF obligations.
3. Approve the Memorandum of Understanding between WRCOG and Riverside Transit Agency (RTA) to set forth a process for WRCOG to allocate RTA's TUMF Share to RTA.

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 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, and the Riverside Transit Agency (RTA).

The Administrative Plan serves as the governance document for the TUMF Program and outlines various roles and responsibilities for WRCOG, the Riverside County Transportation Commission, member agencies, and other parties involved in the TUMF Program. The Administrative Plan dates back to 2003 and was updated in mid-2016.

TUMF Administrative Plan

In June 2016, the Executive Committee approved revisions to the TUMF Administrative Plan, for which the following updates were included:

- Two or more party TUMF Reimbursement Agreement signature authority
- Combine "Guest Dwellings" and "Detached Second Units" exemptions and refine definitions
- Establishing a time limit on TUMF refunds
- Balance due on incorrectly calculated TUMF funded items

As administrator of the TUMF Program, WRCOG would like to continue identifying areas of the Program that require additional clarity/assistance for member jurisdictions. WRCOG has received inquiries regarding the process of a developer option to receive credit against TUMF obligation.

At its November 10, 2016, meeting, the Public Works Committee approved language regarding credit for developer monetary contributions. Staff, in consultation with WRCOG legal counsel, developed the language to include specific criteria that must be met in order for a developer to receive credit for monetary contributions. The language is as follows:

a. A developer may receive a credit for contribution of funding provided specifically for one of the following types of improvements: (i) a Regionally Significant Transportation Improvement, as defined as those facilities that typically are proposed to have six lanes at build out and extend between multiple jurisdictions, or discrete useable segment thereof, as determined by WRCOG, (ii) any type 1, 2, or 3 interchange on an interstate or state highway, (iii) any railroad crossing with an estimated construction cost of more than ten million dollars ($10,000,000), and (iv) any bridge located on a regionally significant arterial as defined in number (i) of this section. The local jurisdiction and the developer must enter into a binding agreement obligating the developer to provide funding.

b. The jurisdiction must make a formal request to WRCOG in written form documenting the need for this improvement and disclose reasons why this request could not be accommodated within the current practice of allowing developers to construct in-lieu improvements directly.

c. Prior to awarding credit under this Section IV.A.4 to a developer in lieu of requiring the payment of TUMF, a local jurisdiction must receive written approval from the WRCOG Executive Director, or designee. The Executive Director is encouraged to consult with the Public Works Committee before approving the award of credit under this Section.

d. Prior to awarding credit under this Section IV.A.4 to a developer in lieu of requiring the payment of TUMF, the local jurisdiction shall enter into an MOU with WRCOG to account for the credit and provide additional information regarding the amount of the funds to be provided, comparing those funds against the maximum TUMF share, and disclosing the anticipated construction schedule.

e. If credit is awarded to a developer under this Section VI.A.4, the local jurisdiction shall be responsible for construction of the improvement for which funding is provided by the developer and those improvements shall not be eligible for TUMF Program prioritization or funding.

f. Credit will only be awarded to a developer after the local jurisdiction has awarded a construction contract for the improvement for which the funding is contributed has been awarded.

g. In the event that not all funds contributed by a developer are spent within 3 years of contribution, the local jurisdiction shall remit any unspent funds received from the developer under this section to WRCOG up to the maximum amount of the Project's TUMF obligation. The 3-year term may be extended by action of the Executive Committee upon request of the local jurisdiction.

TUMF Reimbursement Agreement

One Reimbursement Agreement for a TUMF project is being forwarded to the Executive Committee for consideration, and is summarized below.

City of Moreno Valley (one agreement):

1. Nason Street / SR-60 Interchange in the amount of $11,261,500:

The purpose of the overall project was to alleviate congestion, enhance freeway access, and increase vertical clearance for the SR-60/Nason Street interchange. The purpose of the project was achieved, in general, by realigning the SR-60/Nason ramps, adding auxiliary lanes, and replacing the overcrossing structure.

Memorandum of Understanding (MOU) with the Riverside Transit Agency (RTA)

During the development of the TUMF Program, it was identified that public transportation plays an important role in serving future travel demand of the subregion. Since the Program's inception, WRCOG has allocated a share of TUMF for programming on the Riverside Transit Agency's Transportation Improvement Program (TIP) for reimbursement of expenses incurred to meet public transportation needs that serve future travel demand. Improvements that have been identified in the TUMF Nexus Study include transit centers, express bus stop upgrades, and capital improvements to develop express bus service. Currently, the TUMF Nexus Study allocates a 1.64 percent share of TUMF for transit projects.

Staff, in consultation with legal counsel, has been coordinating with RTA on an effort to allocate RTA's TUMF share directly to RTA. The MOU is Attachment 2 to this Staff Report. The MOU would provide an efficient process for RTA to deliver public transportation improvements included in the TUMF Nexus Study. As the provider of public transportation in the subregion, RTA delivers improvements with a variety of specialized funding sources and staff believes this process will better serve RTA in facilitating improvements with TUMF contribution. Currently, there is a similar MOU in place between WRCOG and the Riverside County Transportation Commission (RCTC) to allocate a portion of TUMF revenue to RCTC for the implementation of the Regional Arterial TUMF Program. As of the effective date of the MOU, all existing executed Reimbursement Agreements would be terminated, which would provide the transition of TUMF revenue directly to RTA.

Prior WRCOG Actions:

November 10, 2016: The Public Works Committee approved the TUMF Administrative Plan revision to include an additional process in which developers receive credit against TUMF obligations.

November 7, 2016: The Executive Committee authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Temecula for the SR-79 / I-15 South Overcrossing & Interchange Project in an amount not to exceed $10,025,244.

WRCOG Fiscal Impact:

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

Attachments:

1. Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project.
2. MOU between WRCOG and RTA.

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Item 7.B

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

Attachment 1

Reimbursement Agreement Amendment No. 1 with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project

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AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT TO REIMBURSE TUMF FUNDS

NASON/SR-60 INTERCHANGE – CONSTRUCTION PHASE

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement to Reimburse TUMF Funds ("Amendment No. 1") is entered into this ______ day of _______________, 2016, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG") and **CITY OF MORENO VALLEY** ("AGENCY"). WRCOG and the AGENCY are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled "Transportation Uniform Mitigation Fee Program Agreement to Reimburse TUMF Funds" that is dated **May 23, 2011** ("Agreement"). The Agreement provides the terms and conditions, scope of work, schedule and funding amount for the construction phase of the **NASON/SR-60 INTERCHANGE** (hereinafter the "Project").

B. The parties desire to amend the Agreement by increasing the funding amount to conform to the current Transportation Improvement Program (TIP) adopted January 2015 (amended April 2016), and revising the Project Schedule set forth in Exhibit A-1 and Exhibit A-2 respectively, of the Agreement.

C. Funds are being increased for this Project because new funding has become available.

D. The Parties desire to amend the Agreement to accurately reflect the current programmed funding amount on the Central Zone 5-Year Transportation Improvement Program (TIP). The Project is complete and is open to traffic.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby increased by **One Hundred Thirty Three Thousand and Five Hundred Dollars ($133,500)** from **Eleven Million One Hundred Twenty Eight Thousand Dollars ($11,128,000)** to an amount not to exceed **Eleven Million Two Hundred Sixty One Thousand and Five Hundred Dollars ($11,261,500)**.

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

3. Exhibits "A," "A-1" and "A-2" of the Agreement are hereby replaced in their entirety by Exhibits "A-1," "A-2" and "A-3" of this Amendment, which are attached hereto and incorporated by reference.

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

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

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	**CITY OF MORENO VALLEY**
By: ______________________________ Rick Bishop, Executive Director Executive Director	By: ______________________________ Michelle Dawson City Manager
Approved to Form:	Approved to Form:
By: ______________________________ Steven C. DeBaun General Counsel	By: ______________________________ Martin D. Koczanowicz City Attorney
	Attest:
	By: ______________________________ Marie Macias, Interim City Clerk

Exhibit A-1

The Project scope consisted construction and all construction phase services, including advertisement and award. The Nason Street/SR-60 Interchange has been completed as of July 2014.

The purpose of the overall project was to alleviate congestion, enhance freeway access, and increase vertical clearance for the SR-60/Nason Street interchange. The purpose of the project was achieved, in general, by realigning the SR-60/Nason ramps, adding auxiliary lanes, and replacing the overcrossing structure.

Exhibit A-2

ESTIMATE OF COST

ESTIMATE OF TUMF SHARE

CONSTRUCTION PHASE ONLY

Per January 2016 Adopted Central Zone 5-Year TIP (Amended April 2016)

PHASE	TUMF	LOCAL	TOTAL
CON	$11,261,500	$0	$11,261,500
Subtotal per Jan 2015 Adopted TIP (as amended April 2016)	**$**11,261,500	**$0**	**$**11,261,500

Exhibit A-3

PROJECT SCHEDULE

SR-60/Nason Overcrossing (Caltrans EA 323024)

PHASE	START DATE	COMPLETION DATE
CON	July 2012	July 2014 (completed)

Item 7.B

Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

Attachment 2

MOU between WRCOG and the Riverside Transit Agency

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MEMORANDUM OF UNDERSTANDING BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AND THE RIVERSIDE TRANSIT AGENCY

This **Memorandum of Understanding** (the “MOU”) is made and effective this **_____** day of **____**, 2016 (the "Effective Date") by and between the Western Riverside Council of Governments ("WRCOG”) and the Riverside Transit Agency ("RTA"). WRCOG and RTA are sometimes collectively referred to herein as the "Parties".

WHEREAS, WRCOG is the administrator of the Transportation Uniform Mitigation Fee ("TUMF”) program in western Riverside County.

WHEREAS, the TUMF program is a uniform mitigation fee imposed in western Riverside County to fund regional transportation facilities made necessary by new development within the region;

WHEREAS, the TUMF is supported by a Nexus Study which, among other things, sets forth specific transportation infrastructure improvements to be funded by TUMF revenues;

WHEREAS, the TUMF Nexus Study currently allocates 1.64 percent of TUMF revenues to RTA ("RTA's TUMF Share").

WHEREAS, the purpose of this MOU is the set forth a process for WRCOG to allocate RTA's TUMF Share to RTA.

NOW, THEREFORE, in consideration of the foregoing facts and mutual understandings, the Parties to the MOU agree as follows:

1. **Allocation of Funds on Hand.** WRCOG shall allocate RTA's TUMF Share current held by WRCOG as of the Effective Date to RTA in two equal installments. The first installment shall be allocated within six months of the date of this MOU. The second installment shall be allocated within 12 months of this MOU.

2. **Allocation of Future Funds**. WRCOG shall allocate RTA's TUMF Share collected after Effective Date twice yearly, on or about **_________** and on or about **_________** of each year.

3. **Annual Reporting.** RTA shall provide WRCOG with a written report on or about July 1 of each year starting in 2017 with the following information.

    a. The total expenditure made by RTA of RTA's TUMF Share made in the prior fiscal year.

    b. A list of all projects funded in whole or part by RTA's TUMF Share and the amount of TUMF revenues expended on each project.

c. A list of all TUMF projects anticipated to be funded by RTA's TUMF Share, in whole or in part, during the upcoming fiscal year and the amount of TUMF revenues expected to be expended on such projects.

d. The balance of unexpended RTA's TUMF Share held by RTA as of the close of the preceding fiscal year.

e. A 5-year capital improvement program showing anticipated RTA spending on TUMF projects.

4. **Compliance with TUMF Rules.** Accounting and expenditure of RTA's TUMF Share shall be in conformance with the TUMF Nexus Study, the then current TUMF Administrative Plan and applicable state laws, including Government Code sections 66000 et seq.

5. **Administrative Plan.** The current version of the TUMF Administrative Plan is attached hereto as Exhibit “A.” Any changes to the TUMF Administrative Plan shall be automatically incorporated into this MOU when adopted by WRCOG Executive Committee.

6. **List of RTA TUMF Projects.** The current list of RTA TUMF Projects listed in the Nexus Study is attached hereto as Exhibit “B.”

7. **Amendment.**

a. This MOU maybe amended in writing by mutual agreement of the Parties.

b. In the event that WRCOG approves a new Nexus Study, the percentage allocation of RTA’s TUMF Share shall, upon written notice from WRCOG’s Executive Director, be adjusted to that set forth in the most recent Nexus Study. In addition, the list of projects set forth in Exhibit “B” shall be amended to reflect the most recent list of RTA TUMF Projects set forth in the new Nexus Study.

8. **Termination.** This MOU may be terminated by either party hereto as follows:

a. The party seeking termination shall send written notice of its intent to terminate this MOU and shall request a meeting with the other party to discuss. Executive Staff of each party shall meet in good faith to resolve outstanding disputes.

b. Should the parties not resolve outstanding disputes within 30 days of the written notice of intent provided for subsection 8.a, the party seeking termination may provide written notice of its termination of the MOU. The notice of termination shall specify a date at least 180 days in the future as its effective date.

c. In the event the MOU is terminated, RTA’s TUMF Share of TUMF revenues received after the date of termination shall be held by WRCOG and made available to RTA in accordance with Section VIII.E of the TUMF

Administrative Plan on as add needed basis as determined by WRCOG. Any TUMF revenues allocated prior to the date of the termination shall be retained by RTA and shall be accounted for and expended in accordance with the terms of this MOU.

9. **Prior Agreements.** The Agreements set forth in Exhibit "C" are terminated. In addition, this MOU supersedes MOU between RTA and WRCOG dated August 2, 2004, and any amendments thereto.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be signed as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	**RIVERSIDE TRANSIT AGENCY**
By:____________________________ Rick Bishop, Executive Director	By:____________________________ Larry Rubio, General Manager
Approved as to form:	**Approved as to form:**
By:____________________________ Best Best & Krieger LLP General Counsel to Western Riverside Council of Governments	By:____________________________ Woodruff, Spradlin & Smart General Counsel to Riverside Transit Agency

EXHIBIT "A"

Transportation Uniform Mitigation Fee

ADMINISTRATIVE PLAN

June 24, 2016

PREPARED BY THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
RIVERSIDE COUNTY ADMINISTRATIVE CENTER ANNEX
4080 LEMON STREET, 3RD FLOOR, MS 1032
RIVERSIDE, CALIFORNIA, 92501-3609
PHONE (951) 955-7985
FAX (951) 787-7991

Western Riverside Council of Governments (WRCOG)

Administrative Plan for the ***Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program***

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Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program

Preamble

Future development within Western Riverside County will result in traffic volumes exceeding the capacity of the Regional System of Highways and Arterials (RSHA or Regional System) as it presently exists. The Regional System needs to be expanded to accommodate anticipated future growth; current funds are inadequate to construct the Regional System needed to avoid the unacceptable levels of traffic congestion and related adverse impacts.

The TUMF Program provides significant additional funds from new development to make improvements to the Regional System, complementing funds generated by Measure A, local transportation fee programs, and other potential funding sources. By establishing a fee on new development in the sub-region, local agencies have established a mechanism by which developers effectively contribute their “fair share” toward sustaining the regional transportation system. This is a twenty-five year program and is influenced by a variety of market factors that could cause a shortfall or surplus in the revenue projections. WRCOG shall review the TUMF Program no less than every four (4) years after the effective date of the 2016 TUMF Program Ordinance. Additionally, WRCOG will bring forward, on an annual basis, a Construction Cost Index Adjustment to the TUMF in effect at the time for review and action by the WRCOG Executive Committee. The Program is not designed to be the only source of revenue to construct the identified facilities, and it will be necessary for matching funds from a variety of available sources to be provided.

It is the intent that TUMF requirements may be met by paying cash, building eligible facilities or through public financing, such as Community Facility Districts and Assessment Districts, or private financing vehicles consistent with local jurisdiction policies.

General TUMF Program parameters, definitions and procedures are described in the TUMF Program Ordinance adopted by participating Western Riverside County jurisdictions. The Western Riverside Council of Governments (WRCOG) is designated as the TUMF Program Administrator, and as such will work closely with member jurisdictions, the Riverside County Transportation Commission (RCTC), the Riverside Transit Agency (RTA), and Riverside County Regional Conservation Authority (RCA) to coordinate the TUMF expenditures to maximize the effectiveness of future transportation investments. As the Program Administrator, WRCOG, agrees to indemnify, defend and hold harmless any TUMF Program participant, and its respective agents, officers, members, officials, employees, and attorneys, whose TUMF Ordinance is challenged in court, from and against all claims, liabilities, damages, or costs of any kind whatsoever, including attorneys’ fees and court costs; provided, however, that such indemnity and defense shall not extend or apply to challenges alleging procedural defects in the adoption and implementation of the TUMF Ordinance.

“TUMF Administrative Plan” means the Administrative Plan for the Western Riverside County TUMF Program prepared by WRCOG dated March 24, 2003, in substantially the form approved by the WRCOG Executive Committee on April 7, 2003, as may be amended from time to time, provided that, any material amendments to the TUMF Administrative Plan shall be approved by WRCOG Executive Committee.”

This Administrative Plan serves as the guideline to implement the TUMF Program and will be amended as needed to address changing conditions over the life of the Program.

I. **Purpose** - The Purpose of this Administrative Plan is to provide those jurisdictions and agencies that are participants in TUMF Program with guidelines and policies for implementation of the TUMF Program. This Administrative Plan specifies implementation and responsibilities for the TUMF Program.

TUMF Program funds may only be used for capital expenditures associated with the Regional System of Highways and Arterials and for capital expenditures for transit system improvements consistent with the TUMF Nexus Study. These purposes include expenditures for the planning, environmental review, engineering and design costs, right of way acquisition, and administrative costs.

II. **Authority** - The TUMF Program applies to those jurisdictions in Western Riverside County (County of Riverside and the Cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar and the March Joint Powers Authority (JPA)) that have adopted and are implementing the TUMF Program Ordinance. The TUMF Program has been developed pursuant to and consistent with authority provided in the requirements of California Government Code Chapter 5 Section 66000-66008 Fees for Development Projects also known as California Assembly Bill 1600 (AB 1600 or the Mitigation Fee Act), which governs the assessment of development impact fees in California. The Mitigation Fee Act requires that all local agencies in California, including cities, counties, and special districts follow three basic rules when instituting impact fees as follows:

A. Establish a nexus or reasonable relationship between the development impact fee’s use and the type of project for which the fee is required;
B. The fee must not exceed the project’s proportional “fair share” of the proposed improvement; and
C. The fee cannot be used to correct current problems or to make improvements for existing development.

III. **Imposition of and Participation in the TUMF Program** - Participating jurisdictions in Western Riverside County are responsible for adopting and enforcing all provisions of the TUMF Ordinance and collecting fees on new development within their jurisdictions. To be considered a participant in the TUMF Program, WRCOG Member Agencies which existed in 2003 must have an effective date for the TUMF Ordinance of no later than June 1, 2003. Any Member Agency formed after 2003 must enact the TUMF Model Ordinance and any amendments thereto upon incorporation. All Member Agency must adopt any amendment of the TUMF Ordinance within ninety (90) days of approval by the WRCOG Executive Committee unless otherwise directed by the WRCOG Executive Committee. Participating jurisdictions shall not repeal or modify the Model TUMF Ordinance, except that modifications are permitted to meet local municipal codes and references. Further, in order to be considered a participating jurisdiction, local jurisdictions shall collect the full TUMF and transmit the fee to WRCOG as provided herein.

Those jurisdictions that have ordinances with an effective date after June 1, 2003, or opt out of the TUMF Program and decide to participate at a later date must remit to WRCOG the amount of TUMF Program revenue for new development that was not collected by the jurisdiction. In order to verify the amount of revenue that would have been collected during the period in which a jurisdiction did not participate, said jurisdiction shall provide WRCOG with an annual report of building permit activity by the land uses identified in the Nexus Study. The remittance of the fee shall be accomplished in a lump sum payment unless other arrangements are agreed to in writing by WRCOG Executive Committee. Those jurisdictions that are not considered participants in the TUMF Program shall not be eligible to participate in the TUMF Program or the decision-making processes as more fully described in this document.

Non-participating jurisdictions will be ineligible to vote on any TUMF Program item and to receive their share of an estimated $1.02 billion in local streets and roads funds that will be allocated from the Reauthorized Measure A.

A. **Calculation of the TUMF** - Each participating jurisdiction shall calculate and collect the TUMF from new development projects as outlined in the Fee Calculation portion of the Transportation Handbook as well as the most recent TUMF Ordinances and Fee Resolutions. For residential development projects, the fee is based on the number of units and for non-residential, the fee is based on the square footage. For non-residential development projects not included in the TUMF Fee Calculation Handbook, a traffic analysis acceptable to WRCOG is required to determine the fee based on the traffic impact of the proposed project.. This method of calculation may be different from how the local development impact fee is determined.

The TUMF shall be calculated using the most current fee schedule in effect at the time the fee is due. Participating jurisdictions are prohibited from freezing TUMF by such means as “locking” a fee rate by paying a deposit or a portion of the fee prior to the date the fee is due or by entering into a Development Agreement or other agreement with a developer that freezes the fee at a certain level.
Partial Payments or Deposits: WRCOG discourages the use of deposits and partial payments as it will create additional reporting requirements for the jurisdictions and may give the developer the impression that the fees are not subject to change. However, if a jurisdiction allows for deposits or partial payments, it will transmit the partial payment/deposit to WRCOG in accordance with the TUMF ordinance along with a remittance report. In the variance column of the Remittance report, the jurisdiction shall indicate that the fee collected is a portion of the total due. When the balance is paid, the jurisdiction shall calculate the total fee for the project based on the TUMF fee schedule in place at the time the balance is paid and deduct the partial payment against the total. The balance will be transmitted in accordance with the TUMF ordinance and this Administrative Plan. The variance column of the Remittance report shall indicate that the balance is paid. If there is a fee adjustment between the deposit/partial payment and the payment of the balance, the fee that is required to be paid will be based on the most current TUMF fee schedule.

For the purpose of calculating the TUMF obligation for non-residential development the applicable land use category for a non-residential development is determined based on the predominate authorized use of the building or structure permitted by the underlying zoning associated with the new development. Projects could be subject to higher fee if the land use intensifies during the development process from what was originally proposed to the jurisdiction.

Exemptions to the Payment of TUMF - The TUMF ordinance sets forth exemptions to the payment of TUMF. Those exemptions are summarized in Exhibit "G," attached hereto.

B. **Refunds** – Under certain circumstances, such as double payment, expiration of a building permit, or fee miscalculation, an applicant may be entitled to a TUMF refund. Refunds will be reimbursed by the end of the fiscal year on a first come, first served basis, depending upon the net revenue stream. Refunds will only be considered reimbursable if requested within 3 years of the original TUMF payment. In all cases, the applicant must promptly submit a refund request with proof of TUMF payment to the local jurisdiction that collected the TUMF. The jurisdiction will forward the request to WRCOG for verification, review and possible action.

1. **Expiration Of Building Permits** - If a building permit should expire, is revoked, or is voluntarily surrendered and is, therefore voided and no construction or improvement of land has commenced, then the applicant may be entitled to a refund of the TUMF collected which was paid as a condition of approval, less administration.

The applicant shall pay the current TUMF in effect at the time in full if he reapplies for the permit.

If a development project is partially under construction at the time of the effective date of the TUMF Ordinance, the TUMF shall be paid only on that portion of the development for which a building permit is next issued.

2. **Double Payments –** on occasion due to a clerical error, a developer has paid all or a portion of the required TUMF for project twice. In such cases, a refund of the double payment may be required. If, however, it is determined that the developer paid the fees to the jurisdiction to expedite the project with the intent of entering into a credit agreement at a later time the refund process is different and is more fully described in section VI of this document.

3. **Balance Due –** when TUMF is incorrectly calculated due to clerical error, it is the City's responsibility to remit the balance due to WRCOG. The error must be discovered within 3 years for the City to be held accountable. The amount due can be remitted through alternate methods agreed to by the WRCOG Committees. If first vetted through WRCOG staff in writing, the calculation is not subject to additional review.

C. **March Joint Powers Authority** - The March JPA shall not have a separate vote at the WRCOG Executive Committee as it has representation by elected officials from the County of Riverside and Cities of Moreno Valley, Perris, and Riverside. The Executive Director of the March JPA shall be a voting member of the

WRCOG TAC for TUMF Program items only. The March JPA is a unique partner in the TUMF Program in that it has land use authority and therefore will need to adopt and implement the TUMF Program in the same manner as the cities and county.

IV. Allocation of Funds – After the administrative costs and MSHCP are allocated (as specified in Section IX herein), TUMF funds shall be distributed in accordance with WRCOG Executive Committee actions, the Nexus Study, this Administrative Plan and any future amendments thereto.

A. Allocation to Regional Transit Improvements - Of the TUMF funds received by WRCOG, 1.64% shall be allocated to the RTA for making regional transit improvements.

B. Allocation to Regionally Significant Transportation Improvements - Of the TUMF funds received by WRCOG, 46.39% shall be allocated to the RCTC for programming improvements to the arterials of regional significance on the Regional System of Highways and Arterials.

C. Allocation to Zones - Of the TUMF funds received by WRCOG, 46.39% shall be allocated to the five Zones for programming improvements to the Regional System of Highways and Arterials as determined by the respective Zone Committees. The amount of TUMF funds allocated to each Zone shall be proportionate to the amount of TUMF revenue generated from the zone.

D. Allocation to Mitigate TUMF Construction Projects – Of the TUMF funds received by WRCOG, 1.59% shall be allocated to the RCA to purchase habitat for the MSHCP, to mitigate the impacts of TUMF construction projects.

V. Administration of the Program - WRCOG shall administer the TUMF Program as described in the enabling Ordinance adopted by participating jurisdictions and further defined in this Administrative Plan.

VI. Administration of Credits – The TUMF Ordinance has a provision that if a developer constructs a TUMF facility, the developer will receive credit against the TUMF obligation for the project improvements. Typically, major infrastructure (such as rail grade separations, interchanges, transit projects, etc.) is constructed by the local jurisdiction rather than the developer, and involves multiple parties. As such, this section makes the distinction between credit agreements for major infrastructure with the local jurisdictions and the standard arterial improvements with developers. Each jurisdiction shall be responsible for the administration of TUMF credit agreements. Each jurisdiction shall transmit all TUMF credit agreements to WRCOG within 60 days of execution by that jurisdiction. Fee credit shall be in accordance with the following:

A. Developer Credits -

1. If a developer, as a requirement of the Conditions of Approval, constructs improvements identified on the RSHA, the developer is entitled to a TUMF credit up to 100% of the TUMF obligation, not to exceed the Maximum TUMF Share, if the developer follows the requirements outlined in Exhibit "B" of the Administrative Plan. The developer shall enter into a credit agreement that will identify the maximum TUMF credit (the lesser of

the bid amount or unit cost assumptions) which is determined by the most current unit cost assumptions for the RSHA, or actual costs, whichever is less. Prior to taking a credit agreement to the City Council/Board for approval, the jurisdiction must submit the draft agreement to WRCOG for review as to content and form. Jurisdictions should use the applicable model credit agreement prepared for WRCOG and shall provide an explanation for any deviations for the model. WRCOG shall notify the jurisdiction in writing if the agreement is in compliance with the TUMF Program. A jurisdiction shall not grant TUMF credits unless the credit agreement has been approved in writing by WRCOG. TUMF credit shall be determined based on approved improvement plans and after conditions of approval have been determined. The credit agreement at a minimum shall identify the facility, the dimensions of the facility, number of lanes and applicable unit costs used to deliver the improvements. The unit costs shall be based on the fee in effect at the time the agreement is approved and the maximum TUMF value for the facility (ies) on the RSHA and shall remain fixed through the completion of the project/improvement(s) identified in the agreement.

2. **Credits** – Prior to receiving any credit or payment of fees, a written credit agreement shall be executed between the jurisdiction and the developer. A jurisdiction may not allow a developer to pay the TUMF obligation and at a later date enter into a credit agreement with the expectation of receiving a refund. Parties that operate outside the policy outlined in this section and Exhibit “B” shall experience delays, sometimes significant, and possible denials in reimbursement for the project which is dependent on the transportation improvement program of projects.

3. **Credit for Right-of-Way (ROW) Dedication** – A developer may receive credit for dedication of ROW for RSHA improvements. This section addresses the crediting of ROW dedications that are not part of construction projects. The ROW component in the current Nexus Study determines the maximum share of credit available. An appraisal is required to determine the value of the ROW being dedicated. One of the following methods determines the appraisal of the ROW:

    a. The developer provides to the jurisdiction a current appraisal (no more than two years old), of the ROW to be dedicated. The jurisdiction reviews it and determines if the appraisal is valid and acceptable; or

    b. The developer accepts the appraisal of the jurisdiction.

4. Any improvement made to the RSHA that is obligated through an existing fee district (prior to June 1, 2003) shall not be eligible for TUMF credit.

5. Should it be determined that a jurisdiction granted credits exceeding the maximum TUMF credit, that jurisdiction shall provide WRCOG payment in the amount equal to the excess credit amount.

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6. Any project that is exempt from the fee is not entitled to fee credits or reimbursement.

B. Use of Credit by Developer – All TUMF credit shall be used first by the developer to offset the TUMF obligation for the project.

1. Credits may not be transferred or sold to other development projects, unless 1) the property to which the Credits are being transferred or sold is contiguous to the same TUMF facility and owned and conditioned for improvement by the same developer and 2) the transfer is approved by WRCOG in writing. WRCOG may place conditions on the use transfer or sale of credits in order to maintain the integrity of the TUMF program. In some cases, a Jurisdiction may be required to acknowledge that the property is one contiguous project.

2. Developers must exhaust all credits before they are eligible for reimbursements. Any reimbursement shall be made only in accordance with a reimbursement agreement as provided in Section VIII, hereof.

3. Credits shall run with the sale of the land.

C. Local Development Impact Fees and other funding programs - The local jurisdiction shall compare facilities in local fee programs against the RSHA and eliminate any overlap in its local fee program.

1. New Financing Districts and Bond Issues:
For a financing district created or bonds or other evidence of indebtedness issued on or after June 1, 2003, the local jurisdiction may allow a property owner, in lieu of the payment of TUMF to participate in such a financing district and receive credit against the TUMF obligation if the district is funding the following facilities: (i) a Regionally Significant Transportation Improvement, as defined as those facilities that typically are proposed to have six lanes at build out and extend between multiple jurisdictions, or discrete useable segment thereof, as determined by WRCOG, (ii) any type 1, 2, or 3 interchange on an interstate or state highway (iii) any railroad crossing with an estimated construction cost of more than ten million dollars ($10,000,000), and (iv) any bridge located on a regionally significant arterial as defined in (i) of this section.

a. Prior to and in lieu of payment of TUMF under this Section VI.C. the local jurisdiction must do all of the following:

(1) Sell bonds within 3 years in an amount sufficient to construct the improvement for which the financing district is created;
(2) Receive written approval from the WRCOG Executive Director, or designee; and
(3) In the event that a local jurisdiction is unable to satisfy the requirements of section a (1), above, the local jurisdiction may still excuse the payment of bonds if the local jurisdiction enters into an agreement with WRCOG in

which it commits to pay the full amount of any excused Fee, plus interest at the average rate earned by WRCOG over the past twelve months, in the event that the bonds may be extended up to an additional 5 years with the approval of the WRCOG Executive Committee.

b. If a local jurisdiction proposes to issue a credit in lieu of requiring the payment of TUMF as provided in this Section VI.C, then the jurisdiction shall enter into an MOU with WRCOG, and provide reasonable information to account for the credit.

c. If credit is issued in lieu of requiring the payment of TUMF as provided in this Section VI.C, then the jurisdiction shall be responsible for construction of the improvements and those improvements shall not be eligible for TUMF Program prioritization or funding.

d. Any dispute regarding this implementation of this Section VI.C. may be appealed by the local jurisdiction to the WRCOG Executive Committee for a final determination.

e. This Section VI.C is not intended to impact the administration of credits under Section VI.A. of the Administrative Plan.

2. As used in this section, a financing district means a community facilities district, a local road and bridge district, or an assessment district.

3. Where there is an existing financing district or an existing fee program established prior to June 1, 2003, with bonded indebtedness, then the local jurisdiction may credit payment of the TUMF for that portion of the facility identified in both programs. Notwithstanding the previous sentence, a local jurisdiction shall not issue a TUMF credit for any facilities for which bonds have been issued after February 4, 2008, regardless of when the financing district was first created.

VII. Administration of Reimbursements – The TUMF Program will pay up to 75% of the total programmed Project cost. Local jurisdictions/agencies will be responsible for at least 25% of the programmed Project costs through alternative funding sources. Any local match contribution to a TUMF funded capital Project is not eligible for future reimbursement. Local jurisdictions/agencies and developers are eligible for reimbursement for construction of TUMF facilities in certain instances. The process for local agencies is different than for landowners/developers; the processes are described below:

1. Developer Reimbursements: Each jurisdiction shall be responsible for the administration of reimbursement agreements (Exhibit "D" of the credit agreement). WRCOG may administer reimbursement agreements upon written request from the jurisdiction.

Should a developer construct RSHA improvements in excess of the TUMF obligation, the developer may be reimbursed for eligible expenses based on actual costs or the approved unit cost assumptions, whichever is less at the time of the agreement. Reimbursements shall be made through an agreement between the developer and the local jurisdiction, and contingent upon funds being available. Jurisdictions should use the applicable model credit and reimbursement agreement prepared for WRCOG and shall provide an explanation for any deviations for the model. WRCOG shall notify the jurisdiction in writing if the agreement is acceptable In all cases, reimbursements under such agreements must coincide with construction of the transportation improvements as scheduled in the Zone five-year Transportation Improvement Program (TIP) adopted annually by WRCOG for all approved secondary arterial improvements and Riverside County Transportation Commission for all Regional and/or Backbone facility improvements.

The developer may enter into a reimbursement agreement with the jurisdiction to reimburse the developer/owner for the direct and verifiable costs of constructing improvements to the RSHA when all of the following conditions have been met:

a. All available credits have been exhausted;
b. The improvements received prior approval from the jurisdiction and WRCOG based on the review of the TUMF project priority list; and
c. The jurisdiction and WRCOG have reviewed and approved the scope of the project to be constructed.

In no event shall the developer be reimbursed for improvements to the RSHA in excess of the most current approved Maximum TUMF Share for the facility on the TUMF Network at the time that the Credit Reimbursement agreement is executed.

WRCOG will not consider any developer credit or reimbursement for improvements on an RSHA facility unless the following criteria is met:

- An executed credit and/or reimbursement agreement predates the facility improvement;
- The amount eligible for credit and/or reimbursement will be based on the awarded bid contract, but not to exceed the maximum TUMF share as listed on the RSHA Network, and will be reflected in the reimbursement agreement; and
- WRCOG approves all draft developer credit and/ reimbursement agreements prior to execution;

A development that is exempt from paying the TUMF is not eligible for a reimbursement.

2. **Local Jurisdictions/Agencies Reimbursements:** Local jurisdictions are exempt from paying TUMF, as such, there is no credit given for projects constructed by a local jurisdiction; however, the contribution to the RSHA may be considerable. In such cases where a local jurisdiction constructs TUMF facilities it is eligible for reimbursement for eligible expenses, up to the maximum share identified in the Nexus Study or actual cost whichever is less, in accordance with the prioritization schedule in the adopted Transportation Improvement Program.

   Local jurisdictions are required to enter into a reimbursement agreement with WRCOG in order to be eligible to receive TUMF revenue. The amount eligible for reimbursement will be based on the awarded contract, but not to exceed the maximum TUMF share, and will be reflected in the reimbursement agreement.

In the event that the delivery of a TUMF facility will involve two or more member agencies, all reimbursement payments will be provided to the jurisdiction within whose jurisdiction the facility is being constructed unless agreed to in writing by all affected member agencies. For purposes of the prior sentence, an improvement will be considered within the jurisdiction of the County of Riverside only if it is located in the unincorporated portion of Riverside County.

Project reimbursement items eligible for funding reimbursement shall follow the Federal Guidelines as outlined the in Caltrans Local Assistance Procedure Manual (LAPM) and as defined in Appendix F of the Nexus Study and in Appendix G of the TUMF Administrative Plan.

VIII. Administrative Responsibilities

A. Program Administration - As set forth in Section II, WRCOG is designated as the TUMF Program Administrator. As Administrator, WRCOG shall receive all fees generated from the TUMF as collected by local jurisdictions and review permits for correct land-use type assessment and proper remittance of TUMF. WRCOG shall invest, account for and expend such fees in accordance with the TUMF Ordinance and applicable state laws.

For jurisdictions that are not participating in the TUMF Program, the representative for that jurisdiction shall not be eligible to vote on any matter related to the TUMF Program that goes before the WRCOG TAC and WRCOG Executive Committee.

1. **The WRCOG Executive Director** - Reporting to the WRCOG Executive Committee, the Executive Director shall be responsible for the following TUMF Program activities:

   a. Administration of the TUMF Program, including development of model credit and reimbursement agreements, fee collection process and processing Program appeals;
   b. Conduct an audit to report on the evidence that the collection and expenditure of funds collected is in accordance with the Mitigation Fee Act. The audit shall be presented to the WRCOG Executive Committee and made available to the public;
   c. Establishment and management of the “TUMF Program Trust Fund” for the purposes of depositing TUMF revenues and income interest earned on Trust Fund deposits;
   d. Preparation of an Annual Report for consideration by the WRCOG Executive Committee detailing the status of the TUMF Program including but not limited to fees collected and disseminated, capital projects planned for, prioritized, and built;
   e. Preparation of periodic comprehensive TUMF Program review and required by the California Mitigation Fee Act. The review of the TUMF Program will include a review of the various Nexus Study inputs and assumptions, and preparation of recommendations on potential TUMF Program revisions for consideration by the WRCOG Executive Committee. Such reviews and updates may

include, but are not limited to recommended fee adjustments based on changes in the facilities required to be constructed, and revenues received pursuant to the Ordinance;

f. Preparation of technical studies/analysis required to select and prioritize Regionally Significant Arterial projects;

g. Development of a five-year TIP that identifies projects that are scheduled and funded for construction over a specified period of time and is reviewed on an annual basis;

h. Development of a 5-year Expenditure Report that documents the expenditure of funds that identifies the purpose to which the fee is to be put, demonstrates a relationship and purpose for which the fee is being collected and identifies all sources and amount of funding anticipated to complete the financing of incomplete infrastructure facilities in accordance with California Government Code Sections 66000 et seq. for consideration by the WRCOG Executive Committee;

i. Staff support to and coordination with each of the TUMF Zone Committees as necessary;

j. Other related activities as directed by the WRCOG Executive Committee;

k. Approve Zone and RTA TIP Administrative Amendments; and

l. Execute amendments to TUMF reimbursement agreements.

2. The WRCOG Executive Committee - The WRCOG Executive Committee shall be responsible for reviewing and acting on the following:

a. Recommendations for project selection and prioritization of the Regionally Significant Arterials, and the TIP;

b. Review and possible approval of recommendations on projects from the Public Works Committee (PWC) and WRCOG TAC;

c. The approval of the TUMF Program Administrative Plan, Technical Transportation Manual and any subsequent amendments thereto; and

d. Recommendation of changes to the TUMF model Ordinance for consideration by participating jurisdictions.

In developing recommendations on Regionally Significant Arterials for consideration by the WRCOG Executive Committee, WRCOG staff and the Committee structure shall work with RCTC to coordinate compatibility with Measure A project priorities and schedules of area transportation improvements. WRCOG staff and the WRCOG Executive Committee shall also work with WRCOG jurisdictions and each Zone Committee for the same purposes.

For jurisdictions that are not participating in the TUMF Program, the WRCOG Executive Committee representative for that jurisdiction shall not be eligible to vote on any matter related to the TUMF that goes before the WRCOG Executive Committee.

3. **The WRCOG Technical Advisory Committee** - The WRCOG TAC shall review and make recommendations to the WRCOG Executive Committee on the following:

   a. Program updates and reviews and all supporting technical documentation;
   b. Revisions to the Administration Plan, Technical Transportation Manual, Fee Calculation Handbook and any other Program document;
   c. Ordinance revisions; and
   d. Annual fee adjustments.

   The WRCOG TAC shall also provide additional assistance to the TUMF Program as requested by the WRCOG Executive Committee. For jurisdictions that are not participating in the TUMF Program, the WRCOG TAC representative for that jurisdiction shall not be eligible to vote on any matter related to the TUMF Program that goes before the WRCOG Executive Committee or WRCOG TAC.

4. **The Public Works Committee/TUMF PWC** - The PWC shall be comprised of the Public Works Director or designee from each participating jurisdiction of WRCOG, RCTC, RTA and WRCOG and shall be responsible for the following:

   a. Providing technical assistance and guidance for program updates;
   b. Developing objective criteria for project selection and prioritization including but not limited to the following factors: traffic safety issues potentially created by growth, regional significance, availability of matching funds, mitigation of congestion created by new development, system continuity, geographic balance, project readiness, and completed projects with reimbursement agreements;
   c. Providing additional assistance to the TUMF Program as requested by the WRCOG Executive Committee, RCTC and/or the WRCOG TAC and/or the Zone TAC;
   d. Overseeing the reparation of the Technical Transportation Manual;
   e. Preparing the 5-Year TIP, which will be reviewed and amended annually and fully adjusted every two years as members of the Zone TAC;
   f. Providing recommendations on the RCTC Regional Arterial TUMF Program of Projects every four years along with the Nexus Study update to the WRCOG TAC, WRCOG Executive Committee and RCTC;
   g. Selecting a lead agency for each of the projects on the TIP;
   h. Reviewing the Annual Report prepared by WRCOG;
   i. Revising the RSHA as may be necessary (at a minimum every 4 years); and
   j. Review and revise Unit Cost Assumptions to the RSHA as may be necessary (at a minimum every 4 years).

B. Regional Arterial Administration - RCTC through an MOU with WRCOG (effective October 1, 2008) is the responsible agency for programming and delivering the Regionally Significant Arterials designed under Measure A and defined in the Nexus Study. WRCOG and RCTC have established a committee structure that incorporates the Public Works Directors, City Managers the WRCOG Executive Committee, and the RCTC Board for the development, review and approval of the Regional Arterial TUMF Program of projects.

1. The RCTC Executive Director - The Executive Director shall be responsible for the following TUMF Program activities:

a. Establishment and management of the "TUMF Program Trust Fund" for the purposes of depositing TUMF revenues and income interest earned on Trust Fund deposits;

b. Development of the RCTC Regional Arterial TUMF Program that identifies Regional projects for reimbursement that are scheduled and funded for construction by jurisdictions and developers over a specified period of time and is reviewed on an annual basis;

c. Staff support to and coordination with the TUMF Committees as necessary; and

d. Other related activities as directed by the RCTC Board.

2. The Riverside County Transportation Commission - RCTC shall be responsible for reviewing and acting on recommendations for project selection and prioritization of the RCTC Regional Arterial TUMF Program. RCTC shall review and consider recommendations on the RCTC Regional Arterial TUMF Program project on TUMF Regional Arterial projects from the TUMF Public Works Committee, WRCOG TAC, and WRCOG Executive Committee.

C. Zone Administration - Each Zone shall establish a committee structure, similar to Exhibit "A", for the purpose of preparing a Zone Transportation Improvement Program (TIP) with the TUMF revenue that has been returned to the Zone and develop policies that impact the Zone, such as how to close a funding shortfall in the Zone. The Executive Committee has determined that the 5-Year TIP shall be balanced to the most reasonable extent possible and that program shortfalls will need to be closed or projects could be reduced or eliminated from the TIP. The Zone TAC shall be responsible for prioritization of projects, selection of the lead agency for each project, and to review all the projects for consistency within the Zone.

All Zones shall approve their TIP by consensus and forward their recommendations to Executive Committee for review and approval to ensure compatibility with the other Zones and the Technical Transportation Manual.

Zone dollars are to be allocated by the Zone TAC only and cannot be utilized or borrowed for projects located outside the zone unless such projects are: 1) proposed and approved by the Zone Committee and have a direct benefit to the Zone and 2) are consistent with the Nexus Study. In furtherance of this Section VIII.B, each Zone shall abide by the Guidelines set forth in Exhibit "C".

The Riverside County Transportation Improvement Plan approved by Riverside County voters on November 5, 2002 states “Funding which is not allocated to a city or county because it is not a participant in the TUMF Program in the Coachella Valley area and the TUMF and MSHCP in the Western County area shall be allocated to the Regional Arterial Program in the geographic area in which the city or portion of the county is located”.

Each City and a portion of the unincorporated area of Riverside County are assigned to each of the zones. The five Zones are as follows:

1. Northwest Zone – The Cities of Corona, Eastvale, Jurupa Valley, Norco, Riverside and the County of Riverside, and the March JPA;

2. Southwest Zone – The Cities of Canyon Lake, Lake Elsinore, Murrieta, Temecula, Wildomar, and the County of Riverside;

3. Central Zone – The Cities of Menifee, Moreno Valley and Perris, and the County of Riverside, and the March JPA;

4. Pass Zone – The Cities of Banning and Calimesa, and the County of Riverside;

5. Hemet/San Jacinto Zone – The Cities of Hemet and San Jacinto and the County of Riverside.

D. **Local Administration** - As described in the TUMF Ordinance, participating are responsible for collecting the TUMF. Fees collected and a corresponding Remittance Report are required to be transmitted to the Executive Director of WRCOG. In accordance with the TUMF Ordinance and the Mitigation Fee Act, WRCOG shall deposit, invest, and expend the transmitted fees. Participating jurisdictions are required to transmit reports as set forth below to WRCOG which will include, but not be limited to the following information regarding the TUMF Program status.

1. **Monthly Remittance Reports** – Participating jurisdictions are required to submit the standard Remittance Reports to WRCOG by the tenth (10th) day of the month end for the previous month’s activity, for example; June’s Remittance report is due July 10. The report shall contain information necessary for WRCOG to determine the total amount of fees collected within each fee category as it relates to the number of building permits, certificates of occupancy, or final inspections issued during the same period of time. Remittance reports are required even when no fees have been collected, and will show building permits or certificates of occupancy have been issued. In addition the participating jurisdiction shall provide WRCOG the following information: the name of the developer or payee, project address, APN, total square feet, credits issued, variance in the fee assessed, and such other information as requested by WRCOG. As an example, the variance column needs to be filled out for any issue that will lead to a fee other than the standard calculation. This information will assist WRCOG in tracking new development, total revenue received and revenue projections for purposes of Program audits and program updates.

2. **Remittance Delays** - If a participating jurisdiction does not transmit the fees along with a corresponding Remittance Report by the tenth (10^{th}) day of the close of the month for the previous month in which fees were collected, the following fiscal policy shall be applied:

On the eleventh (11^{th}) day after the close of the month WRCOG staff shall notify, in writing, the delinquent jurisdiction of the delinquency and request that said jurisdiction remit by the fifteenth (15^{th}), the fees and the required Remittance Report;

If fees and Remittance Report have not been received, by the fifteenth (15th) day, WRCOG staff will invoice the jurisdiction for the approximate amount owed plus interest and penalties which is calculated at the current interest rate earned by the Riverside County Investment Pool plus thirty-five basis parts beginning from the first day of the month following the closing of the month being reported;

WRCOG staff will continue this notification until sixty (60) days after the close of the month. At which time, WRCOG will determine if an audit is necessary of the jurisdiction's TUMF account, general ledger and any other financial data. If an audit is conducted, WRCOG will investigate the amount owed and the cause of delay. Upon completion of the audit, WRCOG staff shall make any recommendations to resolve any outstanding issues; and

If an audit is required due to reporting and remittance irregularities, the jurisdiction shall incur the cost of the audit.

3. **Accruals** - the TUMF Program utilizes the five Zone 5-Year TIPs to allocate projects, which are based on the amount of available revenue to each Zone as determined by carryover and projected funds. At fiscal year-end, any unspent funds remaining on the TIPs that are not identified and accrued do not automatically roll over and may not be available for programming the following fiscal year. It is necessary for jurisdictions to identify those unused programmed funds so that they can be carried over to the next fiscal year. If the funds are not accrued, WRCOG cannot release the funds to the jurisdiction until the following year when the TIPs are officially adopted.

E. Riverside Transit Agency – In accordance with the Nexus Study 1.64% of funds received will be made available to the RTA to make capital facilities improvements for transit purposes as identified in the Nexus Study. The RTA shall provide a report to the WRCOG Executive Committee each year, which has been reviewed by the technical committees, detailing its expenditures of TUMF Program funds received, as well as future commitments for transit facilities using TUMF Program revenues as determined by the RTA Board of Directors.

IX. Administrative Costs. The TUMF Ordinance authorizes WRCOG to expend funds generated from TUMF that are necessary and reasonable to carry out its responsibilities to implement the Program. The WRCOG Executive Committee adopted a series of policies that clarify the expenditure and retention of program funds for the Administration of the Program and they are as follows:

1. WRCOG will retain no more than one percent (1%) of the total TUMF Program revenue for administration salaries and benefits;
2. Administration costs will be budgeted at whatever is reasonable and necessary, but not to exceed four percent (4%) of the TUMF revenues collected (inclusive of the one percent administrative salaries and benefit cap) unless otherwise directed by the Executive Committee.
3. Beginning July 1, 2006, WRCOG will take the administrative component from the revenue collected based on the total fee obligation inclusive of executed credit agreements.
4. Beginning July 1, 2006, all CFD's, SCIP and other financing mechanisms will pay the maximum (4%) administrative component in cash to WRCOG. When the administrative component is less than 4% then the surplus revenue will be allocated in accordance to their adopted percentages to the Multi-species Habitat Conservation Plan, RCTC, RTA and the Zones.
5. For refunds, whether it is because the project is no longer going forward or expiration of building permits (where no construction has commenced), the applicant is entitled to a refund less the administrative component. Refunds will be processed based on available cash and will not take precedence over the projects identified as funded on the approved TIP. Refunds will however take precedence over the addition of new projects to the TIP.

X. Appeals. Appeals shall only be made in accordance with the provisions of this Section X.

A. Persons or Entities Who Having Standing to Appeal. No person or entity shall have standing to avail themselves of this Section X, except those persons or individuals who are responsible for paying the TUMF and have an unresolved appealable issue or matter.

B. Appealable Issues and Matters. No issue or matter shall be heard or reviewed under this Section X unless the issue or matter is appealable. An issue or matter is appealable, if a qualified person or entity ("Appellant") has a good-faith dispute directly related to Appellant's Property ("TUMF Dispute") regarding (i) the amount of Appellant's TUMF obligation; (ii) the administration of TUMF Credits; (iii) exemption of Appellant's property from the TUMF Program; or (iv) administration of TUMF reimbursements.

C. Appeal Process.

1. If a qualified person or entity has a TUMF Dispute, he or she shall first attempt to resolve the dispute informally with the staff of the local jurisdiction. If the TUMF Dispute remains unresolved after a reasonable attempt to address it at the local level, the qualified person or entity may submit a written appeal to the appropriate department of the local jurisdiction. The written appeal shall thoroughly identify the TUMF

Dispute. The Appellant and staff from the local jurisdiction shall attempt to resolve the issue within thirty (30) days of the local jurisdiction's receipt of the appeal. At the request of the local jurisdiction, or on its own accord, WRCOG staff may also participate in such discussions. At the conclusion of the thirty (30) day period, staff of the local jurisdiction shall render a written decision on the appeal. If the staff of the local jurisdiction determines the issue or matter is not a TUMF Dispute, the written appeal shall be rejected. Staff's decision shall be provided in writing to the Appellant. In such cases, if the Appellant desires further review from the Board of Supervisors/City Council of the affected local jurisdiction, the Appellant must submit a written request for review to the Clerk of the Board/City Council within five (5) days of receiving staff's written decision. The decision of the Board/City Council shall be forwarded to the WRCOG Executive Committee in the same manner set forth in Paragraph 2 of this Section.

2 The issue or matter shall be heard by the Board of Supervisors/City Council of the affected local jurisdiction; provided, the Appellant submits a written request for further review to the Clerk of the Board/City Council within five (5) days of Appellant's receipt of the local jurisdiction's written decision regarding the Appellant's appeal. The Board/City Council shall forward its written decision to WRCOG for review and concurrence. If the WRCOG Executive Committee disagree with the decision of the City Council/Board of Supervisors, the WRCOG Executive Committee shall determine a proper course of action and notify the jurisdiction of its findings. The WRCOG Administration & Finance Committee may, at its discretion or at the request of the Executive Committee, provide its recommendation to the Executive Committee on the appeal.

XI. Arbitration. When there is a dispute among the Zone members that cannot be resolved and prevents the adoption of a project prioritization schedule, the matter shall be forwarded to the WRCOG TAC and WRCOG Executive Committee for a determination. Once the WRCOG Executive Committee takes action on the issue the decision is final.

If there is a dispute at the WRCOG Executive Committee level regarding project prioritization of a specific project(s) and a consensus cannot be reached, that project shall be tabled until such time as new information is presented and the matter can be resolved.

XII. TUMF Program Amendments. WRCOG shall undertake a review of all components of the TUMF Program in accordance with Government Code Section 66000 et seq. and other applicable laws, and, if necessary, recommend Program amendments and/or adjustments. Amendments to the Administrative Plan will be subject to the approval of the WRCOG Executive Committee. Amendments required to the TUMF Program Ordinance shall be approved by each participating jurisdiction, acting on recommendations provided by the WRCOG Executive Committee. The review shall consider whether future administration costs to participating jurisdictions are needed.

1. **TUMF Network Revisions**: The TUMF Network is reviewed and revised at regular Nexus Study updates, with minor adjustments such as name changes, distances, and other errors that may be found from time to time occurring on a

more frequent basis. However, there could be instances when certain assumptions were made during a Nexus Update that did not come to fruition that should be addressed. The primary cause is when a new city is incorporated and inherits the TUMF Network, which may not reflect the new jurisdiction's General Plan or priorities; another example is if a jurisdiction needs to "trade" a facility on the Network due to a rapid change in development patterns that should not wait for the normal revision cycle.

For new cities there would be an opportunity to review the TUMF Network with WRCOG staff to ensure that the Network identifies their priorities and allows them to make recommendations and to have the ability to swap out facilities. Any revision request must meet the criteria to be on the Network before the PWC will consider the request.

Jurisdictions that are not part of the above mentioned group that need to swap out facilities, must justify the swap by demonstrating that it provides continued regional circulation, meets the criteria to be on the TUMF Network, and does not provide an advantage to a specific land-use, community, developer/project for the purposes of TUMF credits or reimbursements. These jurisdictions must also demonstrate that the impacts mitigated in the swapped facilities are substantially similar to those impacts that would have been mitigated in the abandoned facilities.

This process is intended to be applied on an annual basis during interim years between revisions to the TUMF Nexus Study that would inherently include a revision to the TUMF Network. The deadline to submit any revision is June 30th. The focus of this process is the ability to shift projects on the TUMF Network with the intent to incur minimal fiscal impacts to the Program fee and Nexus determination, rather than adding new projects that would have a far more significant effect on the Program fee and therefore would be more appropriately addressed during the regular Nexus Study reviews. The exception to this policy is the ability for newly incorporated cities to request new additions during the initial cycle of this adjustment process to ensure appropriate facilities are designated to address their individual city's needs.

The process requires the jurisdiction to submit a written justification of the requested TUMF Network facility shift. Elements to be addressed in the written justification should include an explanation of the rationale for the proposed facility shift specifically explaining why the facility should be addressed as part of the TUMF Program and cannot be addressed as part of an equivalent local program, and verification that the proposed shift in facility does not unduly favor or disadvantage a specific developer or development interest. Proximity to areas of significant recent development activity (i.e. shifts in development patterns resulting in changes in transportation system impacts to be mitigated) and the net cost differential to the program following the facility adjustment are key elements to be addressed in the written justification. The written justification must also demonstrate that the impacts mitigated in the proposed facility shift are substantially similar to those impacts that would have been mitigated in the abandoned facilities.

The existing criteria contained in the TUMF Nexus Study for identifying facilities to be included in the TUMF Network was refined for the purposes of evaluating requests for TUMF Network Amendments. All requested Network adjustments will be evaluated and scored using a point system based on key performance indicators consistent with the existing criteria contained in the TUMF Nexus Study. The scoring criteria is "Exhibit D" of this Plan. Only facilities defined in a participating jurisdiction's General Plan Circulation Element (or equivalent document) as an arterial highway facility with a minimum four (4) lanes at build-out will be evaluated for inclusion in the TUMF Network.

XIII. **CEQA.** The TUMF Program currently is a financing mechanism dependent on future actions of the WRCOG Executive Committee for improvements to the RSHA. WRCOG and its associated committees will be prioritizing and scheduling improvements on the RSHA, as such, the appropriate environmental documentation, shall be completed before a project can commence construction.

The TUMF Program was developed to mitigate the cumulative impacts of future growth on the RSHA. It was not developed to mitigate project-specific traffic impacts. Accordingly the program does not relieve any development project of the responsibility to mitigate project-specific impacts identified in the environmental analysis prepared for the project. When a development project is required to construct RSHA facilities as project-specific mitigation, it shall be eligible for credit and or reimbursement.

EXHIBIT "A"

TUMF Decision Making Process

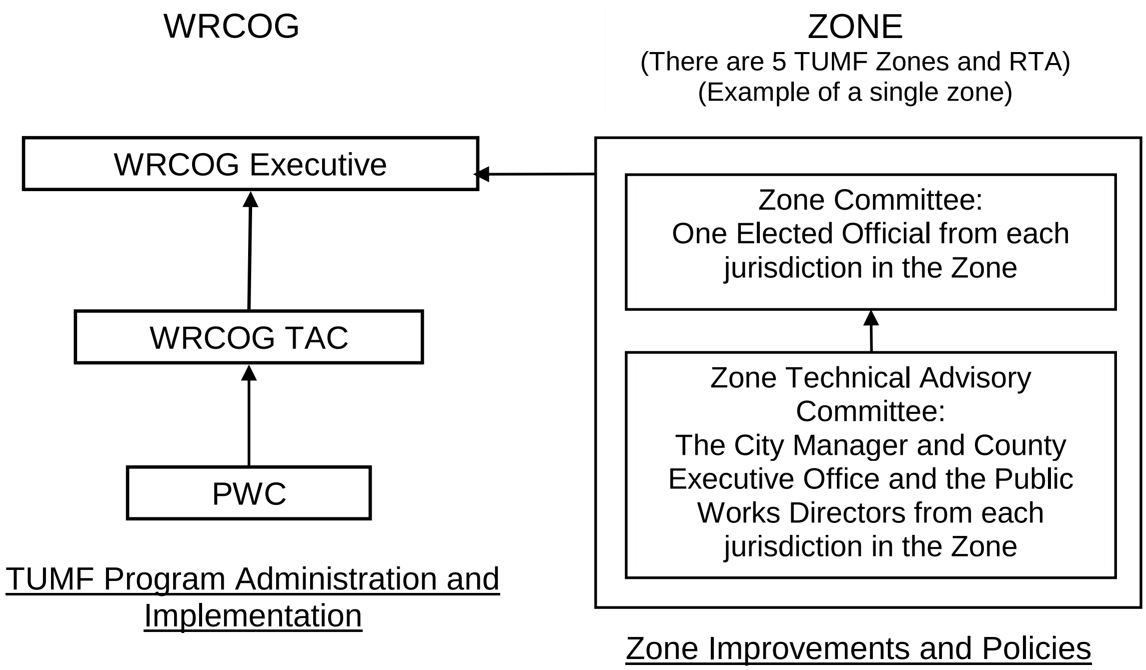

EXHIBIT "B"

TUMF Credit / Reimbursement Eligibility Process

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:

    a. Prepare a separate bid package for the TUMF Improvements.
    b. The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.
    c. Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the City/County.
    d. The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the City's/County's requirements and guidelines.
    e. Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.

2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between City/County and Developer ("Agreement"), Developer shall provide the City/County and WRCOG with the following:

    a. Copies of all information listed under Item 1 above.
    b. Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the City/County and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.

3. Prior to the City's/County's acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.3 and 14.4 of the Agreement, and the following conditions shall also be satisfied:

    a. Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.
    b. Developer shall have satisfied the City's/County's inspection punch list.
    c. After final inspection and approval of the completed TUMF Improvements, the City/County shall have provided the Developer a final inspection release letter.
    d. City/County shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.
    e. Developer shall have provided City/County a copy of the As-Built plans for the TUMF Improvements.
    f. Developer shall have provided City/County copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.
    g. Developer shall have submitted a documentation package to the City/County to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

i. Plans, specifications, and Developer's Civil Engineer’s cost estimates; or Engineer’s Report showing the cost estimates.
ii. Contracts/agreements, insurance certificates and change orders with each vendor or contractor.
iii. Invoices from all vendors and service providers.
iv. Copies of cancelled checks, front and back, for payments made to contractors, vendors and service providers.
v. Final lien releases from each contractor and vendor (unconditional waiver and release).
vi. Certified contract workers payroll for City/County verification of compliance with prevailing wages.
vii. A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should include for each item claimed the check number, cost, invoice numbers, and name of payee. See attached sample for details.

4. The amount of the development credit shall not exceed the maximum amount determined by the most current unit cost assumptions for the RSHA in the adopted Nexus Study, or actual costs whichever is less. This shall be known as the maximum credit. The maximum TUMF credit shall be determined based on an approved Improvement Plan and after the Conditions of Approval have been determined.

EXHIBIT "C"

Guidelines for the Administration of the Programmed Projects in the Zone's Adopted 5-Year TIP

Once each Zone's 5-Year Transportation Improvement Program (TIP) is adopted by the WRCOG Executive Committee, said TIPs shall be incorporated into and governed by these guidelines, the Administrative Plan, and Technical Transportation Manual in accordance with AB 1600. Annually, WRCOG staff meets with the Zone Technical Advisory Committees to review the status of all programmed projects on the 5-Year TIPs and bring the subsequent project adjustment requests to the Zone Committees for approval. The goals of the annual review process are as follows: (i) to update project cost estimates; (ii) to review project status; (iii) to determine the continued viability of projects; (iv) review the backlog of reimbursement projects;(v) to address local jurisdiction issues; and (vi) address compliance with AB 1600.

Adjustments:

In accordance with the Technical Transportation Manual and the original reimbursement agreement entered into with the lead jurisdiction, all approved projects' funding and schedules are directly tied to critical milestones. As such, requests to change a project's funding or schedule shall necessitate an amendment to the original agreement and the adopted TIP. Annual 5-Year TIP adjustments could include, but are not limited to:

- Scope of work reductions or additions;
- Project or phase delays;
- Project or phase cancellations;
- New shelf-ready network projects being added as replacement projects;
- Project or phase advances; and
- Request to transfer funding beyond a programmed project's limits within a Zone.

Levels of Approval:

A. Zone Committee/WRCOG Executive Committee

The following shall be approved by the Zone Committee and adopted by the WRCOG Executive Committee as required in the Administrative Plan:

1. Annual updates to the Zone TIP.

2. Requests to increase total TUMF funding allocations to projects on the Zone TIP. These requests may be made by the local jurisdiction administratively outside of the annual TIP update cycles if deemed necessary by one of the Zone participating jurisdictions and WRCOG management due to unforeseen circumstances that necessitate immediate action. Such unforeseen circumstances shall include, but not be limited to, higher than expected bid prices, TUMF as a Federal or State match, etc. WRCOG staff will obtain action from the Zone Committee in these cases either by calling for a Special Zone Committee meeting or through individual consultation.

3. Administrative requests to advance funds or adjust project schedules on TIP approved projects, upon the recommendation of the Public Works Committee. Such advancements are subject to:

   - Jurisdiction's proof of readiness to move forward with project, and
   - Zone's current cash flow can support the advancement or change.

B. WRCOG Executive Director

The WRCOG Executive Director shall be responsible for the review and approval of the following changes to an approved Zone TIP, including the review and approval of any agreements, for:

1. Change in Lead Jurisdiction, with the written consent of the transferring and accepting Lead Jurisdiction.

2. Cancellation of project upon request of the local jurisdiction. In the event of cancellation, all funds shall revert to the Zone TIP Trust account.

3. Approval of final completion of the project. Upon notification from the Jurisdiction that the Project has been completed, all unused funds programmed for that Project shall revert to the Zone TIP Trust account.

4. All other administrative requests, upon consultation with the Public Works Committee.

C. Public Works Committee

The Public Works Committee shall be responsible for the review and approval of the following:

1. Requests to move funds within project categories (environmental, design, etc.) administratively, contingent upon participating jurisdiction's certification of viability of all phases.

2. Provide recommendations to the WRCOG Executive Director on any other requests that are deemed administrative in nature by the Director.

All administrative adjustments will be submitted to the WRCOG Executive Committee as part of the next Annual Review Report for final adoption.

D. Obligating Programmed Funds

The TUMF Program has established the policy that construction projects take priority, and therefore, WRCOG limits the obligation of TUMF dollars. WRCOG has two options by which to obligate TUMF. In both options, steps 1, 2, and 3 (Option A) or 6 (Option B) must be completed by the local jurisdiction to ensure TUMF funding can be made available for use on an eligible project. Since TUMF project funds are generally obligated on a first come first served basis, failure to follow the prescribed steps for either option may preclude a project sponsor from receiving TUMF payments for completed work until sufficient funds are available to be obligated.

Option A:
Funding for a project programmed on Zone 5-Year TIPs is not considered obligated by WRCOG until certain steps outlined below have been accomplished by the local jurisdiction.

1. Ensure that funding for the project phase is **programmed in the current year** of an adopted 5-Year TIP.
2. Ensure that there is a **signed (executed) reimbursement agreement** that matches the funding amount with the funding amount of the project phase in the adopted TIP.
3. Submit **an invoice for TUMF eligible work** prior to the end of the fiscal year to obligate the project phase funding. At the time of submitting the first invoice, the project sponsor will be required to submit all necessary supporting documentation (not previously submitted) in accordance with the provisions of the reimbursement agreement.
4. WRCOG will obligate the entire phase of the project if there is available revenue at the time the invoice is submitted.

Option B:
Funding for a project programmed on Zone 5-Year TIPs is not considered obligated by WRCOG until the steps outlined below have been accomplished by the local jurisdiction.

1. Ensure that funding for the project phase is **programmed in the current year** of an adopted 5-Year TIP.
2. Ensure that there is a **signed (executed) reimbursement agreement** that matches the funding amount with the funding amount of the project phase in the adopted TIP.
3. Send WRCOG a letter of **notice of intent** to issue RFP, solicit bids, make offer to purchase ROW or other similar action to verify that sufficient funding is available and that funds are obligated and reserved exclusively for the particular project phase.
4. Receive a **notice of obligation** from WRCOG within fourteen working days of receipt of the notice of intent confirming the amount of funding that is obligated and reserved exclusively for the particular project phase. Alternatively, the project sponsor will receive a notice of deferred obligation if WRCOG determines that insufficient funds are currently available for the project phase to be obligated.
5. Award the project and execute a contract within four months of receipt of the notice of obligation from WRCOG and send a letter of **confirmation of award** to WRCOG including evidence of a Board/Council action relating to the project award and contract execution.
6. Commence project work and submit the **first invoice** for payment within nine months of receipt of letter of obligation by WRCOG to preserve fund obligation. At the time of submitting the first invoice, the project sponsor will be required to submit all necessary supporting documentation (not previously submitted) in accordance with the provisions of the reimbursement agreement.

If a contract has not been executed within four months of receipt of the notice of obligation from WRCOG (step 5), there will be a review of the project status. Based on the review of project status, WRCOG will either:

i. extend the fund obligation for up to a total of nine months from the notice of obligation if the project sponsor can demonstrate a realistic expectation that the project will be awarded and a confirmation of award can be provided to WRCOG within that time frame; or
ii. de-obligate the funds.

Similarly, if the first invoice has not been submitted to WRCOG within nine months of receipt of the letter of obligation (step 6), there will be a review of the project status. Based on the review of project status, WRCOG will either:

i. extend the fund obligation for up to an additional nine months if the project sponsor can demonstrate a realistic expectation that the project work will commence and a first invoice is submitted within that time frame; or
ii. de-obligate the funds.

E. Programming the Cost Assumption's 10 Percent Contingency

The TUMF Program has established the policy allowing local jurisdictions the ability to choose how to apply the available 10 percent Contingency costs historically assigned to the construction phase of a project when it is programmed on a TUMF 5-Year Transportation Improvement Program (TIP). The Contingency fund is 10 percent of the sum of the new lane, right-of-way, bridge, interchange, and railroad costs.

Under this new policy, some jurisdictions may opt to continue applying the 10 percent Contingency to the construction costs, while others may choose to apply a portion of the 10 percent Contingency to help defray their administrative costs incurred during the planning and engineering phase delivery.

Since currently programmed construction funds already reflect the eligible 10 percent Contingency, the policy only applies to those projects that have not obligated or received payments on their construction phases.

For those jurisdictions who wish to recapture administrative costs of ongoing projects programmed on the TIP that do not involve an obligated construction phase, up to 10 percent of each of the programmed planning and engineering phases would be eligible for administrative costs and would be deducted from the available 10 percent contingency (leaving the remaining balance to be applied to construction costs or construction administration costs.)

<u>Scenario –</u>

Construction costs	= $1,000,000
Contingency	= $ 100,000 (or 10%)
Planning costs	= $ 100,000
Engineering costs	= $ 250,000
Admin costs (PA&ED)	= $ 10,000 (or 10% of $100k)
Admin costs (ENG)	= $ <u>25,000</u> (or 10% of $250k)
Balance Contingency	= $ 65,000 (for construction admin or contingency costs)

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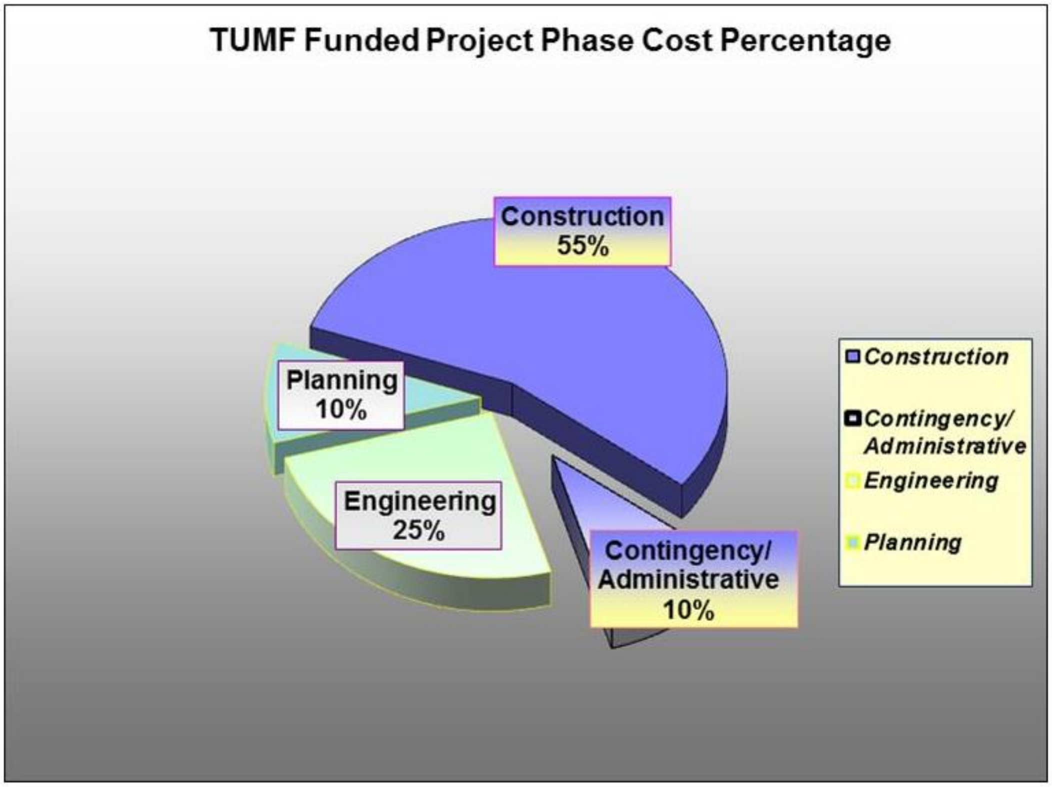

Jurisdictions may apply a portion or all of the available 10 percent Contingency to reimburse accrued administration costs for all three phases by requesting the amount to be programmed as a separate line item on the TIP during a biennial TIP review or amendment as any other project adjustment.

All existing and future reimbursement agreements, cost estimates, and scopes of work will need to be amended to include specific language covering the jurisdiction's individual contingency use option.

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EXHIBIT "D"

The following table summarizes the criteria, evaluation thresholds and point values for evaluating TUMF Network adjustment requests for approval. For each evaluation measure, the maximum point value has been highlighted in **bold** font for easy reference.

Criteria	Evaluation Thresholds	Points
Minimum number of lanes at build-out	Less than 4 lanes	not eligible
	4 or 5 lanes	5
	6 or more lanes	**15**
Jurisdictions served	1 jurisdiction	0
	2 jurisdictions	5
	3 or more jurisdictions	**10**
Future forecast traffic volumes	Less than 20,000 vehicles per day	0
	20,000 to 24,999 vehicles per day	5
	25,000 to 29,999 vehicles per day	10
	30,000 to 34,999 vehicles per day	15
	35,000 to 39,999 vehicles per day	20
	40,000 or more vehicles per day	**25**
Future forecast volume to capacity ratio	< 0.80 (LOS A/B/C)	0
	0.81 – 0.90 (LOS D)	5
	0.91 – 1.00 (LOS E)	10
	> 1.00 (LOS F)	**15**
Regional fixed route transit services accommodated	No service	0
	1 or more services	**10**
Net fiscal impact of TUMF Network adjustment	More than $1,000,000 cost addition	-15
	$200,000 to $1,000,000 cost addition	-5
	$199,999 cost addition to $199,999 cost savings	5
	$200,000 to $1,000,000 cost savings	15
	More than $1,000,000 cost savings	**25**
Maximum Possible Score		**100**

EXHIBIT "E"

TUMF Program Definitions

For the purpose of the TUMF Administrative Plan, the following words, terms and phrases shall have the following meanings:

A. **"Class 'A' Office"** means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class 'A" Office shall be as follows: (i) minimum of three stories (exception will be made for March JPA, where height requirements exist); (ii) minimum of 10,000 square feet per floor; (iii) steel frame construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/ exits for commercial uses within the building.

B. **"Class 'B' Office"** means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class 'B" Office shall be as follows: (i) minimum of two stories; (ii) minimum of 15,000 square feet per floor; (iii) steel frame, concrete or masonry shell construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/exits for commercial uses within the building.

C. **"Development Project"** or **"Project"** means any project undertaken for the purposes of development, including the issuance of a permit for construction.

D. **"Gross Acreage"** means the total property area as shown on a land division of a map of record, or described through a recorded legal description of the property. This area shall be bounded by road rights of way and property lines.

E. **"Habitable Structure"** means any structure or part thereof where persons reside, congregate or work and which is legally occupied in whole or part in accordance with applicable building codes, and state and local laws.

F. **"Industrial Project"** means any development project that proposes any industrial or manufacturing use allowed in the following Ordinance No.________ zoning classifications: I-P, M-S-C, M-M, M-H, M-R, M-R-A, A-1, A-P, A-2, A-D, W-E, or SP with one of the aforementioned zones used as the base zone.

G. **"Low Income Residential Housing"** means "Residential Affordable Units": (A) for rental housing, the units shall be made available, rented and restricted to "lower income households" (as defined in Health and Safety Code Section 50079.5) at an "affordable rent" (as defined in Health and Safety Code Section 50053),). Affordable units that are rental housing shall be made available, rented, and restricted to lower income households at an affordable rent for a period of at least fifty-five (55) years after the issuance of a certificate of occupancy for new residential development. (B) for for-sale housing, the units shall be sold to "persons or families of low or moderate income" (as defined in Health and Safety Code Section 50093) at a purchase price that will not cause the purchaser's monthly housing cost to exceed "affordable housing cost (as defined in Health and Safety Code Section 50052.5) Affordable units that are for-sale housing units shall be restricted to ownership by persons and families of low or moderate income for at least forty-five (45) years after the issuance of a certificate of occupancy for the new residential development.

H. **"Multi-Family Residential Unit"** means a development project that has a density of greater than eight (8) residential dwelling units per gross acre.

I. **"Non-Residential Unit"** means retail commercial, service commercial and industrial development which is designed primarily for non-dwelling use, but shall include hotels and motels.

J. **"Recognized Financing District"** means a Financing District as defined in the TUMF Administrative Plan as may be amended from time to time.

K. **"Residential Dwelling Unit"** means a building or portion thereof used by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.

L. **"Retail Commercial Project"** means any development project with the predominant use that proposes any retail commercial activity use not defined as a service commercial project allowed in the following Ordinance No. __________classifications: R-1, R-R, R-R-O, R-1-A, R-A, R-2, R-2-A, R-3, R-3-A, R-T, R-T-R, R-4, R-5, R-6, C-1/C-P, C-T, C-P-S, C-R, C-O, R-V-C, C-V, W-2, R-D, N-A, W-2-M, W-1, or SP with one of the aforementioned zones used as the base zone, which can include any eating/dinning facility residing on the retail commercial development premises.

M. **"Service Commercial Project"** means any development project that is predominately dedicated to business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal, and medical offices, which can include a stand-alone eating/dining facility residing on the service commercial development premises.

N. **"Single Family Residential Unit"** means each residential dwelling unit in a development that has a density of eight (8) units to the gross acre or less.

O. **"TUMF Participating Jurisdiction"** means a jurisdiction in Western Riverside County which has adopted and implemented an ordinance authorizing participation in the TUMF Program and complies with all regulations established in the TUMF Administrative Plan, as adopted and amended from time to time by the WRCOG.

P. **"Disabled Veteran"** means any veteran who is retired or is in process of medical retirement from military service who is or was severely injured in a theatre of combat operations and has or received a letter of eligibility for the Veterans Administration Specially Adapted Housing (SAH) Grant Program.

Q. Government/public buildings, public schools, and public facilities that are owned and operated by a government entity in accordance with Section G. subsection Iv of the model TUMF Ordinance. A new development that is subject to a long-term lease with a government agency for government/public buildings, public schools, and public facilities shall apply only if all of the following conditions are met:

(a) The new development being constructed is subject to a long-term lease with a government agency.

(b) The project shall have a deed restriction placed on the property that limits the use to government/public facility for the term of the lease, including all extension options, for a period of not less than 20 years. Any change in the use of the facility from government shall trigger the payment of the TUMF in effect at the time of the change is made.

(c) No less than ninety percent of the total square footage of the building is leased to the government agency.

(d) The new development is constructed at prevailing wage rates.

(e) A copy of the lease is provided to the applicable jurisdiction and to WRCOG.

(f) Based on the facts and circumstances, the intent of the lease is to provide for a long-term government use, and not to evade payment of TUMF.

R. **"Non-profit Organization"** means an organization operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code, and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial port of its activities and it may not participate in any campaign activity for or against political candidates. For the purposes of the TUMF Program, the non-profit may be a 501(c) (3) charitable organization as defined by the Internal Revenue Service.

S. **"Long-Term Lease"** as used in the TUMF Program, a "long-term lease" shall mean a lease with a term of no less than twenty years.

T. **"Mixed-Use Development"** as used in the TUMF Program, means Developments with the following criteria: (1) three or more significant revenue-producing uses, and (2) significant physical and functional integration of project components.

U. **"Guest Dwellings"** and **"Detached Second Units"** according to the State of California legal definition as following: 1) The second unit is not intended for sale and may be rented; 2) The lot is zoned for single-family dwellings; 3) The lot contains an existing single-family dwelling; 4) The second unit is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling; and 5) Are ministerally amended by each jurisdiction's local codes.

EXHIBIT "F"

TUMF Program Exemptions

The following types of new development shall be exempt from the provisions of the TUMF Administration Plan:

1. Low income residential housing as defined in Exhibit E, Section G of the Administrative Plan.

2. Government/public buildings, public schools, and public facilities that are owned and operated by a government entity in accordance with Section Q of Exhibit E of the Administrative Plan and Section G. subsection Iv of the model TUMF Ordinance.

3. Development Projects which are the subject of a Public Facilities Development Agreement entered into pursuant to Government Code section 65864 *et seq*, prior to June 30, 2003, wherein the imposition of new fees are expressly prohibited, provided that if the term of such a Development Agreement is extended by amendment or by any other manner after June 30, 2003, the TUMF shall be imposed.

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

5. "Guest Dwellings" and "Detached Second Units" As defined in Exhibit E of the Administrative Plan and the TUMF Ordinance.

6. Additional single-family residential units located on the same parcel pursuant to the provisions of any agricultural zoning classifications set forth in the Municipal Code.

7. Kennels and Catteries established in connection with an existing single family residential unit.

8. Any sanctuary, or other activity under the same roof of a church or other house of worship that is not revenue generating and is eligible for a property tax exemption (excluding concert venue, coffee/snack shop, book store, for-profit pre-school day-care, etc.)

9. Any nonprofit corporation or nonprofit organization offering and conducting full-time day school at the elementary, middle school or high school level for students between the ages of five and eighteen years.

10. "New single-family homes, constructed by non-profit organizations, specially adapted and designed for maximum freedom of movement and independent living for qualified Disabled Veterans."

EXHIBIT "G"

TUMF Program Eligible and Ineligible Expenses

Project reimbursement items eligible for funding reimbursement shall follow the Federal Guidelines as defined in Map 21 and subsequent revisions and as outlined in the Caltrans Local Assistance Procedure Manual (LAPM) and defined as follows:

Eligible Expenses:

Unit cost values were developed for various eligible improvement types that all provide additional capacity needed to mitigate the cumulative regional traffic impacts of new development to facilities on the Regional System of Highways and Arterials. Eligible improvement types include:

- Construction of additional Network roadway lanes;
- Construction of new Network roadway segments;
- Expansion of existing Network bridge structures;
- Construction of new Network bridge structures;
- Expansion of existing Network interchanges with freeways;
- Construction of new Network interchanges with freeways;
- Grade separation of existing Network at-grade railroad crossings;

The typical roadway standard assumes the following standard design characteristics that are consistent with the minimum requirements of the Caltrans Highway Design Manual:

- Asphalt concrete pavement and appropriate base material to accomplish up to 12 feet per travel lane plus up to four feet for ancillary treatments (e.g. shoulders, or Class II Bike Lane);
- Concrete curb and gutter and associated drainage (e.g. paved roadway shoulders and/or open swale);
- Storm drains located within curb to curb, and associated transverse portions perpendicular to the roadway and adjoining portions longitudinal to the roadway;
- 14-foot paved and painted median (or dual center left turn lane);
- Traffic signals at intersections with state highways and other major arterials that are also on the TUMF Network;
- Pavement striping and roadway signing, as required;
- 6-foot wide concrete sidewalks and associated curb cuts for ADA access at street crossings.

Project reimbursement items ineligible for TUMF funding reimbursement shall follow the Federal Guidelines as defined in Map 21 and subsequent revisions and as outlined the in Caltrans Local Assistance Procedure Manual (LAPM) and defined as follows:

Ineligible Expenses:

Roadway improvements in excess of the Typical Roadway Standard include, but are not limited to:

- Portland concrete cement pavement or other aesthetic pavement types (except at interchanges and overpasses);
- Major rehabilitation or overlay of existing pavement in adjacent roadway lanes;
- Raised barrier medians;
- Parking lanes;
- Roadway tapers outside the extents of the approved project
- Sanitary sewage infrastructure and manhole adjustments;
- Water systems, including valve can adjustments;
- Dry utilities, including valve and/or vault adjustments;
- Undergrounding infrastructure;
- Relocation of non-prior rights utilities;
- Storm Drain Systems in excess of draining the roadway;
- Landscaping;
- Street lighting;
- Class I Bike Lanes (e.g. separate bicycle paths);
- Environmental Permitting;
- Detection/Retention Basins outside of Street Right-of-Way;
- Agency Staff time in excess of 15% of programmed Engineering;
- Agency Staff Time in excess of 15% of programmed Construction;
- TUMF does not reimburse temporary (interim) improvements.

These improvements in excess of Typical Roadway Standards are not eligible for TUMF funding and will be the responsibility of the local funding agency.

EXHIBIT “B”

RTA TUMF Projects in 2009 and 2016 Nexus Studies

AREA PLAN DIST	PROJECT NAME	LOCATION
Regional	Regional Transit Centers	Various locations region wide
Regional	Bus Stop Amenities Upgrade	Various locations region wide
Northwest/Central	Central Spine Service Capital	Corona, Riverside, Moreno Valley
Northwest/Pass	SR60 Regional Flyer Capital	SR-60 corridor from SB Co. to Banning
Northwest/San Jacinto	I-215/SR74 Regional Flyer Capital	I-215/SR-74 corridor from Riverside to San Jacinto
Northwest/Southwest	I-15 Regional Flyer Capital	I-15 Corridor from SB Co. to Temecula
Regional	Regional Flyer Vehicle Fleet	Various routes region wide
Northwest	Riverside Mobility Hub at Vine Street	Riverside
Central	Moreno Valley Mobility Hub	Moreno Valley
Northwest	Jurupa Valley Mobility Hub	Jurupa Valley
Pass	Banning Mobility Hub	Banning
Southwest	Lake Elsinore/Canyon Lake Mobility Hb	Lake Elsinore
Southwest	Temecula/Murrieta Mobility Hub	Temecula
San Jacinto	Hemet Mobility Hub	Hemet
San Jacinto	San Jacinto Mobility Hub	San Jacinto
San Jacinto	Mt. San Jacinto College Mobility Hub	San Jacinto
Regional	Regional Operations and Maintenance Facility	Riverside
Regional	Annual Transit Enhancements Program	Various locations region wide
Central	Central Corridor RapidLink Implementation	UCR, Riverside to Perris
Regional	Vehicle Fleet Medium Buses	Various locations region wide
Regional	Vehicle Fleet Large Buses	Various locations region wide
Regional	Comprehensive Operational Analysis Study	Various locations region wide

EXHIBIT “C”

RTA Reimbursement Agreements

Reimbursement Agreements	
09-HS-RTA-1130	Hemet Transit Facility
12-NW-RTA-1131	UCR Mobility Hub (Formerly Northwest Transit Center)
09-SW-RTA-1132	Twin Cities/Promenade Mall Mobility Hub
12-HS-RTA-1159	Hemet Transit Enhancements
11-NW-RTA-1143	Long Range Planning Study (COA)
13-NW-RTA-1168	Northwest Zone Route 1 Rapid Link Express Bus Stops (Formerly Northwest Zone Enhancements)
13-HS-RTA-1169	Hemet/San Jacinto Zone Enhancements

Item 7.C

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County**

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

Date: **December 5, 2016**

***The purpose of this item is to** update Committee members on the Fee Comparison Analysis and provide the overall findings from the analysis.*

Requested Action:

1. Receive and file.

As part of the efforts being undertaken to update the TUMF Program Nexus Study, WRCOG has received comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. WRCOG has conducted a study to analyze fees / exactions required and collected by jurisdictions / agencies in, and immediately adjacent to the WRCOG subregion.

Fee Analysis

In July 2015, WRCOG distributed the draft 2015 TUMF Nexus Study for review and comment. During the comment period, WRCOG received various comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. In response to the comments received on the draft Nexus Study, WRCOG released a Request for Proposal (RFP) to solicit firms interested in performing an analysis of fees / exactions required and collected by jurisdictions / agencies in and immediately adjacent to the WRCOG subregion. In March 2016, the Executive Committee authorized a Professional Services Agreement with Economic & Planning Systems (EPS), in association with Rodriguez Consulting Group (RCG), to conduct the fee analysis.

The Fee Comparison Analysis is near completion and staff is currently reviewing a draft final report. The Study has provided WRCOG jurisdictions with comprehensive fee comparisons. It also discusses the effect of other development costs, such as the cost of land and interest rates, within the overall development framework. Lastly, the Study analyzes and documents the economic benefits of transportation investment.

Jurisdictions for Fee Comparison: In addition to the jurisdictions within the WRCOG subregion, the Study analyzed jurisdictions within the Coachella Valley, and San Bernardino County. The inclusion of additional neighboring / peer communities will allow for consideration of relative fee levels between the WRCOG subregion and jurisdictions in surrounding areas that may compete for new development. At its April 14, 2016, meeting, the WRCOG Planning Directors' Committee provided input on the additional jurisdictions to be studied – an additional 11 jurisdictions surrounding the WRCOG subregion were selected for comparison.

Land Uses and Development Prototypes: Fee comparisons were conducted for five key land use categories, "development prototypes," including single-family residential, multi-family residential, office, retail, and industrial developments. Since every development project is different, and because fee structures are often complex and derived based on different development characteristics, it was helpful to create "development prototypes" for each of the land uses studied. The use of consistent development prototypes increased the extent to which the fee comparison was an "apples-to-apples comparison."

Development prototypes were selected based on recent trends in new development in Western Riverside County. For single-family development, the selected prototype represents the median home and lot size characteristics of homes built and sold in Western Riverside County since 2014. Development prototypes for the multi-family residential, office, retail, and industrial buildings represent the average building sizes for similar buildings developed since 2010 in Western Riverside County. The prototypical projects analyzed were as follows:

- **Single-Family Residential Development:** 50 unit residential subdivision with 2,700 square foot homes and 7,200 square foot lots
- **Multi-Family Residential Development:** 200 unit market-rate, multi-family residential development in 260,000 gross square foot of building space
- **Retail Development:** 10,000 square foot retail building
- **Office Development:** 20,000 square foot, Class A or Class B office building
- **Industrial Development:** 265,000 square foot "high cube" industrial building

<u>Fee Categories</u>: The primary focus of the Study was on the array of fees charged on new development to pay for a range of infrastructure / capital facilities. The major categories of fees include: 1) school development impact fees; 2) water / sewer connection / capacity fees; 3) City capital facilities fees; 4) regional transportation fees (TUMF in Western Riverside County), and 5) other capital facilities / infrastructure / mitigation fees charged by other regional / subregional agencies. As noted in prior fee comparisons, these fees typically represent 90 to 95 percent of the overall development fees on new development. Additional processing, permitting, and entitlement fees are not included in this analysis. Based on the consultant team's review of fees, they concluded that the scale of planning / processing fees versus development impact fees was different in that most jurisdictions charge moderate levels of planning / processing fees as compared to development impact fees – meaning the development impact fees are much higher than the planning / processing fees. The analysis focused on development impact fees, as they are much larger than planning / processing fees for comparison purposes.

<u>Service Providers and Development Prototypes</u>: The system of infrastructure and capital facilities fees in most California jurisdictions is complicated by multiple service providers and, often, differential fees in different parts of individual cities. Multiple entities charge infrastructure / capital facilities fees, e.g., City, Water Districts, School Districts, and Regional Agencies. Additionally, individual jurisdictions are often served by different service providers (e.g., more than one Water District or School District) with different subareas within a jurisdiction, sometimes paying different fees for water facilities and school facilities. Additionally, some City fees, such as storm drain fees, are sometimes differentiated by jurisdictional subareas.

For the purposes of the Study, an individual service provider was selected where multiple service providers were present, and an individual subarea was selected where different fees were charged by subarea. An effort was made to select service providers that cover a substantive portion of the jurisdiction, as well as to include service providers that serve multiple jurisdictions (e.g., Eastern Municipal Water District).

<u>Fee Analysis</u>: After identification of the cities for fee evaluation and development of prototypes by land use, the Study efforts collected fee schedules and applied them to the development prototypes. The research effort involved 1) reviewing available development impact fee schedules online; 2) reaching out to service providers (Jurisdiction, Water Districts, School Districts) where fee levels or fee calculations were difficult to discern; 3) conducting necessary fee calculations; and 4) presenting initial fee estimates for all WRCOG jurisdictions.

Staff sent initial fee estimates for each jurisdiction to each jurisdiction's representative on the Planning Directors' Committee and Public Works Committee for review and comment in June 2016. Staff presented an update of the Study to these same Committees on July 14, 2016. The update included a summary of jurisdictions that have provided confirmation and feedback on their initial fee analysis, and those whose comments were pending. Staff followed up with those jurisdictions whose comments still had yet to be addressed and those that had not provided any comments.

Fee Analysis Comparisons: A fee comparison of WRCOG and neighboring jurisdictions was conducted, and, overall, total fees by development type were generally found to be uniform throughout the region for that development type, with one exception. For example, average total fees for single-family residential are similar throughout the WRCOG and neighboring San Bernardino County jurisdictions – there are differences in the types of fees charged, such as water fees which fluctuate between water districts. Fees collected in San Bernardino County may invest in different categories and fee categories may be defined differently than those in WRCOG jurisdictions. It should also be noted that many fees on new development are outside the direct control of jurisdictions, such as MSHCP, School, TUMF, Water, etc.

The one exception in which fees are uniformly higher in the WRCOG subregion than in any other region is retail fees. Retail fees are shown to be higher in the WRCOG subregion because of TUMF, Water, and City fees.

Key Findings:

1. TUMF represents about 20 percent of total development impact fees for new single-family and multi-family residential development in Western Riverside County.
   - Single-family and multi-family development impact fees show a similar relationship among WRCOG jurisdictions though the fees do vary by jurisdiction. The average development impact fees for the 20 WRCOG jurisdictions / areas studied are about $44,900 per single-family unit and about $28,300 per multi-family unit (about 60 percent of single family fees). Per unit single-family fees range from $32,900 per unit to $59,400 per unit and per unit multi-family fees from $19,300 to $40.600 per unit among the WRCOG jurisdictions / areas studied.

2. Total development impacts fees and TUMF as a proportion of the total development impact fees show substantial variation among non-residential land uses.
   - Development impact fees on retail development are substantially higher than the fees on office development, primarily due to the difference in the TUMF. Fees on industrial development are lower for all categories.

3. For residential development, average WRCOG fees are modestly below those in San Bernardino County, but above those in Coachella Valley.
   - Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities, higher than the average of selected Coachella Valley cities, and varied relative to the City of Beaumont.

4. For non-residential development, average WRCOG fees are modestly below those in San Bernardino County with the exception of retail development, but above those in Coachella Valley.
   - Average retail development impact fees are about twice as high as the relatively similar average fee levels for San Bernardino County, Coachella Valley, and City of Beaumont.
   - For office and industrial development, the WRCOG average falls in the range defined by the three other areas of study.

5. TUMF fees were estimated to represent between 1.3 percent and 3.5 percent of total development costs / returns for the prototype feasible projects.
   - Total development impact fees represent between 4.1 percent and 9.3 percent of total development costs / returns for the prototype feasible projects.
   - TUMF represent between 1.3 percent and 3.5 percent of total development costs / returns for the prototype feasible projects.

6. Between 2002 and the present, overall construction costs have increased more than the overall increases in the TUMF for all land use categories.
   - Overall construction costs increased by over 40 percent in nominal dollar terms between 2002 and

2014.
- When considered relative to the Consumer Price Index (a reasonable estimate of inflation), the Residential and Retail TUMF have increased consistently with inflation, while the Service and Industrial TUMF have declined in inflation-adjusted (real) terms.

7. Through its funding of key regional transportation infrastructure projects identified by WRCOG member jurisdictions, the TUMF supports substantial output, wages, and jobs in Western Riverside County.
   - TUMF revenues will support a total investment of $3.13 billion in infrastructure development activity over the next 30 years resulting in an overall regional impact of $4.56 billion in County economic output, $1.3 billion in labor income, and 28,900 job-years.
   - When considered in conjunction with the complementary funding, including other regional / local funding, such as Measure A, and the attracted state / federal funding, the overall economic impacts are even greater.

Prior WRCOG Action:

November 9, 2016: The Administration & Finance Committee received an update.

WRCOG Fiscal Impact:

The fee analysis study is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.

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: **December 5, 2016**

The purpose of this item is to *inform the Committee 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 WRCOG Action:

October 3, 2016: The Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.