



Western Riverside Council of Governments Executive Committee

REVISED AGENDA

**Monday, February 7, 2022
2:00 PM**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501**

WRCOG'S OFFICE IS CURRENTLY CLOSED TO THE PUBLIC DUE TO COVID-19

[Join Zoom Meeting](#)

Meeting ID: 890 3439 0464

Password: 020722

Dial in: (669) 900 9128 U.S.

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the State or local recommendations for social distancing resulting from the threat of Novel Coronavirus (COVID-19), this meeting is being held via Zoom under Assembly Bill 361 (Government Code Section 54953) (AB 361). Pursuant to AB 361, WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. AB 361 allows WRCOG to hold Committee meetings via teleconferencing or other electronic means and allows for members of the public to observe and address the committee telephonically or electronically.

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

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson 72 hours prior to the meeting at (951) 405-6703 or snelson@wrcog.us. Later requests accommodated to the extent feasible.

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

- 1. CALL TO ORDER (Karen Spiegel, Chair)**
- 2. PLEDGE OF ALLEGIANCE**

3. ROLL CALL

4. PUBLIC COMMENTS

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

5. CONSENT CALENDAR

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

A. Assembly Bill 361 Findings

Requested Action(s):

1. Affirm the findings of the Executive Committee in Resolution Number 26-21, adopted on November 1, 2021, which are:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

B. Summary Minutes from the December 3, 2021, Executive Committee Strategic Planning Session

Requested Action(s):

1. Approve the Summary Minutes from the December 3, 2021, Executive Committee Strategic Planning Session.

C. Summary Minutes from the December 6, 2021, Executive Committee Meeting

Requested Action(s):

1. Approve the Summary Minutes from the December 6, 2021, Executive Committee meeting.

D. Summary Minutes from the January 12, 2022, Special Joint Executive and Technical Advisory Committee Meeting

Requested Action(s):

1. Approve the Summary Minutes from the January 12, 2022, Special Joint Executive and Technical Advisory Committee Meeting.

E. Finance Department Activities Update

Requested Action(s):

1. Receive and file.

F. WRCOG Committees and Agency Activities Update

Requested Action(s):

1. Receive and file.

G. Report out of WRCOG Representatives on Various Committees

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

H. Single Signature Authority Report

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

I. Approval of Second Amendment to the PSA with TWINTEL Solutions, Inc. for IT and AV Services

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

J. Approval of a PSA with Promeli Videoworks for On-Call Creative Agency Services

Requested Action(s): 1. Authorize the Executive Director to Execute a Professional Services Agreement between WRCOG and Promeli Videoworks to support the development of the Agency's graphic design, video production, branding, and other creative support services needed by staff and member agencies for communication efforts in an amount not to exceed \$150,000 over a 36-month period.

K. Update from the California State Association of Counties

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

L. Appointment of one WRCOG Representative to a SCAG Policy Committee

Requested Action(s): 1. Appoint Mayor Colleen Wallace, City of Banning, to the SCAG Energy & Environment Policy Committee for a term commencing February 7, 2022, through December 31, 2022.

M. Submittal of Letter to the Metropolitan Water District Requesting Prioritization of Water Storage and Statewide Conveyance

Requested Action(s): 1. Direct the Executive Director to submit a letter to the Metropolitan Water District on behalf of WRCOG's member agencies urging investment in statewide water storage and conveyance.

6. REPORTS / DISCUSSION

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

A. Member Agency REAP Funding Assistance Agreements

Requested Action(s): 1. Approve the Member Agency REAP Funding Assistance Agreement template, substantially as to form, and authorize the Executive Director, subject to legal counsel review, to execute the Agreement with a member agency to receive direct technical assistance

through the SCAG's REAP Subregional Partnership Program, if requested.

2. Authorize the Executive Director to execute a Fourth Amendment to the On-Call Professional Services Agreement with WSP USA, Inc., for support to WRCOG to include contract language that covers the direct technical assistance with no change to the term of the agreement or the cost of the agreement.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Jeff Van Wagenen, County of Riverside

8. REPORT FROM COMMITTEE REPRESENTATIVES

CALCOG, Brian Tisdale

SANDAG Borders Committee, Crystal Ruiz

SAWPA OWOW Committee, Ted Hoffman

SCAQMD, Ben Benoit

SCAG Regional Council and Policy Committee Representatives

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Karen Spiegel, County of Riverside - District 2

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

11. ITEMS FOR FUTURE AGENDAS ~ Members

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

12. GENERAL ANNOUNCEMENTS ~ Members

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

13. CLOSED SESSION

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - Title: Executive Director
- CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6
 - Agency designated representatives: Chair and General Counsel
 - Unrepresented employee: Executive Director
- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO SECTION 54956.9(d)(1):
 - U.S. Bankruptcy Court, Central Division - Case No. 6:21-bk-12821 SY
 - Martha Canale v. Renovate America, Inc., et al., Case No. CVPS2100098 (Riverside Superior Court)
 - Robert Cannon, et al. v. R.E. Piero Construction, et al., Case No. RIC2000281 (Riverside Superior Court)
 - Roberto Diaz, et al. v. Western Riverside Council of Governments, Case No. 37-2021-00049437-CU-FR-CTL (San Diego Superior Court)
 - Humberto Garcia v. Western Riverside Council of Governments, et al., Case No. 30-2019-01104024-CU-BT-CJC (Orange County Superior Court)
 - Loreto Molina-Duarte, et al. v. Western Riverside Council of Governments, et al., Case No. 37-2021-00014856-CU-MC-NC (Orange County Superior Court)

14. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, March 7, 2022, at 2:00 p.m., on the Zoom platform.

15. ADJOURNMENT



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Assembly Bill 361 Findings
Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701
Date: February 7, 2022

Requested Action(s):

1. Affirm the findings of the Executive Committee in Resolution Number 26-21, adopted on November 1, 2021, which are:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.
-

Purpose:

The purpose of this item is to authorize virtual Committee meetings pursuant to Assembly Bill 361.

Background:

Assembly Bill (AB) 361 amends the Ralph M. Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology in certain circumstances. Under AB 361, legislative bodies can continue to meet remotely as long as there is a "proclaimed state of emergency" and the Executive Committee can make either of the following findings: (a) state or local officials have imposed or recommended measures to promote social distancing, or (b) whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist to this day. Further, both State and Riverside County officials continue to recommend the social distancing.

AB 361 requires specific procedural safeguards for the public. To accommodate individuals during these teleconferences and virtual meetings, a public comment period will be offered where the public can address the legislative body directly in real time. Additionally, public comments will be allowed up until the public comment period is closed at the meetings. The agenda will include information on the manner in which the public may access the meeting and provide comments remotely. If technical problems arise that result in the public's access being disrupted, the legislative body will not take any vote or other official action until the technical disruption is corrected and public access is restored.

The attached resolution allowed the Executive Committee to implement AB 361 by making the findings discussed above. This finding will be in effect for 30 days or until the Executive Committee makes findings that the conditions listed therein no longer exist, whichever is shorter. The findings can be

extended by the Executive Committee upon a finding that conditions supporting the findings included in the resolution still exist. The authorization to meet remotely applies to any other WRCOG committee that meets during the 30-day effective period.

AB 361 will allow for virtual meetings during other state-proclaimed emergencies, such as earthquakes or wildfires, where physical attendance may present a risk.

Prior Action(s):

November 1, 2021: The Executive Committee adopted Resolution Number 26-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing virtual Committee meetings pursuant to Assembly Bill 361. The resolution includes the following findings: a) The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which state of emergency continues to exist today; and b) State or local officials have recommended measures to promote social distancing.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - Resolution Number 26-21: AB 361 findings](#)



Western Riverside Council of Governments

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

RESOLUTION NUMBER 26-21

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING VIRTUAL COMMITTEE MEETINGS PURSUANT TO AB 361

WHEREAS, the Western Riverside Council of Governments ("WRCOG") is committed to preserving and nurturing public access and participation in meetings of the Executive Committee, Administration & Finance Committee, Technical Advisory Committee, Planning Directors Committee, Public Works Committee, Finance Directors Committee, and the Solid Waste Committee; and

WHEREAS, all meetings of WRCOG's legislative bodies, including its Executive Committee, Administration & Finance Committee, Technical Advisory Committee, Planning Directors Committee, Public Works Committee, Finance Directors Committee, and the Solid Waste Committee, are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in WRCOG's meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor's executive orders, WRCOG has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, WRCOG staff, and WRCOG's Committee members; and

WHEREAS, the Governor's executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021, the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in WRCOG, specifically, a state of emergency has been proclaimed related to COVID-19 and state or local officials are recommending measures to promote social distancing.

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

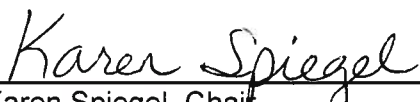
Section 2. Findings. Consistent with the provisions of Government Code Section 54953(e), the Executive Committee finds and determines that (1) a state of emergency related to COVID-19 is currently in effect and (2) state or local officials have recommended measures to promote social distancing in connection with COVID-19.

Section 3. Remote Teleconference Meetings. Based on the findings and determinations included herein, the Executive Committee authorizes and directs any of its legislative bodies, including, without limitation, its Executive Committee, Administration & Finance Committee, Technical Advisory Committee, Planning Directors Committee, Public Works Committee, Finance Directors Committee, and Solid Waste Committee, to conduct remote teleconference meetings under the provisions of Government Code Section 54953(e) and that such bodies shall provide public access to their meetings as provided in Section 54953(e).

Section 4. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless extended by a majority vote of the Executive Committee in accordance with Section 5 of this Resolution.

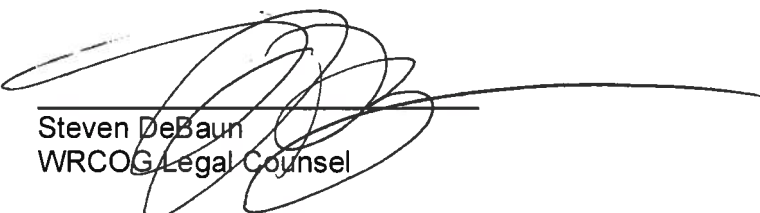
Section 5. Extension by Motion. The Executive Committee may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3). Any such extension may be made before or after the expiration of the preceding 30-day period.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on November 1, 2021.


Karen Spiegel, Chair
WRCOG Executive Committee


Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:


Steven DeBaun
WRCOG Legal Counsel

AYES: 21 NAYS: 0 ABSENT: 3 ABSTAIN: 0

Executive Committee

Minutes

1. CALL TO ORDER

The Strategic Planning Session of the WRCOG Executive Committee was called to order by Chair Karen Spiegel at 9:10 a.m. on December 3, 2021, in the Western Municipal Water District Conference Room.

2. PLEDGE OF ALLEGIANCE

Committee member Lori Stone led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Calimesa - Wendy Hewitt
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Murrieta - Lori Stone
- City of Norco - Kevin Bash
- City of San Jacinto - Crystal Ruiz
- City of Temecula - Maryann Edwards
- County, District 2 - Karen Spiegel (Chair)
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Municipal Water District (WMWD) - Brenda Dennstedt

4. PUBLIC COMMENTS

There were no public comments.

5. WRCOG Review and Goal Setting Discussion Workshop

Chair Spiegel introduced moderators Kendall Flint and Jeff Heald from DKS Associates.

Committee members shared ideas and discussed goals and mission and vision statements. Topics discussed included advocacy, grants, fiscal solvency, communication, infrastructure, and human resources.

Staff were directed to schedule a joint meeting of the Executive and Technical Advisory Committees to review and receive the Strategic Plan.

6. ADJOURNMENT

The meeting adjourned at 12:43 p.m.

Executive Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Karen Spiegel at 2:03 p.m. on December 6, 2021, in WRCOG's office.

2. PLEDGE OF ALLEGIANCE

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

3. ROLL CALL

- City of Banning - David Happe
- City of Beaumont - Mike Lara
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Kasey Castillo*
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Hemet - Russ Brown
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Matt Liesemeyer
- City of Murrieta - Lori Stone
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of Riverside - Ronaldo Fierro
- City of San Jacinto - Crystal Ruiz
- City of Temecula - Maryann Edwards
- City of Wildomar - Ben Benoit*
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel
- County, District 3 - Chuck Washington
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Municipal Water District (WMWD) - Brenda Dennstedt
- WRCOG Executive Director - Dr. Kurt Wilson

*Joined after Roll Call

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT: APPROVED AS RECOMMENDED

MOVER: Perris

SECONDER: San Jacinto

AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, EMWD, WMWD

A. Assembly Bill 361 Findings

Action:

1. Affirmed the findings of the Executive Committee in Resolution Number 26-21, adopted on November 1, 2021, which are:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

B. Summary Minutes from the November 1, 2021, Executive Committee Meeting

Action:

1. Approved the Summary Minutes from the November 1, 2021, Executive Committee meeting, with one minor change to the CSAC Report.

C. Finance Department Activities Update

Action:

1. Received and filed.

D. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

E. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

F. Amendment to MOU with the Riverside County Superintendent of Schools

Action:

1. Approved an amendment to the MOU with the Riverside County Superintendent of Schools for the Superintendent to continue serving as an ex-officio member of the Executive Committee.

G. PACE Programs Activities Update - Assessment District Administration Services

Action:

1. Authorized the Executive Director to approve a Professional Services Agreement between WRCOG and David Taussig and Associates, Inc., doing business as dta.

H. Approval of Executive Committee 2022 Meeting Schedule

Action:

1. Approved the Schedule of Executive Committee meetings for 2022.

I. TUMF Program Activities Update: Approval of one Reimbursement Agreement and one Reimbursement Agreement Amendment

Actions:

1. Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for the Planning Phase of the I-15 / Nichols Road Interchange Project in an amount not to exceed \$4,000,000.
2. Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Moreno Valley for the Construction Phase of the SR-60 / Moreno Beach Interchange in an amount not to exceed \$24,558,480.

6. REPORTS / DISCUSSION

A. Update from the California State Association of Counties (CSAC)

Andrea Mares, Board Assistant, County of Riverside District 3, reported that Supervisor Chuck Washington was recently elected as the First Vice-President of CSAC.

CSAC has established its Legislative Platform. Priorities include, in addition to other matters:

- Continued County COVID-19 Response and Recovery
- Drought preparedness
- Addressing wildfire in the modern age
- Modernize the Brown Act
- Homelessness funding and implementation
- Illegal cannabis
- Felony incompetence to stand trial wait-list issues

CSAC has also been engaged in the national opioid settlement; the County of Riverside has been working with all 26 eligible Riverside County cities to ensure their participation in the settlement. If / when all eligible Riverside County cities opt-in, Riverside County will receive just under \$94.5 million. Of this amount, the cities are eligible to receive \$20 million over 18 years.

Action:

1. Received and filed.

B. Legislative Activities Update

Bill Blankenship, WRCOG On-Call Consultant, reported that Housing bills dominated the 2021

Legislative agenda. Just over 2,700 bills were introduced by the Assembly and Senate; just over 1,000 bills were completed, and just over 700 bills were signed into law - the fewest number in 12 years.

The most watched bills in this Legislative Session included SB 9 (Atkins. Housing development: approvals), which allowed lot splits in residential neighborhoods, and SB 10 (Wiener. Planning and zoning: housing development: density), which up zoned residential density.

SB 9 becomes law on January 1, 2022, and is expected to lead the way for the creation of 700,000 new homes in existing neighborhoods. Among other matters, this Bill will allow homeowners, in most neighborhoods, to subdivide their property into two lots, thereby allowing up to a fourplex where a single home previously existed. This Bill will also limit lot splits from occurring on prime farmland within a very high fire severity zone, flood zone, historic district, or a habitat conservation zone. A local agency may deny a project if there is an adverse impact upon public health and safety.

SB 10 becomes law on January 1, 2022, and will sunset after January 1, 2029. This Bill will allow local governments a streamlined path to create light touch density. Among other matters, this Bill allows agencies to up zone residential density by up to 10 units in transit-rich areas or urban infill sites. This Bill also allows local governments to change initiatives passed by voters with a 2/3rds vote. Lastly, SB 10 is an opt-in process.

AB 602 (Grayson. Development fees: impact fee nexus study) becomes law on January 1, 2022, and will require that future housing impact fees will be imposed on a square footage basis versus a per unit basis. Among other matters, this Bill also stipulates that impact fees will be collected at certificate of occupancy or final inspection. WRCOG's Transportation Uniform Mitigation Fee Program fulfills all requirements of AB 602.

In 2021, Assemblyman Muratsuchi introduced ACA 7 (as introduced, Muratsuchi. Local government: police power: municipal affairs: land use and zoning); however, that Bill did not receive one committee hearing. A local grassroots group started a movement and this initiative has now been presented to the State's Attorney General on August 16, 2021, for title and summary.

SB 35 (Wiener. Planning and zoning: affordable housing: streamlined approval process) became law on January 1, 2018. This Bill requires most municipalities to issue housing projects streamlined approvals in 90 - 180 days that comply with certain qualifying criteria and stipulates a set project design and location criteria to qualify for the streamlined, ministerial approval process. This Bill also limits agency's discretion of approving qualifying development project to protests based on objective design standards.

The Legislature's focus for 2022 will include housing, schools, environmental investment, and infrastructure.

Proposed legislative support from WRCOG for 2022 includes the continuation of providing regular updates on housing-related legislation and continued assistance to its member agencies on an as-needed basis with research regarding specific bills.

Action:

1. Received and filed.

C. Environmental Programs Activities Update

Casey Dailey, WRCOG's Director of Energy & Environmental Programs, reported that the Solid Waste Recycling Program, the Clean Cities Program, and the Used Oil Program are some of WRCOG's longest running programs of over 20 years.

WRCOG's Solid Waste Committee meetings quarterly to receive updates from CalRecycle, waste haulers, outside parties, and WRCOG staff on current and upcoming legislative and programmatic initiatives related to the state's recycling laws. Under the Solid Waste Program, WRCOG submits annual compliance reports on behalf of its member agencies, and has recently partnered with its member agencies and waste haulers on SB 1383, the newest recycling law in the state, which requires organics recycling and edible food recovery efforts.

In March 2021, WRCOG partnered with the Riverside County Flood Control and Water Conservation District to create the Love Your Neighborhood initiative. The goal of the initiative is to help members meet compliance objectives and increase awareness on illegal disposal and littering. A clean-up event occurred in June 2021, and one ton of litter was removed from the streets.

While today's action is to adopt a resolution regarding a CalRecycle Edible Food Recovery Grant, staff are going to delay the submittal for the current funding round in order to develop a proposal that can be used throughout the subregion. Additionally, the City of Menifee will be submitting an application for funding, and WRCOG will not compete against one of its own member agencies.

WRCOG's Clean Cities Coalition hosted four virtual AltCar webinar series and is planning an AltCar Expo in March 2022 to promote clean fuel technologies. WRCOG partnered in a 3-year initiative with West Virginia University for a multi-year study that will compare the maintenance cost of heavy- and medium- duty alternative fuel vehicles with a baseline diesel vehicle.

WRCOG completed 16 virtual Used Oil and Filter Exchange events since the start of FY 2021/2022. There have been over 1,200 participants and 704 filters have been exchanged. There are 16 upcoming events for the remainder of the fiscal year.

Action:

1. Adopted Resolution Number 27-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing submittal of application - Edible Food Recovery Grant Program (Fiscal Years 2021/2022 and 2022/2023).

RESULT: APPROVED AS RECOMMENDED

MOVER: San Jacinto

SECONDER: Wildomar

AYES: Beaumont, Calimesa, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, EMWD, WMWD

NO RESPONSE: Banning, Canyon Lake

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Technical Advisory Committee (TAC) Chair Jeff Van Wagenen reported that at its November meeting, the TAC received presentations on compliance regarding MS4 Permits, and the other on the various

offerings and partnerships through the Governor's Office of Business and Economic Development.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Crystal Ruiz, SANDAG Borders Committee representative, reported that the Committee received reports on transportation and housing funding and initiatives.

Committee member Ted Hoffman, SAWPA OWOW Steering Committee representative, reported that SAWPA is still waiting to hear from the Department of Water Resources for its Proposition 1 - Round 2 grant funding final guidelines.

Committee member Ben Benoit, South Coast AQMD representative for cities in Riverside County, reported that PM2.5 was high for the month of November, the highest its been in quite some time. Please be on the look-out for no burn alerts.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Spiegel reported that various agencies are considering their committees go dark in July or August. This is the time of year that non-profits, community agencies, and families within the communities count on local government for support; Chair Spiegel encouraged Committee members to reach out and give back to the communities during this difficult time of year.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reported that WRCOG held a Strategic Planning Session on December 3, 2021. A workplan will be presented for approval in the near future.

11. ITEMS FOR FUTURE AGENDAS

There were no requests for items for future agendas.

12. GENERAL ANNOUNCEMENTS

There were no general announcements.

13. CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PUSUANT TO SECTION 54956.9(d)(1):
 - Imperial County Superior Court, Case No. ECU001264 (Cardoso)
 - San Diego County Superior Court, Case No. 37-2021-00007702-CU-MC-NC (Zuniga / Sanchez)
 - Orange County Superior Court, Case No. 30-2019-01104024-CU-BT-CJC (Garcia)
 - Orange County Superior Court, Case No. 30-2020-01153725-CU-BT-CJC (Aguirre)

There were no reportable actions.

14. NEXT MEETING

The January Executive Committee meeting is canceled. The next Executive Committee meeting is scheduled for Monday, February 7, 2022, at 2:00 p.m., on the Zoom platform.

15. ADJOURNMENT

The meeting was adjourned from Closed Session at 3:16 p.m. in memory of Lester DeBaun.

Executive Committee

Minutes

1. CALL TO ORDER

The Special meeting of the WRCOG Executive and Technical Advisory Committees was called to order by Executive Committee Chair Karen Spiegel at 12:00 p.m. on January 12, 2022, on the Zoom platform.

Chair Spiegel welcomed new Executive Committee members Dale Welty, City of Corona, and Edward Delgado, City of Moreno Valley.

2. PLEDGE OF ALLEGIANCE

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

3. ROLL CALL

Executive Committee:

- City of Beaumont - Mike Lara
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Dale Welty
- City of Corona - Jacque Casillas
- City of Hemet - Russ Brown
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Matt Liesemeyer
- City of Moreno Valley - Edward Delgado
- City of Murrieta - Lori Stone
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of San Jacinto - Crystal Ruiz
- City of Temecula - Maryann Edwards
- City of Wildomar - Ben Benoit
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel (Chair)
- County, District 3 - Chuck Washington
- County, District 5 - Jeff Hewitt
- Eastern Municipal Water District (EMWD) - Phil Paule*
- Western Municipal Water District (WMWD) - Brenda Dennstedt
- WRCOG Executive Director - Dr. Kurt Wilson

*Joined after Roll Call

Technical Advisory Committee:

- City of Banning - Doug Schulze
- City of Beaumont - Todd Parton
- City of Corona - Jacob Ellis
- City of Eastvale - Marc Donohue
- City of Jurupa Valley - Rod Butler
- City of Lake Elsinore - Jason Simpson
- City of Menifee - Armando Villa
- City of Moreno Valley - Mike Lee
- City of Murrieta - Kim Summers
- City of Perris - Clara Miramontes
- City of Riverside - Al Zelinka*
- City of San Jacinto - Rob Johnson
- City of Temecula - Aaron Adams
- City of Wildomar - Gary Nordquist
- County of Riverside - Jeff Van Wagenen
- EMWD - Danielle Coats

*Joined after Roll Call

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT: APPROVED AS RECOMMENDED

MOVER: San Jacinto

SECONDER: Jurupa Valley

AYES: Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5, EMWD, WMWD

A. Assembly Bill 361 Findings

Action:

1. Affirmed the findings of the Executive Committee in Resolution Number 26-21, adopted on November 1, 2021, which are:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which State of Emergency continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

6. REPORTS / DISCUSSION

A. Adoption of the WRCOG 2022-2027 Strategic Plan

Dr. Kurt Wilson, WRCOG Executive Director, reported that WRCOG is in a transition and has the opportunity to reestablish the Agency's purpose and direction.

Kendall Flint, Director of Strategic Planning with DKS Associates, reported that individual meetings were held with Executive Committee members, members of the Technical Advisory Committee (TAC), as well as WRCOG staff, to discuss and review key issues and review programs.

Representatives from both committees participated in a Strategic Planning session on December 3, 2021, to discuss and develop a mission, a vision, values, and goals of the Agency. The proposed Mission Statement is, *"The Mission of the Western Riverside Council of Governments is to facilitate, plan, and identify funding opportunities for critical infrastructure projects and programs that benefit its member agencies and the communities they serve."* This provides flexibility, but also looks at ways to facilitate and find funding.

The proposed Vision is *"The Western Riverside Council of Governments provides a strong regional voice representing the interests of its member agencies, securing funding, and facilitating investments in transportation and infrastructure to ensure a sustainable, safe, and economically strong region."* Member agencies view WRCOG as a critical partner in delivering funding opportunities that facilitate infrastructure that positions the entire subregion for success in the future.

Eight Core Values were identified and discussed:

1. Integrity
2. Transparency
3. Collaboration
4. Innovation
5. Diversity
6. Accountability
7. Sustainability
8. Inclusion

These values help to ensure transparency and commitment to the ongoing transparency and full disclosure to everything happening at WRCOG to both its member agencies and the public.

Seven Goals were identified and discussed:

1. Serve as an advocate at the regional, state and federal level for the Western Riverside region.

TAC member Danielle Coats, EMWD, suggested adding the phrase "and its members" in order to encourage WRCOG to share the successes of its member agencies with others, both at the regional level and at a larger scale.

1.1 Provide consistent updates regarding legislative actions that impact WRCOG member agencies to Committee members and member agency staff members.

1.2 Update the legislative platform detailing WRCOG's position(s) on issues that affects member agencies and actively promote that platform.

1.3 Explore options for the creation of a legislative action committee.

1.4 Provide opportunities for WRCOG members to actively participate in efforts in Sacramento to shape policy and effectively communicate regional successes.

2. Identify and help secure grants and other potential funding opportunities for projects and programs that benefit member agencies.

2.1 Track and provide updates on regional, state, and federal grant opportunities of interest to WRCOG and its member agencies.

2.2 Provide staff support and/or access to consultants for grant research and application preparation.

2.3 Consider providing training opportunities for grant writing and management to member agencies.

3. Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

3.1 Maintain sound, responsible fiscal policies.

3.2 Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.

3.3 Provide detailed financial statements for public review online.

4. Communicate proactively about the role and activities of the Council of Governments and its members.

4.1 Develop a Communications Strategic Plan.

4.2 Use social media to disseminate positive news, milestones, and accomplishments throughout the region.

4.3 Promote regional interaction and coordination with surrounding communities and service providers including schools, economic development interests, transportation, and non-profit agencies.

5. Develop projects and programs that improve infrastructure and sustainable development in the subregion.

5.1 Support investment in projects, infrastructure, and programs in the subregion including:

5.1.1 Transportation infrastructure,

5.1.2 Water and wastewater infrastructure, and

5.1.3 Broadband / Smart Cities infrastructure.

5.2 Support Resilient IE Grant in conjunction with the San Bernardino County Transportation Authority (SBCTA).

Chair Spiegel indicated that the Riverside County Transportation Commission should be included.

Chris Gray, WRCOG Deputy Executive Director, responded that it is written that way because the

Resilient IE is a grant that WRCOG and SBCTA are co-managing and suggested adding the word "grant" into this goal.

Mrs. Flint indicated that a footnote can also be added in the final Strategic Plan that explains the relationship between the grant, WRCOG, and SBCTA.

5.3 Continue collaboration with regional agencies to address pollution control, stormwater runoff, and other environmental concerns.

6. Develop and implement programs that support energy efficiency for our subregion.

TAC member Coats suggested removing the word "energy" so this goal can be applied to other resources.

6.1 Incentivize programs for saving electricity, water, and other essential resources, such as the Inland Regional Energy Network.

6.2 Supporting efforts to promote the Clean Cities Coalition.

6.3 Continuing support for the Solid Waste & Recycling Program.

7. Provide a safe, inclusive environment that values employees.

7.1 Develop and implement organization-wide staff succession planning.

7.2 Support employee training, enrichment, and recognition, including team building opportunities.

7.3 Establish clear performance standards for the workforce and provide annual employee reviews.

7.4 Promote diversity, equity, and inclusion in all hiring practices.

The Executive Committee agreed that the Plan should be reviewed in three years versus five years.

Next steps include adoption of the final Plan by the Executive Committee. Once approved, staff will implement the Plan. Some change are programmatic, while others will be internal. Implementation efforts will be vetted through the WRCOG Committee structure.

The Plan should be revisited every one to two years and then updated again in no more than five years.

Action:

1. Adopted the WRCOG 2022-2027 Strategic Plan including Mission and Vision Statements, in addition to changes discussed during the meeting.

RESULT: **APPROVED AS RECOMMENDED**

MOVER: San Jacinto

SECONDER: Temecula

AYES: Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Lake Elsinore,

Menifee, Moreno Valley, Murrieta, Norco, Perris, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5, EMWD, WMWD

7. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Spiegel thanked both committee members for their flexibility in attending today's meeting. Staff are working on this year's General Assembly.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson thanked both Committee members for making time to participate in today's meeting.

9. ITEMS FOR FUTURE AGENDAS

There were no requests for items for future agendas.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, February 7, 2022, at 2:00 p.m., on the Zoom platform.

The next Technical Advisory Committee meeting is scheduled for Monday, February 17, 2022, at 9:30 a.m., on the Zoom platform.

12. ADJOURNMENT

The meeting was adjourned at 12:55 p.m.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Finance Department Activities Update
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: February 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the Agency Audit for Fiscal Year (FY) 2020/2021; 2nd Quarter Agency amendment; FY 2022/2023 Agency budget; and financials through December 2021.

Background:

Fiscal Year 2020/2021 Agency Audit

WRCOG's annual Agency audit has been completed and its financials have been issued. WRCOG has applied for the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for FY 2020/2021; WRCOG has received this award for the past seven years.

Additionally, WRCOG will be releasing a Request for Proposal for financial audit services. WRCOG has utilized the services of the audit firm Rogers, Anderson, Malody, and Scott, for the past five years to conduct its financial audit.

WRCOG Strategic Plan

On January 12, 2022, the Executive Committee adopted a new Strategic Plan with specific fiscal-related goals:

1. Maintain sound, responsible fiscal policies.
2. Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.
3. Provide detailed financial statements for public review online.

As staff begin to work on meeting these goals, they will seek input through WRCOG's Committee structure regarding updates and to ensure these goals are being met.

Fiscal Year 2022/2023 Agency Budget Development Process

Staff has begun the process of developing the FY 2022/2023 Agency Budget and will begin

presentations to the various WRCOG committees in March 2022.

Financial Report Summary Through December 2021

The Agency's Financial Report summary through December 2021, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action(s):

None.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - December 2021 Financials](#)

[Attachment 2 - WRCOG Annual Comprehensive Financial Review](#)

Attachment

December 2021 Financials



Western Riverside Council of Governments

Budget to Actuals

For Month Ending December 31, 2021

	Approved Budget 6/30/2022	Actual Thru 12/31/2021	Remaining Budget 6/30/2022
Total Agency			
Revenues			
Member Dues	286,640	294,410	(7,770)
Interest Revenue - Other	17,500	1,300	16,200
Overhead Transfer In	2,000,000	841,229	1,158,771
TUMF Commercial	4,800,000	386,238	4,413,762
TUMF Retail	4,800,000	1,167,171	3,632,829
TUMF Industrial	7,680,000	6,274,674	1,405,326
TUMF Single Family	19,200,000	18,399,551	800,449
TUMF Multi Family	9,600,000	1,556,363	8,043,637
TUMF Commerical - Admin Fee	200,000	16,093	183,907
TUMF Retail - Admin Fee	200,000	48,632	151,368
TUMF Industrial - Admin Fee	320,000	261,445	58,555
TUMF Single Family - Admin Fee	800,000	766,648	33,352
TUMF Multi-Family - Admin	400,000	64,848	335,152
Grant Revenue	1,663,000	418,295	1,244,705
RIVTAM	50,000	25,000	25,000
General Assembly Revenue	300,000	12,500	287,500
Fellowship Revenue	100,000	30,000	70,000
HERO Admin Revenue	2,250,000	1,198,995	1,051,005
Clean Cities Revenue	240,000	151,000	89,000
Solid Waste Revenue	112,970	125,202	(12,232)
Used Oil Grants	168,023	168,023	-
Regional Streetlights Revenue	211,725	79,352	132,373
PACE Commercial Sponsor Revenue	400,000	38,348	361,652
Total Revenues	\$ 57,669,021	\$ 32,325,317	\$ 25,343,704
Expenses			
Salaries & Wages - Fulltime	2,745,899	1,163,988	1,581,911
Fringe Benefits	1,319,884	523,795	796,089
Overhead Allocation	1,682,458	841,229	841,229
General Legal Services	968,100	1,071,858	(103,758)
Bank Fees	33,885	11,947	21,938
Commissioners Per Diem	57,500	30,650	26,850
Parking Cost	20,000	14,059	5,941
Office Lease	350,000	202,309	147,691
Fuel Expense	1,500	123	1,377
General Assembly Expense	300,000	24,010	275,990
Parking Validations	15,450	3,111	12,339
Staff Recognition	1,000	1,052	(52)
Coffee and Supplies	3,000	1,869	1,131
Event Support	95,737	25,882	69,855
Meeting Support Services	5,250	137	5,113
Program/Office Supplies	13,700	11,172	2,528
Misc. Office Equipment	1,000	3,718	(2,718)
Supplies/Materials	33,540	8,943	24,597
Computer Equipment/Supplies	2,000	3,265	(1,265)
Computer Software	102,000	4,249	97,751
Rent/Lease Equipment	15,000	4,409	10,591
Membership Dues	31,750	3,579	28,171
Subscriptions/Publications	4,250	1,195	3,055
Postage	5,350	2,409	2,941
Other Household Expenses	3,250	1,156	2,094



Western Riverside Council of Governments

Budget to Actuals

For Month Ending December 31, 2021

	Approved Budget 6/30/2022	Actual Thru 12/31/2021	Remaining Budget 6/30/2022
Total Agency			
Storage	5,000	3,154	1,846
Recording Fee	10,000	10,907	(907)
Computer Hardware	16,500	551	15,949
Communications - Regular Phone	16,000	7,464	8,536
Communications - Cellular Phones	13,500	7,045	6,455
Communications - Computer Services	53,000	15,298	37,702
Communications - Web Site	8,000	2,052	5,948
Insurance - Errors & Omissions	15,000	9,335	5,665
Insurance - Gen/Busi Liab/Auto	99,500	64,454	35,046
TUMF Project Reimbursement	46,080,000	5,560,143	40,519,857
Seminars/Conferences	9,650	4,769	4,881
Travel - Mileage Reimbursement	9,500	1,691	7,809
Travel - Ground Transportation	2,300	1,040	1,260
Travel - Airfare	4,250	1,510	2,740
Lodging	3,800	1,107	2,693
Meals	7,400	1,437	5,963
Other Incidentals	5,000	55	4,945
Training	7,500	3,050	4,450
Consulting Labor	2,924,616	890,561	2,034,055
Total Expenses	\$ 57,513,228	\$ 10,687,492	\$ 46,967,491

Attachment

WRCOG Annual Comprehensive Financial Report



Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2021

Western Riverside Council of Governments
Riverside, CA

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**JUNE 30, 2021
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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**JUNE 30, 2021
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Introductory Section

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Western Riverside Council of Governments

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

January 18, 2022

To the Western Riverside Council of Governments and Citizens of Western Riverside County:

Letter of Transmittal

The Annual Comprehensive Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2021 is hereby submitted in accordance with the provision of Section 6505 of the Government Code of the State of California (the State). The report contains financial statements that have prepared in conformity with generally accepted accounting principles (GAAP) in the United States prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Western Riverside Council of Governments (WRCOG). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of WRCOG. All disclosure necessary to enable the reader to gain an understanding of WRCOG's financial activities have been included. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements.

Rogers, Anderson, Malody & Scott, LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview, and an analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRCOG for its ACFR for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

Profile of the Government

WRCOG was formed in November 1989 as a California Joint Powers Authority under the Government Code Section 6500 et. seq., of the State of California. WRCOG strives to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 17 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools and the Morongo Band of Mission Indians have seats on WRCOG Executive Committee, the group that sets policy for the Agency. WRCOG's many areas of activity cover such programs as transportation, energy, community growth and development, and environment.

Major Initiatives

Transportation Uniform Mitigation Fee (TUMF) Program: WRCOG developed and administers the TUMF Program, a multi-jurisdictional fee program that ensures that new development in the subregion does not create additional congestion on regional highways. Fees paid by new residential and non-residential development will contribute to the construction of nearly \$3 billion in transportation and transit improvements in Western Riverside County. The TUMF Program will construct 3,100 new lane miles, improve 47 interchanges, construct 39 bridges and 10 railroad grade separations, provide more than \$61 million for regional transit improvements, and nearly \$60 million for acquisition of sensitive habitat.

To date, WRCOG has received more than \$950 million in TUMF revenue since program inception in 2003. Over 110 TUMF-funded projects have been completed; 22 are under construction; 9 are in right-of-way acquisition; and 38 are in the planning, environmental, or engineering stages. The TUMF Program has funded and delivered more than \$1 billion in transportation projects since it began in 2003.

Property Assessed Clean Energy Program (PACE) Program: In 2011, WRCOG launched the WRCOG PACE Program a regional and statewide effort that provides financing to residential and commercial property owners for the installation of energy efficient, renewable energy, seismic strengthening, and water conservation improvements to homes and businesses in the subregion and throughout California. Over 90,000 residential projects have been completed, representing approximately \$2 billion in funding. Since 2020, roughly 15 commercial projects have been completed totaling over \$95 million. These completed projects have saved over 3.85 billion kWh, 2.39 billion gallons of water, and over 1.03 million tons of greenhouse gas emissions (GHG).

Program participants complete an application and work with a contractor to make the improvements. Repayment occurs through the property owner's annual property tax bill, allowing property owners to pay the assessment over time. The Program includes multiple benefits. For property owners, energy and water conservation improvements will yield reduced utility bills and can improve property values. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce GHG emissions associated with energy use, and bring and retain needed jobs for area contractors.

The HERO Program has also expanded throughout California. As of 2020, over 380 jurisdictions have joined the statewide Program, continuing to save billions of gallons of water, reducing millions of tons of GHG, and saving billions of kWh. This expansion has allowed commercial PACE to increase its presence and give business owners new financing opportunities, including new construction and retrofitting older buildings. PACE financing continues to offer homeowners and businesses with alternative financing while offering renewable energy, water conservation, and energy efficient products.

During Fiscal year 20/21, WRCOG's partner in the residential HERO Program, Renovate America, terminated its HERO product and subsequently filed for Chapter 11 Bankruptcy in December 2020, effectively ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining residential PACE administration agreements with the two other companies that have partnered with WRCOG, Renew Financial and PACE Funding Group. Going forward, all WRCOG PACE Program updates will be focused solely on the commercial, or C-PACE, element of the Program.

Western Community Energy: Established in 2018, WCE is a Joint Powers Authority (JPA), that represents 7-member cities to provide electric generation service within its respective jurisdictions. WCE is a CCA program that gives local government the opportunity to buy electricity directly from its source and then offers it to the community at a more competitive rate than the current utility provider.

On May 24, 2021, WCE declared a fiscal emergency, which ultimately led to WCE filing for Chapter 9 bankruptcy protection. Multiple factors led to WCE declaring its fiscal emergency, including increased energy usage due the COVID lockdown, increased energy costs, increased delinquencies due to COVID and record-high heatwaves in the Fall of 2020. While other CCAs and utilities in California experienced similar events and challenges, they were able to draw on reserves that were built up over years of operation to overcome these challenges. As WCE commenced operation right as these issues started to happen, it did not have the opportunity to build financial reserves and had no cushion to fall back on.

Used Oil and Filter Collection Program: WRCOG's Regional Used Oil Program helps protect groundwater and the environment from the hazards of improperly disposed motor oil. WRCOG's Used Oil and Oil Filter Exchange events have been an effective tool in educating and facilitating 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 individuals who change their own oil, the Do-It-Yourselfer (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, WRCOG staff informs the DIYer about the County-wide HHW Collection Program where residents can drop-off other automotive and household hazardous products for free.

Western Riverside Energy Partnership (WREP): This Partnership originally consisted of WRCOG, Southern California Edison, and 14 member jurisdictions. In 2013, Southern California Gas Company joined the Partnership. The Partnership is designed to optimize opportunities for participating jurisdictions to achieve both short- and long-term sustainable energy savings, reduce utility bills, and enhance the level of comfort by retrofitting municipal buildings and facilities. A public outreach program encouraging residents in Western Riverside County to conserve energy is also part of the Partnership.

Clean Cities Coalition (Coalition): WRCOG's Clean Cities Coalition is nationally-recognized for its efforts to promote clean air by encouraging the use of alternative fuel vehicles and the development of alternative fuel infrastructure, technologies, and education. The Coalition hosts educational live webinars and events to bring together groups of leading policymakers, fleets, sustainability directors, and legislators to discuss the importance of clean technology transportation.

Solid Waste Cooperative: California has continued to pass legislation (AB 341, AB 1826, AB 827, and SB 1383) requiring jurisdictions to implement processes that promote business and multi-family complex recycling and organics recycling programs. WRCOG's Solid Waste Committee works with its partners and the California Department of Resources Recycling and Recovery (CalRecycle) to discuss solid waste issues and ways to address mandates.

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

The Program seeks to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintenance of streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with participating jurisdictions to move through the acquisition process, develop financing recommendations, develop and update regional and community-specific streetlight standards, and implement a regional operations & maintenance (O&M) agreement that will enhance the level of service currently provided by SCE.

Sustainability Framework: WRCOG's Sustainability Framework provides the foundation for a healthycommunities planning movement in Western Riverside County. Implementation of ideas in the Framework can yield positive co-benefits in health and move the region towards a better quality of life. For example, recently, twelve cities in Western Riverside County joined together to develop a Subregional Climate Action Plan (CAP). The CAP goals include promoting economic development and job growth, energy and cost savings for residents and business owners, water efficiency and conservation, reduction in solid waste, improved air quality, and the promotion of active and healthy communities. The CAP strategies can be uniformly applied, or tailored as needed, for adoption by individual jurisdictions.

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

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

Financial Planning

A successful fiscal year always starts during the creation of the budget process. Management staff will begin to gather data and discuss planning of the budget around January of every year. Management will describe their needs in terms of increased line items and justify that with any increases they foresee in revenues for the upcoming fiscal year.

The first time the draft budget is presented publicly at WRCOG's sub-committee level. The Administration & Finance Committee, which is comprised of 11 of WRCOG's Executive Committee members, will review and discuss the budget, usually at its March or April meeting and make any recommendations and have it forwarded on to the Technical Advisory Committee (TAC), which is comprised of the City Managers and Agency Directors of WRCOG's member agencies. This meeting of the TAC usually occurs within the same month as the Administration & Finance Committee. After it is recommended for approval, the budget's next stop is at WRCOG's Executive Committee meeting (usually in June). Once approved by the Executive Committee, the budget is approved by the General Assembly. The General Assembly is usually held at an off-site location and generally on the fourth Thursday of every June. The General Assembly is comprised of a majority of all City Councils, County Board of Supervisors, and other Board Members that represent WRCOG.

The budget itself is presented at the function level. It is displayed as follows: general government, transportation, energy, and environment. With the exception of the general government, each function is self-sufficient and able to fund its own expenditures through revenue generated. The general government; however, does not bring in enough revenue to cover all of the expenditures such as rent, legal, consulting, and payroll, and because of this, must charge overhead to offset the difference. The overhead is calculated during the budget process and allocated to each function in the most equitable method possible. This is usually based on the amount of revenue generated as a percentage of the total agency revenue.

The creation of the budget entries is part of the internal control process. One member of the Fiscal staff is to enter the journal, while another member approves. WRCOG's IT consulting firm is the only member of WRCOG that is allowed to assign functions within the accounting system. The goal of creating internal controls is to ensure that one person cannot create, approve, and issue a check, wire, or any other sensitive piece of information. WRCOG follows the policy that at least two, if not three, signatures are required to approve any check requests and the amount must be verified against the approved budget to ensure there are sufficient funds available to expend.

The Executive Committee of WRCOG has provided outstanding leadership and has provided staff with excellent resources, which are reflected in the programs delivered to the various members. WRCOG continues to be counted on to provide regional perspective while respecting local control.

WRCOG's Executive Committee approves all financial policies relevant to every aspect of the agency's accounting and as such, none of the policies approved during the year, or in year's past, had a significant impact on the current period's financial statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Western Riverside Council of Governments for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincerely,

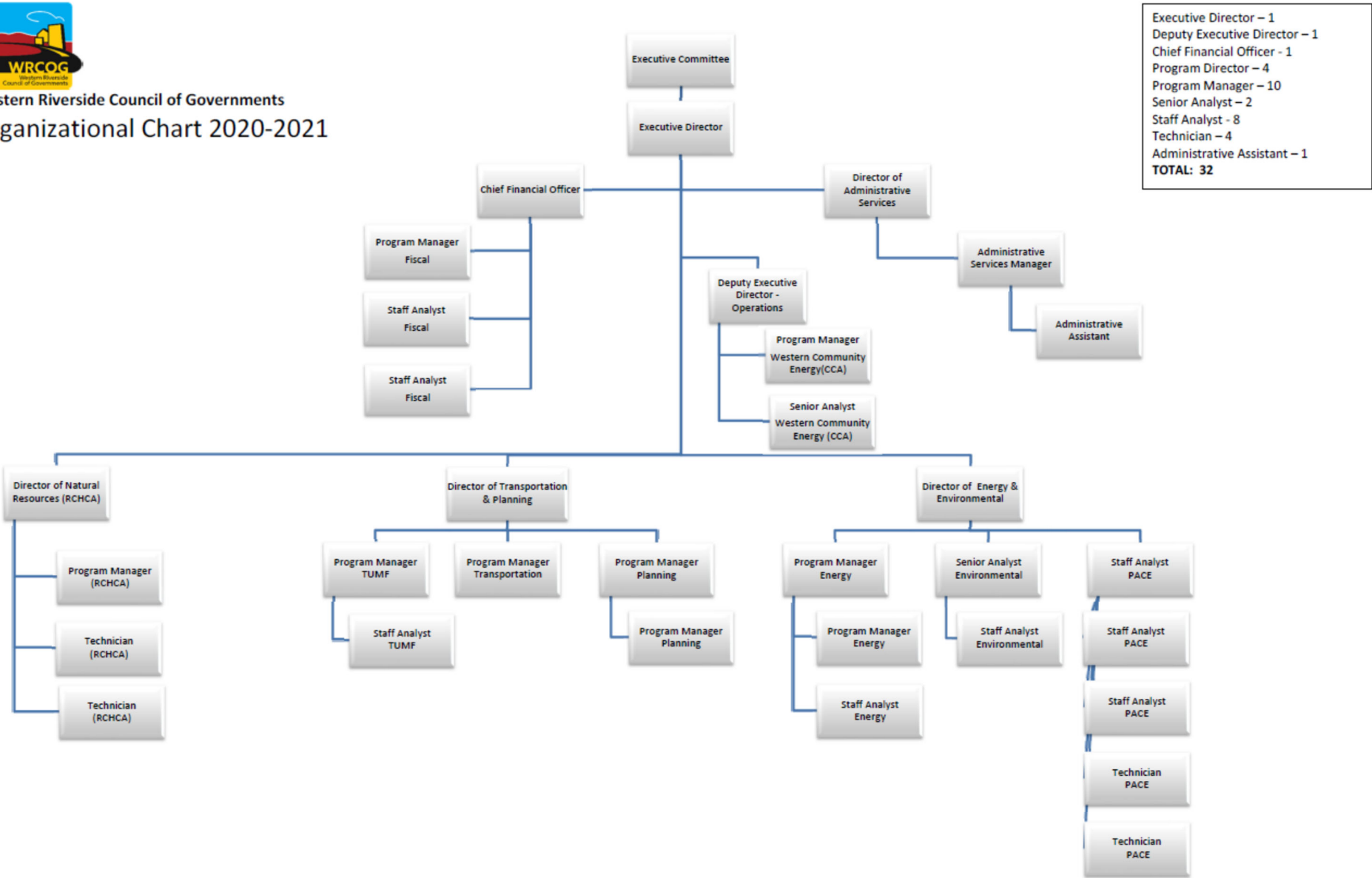
A handwritten signature in black ink, appearing to read 'A. Ruiz'.

Andrew Ruiz
Chief Financial Officer



Western Riverside Council of Governments

Organizational Chart 2020-2021



Western Riverside Council of Governments

List of Principal Officials As of June 30, 2021

Executive Committee Members

Name and position	Title	Agency
Kevin Bash	Chair	City of Norco
Karen Spiegel	Vice-Chair	County of Riverside, District 2
Crystal Ruiz	2 nd Vice-Chair	City of San Jacinto
David Happe	Member	City of Banning
Mike Lara	Member	City of Beaumont
Wendy Hewitt	Member	City of Calimesa
Jordan Ehrenkranz	Member	City of Canyon Lake
Jacque Casillas	Member	City of Corona
Ike Bootsma	Member	City of Eastvale
Russ Brown	Member	City of Hemet
Chris Barajas	Member	City of Jurupa Valley
Brian Tisdale	Member	City of Lake Elsinore
Matt Liesemeyer	Member	City of Menifee
Victoria Baca	Member	City of Moreno Valley
Lori Stone	Member	City of Murrieta
Rita Rogers	Member	City of Perris
Rusty Bailey	Member	City of Riverside
Maryann Edwards	Member	City of Temecula
Ben Benoit	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
Chuck Washington	Member	County of Riverside, District 3
Jeff Hewitt	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water District
Ronald Sullivan	Member	Eastern Municipal Water District
Dr. Judy White	Member	Riverside County Superintendent of Schools

Management Staff

Kurt Wilson, Executive Director
Chris Gray, Deputy Executive Director
Andrew Ruiz, Chief Financial Officer
Casey Dailey, Director of Energy & Environmental Programs
Princess Hester, Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Western Riverside Council of Governments
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

Executive Committee
Western Riverside Council of Governments
Riverside, California

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of WRCOG, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MEMBERS

American Institute of
Certified Public Accountants

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*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WRCOG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibility of Management for the Financial Statements

WRCOG's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WRCOG's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WRCOG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WRCOG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information Included in the Annual Report

Management is responsible for the other information as listed in the introduction section and statistical section of the table of contents included in the annual report. The other information comprises the information included in the Annual Comprehensive Financial Report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2022 on our consideration of WRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control over financial reporting and compliance.

Rogers, Anderson, Malodiy & Scott, LLP.

San Bernardino, California
January 18, 2022

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

This section of the Western Riverside Council of Governments (WRCOG) Annual Comprehensive Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2021. Management encourages readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to WRCOG's basic financial statements. WRCOG's basic financial statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The following required supplemental information has been included in this report:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Schedule of WRCOG's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
- Schedule of Plan Contributions
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of OPEB Contributions

The following other information has been included in this report:

- Statistical Section

Government-Wide Financial Statements are designed to provide readers with a broad overview of WRCOG finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all WRCOG's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of WRCOG is improving or declining.

The *Statement of Activities* presents information showing how WRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected TUMF fees or expenses pertaining to earned but unused vacation and sick leave).

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Fund Financial Statements only utilizes governmental funds. The focus of governmental fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth by the Governmental Accounting Standards Board (GASB). Like other state and local governments, WRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

WRCOG maintains two major governmental funds organized to their type (general and special revenue). The governmental fund statements present the financial information of each major fund in separate columns.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for the fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of the proportionate share of net pension liability, schedule of plan contributions, schedule of changes in net OPEB liability, schedule of OPEB contributions, plus budget and actual information.

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was \$14.3 million and consisted of net investment in capital assets of \$218,171, restricted net position of \$5.2 million, and unrestricted net position of \$9 million.
- At June 30, 2021, WRCOG's assets of \$101 million plus deferred outflows of resources of \$1.7 million was more than its liability of \$87 million and deferred inflows of resources of \$1.4 million resulting in a net position of \$14.3 million.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position – Net Position may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, WRCOG reported net position, with total assets and deferred outflows of resources more than liabilities and deferred inflows of resources by \$14.3 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2020 was \$2.9 million and increased to \$3.1 million at June 30, 2021.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. WRCOG reports deferred outflows related to pensions and OPEB.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. WRCOG reports deferred inflows also related to pensions and OPEB.

The table below provides summarized data from the Statement of Net Position for WRCOG as of June 30, 2021, as compared to the prior year:

Statement of Net Position
As of June 30

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 100,908,454	\$ 91,034,114
Capital assets being depreciated	<u>218,171</u>	<u>293,345</u>
Total Assets	<u>101,126,625</u>	<u>91,327,459</u>
Deferred Outflows of Resources	<u>1,676,943</u>	<u>1,743,482</u>
Current and other liabilities	70,001,158	75,862,398
Long-term obligations	<u>17,036,351</u>	<u>19,115,080</u>
Total Liabilities	<u>87,037,509</u>	<u>94,977,478</u>
Total Deferred Inflows or Resources	<u>1,418,044</u>	<u>1,741,105</u>
Net Position:		
Net investment in capital assets	218,171	293,345
Restricted	5,164,059	111,838
Unrestricted	<u>8,965,785</u>	<u>(4,052,825)</u>
Total Net Position	<u><u>\$ 14,348,015</u></u>	<u><u>\$ (3,647,642)</u></u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

WRCOG's total net position increased by 493.4%, or \$18 million, during fiscal year 2020-2021 compared to the prior year's decrease of \$12.7 million. The increase in net position was mostly due to a decrease in TUMF reimbursements. Total liabilities decreased 8.4%, or \$7.9 million, during fiscal year 2020-2021 compared to the prior year, mostly due to the decrease in TUMF reimbursements. TUMF project liabilities are programmed according to the anticipated revenue on the Transportation Improvement Program (TIP). Current assets increased from \$91 million in FY 2019/2020 to \$100.1 million, or 10.8%. This increase in current assets is attributable to the difference in TUMF revenues received over projects completed and paid out.. Below are the three components of net position and their respective fiscal year-end balances:

- Net Investment in Capital Assets represents 1.5%, or \$218 thousand of WRCOG's total net position for fiscal year 2020-2021 compared to -8%, or \$293 thousand, for fiscal year 2019-2020. The decrease is attributable to the depreciation of existing capital assets and write-offs due to WRCOG moving its offices.
- Restricted net position accounts for 36%, or \$5.2 million, of WRCOG's total net position for fiscal year 2020-2021 compared to -3.1%, or \$112 thousand, for fiscal year 2019-2020. This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position applies to TUMF as the administration plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the Transportation Improvement Program (TIP). The jurisdiction located within that particular zone must demonstrate it has expended its own funds and is requesting reimbursement and has provided the appropriate supporting documentation.
- Unrestricted net position accounts for 62.5%, or \$9 million, of WRCOG's total net position for fiscal year 2020-2021 compared to 111.1%, or negative \$4.1 million for fiscal year 2019-2020. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

Governmental Activities

Revenues: WRCOG's governmental activities rely on the following sources of revenue to finance ongoing operations:

- General revenue related to governmental activities primarily consists of fees, other revenues, and investment earnings. Investment earnings decreased from \$2.3 million to negative \$244 thousand due to unrealized losses on market value of securities.
- Charges for services are revenues received related to the sponsorship of the PACE Program. WRCOG receives 1.463% of the amount financed for its participation in the program. In addition, the PACE Program recording fees are included in the revenue balance.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Management's Discussion and Analysis
For the Year Ended June 30, 2021

- Operating grants and contributions increased by \$13.3 million, or 25.9%, from \$51.5 million in fiscal year 2019-2020 to \$64.8 million in the current fiscal year. This decrease was due to more TUMF revenues collected during the fiscal year. Total expenses decreased from \$69.9 million to \$50.6 million due to a decreased amount of TUMF project reimbursements paid out.
- Operating Grants and Contributions are revenues received from parties outside of WRCOG, such as state agencies, and are generally restricted to one or more specific programs. TUMF revenue is the largest governmental activities program revenue with \$63.7 million recognized during the year, as compared to \$50.4 million for fiscal year 2019-2020, which represents an increase of 26.4% or \$13.3 million.

Expenses: Total program expenses for governmental activities were \$50.6 million for the current fiscal year, a decrease of 27.7%, or \$19.4 million compared to prior fiscal year increase of \$69.8 million. The decrease in expenses is mostly attributable to a lesser amount of TUMF Projects that were reimbursed during the fiscal year.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2020-2021, as compared to the prior year:

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30

	2021	Percent of Total	2020	Increase (Decrease) From 2020	Percent Increase (Decrease)
Revenues					
Program revenues:					
Charges for services	\$ 3,962,842	5.8%	\$ 3,377,638	\$ 585,204	17.3%
Operating grants and contributions	64,827,871	94.6%	51,489,400	13,338,471	25.9%
General revenues:					
Investment earnings	(243,696)	-0.4%	2,356,692	(2,600,388)	-110.3%
Total revenues	<u>68,547,017</u>	<u>100.0%</u>	<u>57,223,730</u>	<u>11,323,287</u>	19.8%
Expenses					
General government	4,150,530	8.2%	3,667,073	\$ 483,457	13.2%
Transportation	42,583,401	84.2%	63,456,285	(20,872,884)	-32.9%
Energy	3,110,304	6.2%	2,006,036	1,104,268	55.0%
Environmental	707,125	1.4%	704,465	2,660	0.4%
Loss on disposal of capital assets	-	0.0%	78,375	(78,375)	-100.0%
Total expenses	<u>50,551,360</u>	<u>100.0%</u>	<u>69,912,234</u>	<u>(19,360,874)</u>	-27.7%
Change in Net Position	17,995,657		(12,688,504)	30,684,161	
Net Position, Beginning of Year as restated (Note 16)	<u>(3,647,642)</u>		<u>9,040,862</u>	<u>(12,688,504)</u>	
Net Position, End of Year	<u>\$ 14,348,015</u>		<u>\$ (3,647,642)</u>	<u>\$ 17,995,657</u>	-493.4%

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

FINANCIAL ANALYSIS OF FUND STATEMENTS

As previously noted, WRCOG uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of WRCOG's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing WRCOG's short-term financial requirements. In particular, the total fund balance less the non-spendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by WRCOG include the General and Special Revenue Funds.

The General Fund is the chief operating fund for WRCOG. At the end of the current fiscal year, the General Fund's total fund balance was \$13.7 million, as compared to \$12.6 million for the prior fiscal year. The increase of \$1.1 million, or 8.6%, was mostly a result of the increased revenues in the TUMF mitigation fees and PACE fees. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The non-spendable portion of fund balance was \$61 thousand; restricted fund balance in the General Fund was \$366,611 which is funds held in a pension stabilization fund held in Section 115 Trust. The City established the Trust on February 2020 and initially funded the trust in October 2020. The assigned portion was \$220 thousand for the Fellowship Program, and the unassigned portion at \$13 million. The current year's unassigned fund balance is 173% of the total General Fund expenditures of \$7.5 million, as compared to 173% of the total General Fund expenditures for fiscal year 2019-2020. The total fund balance of the General fund for the current year is 182% of the total general fund expenditures as compared to 186% for the prior year.

The TUMF Fund is a Special Revenue Fund for WRCOG. At the end of the current fiscal year, the TUMF Fund's total fund balance was \$17.2 million, as compared to \$2.5 million for the prior fiscal year. The increase of \$14.7 million, or 592%, was mostly a result of the decrease in TUMF projects that were reimbursed during the fiscal year and less TUMF project liabilities booked in FY 20/21. TUMF project liabilities are programmed according to the anticipated revenues on a five-year budget known as the Transportation Improvement Program (TIP). At the end of each fiscal year, the unexpended projects are rolled over on the TIP into the next fiscal year and the unexpended, current year projects on the TIP, are booked into the current fiscal year. As such, the TIP assumed less projects to be programmed into the current fiscal year, which resulted in a lower liability, and in combination with increased revenues, increased the TUMF fund's net position.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

GENERAL FUND FINANCIAL ANALYSIS

Revenues for the General Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2021	Percent of Total	2020	Increase (Decrease) From 2020	Percent Increase (Decrease)
Revenues					
Intergovernmental	\$ 676,500	7.9%	\$ 800,250	\$ (123,750)	-15.5%
TUMF mitigation fees	2,435,899	28.3%	1,954,024	481,875	24.7%
PACE fees	3,194,962	37.2%	2,512,229	682,733	27.2%
Other revenues	2,262,134	26.3%	2,060,571	201,563	9.8%
Investment income	27,101	0.3%	127,757	(100,656)	-78.8%
Total revenues	<u>\$ 8,596,596</u>	<u>100%</u>	<u>\$ 7,454,831</u>	<u>\$ 1,141,765</u>	<u>15.3%</u>

Intergovernmental revenues are derived from the Local Transportation Fund, which is derived from ¼ cent of the general sales tax collected statewide, and then allocated by the State Board of Equalization. Revenues decreased due to less taxes being collected, and a lower allocation compared to the prior year. TUMF mitigation fees were higher because more permits were issued during the fiscal year resulting in an increased amount of revenue from the TUMF program. PACE fees increased significantly due to a significant increase in early payoffs. These early payoffs require additional processing and additional fees were collected due to this. Lastly, investment income decreased in the General Fund due to unrealized losses on fair market values on investments.

Expenditures for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2021	Percent of Total	2020	Increase (Decrease) From 2020	Percent Increase (Decrease)
Expenditures					
General government	\$ 3,898,224	51.9%	\$ 3,531,873	\$ 366,351	10.4%
Energy	3,110,304	41.4%	2,349,851	760,453	32.4%
Environmental	501,333	6.7%	476,388	24,945	5.2%
Total expenditures	<u>\$ 7,509,861</u>	<u>100.0%</u>	<u>\$ 6,358,112</u>	<u>\$ 1,151,749</u>	<u>18.1%</u>

Expenditures in the General Government remained mostly stable with a minor increase. Energy expenditures have increased primarily due to the decline of the PACE programs and legal fees related to termination of residential PACE. Lastly, the Environmental Department experienced an increase in expenditures due to additional work performed in the Used Oil and Clean Cities programs.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

TUMF FUND FINANCIAL ANALYSIS

Revenues for the TUMF Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2021	Percent of Total	2020	Increase (Decrease) From 2020	Percent Increase (Decrease)
Revenues					
TUMF mitigation fees	\$ 58,461,569	97.8%	\$ 46,896,575	\$ 11,564,994	24.7%
Other revenues	1,603,649	2.7%	25,000	1,578,649	6314.6%
Investment income	(270,797)	-0.5%	2,228,934	(2,499,731)	-112.1%
Total revenues	<u>\$ 59,794,421</u>	<u>100%</u>	<u>\$ 49,150,509</u>	<u>\$ 10,643,912</u>	<u>21.66%</u>

The increase in TUMF mitigation revenues is due to higher collection of fees in the current fiscal year. This is primarily attributable to a significant increase in single family and multi family home construction happening in Western Riverside County. The increase in other TUMF revenues is related to revenue recovery associated with WRCOG's TUMF dispute with the City of Beaumont, where more revenues were recovered in the current fiscal year than the prior year. Lastly, investment income decreased in the TUMF Fund due to unrealized losses on fair market values on investments.

Expenditures for the TUMF Fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2021	Percent of Total	2020	Increase (Decrease) From 2020	Percent Increase (Decrease)
Expenditures					
Transportation	\$ 45,090,784	100.0%	\$ 61,740,570	\$ (16,649,786)	-27.0%
Total expenditures	<u>\$ 45,090,784</u>	<u>100.0%</u>	<u>\$ 61,740,570</u>	<u>\$ (16,649,786)</u>	<u>-27.0%</u>

The increase in TUMF expenditures is due to less TUMF projects being paid out and completed, and more projects programmed onto the Transportation Improvement Program (TIP). TUMF project liabilities are programmed according to the anticipated revenues on a five-year budget known as the Transportation Improvement Program (TIP). At the end of each fiscal year, the unexpended projects are rolled over on the TIP into the next fiscal year and the unexpended, current year projects on the TIP, are booked into the current fiscal year. As such, the TIP assumed less projects to be programmed into the current fiscal year, which resulted in a lower liability.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for year end, the fourth quarter amendments are presented at the July Administration & Finance Committee and approved at the August Executive Committee meeting.

Because of this timing, each category of the budget for revenue has some variation with the largest occurring with the intergovernmental revenues. When the final budget was presented to the Executive Committee, it was anticipated revenues in the General Fund would be \$9.5 million; however, the actual amount was only \$8.6 million, leaving a variance of \$861 thousand. This variance was primarily due to WRCOG not having its regular General Assembly and not actualizing nearly \$300 thousand in revenue as well as some multi-year grants not having as much activity this year as originally anticipated.

On the expenditure side for the General Fund, it was anticipated expenditures would be \$12.9 million; however, actual expenditures were only \$7.5 million, leaving a variance of \$5.4 million. This was mostly due because overhead is budgeted as a transfer-in, rather than a reduction of expenditures, which accounts for \$4.3 million of the variance. The remaining variance is due to WRCOG no longer hosting its General Assembly, which accounts for \$300 thousand.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

As of June 30, 2021, WRCOG had capital assets of \$218,171, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles.

Additional information to WRCOG's capital assets can be found on Note 4 to the financial statements.

Long-term liabilities have decreased from \$19.1 million in FY 2019/2020, to \$17 million, including net pension and net OPEB liabilities, in FY 2020/2021, or an decrease of 11%. The decrease in long-term liabilities can mostly be attributed to a decrease in TUMF liabilities.

Additional information to WRCOG's long-term liabilities can be found on Note 5, Note 7, and Note 8 to the financial statements.

ECONOMIC FACTORS AND OTHER FACTORS

On June 7, 2021 WRCOG adopted the Fiscal Year 2021/2022 budget. The budget is presented by function, which includes: Administration, Transportation, Energy, and Environmental. The majority of budgeted expenditures are in the Transportation category because of the TUMF program and the size of the program relative to all of WRCOG's other programs. The TUMF program, saw an increase in revenues of 24.7% in Fiscal Year 2020/2021. This increase is primarily attributable to the significant increase in new home construction in Western Riverside County. This trend is expected to continue in Fiscal Year 2021/2022.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021**

Although the national and state economies have been significantly impacted since the COVID-19 pandemic, WRCOG continues to base its budget on its financial strategic plan and remains conservative moving forward due to the uncertain economic growth. While the pandemic was originally thought to have a negative impact on WRCOG's largest program, TUMF, it has actually had the opposite effect and has helped maintain stability in the Agency while other programs ended or saw decreases. WRCOG's Executive Committee has been responsive to changes made over the past several years and has continued to ensure WRCOG's fiscal sustainability, proceeding into the next fiscal year with a structurally balanced budget.

In February 2020, WRCOG's board authorized participation in the PARS Pension Rate Stabilization Program Section 115 Trust in order to mitigate rising pension costs through CalPERS. The initial funding amount made in December 2020 was \$350,000. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program and receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. The trust permits WRCOG, under Federal and State law, to invest in a more diversified array of investments to maximize investment returns long term. The balance of the Trust as of June 30, 2021 is \$366,611 and is reported as restricted cash and investments.

CONTACTING WRCOG'S MANAGEMENT

This financial report is designed to provide a general overview of WRCOG's finances for all those with an interest in the government's finances and to show WRCOG's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Interim Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 200, Riverside, California 92501.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 86,934,324
Restricted cash and investments	366,611
Receivables:	
Grants	654,335
Interest	692
Annual PACE fee receivable	412,710
Mitigation fees receivable	6,327,927
Due from other governments	5,489,520
Due from PACE Program	661,275
Prepaid items	61,060
Capital assets, net of accumulated depreciation	218,171
Total Assets	<u>101,126,625</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	916,032
Deferred amounts related to OPEB	760,911
Total Deferred Outflows of Resources	<u>1,676,943</u>
LIABILITIES	
Accounts payable	13,131,531
Deposits payable	14,479
Due to other governments	55,655,007
Accrued wages and benefits	261,966
Unearned revenue	938,175
Non-current liabilities:	
Due within one year	27,710
Due in more than one year:	
Compensated absences	249,392
TUMF liabilities	12,447,087
Net pension liability	3,129,775
Net OPEB liability	1,182,387
Total Liabilities	<u>87,037,509</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	88,375
Deferred amounts related to OPEB	1,329,669
Total Deferred Inflows of Resources	<u>1,418,044</u>
NET POSITION	
Net investment in capital assets	218,171
Restricted for:	
TUMF program	4,740,402
Section 115 Pension Trust	366,611
AB 2766	45,325
Foundation	11,721
Unrestricted	8,965,785
Total Net Position	<u><u>\$ 14,348,015</u></u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Activities
For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
Governmental activities:				
General government	\$ 4,150,530	\$ -	\$ 447,393	\$ (3,703,137)
Transportation	42,583,401	-	63,706,655	21,123,254
Energy	3,110,304	3,962,842	-	852,538
Environmental	707,125	-	673,823	(33,302)
Total Governmental Activities	<u>\$50,551,360</u>	<u>\$ 3,962,842</u>	<u>\$ 64,827,871</u>	<u>\$ 18,239,353</u>
General Revenues:				
Investment income				(243,696)
Total General Revenues				<u>(243,696)</u>
Change in Net Position				17,995,657
Net Position, Beginning of Year, as restated, (Note 16)				<u>(3,647,642)</u>
Net Position, End of Year				<u>\$ 14,348,015</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Balance Sheet – Governmental Funds
June 30, 2021**

	Major Funds		Non Major Funds	
	General Fund	Special Revenue TUMF	Clean Cities/ WRCOG Foundation	Total Governmental Funds
ASSETS				
Cash and investments	\$ 7,925,842	\$ 78,924,899	\$ 83,583	\$ 86,934,324
Restricted cash and investments:				
Investment in Section 115 Pension Trust	366,611	-	-	366,611
Receivables:				
Grants	654,335	-	-	654,335
Interest	-	692	-	692
Annual PACE fee receivable	412,710	-	-	412,710
Mitigation fees receivable	253,117	6,074,810	-	6,327,927
Due from other governments	5,489,520	-	-	5,489,520
Prepaid items	61,060	-	-	61,060
Due from PACE Program	661,275	-	-	661,275
Advances to other funds	-	331,581	-	331,581
Due from other funds	66,724	-	-	66,724
Total Assets	<u>\$ 15,891,194</u>	<u>\$ 85,331,982</u>	<u>\$ 83,583</u>	<u>\$ 101,306,759</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 583,239	\$ 12,548,292	\$ -	\$ 13,131,531
Deposits payable	14,479	-	-	14,479
Due to other governments	98,993	55,529,477	26,537	55,655,007
Accrued wages and benefits	261,966	-	-	261,966
Unearned revenue	938,175	-	-	938,175
Advances from other funds	331,581	-	-	331,581
Due to other funds	-	66,724	-	66,724
Total Liabilities	<u>2,228,433</u>	<u>68,144,493</u>	<u>26,537</u>	<u>70,399,463</u>
Fund Balances				
Nonspendable:				
Prepaid items	61,060	-	-	61,060
Restricted:				
Transportation projects	-	17,187,489	-	17,187,489
Section 115 Pension Trust	366,611	-	-	366,611
AB 2766	-	-	45,325	45,325
Foundation	-	-	11,721	11,721
Assigned:				
Fellowship Program	219,839	-	-	219,839
Unassigned	13,015,251	-	-	13,015,251
Total Fund Balances	<u>13,662,761</u>	<u>17,187,489</u>	<u>57,046</u>	<u>30,907,296</u>
Total Liabilities and Fund Balances	<u>\$ 15,891,194</u>	<u>\$ 85,331,982</u>	<u>\$ 83,583</u>	<u>\$ 101,306,759</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2021**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - Governmental Funds	\$ 30,907,296
Capital assets, net of accumulated depreciation used in governmental activities, are not current financial resources and therefore are not reported in the funds.	218,171
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(277,102)
TUMF liabilities	(12,447,087)
Net pension liability	(3,129,775)
Net OPEB liability	(1,182,387)
Deferred outflows and inflows of resources related to pension and OPEB are not reported in the governmental funds:	
Pension and OPEB related deferred outflows of resources	1,676,943
Pension and OPEB related deferred inflows of resources	<u>(1,418,044)</u>
Net Position of Governmental Activities	<u><u>\$ 14,348,015</u></u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Fiscal Year Ended June 30, 2021**

	Major Funds		Non Major Funds	
	General Fund	Special Revenue TUMF	Clean Cities/ WRCOG Foundation	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 676,500	\$ -	\$ 151,000	\$ 827,500
TUMF mitigation fees	2,435,899	58,461,569	-	60,897,468
PACE fees	3,194,962	-	-	3,194,962
Other revenues	2,262,134	1,603,649	5,000	3,870,783
Investment income	27,101	(270,797)	-	(243,696)
Total Revenues	8,596,596	59,794,421	156,000	68,547,017
EXPENDITURES				
Current:				
General government	3,898,224	-	5,000	3,903,224
Transportation	-	45,090,784	-	45,090,784
Energy	3,110,304	-	-	3,110,304
Environmental	501,333	-	205,792	707,125
Total Expenditures	7,509,861	45,090,784	210,792	52,811,437
Net Change in Fund Balances	1,086,735	14,703,637	(54,792)	15,735,580
Fund Balances, Beginning of Year, as Restated	12,576,026	2,483,852	111,838	15,171,716
Fund Balances, End of Year	<u>\$ 13,662,761</u>	<u>\$ 17,187,489</u>	<u>\$ 57,046</u>	<u>\$ 30,907,296</u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 15,735,580
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This activity is reconciled as follows:

Cost of assets capitalized, less disposals	18,830
Depreciation expense	(94,004)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in compensated absences	65,859
Pension expense net adjustment	(124,398)
Net OPEB liability net adjustment	(113,593)
Net change in TUMF liabilities	<u>2,507,383</u>

Change in Net Position of Governmental Activities	<u><u>\$ 17,995,657</u></u>
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The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021**

	<u>PACE Custodial Fund</u>
ASSETS	
Cash and investments	\$ 9,215,511
Assessments receivable	1,261,658
Total Assets	<u>10,477,169</u>
LIABILITIES	
Accounts payable	6,452,979
Due to other agencies	78,430
Due to WRCOG	661,275
Total Liabilities	<u>7,192,684</u>
NET POSITION	
Restricted for other agencies	3,284,485
Total Net Position	<u><u>\$ 3,284,485</u></u>

The accompanying notes are an integral part of these financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021**

	<u>PACE Custodial Fund</u>
ADDITIONS	
Assessment collections for other agencies	\$ 39,946,706
Total additions	<u>39,946,706</u>
DEDUCTIONS	
Payments of assessments for other agencies	43,201,167
Administrative expense	1,664,536
Total deductions	<u>44,865,703</u>
Change in fiduciary net position	(4,918,997)
Net Position, Beginning of Year, as Restated (Note 16)	<u>8,203,482</u>
Net Position, End of Year	<u><u>\$ 3,284,485</u></u>

The accompanying notes are an integral part of these financial statements.

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Western Riverside Council of Governments (WRCOG) was formed in 1989 under the California Government Code Section 6500 et. seq. WRCOG is a special district governed by twenty-four Executive Committee Members consisting of seventeen members from the cities in Western Riverside County (excluding the City of Beaumont), four Riverside County Supervisors, two members, each from the Eastern and Western Municipal Water Districts, and one member from the Riverside County Superintendent of Schools.

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of WRCOG and any of its component units. Component units are legally separate entities for which WRCOG is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of WRCOG's operations so the accounts of these entities are to be combined with the data of WRCOG. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status.

Blended Component Unit

WRCOG Supporting Foundation (the Foundation). WRCOG has created a foundation to support its mission and objectives under IRC 509(a)(3) as an organization that is supervised and controlled in connection with a publicly supported organization. All contributions to the Foundation are exempt under section 501(c)(3) of the Internal Revenue Code. WRCOG executive committee members are the governing board of the Foundation, and management of WRCOG has operational responsibility for the component unit. The Foundation is reported as a separate nonmajor fund in these financial statements.

B. Basis of Presentation

WRCOG's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities report information on all activities of WRCOG. All fiduciary activities are reported only in the fund financial statements.

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues and are not eliminated in the process of consolidation.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation, Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General assembly revenues and other items that do not meet the definition of program revenues are reported instead as general revenues.

Fund Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. WRCOG considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year end, except for cost reimbursement-based grants where due to the nature of these grants 180 days after year end is used. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

D. Fund Classifications

WRCOG reports the following major governmental funds:

General Fund. The general fund is WRCOG's primary operating fund. It accounts for all financial resources of WRCOG, except those required to be accounted for in another fund.

Transportation Uniform Mitigation Fees (TUMF) Special Revenue Fund. This fund is used to account for the proceeds of Transportation Uniform Mitigation Fees which are legally restricted to expenditures for specified purposes.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Classifications, Continued

Additionally, WRCOG reports the following fiduciary fund:

Custodial Fund. WRCOG's custodial fund is used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans.

E. Financial Statement Elements

(1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for non-negotiable certificates of deposit and investment contracts that are reported at cost. These investments are not transferrable, and they have terms that are not affected by changes in market interest rate. Investment income includes interest earnings and the net increase (decrease) in fair value of investments. WRCOG categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

(2) Restricted Cash and Investments

In February 2020, WRCOG established a funding policy for a Section 115 Pension Rate Stabilization Trust Fund (Pension Trust) to achieve long-term pension sustainability. The purpose of the Pension Trust is to generate a reasonable level of investment growth to responsibly manage pension costs and fund present and future pension obligations. As required, amounts are set aside in the General Fund. See Note 2(I) for additional information on the Pension Trust.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(3) Interfund Balances and Transfers

Activities between funds that are representative of lending and borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

(4) Capital Assets

Capital assets, which include furniture and computers, are reported in the government-wide financial statements. WRCOG defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives varying from five to ten years.

(5) Compensated Absences

A total of 10 days of vacation per year may be accumulated by each employee with three years of service, 15 days with four years of service, and 20 days with ten or more years of service. However, employees are not paid for their accumulated sick leave upon retirement until they have been employed for five years, at which time 50% of accumulated sick leave hours is paid out. WRCOG accrued a liability for compensated absences, which meets the following criteria:

- WRCOG's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- The obligation relates to rights that vest or accumulate,
- Payment of the compensation is probable,
- The amount can be reasonably estimated.

Compensated absences not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(6) Fund Balance – Governmental Funds

The following fund balance classifications describe the relative strength of the spending constraints on WRCOG's fund balances:

- Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- Committed fund balance – amounts constrained to specific purposes by WRCOG itself, using its highest level of decision-making authority (i.e., Executive Committee ordinance). To be reported as committed, amounts cannot be used for any other purpose unless WRCOG takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts WRCOG intends to use for a specific purpose. Intent is expressed by the Executive Committee.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, WRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, WRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Executive Committee or management has provided otherwise in its commitment or assignment actions.

(5) Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from those estimates.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(6) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

(7) Other Post-Employment Benefit (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the WRCOG'S plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(8) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category: deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item of this: deferred amounts related to pensions. For the fund level statements, deferred inflows of resources represent unavailable resources.

(9) Net Position Flow Assumption

Sometimes WRCOG will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resource are considered to be applied.

(10) New Accounting Pronouncements

During the fiscal year ended June 30, 2021, WRCOG implemented the following GASB standard:

GASB Statement No. 84 – The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*. The primary objective of the statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and investments	\$	86,934,324
Restricted cash and investments		366,611
 Fiduciary Funds		
Cash and investments		9,215,511
Total Cash and Investments	\$	<u>96,516,446</u>

Cash and investments as of June 30, 2021, consist of the following:

Deposits and petty cash	\$	19,237,869
Investments		76,911,966
Restricted investments (Section 115 Trust)		366,611
Total Cash and Investments	\$	<u>96,516,446</u>

A. Authorized Investments

The following investments are authorized under California Government Code and, where more restrictive, WRCOG's Investment Policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	100%	None
Supranational Obligations	5 years	30%	None
State of California Obligations	5 years	30%	5%
Local Agency Obligations	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%
Repurchase Agreements	1 year	20%	20%
Commercial Paper	270 days	30%	5%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Riverside County Treasurer's Pooled Investment	N/A	100%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$75 million **

** Limit set by LAIF governing Board, not California Government Code

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end, the weighted average maturity of the investments contained in the Local Agency Investment Fund (LAIF) pool was approximately 200 days. WRCOG's investment policy recognizes the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

Investment Type	Total	Remaining Maturity		
		12 months or less	13 to 24 months	25 to 36 months
U.S. Treasury Obligations	\$ 9,817,921	\$ -	\$ 3,974,603	\$ 5,843,318
Federal Agency	21,728,978	4,403,834	11,722,838	5,602,306
Municipal	2,070,765	-	282,879	1,787,886
Supranational	5,283,367	-	4,989,214	294,153
Corporate Note	6,672,439	101,667	2,994,257	3,576,515
Negotiable CDs	2,104,217	383,428	1,720,789	-
Asset-Backed Securities	5,758,417	53,624	437,031	5,267,762
LAIF	847,504	847,504	-	-
CAMP	22,361,593	22,361,593	-	-
Money Market Fund	266,765	266,765	-	-
Restricted Section 115 Trust Investments:				
U.S. Treasury Obligations	103,124	-	-	103,124
Corporate Note	82,756	14,963	19,145	48,648
Corporate Stocks	79,449	79,449	-	-
Mutual Funds	72,587	72,587	-	-
Money Market Fund	28,695	28,695	-	-
Total	<u>\$ 77,278,577</u>	<u>\$ 28,614,109</u>	<u>\$ 26,140,756</u>	<u>\$ 22,523,712</u>

C. Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 of the fair value hierarchy are valued using of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

C. Fair Value Classifications, Continued

Fair value measurements for investments are as follows as of June 30, 2021:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 9,817,921	\$ -	\$ 9,817,921	\$ -
Federal Agency	21,728,978	-	21,728,978	-
Municipal	2,070,765	-	2,070,765	-
Supranational	5,283,367	-	5,283,367	-
Asset-Backed Securities	5,758,417	-	5,758,417	-
Negotiable CDs	2,104,217	-	2,104,217	-
Corporate Note	6,672,439	-	6,672,439	-
Restricted Section 115 Trust Investments:				
U.S. Treasury Obligations	103,124	-	103,124	-
Corporate Note	82,756	-	82,756	-
Total investments by Fair Value Level	53,621,984	\$ -	\$ 53,436,104	\$ -

Investments not subject to fair value hierarchy:

LAIF	847,504
CAMP	22,361,593
Money Market Fund	266,765
Restricted Section 115 Trust Investments:	
Corporate Stocks	79,449
Mutual Funds	72,587
Money Market Fund	28,695
Total Investments	<u>\$ 77,278,577</u>

Deposits and withdrawals to/from LAIF are made on the basis of \$1 and not fair value. As such, the measurement of fair value is uncategorized and not defined as a Level 1, Level 2 or Level 3 input. The balance of the money market account is considered a cash equivalent.

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the WRCOG's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB-	A-1	Not Rated
U.S. Treasury Obligations	\$ 9,817,921	N/A	\$ -	\$ 9,817,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency	21,728,978	N/A	-	21,728,978	-	-	-	-	-	-	-	-
Supranational	5,283,367	AA	5,283,367	-	-	-	-	-	-	-	-	-
Municipal	2,070,765	A	823,166	444,237	316,142	-	487,220	-	-	-	-	-
Corporate Note	6,672,440	A	-	442,965	806,315	218,243	1,646,267	1,831,862	1,704,445	22,343	-	-
Negotiable CDs	2,104,216	N/A	-	-	-	756,741	672,685	291,362	-	-	383,428	-
Asset-Backed Securities	5,758,417	AA	5,758,417	-	-	-	-	-	-	-	-	-
LAIF	847,504	N/A	-	-	-	-	-	-	-	-	-	847,504
CAMP	22,361,593	N/A	-	-	-	-	-	-	-	-	-	22,361,593
Money Market Account	266,764	N/A	-	-	-	-	-	-	-	-	-	266,764
Restricted Section 115 Trust Investments:												
U.S. Treasury Obligations	103,124	N/A	-	103,124	-	-	-	-	-	-	-	-
Corporate Note	82,756	A	-	82,756	-	-	-	-	-	-	-	-
Corporate Stocks	79,449	N/A	-	-	-	-	-	-	-	-	-	79,449
Mutual Funds	72,588	N/A	-	-	-	-	-	-	-	-	-	72,588
Money Market Fund	28,695	N/A	-	-	-	-	-	-	-	-	-	28,695
	<u>\$ 77,278,577</u>		<u>\$ 11,864,950</u>	<u>\$ 32,619,981</u>	<u>\$ 1,122,457</u>	<u>\$ 974,984</u>	<u>\$ 2,806,172</u>	<u>\$ 2,123,224</u>	<u>\$ 1,704,445</u>	<u>\$ 22,343</u>	<u>\$ 383,428</u>	<u>\$ 23,656,593</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

E. Concentration of Credit Risk

At June 30, 2021, WRCOG has no investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of WRCOG's total investments.

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the WRCOG's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure WRCOG deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of WRCOG's deposits with financial institutions, \$18,201,087 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the WRCOG's deposits as noted above.

G. Investment in State Investment Pool

WRCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 2 – CASH AND INVESTMENTS, (Continued)

H. Investment in JPA Pool/CAMP

WRCOG is a voluntary participant in the CAMP Trust (Trust), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the Trust specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro-rata share of the fair value provided by CAMP.

I. Pension Rate Stabilization Program Section 115 Trust

In February 2020, WRCOG's board authorized participation in the PARS Pension Rate Stabilization Program Section 115 Trust in order to mitigate rising pension costs through CalPERS. The initial funding amount was \$350,000. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program and receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. The trust permits WRCOG, under Federal and State law, to invest in a more diversified array of investments to maximize investment returns long term. The balance of the Trust at June 30, 2021 is \$366,611 and is reported as restricted cash and investments.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balance as of June 30, 2021, is as follows:

Advances to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
TUMF	General	\$ 331,581
	Total advances	<u>\$ 331,581</u>

WRCOG's interfund receivables and payables represent amounts advanced from the TUMF Fund to the General Fund for OPEB costs. The advance is anticipated to be repaid over a ten-year period which began in fiscal year 2014-15 with equal annual payments.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES, (Continued)

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TUMF	\$ 66,724
	Total due to/due from	\$ 66,724

The outstanding short-term loans between funds are a result of lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2021, is shown below:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and Computer Equipment	\$ 810,430	\$ 18,830	\$ -	\$ 829,260
Other Capital Assets	33,037	-	-	33,037
Total Depreciable Capital Assets	843,467	18,830	-	862,297
Less Accumulated Depreciation for:				
Furniture and Computer Equipment	(517,086)	(94,004)	-	(611,090)
Other Capital Assets	(33,036)	-	-	(33,036)
Total Accumulated Depreciation	(550,122)	(94,004)	-	(644,126)
Capital Assets net of Accumulated Depreciation	\$ 293,345	\$ (75,174)	\$ -	\$ 218,171

Depreciation expense of \$94,004 was charged to the general government function of the governmental activities.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 5 – LONG-TERM LIABILITIES

A schedule of changes in the long-term liabilities for the year ended June 30, 2021, is shown below:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 342,961	\$ 200,910	\$ (266,769)	\$ 277,102	\$ 27,710
Refund Liability	11,460,970	-	(2,507,383)	8,953,587	-
City of Moreno Valley Agreement	3,493,500	-	-	3,493,500	-
Total Long-term Liabilities	<u>\$ 15,297,431</u>	<u>\$ 200,910</u>	<u>\$ (2,774,152)</u>	<u>\$ 12,724,189</u>	<u>\$ 27,710</u>

Compensated absences will be liquidated primarily from the General Fund.

A. Refund Liability

WRCOG maintains a listing of developers who are owed a refund for various reasons including expired permits, duplicate payments, and credit agreements entered into with the developer. Some of the refunds are included on the Transportation Improvement Program (TIP) and some are not but are generally not paid out until the zone has enough money to repay the refund. Each zone within the TIP maintains its own refund amounts and as funds become available, the refunds are paid out. No interest is calculated on refunds granted back to the developer. The refunds will be liquidated from the TUMF Fund.

B. City of Moreno Valley Agreement

In 2011, WRCOG entered into an agreement with the City of Moreno Valley to fund a portion of the Nason/SR-60 Interchange Project. Pursuant to the agreement, the City incurred project-related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was \$11,128,000. As of June 30, 2021, the remaining amount to be reimbursed to the City is \$3,493,500. The liability will be liquidated from the TUMF Fund.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES

WRCOG developed an ordinance and an administrative plan effective June 1, 2003, to implement the Transportation Uniform Mitigation Fee (TUMF). This ordinance and the administrative plan allows for the collection of mitigation fees over 25 years related to the planning and construction of a regional transportation system throughout the western region of Riverside County. The municipalities located within the western region of Riverside County (grouped by zones) and the County of Riverside collect these fees and remit them to WRCOG on a monthly basis. WRCOG is responsible for the administration of these fees, subject to certain restrictions, and approves plans that meet the goals (nexus) of the legislation.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES, (Continued)

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2021, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however, the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

NOTE 7 – EMPLOYEE BENEFITS

California Public Employees' Retirement System (CalPERS)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. WRCOG sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and WRCOG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Benefits Provided, Continued

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

<u>Hire Date</u>	<u>Miscellaneous</u>	
	<u>Classic</u>	<u>New Members</u>
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	15.35%	7.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2021 were \$523,824. The actual employer payments of \$466,492 made to CalPERS by WRCOG during the measurement period ended June 30, 2020 differed from WRCOG's proportionate share of the employer's contributions of \$424,355 by \$42,137, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Net Pension Liability

WRCOG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post Retirement Rate Increase	The lesser of contract COLA up to 2.50% until Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions reported from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1-10 (2)	Real Return Years 11+ (3)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	100%		

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period

(3) An expected inflation of 2.92% used for this period

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Change in Assumptions

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2019 (VD)	\$ 11,936,106	\$ 9,063,032	\$ 2,873,074
Balance at: 6/30/2020 (MD)	12,627,500	9,497,725	3,129,775
Net changes during 2019-2020	691,394	434,693	256,701
Valuation Date (VD), Measurement Date (MD)			

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Proportionate Share of Net Pension Liability, Continued

WRCOG's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. WRCOG's proportionate share of the net pension liability for miscellaneous Plan as of the June 30, 2019 and 2020 measurement dates was as follows:

Proportion Share - June 30, 2019	0.0280%
Proportion Share - June 30, 2020	0.0288%
Change - Increase	<u>0.0008%</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents WRCOG's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 4,810,187	\$ 3,129,775	\$ 1,741,303

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), WRCOG's net pension liability was \$2,873,074. For the measurement period ending June 30, 2020 (the measurement date), WRCOG incurred a pension expense of \$648,221.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees’ Retirement System (CalPERS), Continued

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

At June 30, 2021, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,286	\$ -
Changes in assumptions	-	22,323
Differences between projected and actual investment earnings	92,975	-
Differences between employer's contributions and proportionate share of contributions	34,160	66,052
Change in employers proportion	103,787	-
Pension contributions subsequent to the measurement date	523,824	-
	<u>\$ 916,032</u>	<u>\$ 88,375</u>

These amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$523,824 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 58,762
2022	105,252
2023	95,226
2024	44,593
2025	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2021, WRCOG reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

WRCOG has established agent multiple employer plan that provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

Tier	Date of Hire	Benefit
1	< 1/1/98	100% of premium (ee + dep.)
2	1/1/98 - 6/30/01	Cost of Kaiser coverage (ee + dep.)
3	7/1/01 - 9/1/04	Up to employee + 1 Kaiser premium
4	> 9/1/04	50% of weighted average of 4 top plans + 40% of weighted average for 1 dep. for 4 top plans. Vesting is 50% of premium at 10 years graded to 100% at 20 years.

In April 2012 WRCOG joined the Public Agencies Post-Retirement Health Care Plan, a multiple-employer trust administered by the Public Agency Retirement Services.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	28
Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving benefits	<u>1</u>
Total	<u><u>38</u></u>

Contributions

Benefit provisions are established and may be amended by the Executive Committee. WRCOG contributes 100% of the cost of health insurance premiums for retirees.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Net OPEB Liability

WRCOG'S net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2020 Measurement Date
Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry age normal cost, level percent of pay.
Asset Valuation Method	Market value
Discount Rate	5.45%
General Inflation	2.50%
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Healthcare Cost Trend Rate	5.40% in 2021 fluctuating down to 4.00% by 2076.
Mortality	MacLeod Watts Scale 2020
Retirement Age	From 50 to 75

Discount Rate

A discount rate of 5.45% was used in the valuation. This discount rate assumes the WRCOG continues to fully fund for its retiree health benefits.

Change of Assumptions

Discount Rate	Decreased from 5.70% to 5.45%
Demographic Assumptions	Mortality rates updated to 2017 CalPERS experience study.
Mortality Improvement	MW Scale 2020 Generationally

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Changes in the OPEB Liability (Asset)

The changes in the net OPEB liability (asset) for the Plan are as follows:

	(a)	(b) Plan	(a) - (b) = (c)
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (6/30/19 measurement date)	\$2,807,576	\$1,863,001	\$ 944,575
Changes recognized for the measurement period:			
Service cost	180,222	-	180,222
Interest	165,457	-	165,457
Changes of assumptions	105,642	-	105,642
Contributions – employer	-	140,657	(140,657)
Net investment income	-	72,852	(72,852)
Benefit payments	(170,086)	(170,086)	-
Net changes	281,235	43,423	237,812
Balance at June 30, 2021 (6/30/20 measurement date)	\$3,088,811	\$1,906,424	\$1,182,387

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Net OPEB Liability	\$ 1,668,418	\$ 1,182,387	\$ 792,142

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the WRCOG if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 775,490	\$ 1,182,387	\$ 1,699,237

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the WRCOG recognized OPEB expense of \$161,052. As of fiscal year ended June 30, 2021, the WRCOG reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 713,452	\$ -
Differences between expected and actual experience	-	1,306,266
Net differences between projected and actual earnings on investments	-	23,403
Contributions to OPEB plan subsequent to the measurement date	<u>47,459</u>	<u>-</u>
Total	<u>\$ 760,911</u>	<u>\$ 1,329,669</u>

The \$47,459 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ (79,275)
2023	(79,273)
2024	(50,452)
2025	(53,199)
2026	(59,699)
Thereafter	(294,319)

Other Benefits

WRCOG also provides a deferred compensation plan under Section 457 of the Internal Revenue Code. As a result of changes in tax law, these benefits have been placed in a trust for the exclusive benefit of the employees requesting such deferrals.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

WRCOG has participated in various federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material.

NOTE 10 – RELATED PARTY TRANSACTIONS

WRCOG purchased services during the current year from the County of Riverside, which is also a member of WRCOG, for parking and mail costs, which amounted to \$3,737 and are included as expenditures in the General Fund.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 11 – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

In 2011, WRCOG launched the Property Assessed Clean Energy (PACE) Program, a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion.

Program participants complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. For property owners, energy and water conservation improvements will yield reduced utility bills. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce greenhouse gas emissions associated with energy use, and bring and retain jobs for area contractors.

The PACE Program has expanded statewide; over 380 municipalities throughout California have joined the Program. What makes the PACE Program particularly unique is that the financing is provided entirely by private investment funds to implement the Program.

Under the PACE Program, a contractual assessment is entered into by the property owner. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements, the issuance of the bonds that will finance the program, and the costs to administer the program. The assessments are billed and collected on the County property tax bill. Repayments made by the property owners flow through the County to the trustee to fund the debt service. WRCOG does not receive the special assessments. As the sponsor of the PACE program, WRCOG receives a percentage of the amount financed for its participation in the program.

During the year, WRCOG received 1.463% of the amount financed, for each assessment, in the residential program. A program management fee of \$55 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$90 annual administrative fee, per assessment, used to levy on county tax rolls. For the commercial program, WRCOG received 0.70% of the amount financed, for each assessment, in the program. A program management fee of \$95 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a \$390 annual administrative fee, per assessment, used to levy on county tax rolls. For FY 20/21, PACE residential program revenue totaled \$2,386,737, while recording revenue totaled \$147,216 and commercial program revenue totaled \$661,009.

During Fiscal year 20/21, WRCOG's partner in the residential HERO Program, Renovate America, terminated its HERO product and subsequently filed for Chapter 11 Bankruptcy in December 2020, effectively ending the Program. Additionally, at the December 2020 WRCOG Executive Committee meeting, staff was directed to terminate the remaining residential PACE administration agreements with the two other companies that have partnered with WRCOG, Renew Financial and PACE Funding Group. Going forward, all WRCOG PACE Program updates will be focused solely on the commercial, or C-PACE, element of the Program.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 12 – FELLOWSHIP PROGRAM

In November 2015, WRCOG launched the Fellowship Program. The Fellowship Program is administered in partnership with the University of California, Riverside and California Baptist University, but also works with other schools in Southern California. The purpose of the program is to encourage students to seek careers in public policy and local government. Based on available funding and member agency's needs, each member agency is provided with a student intern who is employed by WRCOG, to be used to support local government departments.

The Fellowship Program was historically funded by net PACE Program revenues, however in FY 20/21, WRCOG began to request a Member contribution to offset the Programs costs, as its funding source is no longer available. Additionally, as previously disclosed in FY 19/20, the BEYOND Program, which was also funded by net PACE revenues, ceased to operate and an unspent portion of BEYOND was re-assigned to the Fellowship Program. In the fiscal year ending June 30, 2021, Fellowship Program expenses incurred by WRCOG totaled to \$197,804.

NOTE 13 – RISK MANAGEMENT

WRCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters which are covered through the purchase of insurance policies.

At June 30, 2021, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to \$1,000,000 per occurrence and \$122,000 personal property and \$1,000 deductible per occurrence.
- Crime Insurance: WRCOG is insured up to \$5,000,000 per occurrence and \$25,000 deductible per occurrence.
- Excess Liability: WRCOG is insured up to \$4,000,000 per occurrence.
- Workers Compensation: WRCOG is insured up to \$1,000,000 per occurrence.
- Employee Dishonest Bond: WRCOG is insured up to \$25,000 bond limit.
- Business Auto Policy: WRCOG is insured up to \$1,000,000 liability limit.
- There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 14 – WESTERN COMMUNITY ENERGY (WCE)

Western Community Energy ("WCE") was organized on August 23, 2018 pursuant to the Joint Exercise of Powers Agreement by City of Canyon Lake, City of Eastvale, City of Hemet, City of Jurupa Valley, City of Perris, and City of Wildomar ("Member Agencies"). In 2002, AB 117 was signed into law allowing public agencies to aggregate the electrical load of interested consumers within their jurisdictional boundaries and purchase electricity on behalf of those consumers. The WCE was formed with the purpose and intent to collectively study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and other energy-related and climate change programs related to a Community Choice Aggregation program ("CCA Program"), and exercise all other powers necessary and incidental to accomplishing this purpose. The Member Agencies have each adopted an ordinance electing to implement through the Authority a community choice aggregation program pursuant to California Public Utilities Code § 366.2.

On May 24, 2021, WCE declared a fiscal emergency, which ultimately led to WCE filing for Chapter 9 bankruptcy protection. Multiple factors led to WCE declaring its fiscal emergency, including increased energy usage due to the COVID lockdown, increased energy costs, increased delinquencies due to COVID and record-high heatwaves in the Fall of 2020. While other CCAs and utilities in California experienced similar events and challenges, they were able to draw on reserves that were built up over years of operation to overcome these challenges. As WCE commenced operation right as these issues started to happen, it did not have the opportunity to build financial reserves and had no cushion to fall back on.

WCE has an Implementation and Management Services Agreement with WRCOG to provide administrative services to the Agency. WRCOG provided WCE with start-up costs to launch the CCA as well as additional amounts to support operations. The amount owed by WCE to WRCOG is approximately \$5 million. As WRCOG is seen as an unsecured creditor in the bankruptcy, not all of what was loaned to WCE is expected to be recovered. While the numbers have not yet been finalized, it is anticipated that between 20 to 30 percent of what is owed to WRCOG is expected to be recovered.

NOTE 15 – COVID-19 CONSIDERATIONS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption was temporary, there is considerable uncertainty around the duration of the pandemic. Therefore, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

NOTE 16 – PRIOR PERIOD RESTATEMENT

As discussed in Note 1 the City implemented GASB Statement No. 84. Accordingly, beginning fund balances for the General Fund and beginning fiduciary net position for the custodial funds has been restated for changes related to the implementation of GASB Statement No. 84 as follows:

FUND STATEMENTS

Governmental Funds

General Fund

Fund balance - beginning, as previously reported	\$ 11,813,530
Implementation of GASB 84	<u>762,496</u>
Fund balance - beginning, as restated	<u><u>\$ 12,576,026</u></u>

Fiduciary Funds - Custodial Fund

PACE

Net position - beginning, as previously reported	
Implementation of GASB 84	<u>\$ 8,203,482</u>
Net position - beginning, as restated	<u><u>\$ 8,203,482</u></u>

GOVERNMENT WIDE STATEMENTS

Governmental Activities:

Net position - beginning, as previously reported	\$ (4,410,138)
Implementation of GASB 84	<u>762,496</u>
Net position - beginning, as restated	<u><u>\$ (3,647,642)</u></u>

NOTE 17 – SUBSEQUENT EVENTS

On May 24, 2021, WCE declared a fiscal emergency, which ultimately led to WCE filing for Chapter 9 bankruptcy protection. As WCE navigates through its bankruptcy proceedings in FY 21/22, its impact to WRCOG has yet to be fully determined. For additional information, please refer to Note 14 regarding Western Community Energy.

REQUIRED SUPPLEMENTARY INFORMATION

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 736,500	\$ 736,500	\$ 676,500	\$ (60,000)
TUMF mitigation fees	1,287,184	2,379,379	2,435,899	56,520
PACE fees	1,879,020	3,888,054	3,194,962	(693,092)
Other revenues	2,255,985	2,428,435	2,262,134	(166,301)
Investment income	25,000	25,000	27,101	2,101
Total revenues	6,183,689	9,457,368	8,596,596	(860,772)
Expenditures:				
Current:				
General government	4,070,871	8,769,699	3,898,224	4,871,475
Energy	2,482,452	3,550,639	3,110,304	440,335
Environmental	564,367	564,367	501,333	63,034
Total Expenditures	7,117,690	12,884,705	7,509,861	5,374,844
Net change in fund balance	<u>\$ (934,001)</u>	<u>\$ (3,427,337)</u>	1,086,735	<u>\$ 4,514,072</u>
Fund balance:				
Balance, beginning of year			12,576,026	
Balance, end of year			<u>\$ 13,662,761</u>	

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
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**Schedule of the WRCOG's Proportionate Share
of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*
As of the Year Ended June 30, 2021**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.0229%	\$ 1,421,911	\$ 1,422,424	99.96%	79.82%
6/30/2015	0.0263%	1,808,565	1,616,828	111.86%	78.40%
6/30/2016	0.0265%	2,297,048	1,760,643	130.47%	78.40%
6/30/2017	0.0271%	2,689,185	2,062,647	130.38%	74.33%
6/30/2018	0.0272%	2,621,376	2,413,255	108.62%	75.93%
6/30/2019	0.0280%	2,873,074	2,530,409	113.54%	75.21%
6/30/2020	0.0288%	3,129,775	2,504,167	124.98%	62.87%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of Plan Contributions
Last Ten Years*
As of the Year Ended June 30, 2021**

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014-15	\$ 294,471	\$ (294,471)	\$ -	\$ 1,616,828	18.21%
2015-16	305,212	(305,212)	-	1,760,643	17.34%
2016-17	323,200	(323,200)	-	2,062,647	15.67%
2017-18	345,428	(345,428)	-	2,413,255	14.31%
2018-19	236,092	(236,092)	-	2,530,409	9.33%
2019-20	466,492	(466,492)	-	2,504,167	18.63%
2020-21	523,824	(523,824)	-	2,610,410	20.07%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021**

Measurement Period	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service cost	\$ 108,879	\$ 171,367	\$ 150,146	\$ 180,222
Interest	159,498	160,645	173,314	165,457
Differences between expected and actual experience	(156,922)	-	(836,051)	-
Changes of assumptions	-	-	763,070	105,642
Benefit payments	(113,278)	(84,617)	(131,557)	(170,086)
Net change in total OPEB liability	(1,823)	247,395	118,922	281,235
Total OPEB liability - beginning	2,443,082	2,441,259	2,688,654*	2,807,576
Total OPEB liability - ending (a)	2,441,259	2,688,654	2,807,576	3,088,811
Plan Fiduciary Net Position				
Contributions – employer	-	120,000	106,392	140,657
Net investment income	104,450	(5,368)	97,620	72,852
Benefit payments	(105,916)	(84,617)	(131,557)	(170,086)
Administrative expense	(7,361)	(6,574)	(7,570)	-
Net change in plan fiduciary net position	(8,827)	23,441	64,885	43,423
Plan fiduciary net position - beginning	1,783,502	1,774,675	1,798,116	1,863,001
Plan fiduciary net position - ending (b)	1,774,675	1,798,116	1,863,001	1,906,424
Net OPEB liability - ending (a) - (b)	\$ 666,584	\$ 890,538	\$ 944,575	\$ 1,182,387
Plan fiduciary net position as a percentage of the total OPEB liability	72.70%	66.88%	66.36%	61.72%
Covered payroll	\$ 2,211,299	\$ 2,617,222	\$ 2,817,402	\$ 2,664,693
Net OPEB liability as a percentage of covered payroll	30.14%	34.03%	33.53%	44.37%

Notes to Schedule:

Changes in assumptions:

Discount rate: Decreased from 5.70% to 5.45%.

Mortality improvement: Scale updated to 2020 MacLeod Watts Scale.

Demographic Assumptions: Mortality rates updated to 2017 CalPERS experience study

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Schedule of OPEB Plan Contributions – Last Ten Years*
For the Year Ended June 30, 2021**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2018	\$ 185,075	\$ 185,075	\$ -	\$ 2,617,222	7.07%
June 30, 2019	202,857	202,857	-	2,817,402	7.20%
June 30, 2020	256,928	140,657	116,271	2,664,693	5.28%
June 30, 2021	274,960	47,459	227,501	2,794,918	1.70%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine the actuarially determined contribution:	
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry age normal cost, level percent of pay.
Amortization Methodology	Level \$, closed 30 year period
Asset Valuation Method	Market value
Discount Rate	5.45%
General Inflation	2.50%
Salary Increases	3.00%
Medical Trend	5.4% in 2021 fluctuating down to 4.0% by 2076.
Mortality	MacLeod Watts Scale 2020
Retirement Age	From 50 to 75

*Fiscal year 2017-18 was the first year of implementation. Additional years to be presented as information becomes available.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Notes to the Required Supplementary Information
For the Year Ended June 30, 2021**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

By state law, WRCOG's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. WRCOG's Governing Board satisfied these requirements. A budget is adopted for all expenditures by financial responsibility for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2021, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.47%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 45.7%, 45.7% and 3.13%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

The TUMF Fund does not have an adopted budget that is approved by the WRCOG General Assembly, therefore, the TUMF Fund does not present a budget to actual comparison.

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Statistical Section

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Statistical Section Overview
For the Fiscal Year Ended June 30, 2021**

This section of the Western Riverside Council of Government's Annual Comprehensive Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing WRCOG's financial condition.

Financial Trends: These schedules contain trend information to assist readers in understanding and assessing how WRCOG's financial position has changed over time.

*Net Position by Component
Changes in Net Position
Fund Balance of Governmental Funds
Changes in Fund Balances of Governmental Funds*

Revenue Capacity: These schedules contain information to help the reader assess WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.

Revenue by Fund

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place. These schedules include:

*Demographic and Economic Statistics for Riverside County
Principal Employers of Riverside County*

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. These schedules include:

*Full-time Equivalent Employees by Function/Program
Economic Indicators by Function/Program*

Sources: WRCOG Finance Department

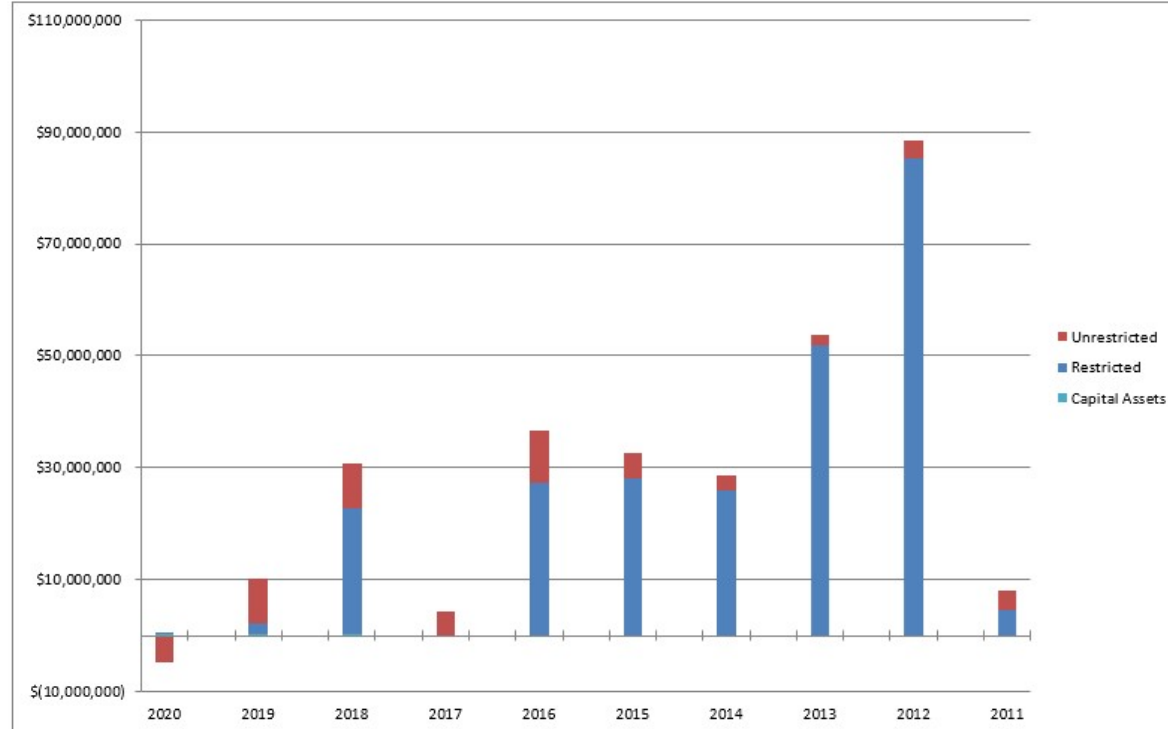
California State Department of Finance
U.S. Department of Commerce Bureau of Economic Analysis
Riverside County Economic Development Agency
State of California Economic Development Department
FRED Economic Data Economic Research Federal Reserve Bank of St. Louis

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in										
Capital Assets	\$ 218,171	\$ 293,345	\$ 362,054	\$ 413,343	\$ 93,875	\$ 100,296	\$ 54,038	\$ 30,021	\$ 20,735	\$ 32,918
Restricted	5,164,059	111,838	1,907,303	22,211,582	11,702	27,079,334	28,033,173	25,869,263	51,733,864	85,054,212
Unrestricted	8,965,785	(4,815,321)	6,771,505	8,130,795	4,232,803	9,385,943	4,556,290	2,632,813	1,880,401	3,361,861
Total governmental activities net position/(deficit)	\$ 14,348,015	\$ (4,410,138)	\$ 9,040,862	\$ 30,755,720	\$ 4,338,380	\$ 36,565,573	\$ 32,643,501	\$ 28,532,097	\$ 53,635,000	\$ 88,448,991

Source: Finance Department



**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 4,150,530	\$ 3,674,580	\$ 6,966,676	\$ 5,416,418	\$ 4,028,482	\$ 2,520,688	\$ 2,031,313	\$ 2,245,634	\$ 2,401,116	\$ 3,392,955
Transportation	42,583,401	63,456,285	85,033,676	34,971,790	74,542,061	41,631,788	33,114,224	54,779,449	50,187,717	21,194,918
Energy	3,110,304	2,349,851	2,779,274	6,333,946	5,622,980	5,629,560	4,926,278	2,445,533	1,608,694	476,844
Environmental	707,125	704,465	533,897	570,687	513,137	423,667	531,945	647,781	576,600	520,748
Total primary government expenses	<u>50,551,360</u>	<u>70,185,181</u>	<u>95,313,523</u>	<u>47,292,841</u>	<u>84,706,660</u>	<u>50,205,703</u>	<u>40,603,760</u>	<u>60,118,397</u>	<u>54,774,127</u>	<u>25,585,465</u>
Program Revenues										
Governmental activities:										
General government	447,393	341,563	569,301	567,640	512,876	513,188	349,268	420,810	528,756	63,102
Transportation	63,706,655	50,389,714	66,842,236	67,483,341	42,731,611	43,508,888	37,430,113	24,905,073	25,966,400	14,122,996
Energy	3,962,842	2,966,193	3,364,946	6,003,534	9,316,452	9,779,134	7,473,816	3,198,814	1,482,940	190,142
Environmental	673,823	758,394	542,592	515,141	528,775	464,885	620,836	618,415	619,388	712,040
Total primary government program revenues	<u>68,790,713</u>	<u>54,455,864</u>	<u>71,319,075</u>	<u>74,569,656</u>	<u>53,089,714</u>	<u>54,266,095</u>	<u>45,874,033</u>	<u>29,143,112</u>	<u>28,597,484</u>	<u>15,088,280</u>
Net (Expense)/Revenue										
Total primary government net expense	<u>18,239,353</u>	<u>(15,729,317)</u>	<u>(23,994,448)</u>	<u>27,276,815</u>	<u>(31,616,946)</u>	<u>4,060,392</u>	<u>5,270,273</u>	<u>(30,975,285)</u>	<u>(26,176,643)</u>	<u>(10,497,185)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Other revenues	-	-	-	-	-	36,112	241,763	259,349	308,294	852,752
Investment income	(243,696)	2,356,692	2,262,464	273,559	(12,645)	509,228	552,021	706,876	(285,642)	806,546
Loss on sale of capital assets	-	(78,375)	-	-	-	-	-	-	-	-
Total primary government	<u>(243,696)</u>	<u>2,278,317</u>	<u>2,262,464</u>	<u>273,559</u>	<u>(12,645)</u>	<u>545,340</u>	<u>793,784</u>	<u>966,225</u>	<u>22,652</u>	<u>1,659,298</u>
Changes in Net Position										
Total primary government	<u>\$ 17,995,657</u>	<u>\$ (13,451,000)</u>	<u>\$ (21,731,984)</u>	<u>\$ 27,550,374</u>	<u>\$ (31,629,591)</u>	<u>\$ 4,605,732</u>	<u>\$ 6,064,057</u>	<u>\$ (30,009,060)</u>	<u>\$ (26,153,991)</u>	<u>\$ (8,837,887)</u>

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>GENERAL FUND</u>										
General fund:										
Nonspendable										
Prepaid Expenses	\$ 61,060	\$ 209,708	\$ 96,486	\$ 43,859	\$ 167,212	\$ 90,762	\$ 82,987	\$ 70,111	\$ 67,357	\$ 36,386
Restricted										
Section 115 Pension Trust	366,611	-	-	-	-	-	-	-	-	-
LTF	-	-	-	-	-	-	-	581,358	578,909	591,273
Assigned	-	-	-	-	11,702.00	-	-	-	-	-
BEYOND Program	-	702,559	702,559	2,533,866	3,305,419	1,556,763.00	-	-	-	-
Fellowship Program	219,839	609,412	304,733	514,732	121,272	400,000.00	-	-	-	-
Unassigned	13,015,251	10,291,851	9,613,033	8,233,431	8,988,826	7,888,825	5,415,947	1,275,895	456,939	392,965
Total general fund	<u>\$ 13,662,761</u>	<u>\$ 11,813,530</u>	<u>\$ 10,716,811</u>	<u>\$ 11,325,888</u>	<u>\$ 12,594,431</u>	<u>\$ 9,936,350</u>	<u>\$ 5,498,934</u>	<u>\$ 1,927,364</u>	<u>\$ 1,103,205</u>	<u>\$ 1,020,624</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>										
All other governmental funds:										
Restricted										
Transportation	17,187,489	2,483,852	15,073,913	38,098,604	9,373,801	51,540,293	53,379,614	49,094,887	65,104,205	95,670,753
AB 2766	45,325	-	-	-	-	-	-	-	-	-
Foundation	11,721	111,838	72,145	11,733.00	-	11,690	11,695	11,604	20,550	11,370
Total all other governmental funds	<u>\$ 17,244,535</u>	<u>\$ 2,595,690</u>	<u>\$ 15,146,058</u>	<u>\$ 38,110,337</u>	<u>\$ 9,373,801</u>	<u>\$ 51,551,983</u>	<u>\$ 53,391,309</u>	<u>\$ 49,106,491</u>	<u>\$ 65,124,755</u>	<u>\$ 95,682,123</u>

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Intergovernmental	\$ 827,500	\$ 1,068,020	\$ 967,270	\$ 931,500	\$ 1,145,570	\$ 1,058,265	\$ 1,461,999	\$ 1,350,596	\$ 1,830,454	\$ 1,216,550
TUMF Mitigation fees	60,897,468	48,850,599	63,686,091	51,305,031	42,239,340	42,615,158	36,507,739	24,306,973	25,361,053	13,871,730
Pace fees	3,340,417	2,512,229	2,752,932	5,684,817	9,028,003	9,562,139	7,159,144	2,197,585	-	-
Other revenues	3,725,328	2,085,571	3,852,228	16,648,307	894,488	848,957	986,914	1,547,307	1,714,271	852,752
Investment income (loss)	(243,696)	2,356,691	2,262,464	273,560	(12,645)	509,229	552,021	420,526	(285,642)	806,546
Total revenues	68,547,017	56,873,110	73,520,985	74,843,215	53,294,756	54,593,748	46,667,817	29,822,987	28,620,136	16,747,578
Expenditures										
Current:										
General Government	3,903,224	3,531,873	6,039,994	4,493,570	3,965,880	2,681,489	2,070,885	2,191,112	2,321,713	3,969,631
Programs:										
Transportation	45,090,784	61,740,570	87,741,176	35,974,673	82,703,352	44,125,019	30,998,608	44,901,088	52,612,593	23,624,407
Energy	3,110,304	2,349,851	2,779,274	6,336,292	5,632,488	5,647,563	4,929,398	2,431,687	1,589,887	675,950
Environmental	707,125	704,465	533,897	570,687	513,137	435,670	534,027	638,549	564,061	653,485
Debt service	-	-	-	-	-	-	-	-	1,500,000	-
Total expenditures	52,811,437	68,326,759	97,094,341	47,375,222	92,814,857	52,889,741	38,532,918	50,162,436	58,588,254	28,923,473
Excess (deficiency) of revenues over (under) expenditures	<u>15,735,580</u>	<u>(11,453,649)</u>	<u>(23,573,356)</u>	<u>27,467,993</u>	<u>(39,520,101)</u>	<u>1,704,007</u>	<u>8,134,899</u>	<u>(20,339,449)</u>	<u>(29,968,118)</u>	<u>(12,175,895)</u>
Other financing sources (uses):										
Loan proceeds	-	-	-	-	-	-	-	-	1,500,000	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,500,000	-
Net change in fund balances	<u>\$ 15,735,580</u>	<u>\$ (11,453,649)</u>	<u>\$ (23,573,356)</u>	<u>\$ 27,467,993</u>	<u>\$ (39,520,101)</u>	<u>\$ 1,704,007</u>	<u>\$ 8,134,899</u>	<u>\$ (20,339,449)</u>	<u>\$ (28,468,118)</u>	<u>\$ (12,175,895)</u>
Debt service as a percentage of noncapital expenditures	<u>0.0%</u>									

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (A Joint Powers Authority)

Revenue by Fund Last Ten Fiscal Years (Accrual Basis)

	Fiscal Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL FUND:										
Member dues:										
Banning	3,941	3,941	3,941	3,941	3,941	3,941	3,957	3,957	3,957	3,957
Beaumont	5,000	5,000	5,000	5,000	-	-	5,255	5,255	5,255	5,255
Calimesa	1,049	1,049	1,049	1,049	1,049	1,049	1,102	1,102	1,102	1,102
Canyon Lake	1,406	1,406	1,406	1,406	1,406	1,406	2,256	2,256	2,256	2,256
Corona	20,290	20,290	20,290	20,290	20,290	20,290	25,886	25,886	25,886	25,886
Eastvale	7,171	7,171	7,171	7,171	7,171	7,171	-	-	-	-
Hemet	7,425	9,797	9,797	9,797	9,797	9,797	10,386	10,386	10,386	10,386
Jurupa Valley	12,710	12,710	12,710	12,710	12,710	12,710	-	-	-	-
Lake Elsinore	6,933	6,933	6,933	6,933	6,933	6,933	7,904	7,904	7,904	7,904
Menifee	10,491	10,491	10,491	10,491	10,491	10,491	10,147	10,147	10,147	10,147
Moreno Valley	25,780	25,780	25,780	25,780	25,780	25,780	25,413	25,413	25,413	25,413
Murrieta	13,794	13,794	13,794	13,794	13,794	13,794	17,954	17,954	17,954	17,954
Norco	3,573	3,573	3,573	3,573	3,573	3,573	4,482	4,482	4,482	4,482
Perris	9,215	9,215	9,215	9,215	9,215	9,215	8,173	8,173	8,173	8,173
Riverside	40,512	40,512	40,512	40,512	40,512	40,512	42,894	42,894	42,894	42,894
San Jacinto	5,889	5,889	5,889	5,889	5,889	5,889	5,504	5,504	5,504	5,504
Temecula	13,424	13,424	13,424	13,424	13,424	13,424	18,714	18,714	18,714	18,714
Wildomar	4,298	4,298	4,298	4,298	4,298	4,298	4,863	4,863	4,863	4,863
County of Riverside	48,137	48,137	48,137	48,137	48,137	48,137	43,520	43,520	43,520	43,520
County of Riverside - Office of Superintendent	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Eastern Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Western Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Morongo Band of Mission Indians	-	-	17,000	17,000	17,000	9,500	10,000	10,000	-	-
Total Member dues	292,038	294,410	311,410	311,410	306,410	298,910	299,410	299,410	289,410	289,410
ALL OTHER GOVERNMENTAL FUNDS										
Transportation Uniform Mitigation Fee (TUMF):										
Banning	90,905	16,719	12,165	16,040	40,930	6,326	54,738	4,116	-	89,603
Beaumont	1,044,450	661,889	1,133,974	514,351	-	-	-	-	-	-
Calimesa	84,328	357,530	188,577	4,055	103,835	10,359	133,217	65,387	1,310	1,144
Canyon Lake	35,410	41,949	44,605	38,832	18,525	20,583	27,055	22,642	4,117	1,028
Corona	766,323	500,855	2,599,705	140,921	1,153,262	2,743,488	1,989,728	114,644	104,773	1,272,328
Eastvale	988,078	819,704	660,354	1,735,201	1,249,621	1,705,338	1,241,685	1,438,152	1,478,348	665,522
Hemet	938,306	200,532	247,002	217,626	52,392	351,010	545,597	736,612	531,470	194,078
Jurupa Valley	629,122	1,707,104	1,919,323	995,072	2,400,109	2,302,649	1,738,387	242,216	112,044	32,901
Lake Elsinore	1,564,641	1,588,824	912,194	56,629	800,725	969,533	898,098	868,004	646,241	259,098
March JPA	222,156	1,503,832	1,196,382	1,668,406	765,627	222,482	239,874	-	227,695	-
Menifee	6,129,067	2,369,260	2,589,565	1,944,365	1,374,603	1,203,549	909,230	1,665,304	821,673	628,138
Moreno Valley	2,962,390	1,861,624	4,400,523	300,521	883,562	1,356,327	2,343,895	1,138,394	693,588	29,612
Murrieta	1,121,883	667,417	1,115,593	2,585,547	884,391	1,452,155	1,496,315	70,944	81,192	64,386
Norco	4,483	136,181	523,643	1,867,071	304,411	100,355	101,444	11,288	8,232	-
Perris	1,198,867	726,994	789,812	918,236	1,235,325	1,167,113	1,069,887	1,498,823	320,608	124,896
Riverside	823,662	1,928,733	3,018,415	1,484,544	3,113,205	1,852,839	1,461,429	594,363	1,365,025	955,549
San Jacinto	1,024,429	784,469	984,137	3,212,024	843,818	698,893	259,021	200,630	70,674	90,480
Temecula	445,363	676,132	646,123	1,448,549	810,938	809,664	679,386	227,028	1,772,534	944,090
Wildomar	170,292	316,900	134,061	87,114	826,659	384,865	83,178	219,722	1,032,017	16,451
County - Northwest	3,573,018	3,237,826	998,669	272,790	569,203	414,258	216,343	183,616	189,161	248,635
County - Southwest	2,576,214	1,421,458	730,000	1,643,915	863,473	636,493	1,529,926	1,288,379	1,622,276	598,885
County - Central	96,255	189,085	1,403,293	1,125,077	911,716	1,040,489	593,671	46,173	434,159	37,570
County - Pass	52,888	37,617	64,879	815,242	12,349	20,581	16,502	4,116	431,198	2,181
County - Hemet/San Jacinto	1,287,613	946,277	2,254,436	538,809	376,151	299,821	91,090	82,324	30,103	15,701
Regional Transit Authority	1,906,091	1,554,652	1,956,588	1,203,022	692,725	698,889	314,621	367,630	423,339	194,423
Riverside County Transportation Commission	27,830,143	22,698,912	28,567,429	23,630,936	19,594,830	19,769,172	17,480,991	10,899,357	11,978,440	5,494,327
WRCOG	2,435,899	1,986,776	2,500,431	2,056,290	1,689,574	1,704,607	2,076,008	974,049	1,027,871	505,866
MSHCP	895,192	730,140	918,909	783,850	667,382	673,319	602,662	369,011	407,929	191,743
Total TUMF	60,897,468	49,669,391	62,510,787	51,305,034	42,239,341	42,615,157	38,193,978	23,332,924	25,816,017	12,658,635

Source: Finance Department

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Demographic and Economic Statistics for Riverside County
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u> <u>(thousands)</u>	<u>Per Capita Personal</u> <u>Income</u>	<u>Unemployment Rate</u>
2021	2,454,453	\$ 114,090,413	\$ 45,834	6.30%
2020	2,442,304	104,794,676	42,418	14.90%
2019	2,440,124	95,140,992	39,261	4.60%
2018	2,415,955	87,827,068	36,782	4.70%
2017	2,390,702	88,000,000	35,883	5.80%
2016	2,317,924	89,500,000	31,762	6.90%
2015	2,329,271	83,500,000	31,344	8.40%
2014	2,292,507	76,289,477	30,815	9.80%
2013	2,227,577	70,376,019	29,986	11.50%
2012	2,239,620	67,024,780	29,927	13.20%

Sources: California State Department of Finance as of January 1
 FRED Economic Data Economic Research Federal Reserve Bank of St. Louis
 U.S. Department of Commerce Bureau of Economic Analysis
 State of California Employment Development Department as of June
 Riverside County Economic Development Agency

Represents most recent data available

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Principle Employers of Riverside County
Calendar Years 2020 and Nine Calendar Years Ago**

Industry Type	2020	% of Total Employment	2011	% of Total Employment
Agricultural service	12,000	1.7%	12,400	2.2%
Mining and logging	400	0.1%	400	0.1%
Construction	66,600	9.2%	34,100	6.1%
Manufacturing	42,400	5.9%	38,600	6.9%
Transportation, warehousing, and public utilities	61,500	8.5%	20,200	3.6%
Wholesale trade	24,300	3.4%	19,700	3.5%
Retail trade	86,800	12.0%	81,600	14.5%
Information	5,300	0.7%	7,700	1.4%
Finance and insurance	11,200	1.5%	11,000	2.0%
Real estate and rental and leasing	9,600	1.3%	7,600	1.4%
Professional & business services	70,500	9.7%	52,300	9.3%
Education & health services	112,300	15.5%	74,300	13.2%
Leisure and hospitality	76,300	10.6%	68,900	12.3%
Other services	19,600	2.7%	18,800	3.3%
Federal government, civilian	7,600	1.1%	7,000	1.2%
State government	17,600	2.4%	16,100	2.9%
Local government	99,200	13.7%	91,100	16.2%
Total	723,200	100.0%	561,800	100.0%

Source: State of California Economic Development Department

Represents most recent data available

Data not available solely for Western Riverside County

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	As of June 30									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Management services and administration	9	7	7	7	9	7.8	7.2	5.5	5.9	6.0
Transportation & Planning	6	6	7	4	3.5	5.5	4.9	4.9	5.8	5.0
Energy	11	11	7	14	15.3	8.3	7.2	4.6	3.1	2.2
Environmental	2	2	3	4.5	2.3	1.3	3.4	3.0	3.0	2.0
RCHCA	4	5	-	-	-	-	-	-	-	-
Total full time equivalents	32.0	31.0	24.0	29.5	30.1	22.8	22.7	18.0	17.8	15.2

Source: Finance Department

For FY 19/20 the amount reflected includes both WRCOG and RCHCA employees, since WRCOG provides administrative services to RCHCA per the service agreement.

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)**

**Economic Indicators by Function/Program
Last Ten Fiscal Years**

	As of June 30									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Property Assessed Clean Energy Programs										
Energy Efficiency Projects Completed	88	7,437	1,895	9,061	24,538	31,670	22,710	9,728	7,210	1,574
Solar Projects Completed	50	2,049	782	3,934	9,633	10,628	12,102	5,459	3,170	763
Water Efficiency Projects Completed	10	471	140	697	2,148	2,880	1,798	403	36	5
Energy Savings Programs										
Energy Savings (kWh)	n/a	n/a	14,443,467	2,534,586	152,304	n/a	n/a	n/a	1,380,809	644,889
Gas Savings (Therms)	4,000	n/a	52,547	n/a	9,862	n/a	n/a	n/a	n/a	n/a
Environmental Programs										
Gallons of Gasoline Equivalent Reduced	n/a	n/a	n/a	9,630,272	9,747,951	9,730,702	8,963,115	10,376,763	8,399,294	6,916,638
Tons Greenhouse Gas Emissions Reduced	n/a	n/a	n/a	15,703	15,610	15,255	12,829	25,146	21,818	16,836
Used Oil Gallons Recycled	n/a	n/a	n/a	207,996	230,000	328,686	157,556	213,140	148,959	142,190
Used Oil Filters Recycled	n/a	n/a	n/a	17,378	1,428	1,418	194	250	28,000	18,000
Solid Waste - Disposal Amount (tons):	n/a	n/a	n/a	723,493	708,996	637,811	617,666	584,569	533,829	511,654
Transportation Programs										
Single Family Home Permits Issued	4,604	3,150	3,659	3,580	3,179	2,916	2,360	1,821	2,453	1,314
Multi-family Home Permits Issued	958	1,044	1,990	557	450	1,032	1,199	281	1,375	972
New Retail Construction (square foot)	220,143	618,445	428,260	622,387	479,982	366,654	265,173	396,902	292,879	324,869
New Commercial Construction (square foot)	426,595	461,103	482,308	613,916	512,886	691,077	269,918	85,772	328,923	340,597
New Industrial Construction (square foot)	3,156,026	4,254,754	7,540,010	6,083,631	4,089,710	2,906,471	3,045,491	1,242,931	3,860,571	329,484

Source: Finance Department

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Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2021

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: February 7, 2022

Requested Action(s):

1. Receive and file.
-

Purpose:

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

Background:

Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the month of December 2021.

Prior Action(s):

December 6, 2021: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - Committee Meeting Recaps December 2021](#)



**Western Riverside Council of Governments
Executive Committee
Meeting Recap
December 6, 2021**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9259/ec1221>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9269/ec1221pp>

2021 Meeting Schedule Approved

Day and Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
1st Mon. @ 2 p.m.	Canceled	7	7	4	2	6 & 24 ¹	11 ²	1	12 ²	3	7	5

¹Executive Committee meeting will be held at 10:00 a.m.

²Executive Committee meeting scheduled for the 2nd Monday due to observance of Fourth of July and Labor Day.

TUMF Program Activities Update

- TUMF Reimbursement Agreement with the City of Lake Elsinore approved for the Planning Phase of the I-15 / Nichols Road Interchange in an amount not to exceed \$4,000,000.
- TUMF Reimbursement Agreement Amendment with the City of Moreno Valley approved for the Construction Phase of the SR-60 / Moreno Beach Interchange in an amount not to exceed \$24,558,480.

Update from the California State Association of Counties (CSAC)

- Andrea Mares, Board Assistant, County of Riverside - District 3, announced that Supervisor Chuck Washington was recently elected as the First Vice-President for CSAC.
- CSAC has established its Legislative Platform. Priorities include, in addition to other matters:
 - Continued County COVID-19 Response and Recovery
 - Drought preparedness
 - Addressing wildfire in the modern age
 - Modernize the Brown Act
 - Homelessness funding and implementation
 - Illegal cannabis
 - Felony incompetence to stand trial waitlist issues
- CSAC has been engaged in the national opioid settlement; the County of Riverside has been working with all 26 eligible Riverside County cities to ensure their participation in the settlement. If / when all eligible Riverside County cities opt in, Riverside County will receive just under \$94.5 million. Of this amount, the cities are eligible to receive \$20 million over 18 years.

Environmental Programs Activities Update

- WRCOG partnered with the Riverside County Department of Environmental Health and the Coachella Valley Association of Governments to assist member agencies with their SB 1383 organics recycling and edible food recovery efforts.
- WRCOG provided four virtual AltCar webinar series and is planning an AltCar in March 2022 to promote clean fuel technologies.

- WRCOG completed 16 virtual Used Oil and Filter Exchange events since the start of FY 2021/2022. There are 16 upcoming events for the remainder of the fiscal year.
- The Committee authorized the submittal of an application for the Edible Food Recovery Grant (FYs 2021/2022 and 2022/2023).

Next Meeting

The January Executive Committee meeting is canceled. The next Executive Committee meeting is scheduled for Monday, February 7, 2022, at 2:00 p.m., on the Zoom platform.



**Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
December 8, 2021**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9260/af1221>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9271/af1221pp>

2022 Meeting Schedule Approved

Day and Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
2nd Wed. @ 12:00 p.m.	12	9	9	13	11	8	13	DARK	14	12	9	14

Riverside County Pollution Prevention Initiative Agreement

- The Committee authorized the Executive Director to execute a Professional Services Agreement with the Riverside County Flood Control and Water Conservation District.
- This agreement will enhance the Love Your Neighborhood Program to help member agencies meet compliance objectives and provide outreach on illegal disposal and littering. The agreement will be valid through June 30, 2022, and not to exceed \$35,000.

Third Amendment to the Professional Services Agreement with Frontier Energy for Regional Energy Network Development

- The Committee approved the Third Amendment to the Professional Services Agreement between WRCOG and Frontier Energy, Inc., for continued support to WRCOG in its Regional Energy Network development and general staff support activities to increase the total not-to-exceed amount from \$151,347 to \$196,347, and to extend the term of the Agreement through June 30, 2022.

WRCOG Broadband Assessment

- Daniel Soltero, Program Manager, and Dawn Wilson, Department Manager at Michael Baker International, provided information on the Broadband Assessment, which is assessing various public and private broadband initiatives within Riverside County and outside the subregion.
- Staff met virtually with the County of Riverside to discuss its RIVCO Connect Program. Although RIVCO Connect has not yet been implemented, the County will continue to work with local government agencies to streamline the permitting process and attract internet service providers to the region. Staff also held discussions with the Inland Empire Broadband Consortium (IERBC), a non-profit organization funded by a California Public Utilities Commission grant which seeks to advance smart communities by attracting internet service providers to San Bernardino and Riverside County to deploy broadband in unserved or underserved communities.
- Staff also met with the Cities of Loma Linda and Rancho Cucamonga, as well as the South Bay Cities COG to learn about their public-owned fiber networks and municipal broadband service. A few of the key lessons learned from those discussions are that fiber networks should be constructed with built-in redundancy; local governments should adopt “dig once/dig smart” policies and install as much fiber as possible; and that while public-private partnerships can be tough to navigate they can be an effective method to expedite construction of fiber networks. Finally, the SBCCOG Fiber Network made it clear that regional collaboration provides bargaining power and can help reduce broadband service rates for local governments.

Western Riverside County Focused CTNA

- Taylor York, Consultant at Kearns and West, presented on WRCOG's Community Transportation Needs Assessment (CTNA), which identifies the mobility needs and barriers in disadvantaged communities within the Western Riverside County subregion. WRCOG partnered with EViaShare, an electric vehicle car-sharing company, and divided the project into three phases: (1) transportation access data analysis, (2) community and stakeholder engagement, and (3) report preparation. A few of the key findings are that some residents are hesitant to share personal information for ride-share services; familiarity with clean fuel technologies is low; and community education and partnership are key to the deployment of clean mobility options.
- The assessment can be used as a tool and helpful resource for member agencies to understand residents' mobility and transportation challenges and may also be used to apply for the Clean Mobility Project Voucher to seek funding for the deployment of clean mobility options.

Appointment of one WRCOG Representative to a SCAG Policy Committee

- The Committee recommended that Colleen Wallace, Council member, City of Banning, be appointed to the SCAG Energy & Environment Policy Committee as a WRCOG Appointment. This recommended appointment gets forwarded to the Executive Committee for final appointment at its February 2022 meeting.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, January 12, 2022, at 12:00 p.m., on the Zoom platform.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
December 9, 2021**

Following is a list of key items discussed at the last Planning Directors Committee meeting.

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9261/pdc1221>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9270/pdc1221pp>

2022 Meeting Schedule Approved

Day and Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
2nd Thurs. @ 9:30 a.m.	Canceled	10	10	14	12	9	14	11	8	13	10	8

REAP Grant Program: Local Staff Augmentation and Housing Legislation Implementation Assistance Project Work Plan

- Tara Lake from WSP provided a summary of the proposed projects to continue assisting member agencies with housing planning activities. Funding for these projects is provided through the SCAG REAP Subregional Partnership Program that is intended to increase planning to accelerate housing production throughout the SCAG region.
- The proposed projects activities listed have been identified through feedback sought by member agency staff on its top priorities to help advance their respective housing goals.
- The proposed projects include a list of specific tasks related to implementing recent California housing legislation, including bills about Accessory Dwelling Units, the Density Bonus law, Surplus Lands disposition, zoning law, and development streamlining, as well as staff augmentation to assist with housing-related local actions. Additional information on the projects may be found in the attachment to the staff report of the meeting agenda.
- A consultant(s) will be procured to provide this assistance and jurisdictions may select which project(s) they would like to undertake. Please note that the specific scope and fee for a project may be modified to reflect a jurisdiction's unique circumstances and needs.
- Please reach out to Chris Tzeng (ctzeng@wrcog.us) with any requests for assistance or input on any of the Scopes of Work.

Objective Design Standards Toolkit Summary

- Alan Loomis from PlaceWorks provided a summary of the preparation of an Objective Design Standards Toolkit for use by WRCOG member agencies.
- The Toolkit will be developed in a manner so that member agencies can customize standards that fit each agency. The Toolkit is being proposed to include the following components and unique chapters: Introduction to SB35 and ODS, Inclusion in the Zoning Code, Typical ODS Standards Components.
- The proposed Scope of Work may be found as an attachment to the staff report of the meeting agenda. WRCOG is proposing to include SB 9 Design Standards as part of the Toolkit. This will include both lots that will be impacted by SB 9 and those that will not be impacted, in order to provide additional information to member agencies on the impacts of SB 9.

- Please reach out to Chris Tzeng (ctzeng@wrcog.us) with any input on the Scope of Work.

Housing Legislation Priorities

- Chris Gray provided a summary of housing legislation ideas that WRCOG is proposing to move forward with development.
- WRCOG is proposing to develop the following housing legislation ideas: workforce housing, regional pilot project to attain funding in order to support pre-development activities and local control.
- The housing legislation is being proposed so that legislation more specific to the jurisdictions of Western Riverside County may be heard.

Next Meeting

The January Committee meeting is canceled. The next Planning Directors Committee meeting is scheduled for Thursday, February 10, 2022, at 9:30 a.m., on the Zoom platform.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
December 9, 2021**

Following is a list of key items discussed at the last Public Works Committee meeting.

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9262/pwc1221>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9273/pwc1221pp>

2022 Meeting Schedule Approved

Day and Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
2nd Thurs. @ 2:00 p.m.	Canceled	10	10	14	12	9	14	11	8	13	10	8

Proposed Revisions to Grant Writing Assistance Program Guidelines

- WRCOG commenced the Grant Writing Assistance Program in September 2017 to assist member agencies in grant writing assistance on an as-needed basis as funding is available. To date, the Program has assisted member agencies attain over \$67 million in grant funding.
- The Program was able to kick-start as a result of excess revenues from other programs that the Executive Committee decided to provide back to member agencies; however, WRCOG is unable to dedicate the same amount of funds to the Program at this time, so staff have reviewed the Program Guidelines to evaluate how the Program can become more sustainable.
- Staff have proposed revisions to the Guidelines, including the amount of direct assistance a WRCOG member jurisdiction receives per grant program and per two-year cycle; how a member agency receives direct assistance; and the type of assistance eligible for assistance through the Program. All the revisions can be found in the staff report as part of the PWC agenda.
- Staff is looking for feedback on the proposed revisions to the Guidelines. Please contact Christopher Tzeng, WRCOG Program Manager, at ctzeng@wrcog.us with comments.

TUMF Nexus Study Update Schedule

- Staff presented on the schedule for the upcoming Nexus Study Update which is currently underway. The update will take approximately 12-18 months with completion occurring sometime in Spring of 2023. The steps of the update were reviewed, and committee meetings have been planned in order to receive input from all stakeholders. This schedule will show transparency of the update throughout the process.

Presentation and Demonstration from Replica

- Nick Bowden from Replica provided a presentation on the capabilities of its data platform that may be of value to local jurisdictions. This item will be the first in a series of presentations from various big data providers. WRCOG does not endorse a specific provider.
- Replica builds tools using a composite of "big data" sources. The tools provide insight on the complex interactions of mobility, people, land-use, and economic activity. The hope is that the tools provide higher confidence in critical transportation and land-use decisions.

- The Replica platform is aimed to support critical planning and compliance processes like TIP project prioritization, and development impact fee analyses.

Next Meeting

The January meeting has been canceled. The next Public Works Committee meeting is scheduled for Thursday, February 10, 2022, at 2:00 p.m., on the Zoom platform.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report out of WRCOG Representatives on Various Committees
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: February 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

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

Background:

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

CALCOG Board of Directors (Brian Tisdale)

The CALCOG Board of Directors met on January 14, 2022. Agenda highlights include:

1. Budget Update.
2. 2022 Legislative Focus.
3. Plans, Guidelines, & Regs.
4. Legislative Committee Launch.
5. Equity Training Contract.
6. AMPO Policy Committee.
7. Regional Leadership Forum Alternatives.

The next CALCOG Board of Directors is scheduled for March 7, 2022.

SANDAG Borders Committee (Crystal Ruiz)

The SANDAG Borders Committee scheduled for January 28, 2022 was canceled. The next SANDAG Borders Committee meeting is scheduled for February 25, 2022.

SAWPA OWOW Steering Committee (Ted Hoffman)

The SAWPA OWOW Steering Committee met on January 27, 2022. Agenda highlights include:

1. Santa Ana River Watershed Weather Modification Pilot Program Status Report.
2. Disadvantaged Communities Involvement (DCI) Program: 2021 Urban and Multi-benefit Drought Relief Grant Program.
3. Proposition 1 Round 2 Integrated Regional Water Management Call for Projects Update.

The next SAWPA OWOW Steering Committee is scheduled for March 24, 2022.

Prior Action(s):

December 6, 2021: The Executive Committee received and filed.

Fiscal Impact:

WRCOG stipends are included in the Agency's adopted Fiscal Year 2021/2022 Budget under the General Fund.

Attachment(s):

[Attachment 1 - CALCOG Agenda 011422](#)

[Attachment 2 - SAWPA OWOW Agenda 012722](#)

Attachment

CALCOG Agenda 011422



California Association of Councils of Governments

Effective Regions Through Partnership

BOARD OF DIRECTORS

MEETING AGENDA

January 14, 2022

1:00 pm to 3:00 pm

Meeting Connection Information:

Zoom Link:

<https://us02web.zoom.us/j/82465443152?pwd=bEZ4cURlVtRlRlSSJjVDUyU2w3Ukp0dz09>

Meeting ID: 824 6544 3152

Passcode: CALCOG

Having trouble? Email Natalie at nzoma@calcog.org

BOARD MEETING AGENDA

TIME	ITEM	DESCRIPTION	PURPOSE	PAGE
1:00 pm	1	Welcome & Roll Call. Staff will mark attendance as members enter the virtual meeting space. Please have type your name in the Zoom identifier. For agency staff monitoring the meeting, please type in your name and turn off your video.		
1:05 pm	2	Approval of the Minutes	Action	11
1:10 pm	3	Executive Director Report. An update of developments in the work program.	Information	13
		POLICY ITEMS		
1:15 pm	4	Budget Update. A quick review of key items in the Governor's proposed budget for the 22-23 fiscal year.	Information	19
1:25 pm	5	2022 Legislative Focus. Staff will share anticipated focus areas for the upcoming Legislative Session.	Discussion	20
1:40 pm	6	Plans, Guidelines, & Regs. Significant participation in guideline development will also be required in 2022.	Discussion	30
1:55 pm	7	Legislative Committee Launch.	Information	36
		ORGANIZATION ITEMS		
2:10 pm	8	Equity Training Contract. Staff recommends approving a contract to offer CALCOG members a year-long training program to address issues of racial equity in outreach and program design.	Action	38
2:20 pm	9	AMPO Policy Committee. Staff has been appointed to AMPO's policy committee.	Information	42
	10	Regional Leadership Forum Alternatives. A discussion of how to return to in person meetings.	Information	43
		Final Announcements & Adjourn.		

Proposed Board Meeting Dates

March 7, 2022 (Monday)

1:00 pm to 3:00 pm

Virtual Meeting

Policy and Organization Business

April 29, 2022 (Friday)

10:00 pm to 2:00 pm

In Person/Hybrid Policy Meeting

(Typically to consider policy positions on legislation)

Location: Sacramento at SACOG's board room (if available).

June 17, 2022 (Friday)

Policy and Business Meeting

In person 10:00 to 2:00 pm

Location: Sacramento at SACOG's board room (if available).

September 23, 2022 (Friday)

2:00 pm to 3:30 pm

End of Legislative Year; Virtual Briefing; Organization Business

November 4, 2022 (Friday)

All Day

Strategic Priorities Meeting;

Executive Director Performance Review

Location TBD

Attachment

SAWPA OWOW Agenda 012722

One Water One Watershed

...A United Voice for the Santa Ana River Watershed

OWOW Steering Committee Members

Bruce Whitaker, Convener | SAWPA Commissioner
Brenda Dennstedt, SAWPA Commissioner
Doug Chaffee, Orange County Supervisor
Karen Spiegel, Riverside County Supervisor
Curt Hagman, San Bernardino County Supervisor
James Hessler, Altman Plants

Garry W. Brown, Orange County Coastkeeper
Joe Kerr, Regional Water Quality Control Board
Deborah Robertson, Mayor, City of Rialto
Ted Hoffman, Councilmember, City of Norco
Nicholas Dunlap, Mayor Pro Tem, City of Fullerton

PURSUANT TO THE PROVISIONS OF AB 361, THIS MEETING WILL BE CONDUCTED VIRTUALLY WITH THE OPPORTUNITY FOR PUBLIC COMMENT. ALL VOTES TAKEN WILL BE CONDUCTED BY ORAL ROLL CALL.

This meeting will be accessible as follows:

Meeting Access Via Computer (Zoom)*:	Meeting Access Via Telephone*:
• https://sawpa.zoom.us/j/81028458458 • Meeting ID: 810 2845 8458	• 1 (669) 900-6833 • Meeting ID: 810 2845 8458
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged; there is no way to protect your privacy if you elect to call in by phone to the meeting.	

**REGULAR MEETING OF THE
OWOW STEERING COMMITTEE
Thursday, January 27, 2022 – 11:00 a.m.**

AGENDA

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE (Bruce Whitaker, Convener)

2. PUBLIC COMMENTS

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. APPROVAL OF MEETING MINUTES: SEPTEMBER 23, 2021



...A United Voice for the Santa Ana River Watershed

4. BUSINESS ITEMS

A. Santa Ana River Watershed Weather Modification Pilot Program Status Report (SC#2022.1)

Presenter: Mark Norton

Recommendation: Receive and file.

B. Disadvantaged Communities Involvement (DCI) Program: 2021 Urban and Multibenefit Drought Relief Grant Program (SC#2022.2)

Presenter: Rick Whetsel

Recommendation: Receive and file.

C. Proposition 1 Round 2 Integrated Regional Water Management Call for Projects Update (SC#2022.3)

Presenter: Ian Achimore

Recommendation: Receive and file.

5. COMMITTEE MEMBERS' COMMENTS

6. REQUEST FOR FUTURE AGENDA ITEMS

7. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or svilla@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Sara Villa, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on January 20, 2022, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

2022 OWOW Steering Committee Regular Meetings

Fourth Thursday of Every Other Month (January, March, May, July, September, November)

(Note: All meetings begin at 11:00 a.m., unless otherwise noticed, and are held at SAWPA.)

January		March	
1/27/22	Regular Committee Meeting	3/24/22	Regular Committee Meeting
May		July	
5/26/22	Regular Committee Meeting	7/28/22	Regular Committee Meeting
September		November	
9/22/22	Regular Committee Meeting	11/17/22*	Regular Committee Meeting*

* Meeting date adjusted due to conflicting holiday.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Single Signature Authority Report

Contact: Princess Hester, Administrative Services Director, phester@wrcog.us, (951) 405-6704

Date: February 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

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

Background:

The purpose of this report is to provide visibility into contracts entered by WRCOG using the authority of the Executive Director. In the process of conducting regular business, WRCOG enters into a number of contracts on an ongoing basis. The process for approving those contracts varies, primarily by amount, and occasionally for other reasons. The Executive Committee has an uncapped level of approval authority (within the constraints of the budget approved by the General Assembly) and the Administration & Finance (A&F) Committee has a limit of \$1 million. Actions taken by either the Executive or A & F Committee are taken during public meetings and subject to public review and scrutiny. The Executive Director has Single Signature Authority for contracts up to \$100,000 and, because the use of that process generally happens outside of a public meeting, this report is provided in order to share the information. For the months of August through December 2021, four contracts were signed by the Executive Director. Of these four contracts, three were extensions of time with no additional funding. Additional information is provided below.

1. In December 2021, an agreement was executed with DKS Associates for the preparation of a Strategic Plan for WRCOG for a not to exceed amount of \$29,250.
2. In November 2021, an agreement was executed with Michael Baker International to extend the term of a Professional Services Agreement until June 30, 2022.
3. In November 2021, an agreement was executed with WG Zimmerman Engineering to extend the term of a Professional Services Agreement until February 28, 2022.
4. In November 2021, an agreement was executed with Transportation, Engineering, and Planning to extend the term of a Professional Services Agreement until February 28, 2022.

Prior Action(s):

None.

Fiscal Impact:

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

Attachment(s):

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Approval of Second Amendment to the PSA with TWINTEL Solutions, Inc. for IT and AV Services

Contact: Princess Hester, Administrative Services Director, phester@wrcog.us, (951) 405-6704

Date: February 7, 2022

Requested Action(s):

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

Purpose:

The purpose of this item is to receive authorization for the Executive Director to execute a Second Amendment to the Professional Services Agreement (PSA) for Information Technology (IT) and Audio-Visual (AV) Services with TWINTEL Solutions

Background:

In 2018, WRCOG published a Request for Proposal (RFP) to procure IT services. TWINTEL Solutions, a Southern California-based IT company, was selected based on their expertise in managing IT services and IT support strategy. TWINTEL serves WRCOG with continuous and comprehensive management, maintenance, security, and monitoring of our in-house, mobile and cloud-based workflows.

Since 2018, the service and relationship has been outstanding. It was particularly beneficial as we made the transition to more of a remote setting from working in the office. Staff is requesting to continue services with TWINTEL and would like to extend the PSA through June 30, 2023, with a retroactive effective date of July 1, 2021, at which time the contract will have run through five years. At that time WRCOG will prepare and distribute an RFP.

Prior Action(s):

October 7, 2019: The Executive Committee authorized the Executive Director to enter into a First Amendment of the Professional Services Agreement between WRCOG and TWINTEL Solutions, Inc., to provide continued Information Technology and Audio / Visual services in an amount not to exceed \$114,000 annually for two additional years.

Fiscal Impact:

The contract amount is programmed in the Fiscal year 2021/2022 Budget under the Administration

Program.

Attachment(s):

[Attachment 1 - Second Amendment to TWINTEL Solutions PSA](#)

SECOND AMENDMENT TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY AND AUDIO-VISUAL SERVICES

1. PARTIES AND DATE.

This Second Amendment is made and entered into this 1st day of July 2021, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and TWINTEL Solutions, Inc. ("Consultant"). WRCOG and Contractor are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Master Agreement.

WRCOG and Contractor entered into that certain Professional Services Agreement dated June 22, 2018 ("Master Agreement").

2.2 First Amendment.

WRCOG and Contractor entered into a First Amendment for the purpose of extending the term of the Master Agreement through June 30, 2021.

2.3 Second Amendment.

WRCOG and Contractor desire to enter into this Second Amendment for the purpose of extending the term of the Master Agreement.

3. TERMS.

3.1 Term.

The term of the Master Agreement shall be extended to June 30, 2023 (the "Second Extended Term"), unless earlier terminated as provided in the Master Agreement.

3.3 Compensation.

The total maximum compensation each year (July to June) shall not exceed \$114,000 without written approval of WRCOG's Executive Committee.

3.5 Continuation of Existing Provisions.

Except as amended by this Second Amendment, all provisions of the Master Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this Second Amendment.

3.6 Counterparts.

This Second Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Second Amendment as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

TWINTEL SOLUTIONS, INC.

By: _____
Dr. Kurt Wilson
Executive Director

By: _____
William Scogin
Chief Information Officer

APPROVED AS TO FORM:

By: _____
Steve DeBaun
Best Best & Krieger

EXHIBIT "A"
SCOPE OF SERVICES

TWINTEL Solutions, Inc. ("TWINTEL") shall provide WRCOG with the following Managed IT Services:

- Strategic Planning and Implementation: Maximize technology investments to help your organization through increased productivity and efficiency
- Proactive Support: Detailed infrastructure performance reports, asset inventory reports, and end-user reports
- Cost Effective and Predictable Budgets: Unlimited access to purchasing support, end user training, 3rd party vendor management, resource and up to date information about latest technology trends.

TWINTEL shall provide WRCOG with the following Network Management Services:

- Maximize and Improve network performance, efficiency and effectiveness
- Decrease and eliminate episodes of network downtime and data loss
- Gain access to unlimited proactive monitoring and management of your network to improve stability
- Protect against network security breaches
- Increase responsiveness for problem monitoring and reporting across your network to improve stability
- Real-time hardware and software inventory. You will know exactly what equipment and software had been installed
- 3rd party vendor management VPN management
- Multi-Office Connectivity Support
- ISP Management, Router Management, Anti-Virus Management, Firewall Management, VPN Management

TWINTEL shall provide WRCOG with the following Server Monitoring & Management Key Benefits:

- Proactive remote maintenance and management of anti-virus, security patches, and updates to protect and safeguard against downtime, security breaches and lost data
- Increase confidence in your on premise, cloud, and network infrastructure
- Gain unlimited access to 24 x 7 server monitoring and management to ensure continual server uptime.
- Support in the following areas: Unlimited Phone Support, Unlimited Remote-Control Support, Service Availability Monitoring, Remote After-Hours Emergency Support, Unlimited On-Site Support
- Maintenance in the following areas: Microsoft Patch Management Event Log Monitoring Log File Maintenance Drive Space Monitoring Printer Setting Management
- Security in the following areas: User Account Administrator, File Sharing Permission Administration, Security Administrator Anti-Virus, Management

TWINTEL shall provide WRCOG with the following End-User Workstation Management Services:

- Unlimited access to friendly knowledgeable and dedicated engineers who are available to assist your team night and day at any location
- Maximize end-user efficiency, productivity
- Empower end-users and increase technology confidence
- Decrease problem resolution time and overall technology frustrations
- Optimize desktop performance with regular maintenance and monitoring
- Ensure predictable and transparent IT support costs as your organization grows and changes
- Enable Key IT Personnel to focus on strategic projects instead of computer issues.

TWINTEL shall provide WRCOG with the following CTO Services:

- Current technology assessment
- Business objective meetings
- Backup review
- Quarterly external security scan and review
- Annual deep dive security review
- Business continuity plan
- Hardware Lifecycle review

TWINTEL shall provide WRCOG with the following Audio/Visual/Electrical/ Cabling Services:

- Planning, design and installation for all your company's technical needs. There is no need to coordinate vendors that's our job and we do it well
- Fully licensed, insured and our technicians are trained in-house and industry certified.
- Design and build cabling infrastructures that support voice, data, video and multimedia systems. We are a single source solution for all your organization network infrastructure needs. We will help you evaluate, design and install the correct cabling system to support your current and future needs.
- Capability of handling all your Commercial Electrical needs.

TWINTEL shall provide the following detailed and itemized pricing for project/remediation services:

- IT Assessment
 - o Complete network assessment - Includes granular report on network status based on security, performance, recoverability, manageability and asset details.
- Network Remediation
 - o Optimize workstations, servers, and networking device
 - o Optimize Wireless Access Points if needed
 - o Optimize UPS Power Backup System Optimize Backup Disaster Recovery Solution
 - o Create/Maintain Network Documentation
- Security Enhancements
 - o Optimize workstations, servers, and networking device
 - o Install Business grade firewall routers at main locations and configure VPN is needed
 - o Optimize organizational systems to an Active directory domain
 - o Configure wireless access points with latest security protocols
 - o Deploy Antivirus, Malware, and Crypto prevention on all systems as needed

- Added Features
 - o Configure Remote VPNs as needed
 - o Develop and implement comprehensive disaster recovery plan and solution
- Hardware and Software
 - o Monthly Onsite / Offsite Backup Disaster Recovery + BDR Appliance Anti-Virus software licensing and Asset Management

TWINTEL shall provide the following Managed IT Service Inclusions:

Total Care - Support, Maintenance, and Monitoring for Workstations	Total Care - Support, Maintenance, and Monitoring for Servers	Total Care - Support, Maintenance, and Monitoring for Networks
<i>Support</i> Remote Support Onsite Support Phone Support Microsoft Office Products Adobe Products Other Line of Business Applications PDF Conversion Tools Peripheral Device Support (Printers, Scanners, etc.) Hardware Support <i>Maintenance</i> - Microsoft Patch Management 3rd Party Patch Management - Scheduled Temporary File Deletions - Malware Detection and Deletion Software Hardware Tracking/Inventory - Virus Definition Updates and Prevention - Printer Health Management <i>Monitoring</i> - Drive Space Monitoring - Backup Monitoring - Spam Filtering - Anti-Virus Monitoring Malware - Monitoring Memory/Process - Monitoring Health and Security - Monitoring	<i>Support</i> Remote Support Onsite Support Phone Support Hardware Support MS Office 365 Email Support for email/sync with Office 365 Accounting Software – Network Support GIS Information System Network Support <i>Maintenance</i> User Account Administration File Sharing Permission Administration Security Administration Microsoft Patch Management 3rd Party Patch Management Malware Detection and Deletion Virus Definition Updates and Prevention SPAM Filtering <i>Monitoring</i> Event Log Monitoring Log File Monitoring Drive Space Monitoring Backup Monitoring Spam Filtering Anti-Virus Monitoring Malware Monitoring Memory/Process Monitoring Health and Security Monitoring	<i>Support</i> Remote Support Onsite Support Phone Support Hardware Support <i>Maintenance</i> ISP Management Switch Management Router/Firewall Management VPN Management <i>Monitoring</i> Router Intrusion Monitoring Switch Monitoring Bandwidth Monitoring Health and Security Monitoring
Phone System Support - Network Support for 8x8 VoIP 8x8 Vendor Management	Audio-Visual Support Support for Video, Sound, Streaming, Conferencing Onsite Support as needed	Other Services <i>CTO Services</i> 2 Onsite Visits Per Week IT Assessments Quarterly Service Reviews Hardware Lifecycle Reviews Business Continuity Planning Annual Planning/Budgeting <i>IT Reporting and Administration</i> Service Ticket Status Asset Inventory Project Status Updates Network Health Reporting Purchasing Support 3rd Party IT Vendor Management and Vetting

EXHIBIT "B" COMPENSATION

Detailed and Itemized Pricing: Summary of Flat – Fee Pricing

Your Flat- Monthly fee is \$9500/month and will include:

Managed IT Services [Page 13]

- ☒ Total Care for **50 – 60** Workstations
- ☒ Total Care for **10 – 15** Tablets
- ☒ Total Care for **1** Network Location
- ☒ Total Care for **1 – 2** Servers
- ☒ Audio Visual Support
- ☒ Phone System support
- ☒ CTO Services
- ☒ IT Reporting and IT Administration

Project and Network Remediation [Page 14]

- ☒ IT Assessment
- ☒ Network Remediation/Optimization
- ☒ Security Enhancements
- ☒ Added Features

Hardware and Software (Page 14)

- ☒ Monthly Onsite / Offsite Backup Disaster Recovery + BDR Appliance
- ☒ Anti-Virus software licensing and Asset Management

Pricing for adding units beyond allotted counts specified

- ☒ \$49.95/month per additional workstation (desktop or laptop)
- ☒ \$19.95/month per additional tablet
- ☒ \$299.95/month per additional server (physical or virtual)
- ☒ \$499.95/month per additional location and/or network

Detailed and Itemized Pricing: Service Exclusions

Unless otherwise indicated within *page 13 – Managed IT Services*, *page 14 – Project / Remediation*, or on *page 15 – summary of flat fee pricing*; costs may be quoted separately.

Important:

TWINTEL will always gain approval for any charges outside of the flat-fee agreement prior to commencing with the effort.

No surprise billing. Ever.

Further, TWINTEL encourages the Flat-Fee Model; so, hardware or software that requires regular support should be added to flat fee billing model where feasible. If new software or hardware will be introduced and require regular support; please inquire with us.

The following items may be quoted separately at a discounted rate of \$95/hour

- ☒ Equipment, Materials, or 3rd party (non-TWINTEL) recurring subscriptions of any kind
- ☒ Labor or materials used for non-managed workstations, non-managed servers, non-managed networks
- ☒ Labor or materials used for software not included within managed IT agreement
- ☒ Labor or materials used for structured cabling of any kind
- ☒ Labor or materials used for construction related work such as mounting or furniture assembling
- ☒ Labor or materials used for installation of new servers or virtual servers machine
- ☒ Labor or materials used for installation of new software on server or virtual server machine
- ☒ Labor or materials used for relocation of equipment within same building or new office building
- ☒ Labor or materials used for installing additional client workstations
- ☒ Labor or materials used for non-managed phone systems
- ☒ Labor or materials used for publication design, website design, or software programming of any kind
- ☒ Labor or materials used for new projects
- ☒ Labor or materials used while providing support for a client's personal or home (non-work place), device, software, server, network, of a client.
- ☒ Labor or materials used for mobile phone support that is not related to Office365, Google Business, Exchange Server, POP, or IMAP
- ☒ Labor or materials used for training end-users on the use of software.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Approval of a PSA with Promeli Videoworks for On-Call Creative Agency Services
Contact: Elisa Laurel, Public Information Officer, elaurel@wrcog.us, (951) 405-6752
Date: February 7, 2022

Requested Action(s):

1. Authorize the Executive Director to Execute a Professional Services Agreement between WRCOG and Promeli Videoworks to support the development of the Agency's graphic design, video production, branding, and other creative support services needed by staff and member agencies for communication efforts in an amount not to exceed \$150,000 over a 36-month period.

Purpose:

The purpose of this item is to request approval for a Professional Services Agreement (PSA) for On-Call Creative Agency Services with Promeli Videoworks

Background:

In January 2022, at the direction of the Executive Committee and Technical Advisory Committee during a joint meeting, the WRCOG 2022-2027 Strategic Plan was approved, which included Mission and Vision Statements along with goal areas intended to proactively chart the Agency's course and maximize value to its member agencies. Goal 4 of the Strategic Plan references communicating proactively about the role and activities of WRCOG with local and regional agencies, which is essential to the long-range viability of WRCOG.

The need for WRCOG On-Call Creative Agency services and activities are necessary to support Goal 4 of the Strategic Plan. Graphic design, video production, branding, and other creative assets are needed to tactically support the Agency's communication efforts in serving as a proactive and collaborative brand.

Procurement Process

WRCOG released a Request for Proposal on November 10, 2021, to solicit interested firms to provide responses in whole or in part to the following task areas:

1. Video Development
2. Design and Layout Services
3. Photography
4. Podcast Recording and Post-Production
5. Branding

6. Graphic Design
7. General Consultation

Previously, Promeli Videoworks provided creative services to the Agency. WRCOG released an RFP to ensure it was receiving the best value and overall quality in video development, graphic design, photography, and its various other needs for creative assets and services. Through the RFP process WRCOG received six proposals. A Proposal Review Committee consisting of three WRCOG staff and a seasoned communications professional from the City of Fontana, who also serves as the President-Elect for the Public Relations Society of America's Inland Empire Chapter (the region's premier communication organization for industry professionals), reviewed the proposals, and the proposal submitted by Promeli Videoworks had the highest scores based on technical and creative approach. Additionally, as a supplemental advantage to the Agency, Promeli Videoworks offered a cost-effective approach to general consultation services that is significantly less than standard market industry than the other proposals that were received.

Anticipated costs are expected to generally remain the same and through the RFP process it was reinforced that services through Promeli Videoworks remain advantageous to WRCOG. Promeli Videoworks offers minimal to no cost for hourly consultation services, in comparison to standard industry rates for principal time, which can typically range between \$130 to \$150 an hour. Total project costs through Promeli Videoworks ultimately provide WRCOG with quality work product at the best value.

Prior Action(s):

None.

Fiscal Impact:

Funding for these activities in FY 2021/2022 is included in the adopted Agency budget. Costs for the various activities are allocated to different departments and programs within the Agency including the Transportation & Planning Department, the Energy & Environment Department, the Riverside County Habitat Conservation Agency, the WRCOG General Assembly, and other activities. It should also be noted that this contract is an On-Call contract and is structured on a Task Order basis meaning that work will only be authorized based on specific tasks.

Attachment(s):

[Attachment 1 - PSA with Promeli Videoworks](#)

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 7th day of February, 2022, by and between the **Western Riverside Council of Governments** ("WRCOG"), a public agency with its principal place of business at Riverside, CA, and **Christian Lomeli** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement and executed by the parties. Consultant represents that it is experienced in providing services as a videographer and creative agency with a history of completing projects on an as needed basis for WRCOG, as well as various other projects for public and private clients, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render services in developing creative assets to include but not limited to WRCOG videos, audio files, and graphically designed materials on the terms and conditions set forth in the Agreement and in "Exhibit A" to be issued pursuant to this Agreement and executed by the parties ("Project"). Services shall be rendered by monthly invoice and approved by the respective department(s) who received the creative services/assets.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply WRCOG's video, photography, and graphic design needs ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. The Services shall be more particularly described in the monthly invoice. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from February 7, 2022, to February 7, 2025, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under the supervision of Consultant and previously approved by WRCOG. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Consultant will furnish WRCOG with written notice of these means, methods and details after they are determined. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive

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direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

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

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

3.2.4 WRCOG's Representative. WRCOG hereby designates **Elisa Laurel**, Public Information Officer, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

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

3.2.6 Standard of Care. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant represents that it has all licenses, permits, qualifications, and approvals of whatever nature are legally required to perform the Services, and that such licenses and approvals shall be maintained through the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein.

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

3.2.8 Insurance.

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

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

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

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement / location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$500,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation*: Workers' Compensation limits as required by the Labor Code of the State of California as required by law.

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

(A) General Liability. The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be the primary insurance with respect to WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

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

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

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

and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater. Each insurance policy required by this Agreement shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to WRCOG; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

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

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

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

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

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

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

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

3.2.8.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure

a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

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

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

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

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. Compensation shall be based upon the rates set forth in Exhibit "C" and shall not exceed **One Hundred and Fifty Thousand Dollars** (\$150,000.00) within thirty-six (36) months without written approval of WRCOG's Executive Director. Extra Work may be authorized, as described below, and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

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

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

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

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage

Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft; classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

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

3.5 General Provisions.

3.5.1 Termination of Agreement.

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

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

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

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

Consultant: Christian Lomeli
1710 Miramar Drive Fullerton, CA 92831
(714) 504-7410
info@promelivideoworks.com

WRCOG: Elisa Laurel
3390 University Avenue, Suite 200
Riverside, CA 92501
(951) 405-6752
elaurel@wrcog.us

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

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

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

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

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

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

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

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

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

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

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

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

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

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

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

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

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

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

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according

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

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

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

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

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

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

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

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

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

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

3.6 Subcontracting.

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

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

WRCOG

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CONSULTANT

CHRISTIAN LOMELI

By: _____
Dr. Kurt Wilson
Executive Director

By: _____
Christian Lomeli
Consultant

Approved as to form:

By:  _____
Steven DeBaun
General Counsel

EXHIBIT "A"
SCOPE OF SERVICES

WRCOG operates a variety of programs, which may require video and/or graphic design services. This section outlines the general tasks Consultant may be required to complete to provide video, graphic design and creative services. Further refinements to the scope and budget may occur on an as needed basis, not to exceed the Executive Director's single signature authority. Tasks and services include but are not limited to:

Graphic Design

- A. Energy and Environment
 - a. Graphic design for Alt Car and Used Oil events
 - b. Inland Regional Energy Network (IREN) marketing materials
 - c. Smart Cities marketing materials
 - d. Streetlight Program marketing materials
 - e. Energy Resilience Program marketing materials
 - f. Additional creative assets on an as needed basis
- B. Riverside County Habitat Conservation Agency (RCHCA)
 - a. Graphic design and formatting of the RCHCA Annual Report
 - b. Additional creative assets on an as needed basis
- C. Transportation Uniform Mitigation Fee (TUMF) Program
 - a. Graphic design and formatting of the TUMF Annual Report
 - b. Additional creative assets on an as needed basis
- D. WRCOG General Assembly
 - a. Revise WRCOG Programs Booklet
 - b. General Assembly Programs
 - c. General Assembly Promotional Materials, including Sponsorship Handouts and Event Flyers
 - d. General Assembly Event Materials, including Sponsor Poster and PowerPoint Template
 - e. Additional creative assets on an as needed basis
- E. WRCOG Fellowship
 - a. General promotional materials
 - b. Additional creative assets on an as needed basis
- F. Agency (WRCOG)
 - a. Graphic design and formatting of the WRCOG Annual Report
 - b. Updating of WRCOG brand materials for it's proposed 'brand refresh'
 - c. Development of a style guide
 - d. Additional creative assets on an as needed basis related to agency-wide public affairs and communications materials

Video Production, Photography, and Audio Editing

- A. Riverside County Habitat Conservation Agency (RCHCA)
 - a. ESA Day Recap Video
 - b. Conservation Conversation
 - c. Additional creative assets on an as needed basis
- B. Streetlight Program
 - a. Before and After LED Streetlight Conversion videos
 - b. Additional creative assets on an as needed basis
- C. Transportation Uniform Mitigation Fee (TUMF) Program
 - a. TUMF Ground Breakings / Ribbon Cuttings: Photos and Videos
 - b. TUMF program videos
 - c. Additional creative assets on an as needed basis
- D. WRCOG General Assembly
 - a. Videos to be played during General Assembly
 - b. Capture audio/video needs for the event

Exhibit A

- c. General Assembly recap video
 - d. Additional creative assets on an as needed basis
- E. WRCOG Fellowship
 - a. Headshots
 - b. Promotional video materials
 - c. Additional creative assets on an as needed basis
- F. Agency (WRCOG)
 - a. Edit audio recordings for agency podcast on information topics for podcast
 - b. Video production, design and audio editing for agency-wide public affairs and communication materials
 - c. Additional creative assets on an as needed basis
- G. Energy and Environment
 - a. Clean Cities AltCar conference recap and promotional videos
 - b. Additional creative assets on an as needed basis

“Exhibit B”
Schedule of Services

The following represents an approximate schedule of services to be performed by Program area. WRCOG and the Consultant will make every effort to adhere to this schedule, recognizing that adjustments may need to occur throughout the term of the agreement and will work in collaboration to meet deliverable deadlines on an as needed basis.

Graphic Design Projects	Q1: Jul-Sept	Q2: Oct-Dec	Q3: Jan-Mar	Q4: Apr-June
RCHCA				
TUMF				
WRCOG GA				
WRCOG Agency				

Video, Photography, and Audio Projects	Q1: Jul-Sept	Q2: Oct-Dec	Q3: Jan-Mar	Q4: Apr-June
RCHCA				
Streetlight Program				
TUMF				
WRCOG GA				
WRCOG Podcast				
Energy and Environment				
WRCOG Agency				

**EXHIBIT “C”
COMPENSATION**

Christian Lomeli DBA Promeli Videoworks Media Production Rates												
Video & Photo Production						Post-Production & Graphics			Misc.			
Project Supervisor	Production Specialist	Support Staff / Production Assistant	Professional Equipment Rate	Simplified (or Photo) Equipment Rate	Drone Operation (with Simplified Equipment Rate)	Video & Audio Editor	Graphic Designer	Editing Suite / Equipment Rate	Remote Consultation Session	In-Person Consultation Session	Mileage	Avana Creative Branding & Strategy Consulting
\$145 / hour	\$70 / hour	\$30 / hour	\$550 / day	\$200 / day	\$150 / day	\$75 / hour	\$55 / hour	\$150 / task	Included	\$55 / hour	IRS rate	\$110 / hour
\$149 / hour	\$72 / hour	\$31 / hour	\$565 / day	\$206 / day	\$154 / day	\$77 / hour	\$57 / hour	\$154 / task	Included	\$57 / hour	IRS rate	\$113 / hour
\$153 / hour	\$74 / hour	\$32 / hour	\$580 / day	\$212 / day	\$158 / day	\$79 / hour	\$59 / hour	\$158 / task	Included	\$59 / hour	IRS rate	\$116 / hour



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Update from the California State Association of Counties
Contact: Andrea Mares, Board Assistant, County of Riverside - District 3,
AnMares@rivco.org, (951) 955-1030
Date: February 7, 2022

Requested Action(s):

1. Receive and file.
-

Purpose:

The purpose of this item is to provide an update of activities undertaken by the California State Association of Counties (CSAC).

Background:

The primary purpose of CSAC is to represent county government before the California Legislature, administrative agencies, and the federal government. CSAC places a strong emphasis on educating the public about the value and need for county programs and services. While California's 58 counties – ranging from Alpine with a little more than 1,000 people, to Los Angeles with more than 10 million – are diverse, yet many common issues exist. CSAC's long-term objective is to significantly improve the fiscal health of all California counties so they can adequately meet the demand for vital public programs and services. CSAC is proud to represent the counties of California. With continuing member involvement and staff commitment, we are refining and expanding programs and services that will ensure the success of counties well into the future as the closest level of government to the people.

Governor Newsom put forth his 2022-2023 Budget Proposal last month, which prioritizes several areas that align with CSAC's legislative platform for the year and includes further commitments to ongoing local needs. Along those lines, the Governor is proposing an additional:

- \$1.2 billion to support wildfire prevention and resilience
- \$2.7 billion to fight COVID-19
- \$2 billion to confront homelessness, and
- \$2.8 billion to implement CalAIM

CalAIM is a newly formed, county-implemented, long-term commitment to transform and strengthen Medi-Cal, making the program more equitable, coordinated, and person-centered to help people maximize their health and life trajectory. Another county-maintained program that you see in your cities is In-Home Supportive Services (IHSS). The Governor's Budget proposes a dedicated \$18.5 billion to the program, which is about 8% of the Health and Human Services Budget in its entirety.

The Budget addresses another problem we see at the local level. In recent years, the number of criminal defendants who are determined unable to understand criminal proceedings or assist counsel in their defense by the court (aka, Incompetent to Stand Trial) has increased tremendously. These individuals are then committed by Judges to the Department of State Hospitals with the goal of enabling them to return to court to resume their proceedings at a later date. These facilities are currently unable to keep up with the number of referrals, and so defendants are forced to wait in county detention facilities.

Recent court action in June 2021 requires the Department of State Hospitals to begin restoration services for committed defendants within 28 days of court referral. This is important because Court orders and penalties could cost California as much as one billion dollars annually based on the State of Washington's experience. The Budget reflects the spending of \$93 million from the General Fund in 2021-2022 and \$571 million from the General Fund in 2022-2023 to address this problem.

Prior Action(s):

December 6, 2021: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment(s):

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Appointment of one WRCOG Representative to a SCAG Policy Committee
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: February 7, 2022

Requested Action(s):

1. Appoint Mayor Colleen Wallace, City of Banning, to the SCAG Energy & Environment Policy Committee for a term commencing February 7, 2022, through December 31, 2022.

Purpose:

The purpose of this item is to request that this Committee appoint Mayor Colleen Wallace, City of Banning, to the SCAG's Energy & Environment Policy Committee for a term commencing February 7, 2022, through December 31, 2022.

Background:

WRCOG's 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)
- Riverside County Solid Waste Advisory Council / Local Task Force (two appointments plus two alternates)
- Santa Ana Watershed Project Authority (SAWPA) One Water One Watershed (OWOW) Steering Committee (one appointment)
- San Diego Association of Governments (SANDAG) Borders Committee (one appointment plus an alternate)
- Southern California Association of Governments (SCAG) Policy Committees (six appointments)

Per policy, all WRCOG appointees serve for a two-year term. Also per policy, priority in selection is to be given to elected officials who serve on WRCOG as Executive Committee members or alternates. The appointments made by WRCOG are in addition to appointments which are made by SCAG or other parties through various processes including:

- Representation of a SCAG member agency (such as Riverside County or the Air District)
- District Council Elections (districts are sub-areas of the SCAG region representing cities or groupings of cities)
- Communities of Concern (representative of disadvantaged communities who are appointed directly to SCAG)
- SCAG Presidential Appointments (special appointments made by the SCAG President, which are

valid for the one-year term of the SCAG President. The current SCAG President is Clint Lorimore (City of Eastvale).

One of the six WRCOG appointments is currently vacant due to the passing of Council member Victoria Baca, who was previously appointed to the SCAG Energy & Environment Policy Committee.

WRCOG notified all eligible elected officials of this opportunity to serve. The Administration & Finance Committee reviewed and discussed a listing of individuals who expressed interest in serving as a WRCOG appointee and has recommended the appointment of Mayor Colleen Wallace.

Prior Action(s):

December 8, 2021: The Administration & Finance Committee recommended the Executive Committee appoint Mayor Colleen Wallace, City of Banning, to the SCAG's Energy & Environment Policy Committee for a term commencing February 7, 2022, through December 31, 2022.

Fiscal Impact:

This appointment has no fiscal impact to WRCOG since SCAG provides stipends to elected officials for attendance at its meetings.

Attachment(s):

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Submittal of Letter to the Metropolitan Water District Requesting Prioritization of Water Storage and Statewide Conveyance

Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701

Date: February 7, 2022

Requested Action(s):

1. Direct the Executive Director to submit a letter to the Metropolitan Water District on behalf of WRCOG's member agencies urging investment in statewide water storage and conveyance.

Purpose:

The purpose of this item is to authorize WRCOG's Executive Director to submit a letter to the Metropolitan Water District (MWD) urging State investment in water storage and conveyance.

Background:

Water has long been recognized as a significant issue in the Western Riverside County subregion. As one of the fastest growing areas of the State, access to water has been and will continue to be one of the major policy issues this subregion faces both now and the foreseeable future.

WRCOG has long recognized that water is a critical issue in the region. Both Eastern Municipal Water District (EMWD) and Western Municipal Water District (WMWD) are members of the WRCOG Executive Committee. WRCOG staff works with EMWD and WMWD to manage the regional Water Task Force. The importance of water resources was also addressed in the recently completed WRCOG's 2022-2027 Strategic Plan.

Recognizing the importance of water to the region, EMWD and WMWD have requested that WRCOG submit the attached letter to MWD. This letter urges MWD to prioritize water storage and water conveyance at the Statewide level. This letter specifically asks for MWD to support the following Statewide efforts:

1. Construct the Delta Conveyance Project.
2. Modernize regulations in the Delta.
3. Invest in surface water and groundwater storage.

If directed to do so, WRCOG's Executive Director would submit the attached letter on behalf of all WRCOG member agencies to MWD's Executive Director.

Prior Action(s):

None.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - MWD Letter from WRCOG Regarding Storage and Conveyance](#)

February XX, 2022

Adel Hagekhalil
General Manager, Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012

Re: Urge MWD to push the State to invest in statewide water storage and conveyance

Dear Mr. Hagekhalil,

As we experienced in December, we had a fantastic month of precipitation and snowpack. While this comes as great news, it further demonstrates the crucial need for water storage and conveyance investments to mitigate future inevitable droughts. With declared drought emergency across the State and reservoir storage hitting all-time lows in 2021, the time for action and solutions is now.

As the Executive Director of the Western Riverside Council of Governments (WRCOG), I understand and appreciate the critical connection between water supply and our region's economy. WRCOG, which represents the fastest-growing region in California of over 2 million people, comprising 18 cities, the Riverside County Board of Supervisors, the Riverside County Board of Education, and two of your member agencies, Eastern Municipal Water District (EMWD) and Western Municipal Water District (Western). The fact that we have EMWD and Western as voting members is unique and further demonstrates our commitment to water in our region.

Knowing that the Department of Water Resources is advancing its indoor and outdoor conservation standards and the State Water Resources Control Board adopted its resolution to implement emergency conservation measures, there appears to be a tremendous focus on conservation. While water-use efficiency is essential for all Californians, we cannot conserve our way out of drought. It is troubling that after only two dry years the State has declared an emergency, cutbacks to the State's agriculture industry, and potential prohibitions of outdoor water use. State and local water agencies must expand their abilities to capture, move and store water to prepare for longer, more intense and frequent dry periods that are becoming less predictable.

With all this in mind, we urge Metropolitan Water District (MWD) to prioritize storage and statewide conveyance. We ask that MWD push for action at the State level on the following:

1. Construct the Delta Conveyance Project.

- Take any necessary actions and investments to ensure the Delta Conveyance project moves forward once the Department of Water Resources' draft Environmental Impact Report is released in Summer 2022 (estimated).

2. Modernize regulations in the Delta.

- Revisit and update regulations to allow more significant volumes of water to be moved south during high flow events without negatively affecting the environment.

3. Invest in surface water and groundwater storage.

- Advocate that the State allocate a significant portion of the \$31 billion budget surplus to invest in above-ground surface water and groundwater storage projects. Diamond

Valley Lake is a model for off-stream storage solutions that work, and Sites Reservoir can offer highly effective storage with its strategic location.

Local agencies are making the investments necessary to diversify local water supply portfolios. Still, the sustainability of many of our local supply projects, like recycling, is dependent on high-quality source water from the Bay Delta. The investments made by MWD to build Diamond Valley Lake and Lake Mathews are a clear example of drought resiliency projects that work. Especially in a changing climate, water storage is and will continue to be an essential piece of our water supply management. This current drought has clearly shown that statewide storage and conveyance must take bold actions to support this State's economy. The State cannot delegate to local entities alone. As the fifth-largest economy in the world, California cannot be subject to "zero" allocations in the future.

WRCOG stands ready to assist MWD in advancing these water supply initiatives that are critical to the economic vitality of Southern California. We know there is a way to balance the needs and concerns of all stakeholders, and we are confident that MWD must take the lead on behalf of Southern water suppliers to make bold statewide solutions come to fruition.

Thank you again for the opportunity to hear our request during these uncertain times, and please reach out to me at kwilson@wrcog.us if you have any further questions.

Sincerely,

DR. KURT WILSON
Executive Director, WRCOG

Cc: The Honorable Chair and Board of Directors, Metropolitan Water District of Southern California
Joe Mouawad, General Manager, Eastern Municipal Water District
Craig Miller, General Manager, Western Municipal Water District



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Member Agency REAP Funding Assistance Agreements
Contact: Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 295-8703
Date: February 7, 2022

Requested Action(s):

1. Approve the Member Agency REAP Funding Assistance Agreement template, substantially as to form, and authorize the Executive Director, subject to legal counsel review, to execute the Agreement with a member agency to receive direct technical assistance through the SCAG's REAP Subregional Partnership Program, if requested.
2. Authorize the Executive Director to execute a Fourth Amendment to the On-Call Professional Services Agreement with WSP USA, Inc., for support to WRCOG to include contract language that covers the direct technical assistance with no change to the term of the agreement or the cost of the agreement.

Purpose:

The purpose of this item is to provide an update on the direct technical assistance WRCOG is providing with SCAG's REAP funding and request authorization to enter into an Agreement with a member agency to receive direct technical assistance

Background:

Regional Early Action Planning (REAP)

The Southern California Association of Governments' (SCAG) REAP Subregional Partnership Program is intended to increase planning to accelerate housing production throughout the SCAG region through implementable actions that will increase housing supply to meet the 6th Cycle Regional Housing Needs Assessment (RHNA). The Subregional Partnership Program has been designed to augment and complement funds that are awarded to jurisdictions by the California Department of Housing and Community Development pursuant to SB 2 Planning Grants and the Local Early Action Program. WRCOG was allocated \$1.678 million through the Subregional Partnership Program to provide assistance to the local jurisdictions. It is important to note that the County of Riverside was allocated a separate amount for this assistance to accelerate housing production, so WRCOG's assistance is not intended to include the County. WRCOG proposed projects to utilize the allocated funding, which was approved by this Committee in late 2020. WRCOG later entered into a Memorandum of Understanding (MOU) with SCAG in March 2021, that includes approval of the proposed projects. This MOU was approved by WRCOG's Executive Committee on March 1, 2021.

Direct Technical Assistance to Member Agencies

One of the approved REAP projects WRCOG proposed is to provide a contract planning consultant bench to be utilized by WRCOG member agencies. The purpose of this REAP project is to provide member agencies with technical assistance aimed to help facilitate local housing production during the planning phase. This technical assistance was made available to all WRCOG member agencies beginning in May 2021. To date, WRCOG has provided assistance on items such as reviewing a draft Housing Element update for the City of Perris, drafting Development Case Studies as part of the Housing Element update process for all jurisdictions to utilize, and SB 35 and SB 330 application review for the City of Riverside.

In order to provide additional technical assistance to facilitate housing production during the planning phase, WRCOG developed an additional list of tasks for this project and this draft list was provided to the Planning Directors Committee (PDC) at its December 9, 2021, meeting for input. This initiative includes a list of specific tasks related to implementing recent California housing legislation, including bills about Accessory Dwelling Units, the Density Bonus law, Surplus Lands disposition, zoning law, and development streamlining, as well as staff augmentation to assist with housing-related local actions. The activities were identified through feedback sought by member agency staff on its top priorities to help advance their respective housing goals. Member agencies will select which project(s) they would like to undertake through a request form that has been made available to its staff. The request form has been attached to this Staff Report (Attachment 3) and includes a summary for each activity in the appendix.

Funding Agreement Between WRCOG and Requesting Agency

Since this project may involve WRCOG providing direct technical assistance to member agencies, WRCOG will enter into an agreement with a requesting agency. The agreement template is attached to this Staff Report (Attachment 1). The agreement addresses items such as terms of the types of services to be offered and insurance, as well as general provisions, including an indemnification clause and cooperation. The language in the agreement has much of the standard language included in a WRCOG Professional Services Agreement (PSA) in order to ensure terms and provisions are agreed upon.

The main reason why WRCOG is preparing formal agreements is to clearly set out the roles and responsibilities of various parties including WRCOG, the member agency, and the Consultant. While WRCOG has provided assistance to our member agencies directly and indirectly previously, the use of a formal agreement creates more structure and also provides a basis for future agreements which are tied to other funding sources.

Need for Language Amendment to PSA

WRCOG will utilize its On-Call Planning consultant bench to provide the direct assistance to member agencies. Since this assistance involves providing direct technical assistance to another party, (i.e., WRCOG member agency), there is a need to incorporate additional language that currently is not contained in the PSA between WRCOG and its On-Call Planning consultants. WRCOG is requesting authorization to approve an Amendment that incorporates the additional language. The Amendment is attached to this Staff Report (Attachment 2). WSP has been providing the technical assistance to agencies up to this point and WRCOG is planning to continue to utilize WSP to provide the direct technical assistance. The Amendment includes items, such as: ensuring that the direct technical assistance is included in the PSA, the responsibilities of the consultant cover the direct technical assistance, and an additional language to the indemnification section of the PSA.

Prior Action(s):

December 9, 2021: The Planning Directors Committee received and filed.

March 1, 2021: The Executive Committee authorized the Executive Director to execute an MOU, substantially as to form, with SCAG for the REAP Subregional Partnership Program.

Fiscal Impact:

Transportation and Planning Department activities are included in the Agency's adopted Fiscal Year 2021/2022 Budget under the Transportation Department. In addition, this project is covered by REAP funding that has already been approved by SCAG.

Attachment(s):

[Attachment 1 - WRCOG Member Agency On-Call PSA](#)

[Attachment 2 - WSP PSA - Amendment No. 4](#)

[Attachment 3 - Housing Activities Assistance Jurisdiction Request Form](#)

Attachment

WRCOG Member Agency On-Call
PSA

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
REGIONAL EARLY ACTION PLANNING ('REAP') HOUSING ACTIVITIES
ASSISTANCE PROGRAM AGREEMENT**

1. Parties and Date.

This Agreement is made and entered into this _____ day of _____, 2022, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and [INSERT MEMBER AGENCY NAME] ("Member Agency"), [INSERT TYPE OF AGENCY], whose address is [INSERT ADDRESS AND CONTACT INFO]. WRCOG and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

2. Recitals.

2.1 Member Agency.

The Member Agency desires to participate the Regional Early Action Planning ('REAP') Local Staff Assistance Program and made possible through WRCOG's REAP GRANT (the "Program") in order to receive certain on-call professional services as provided by WRCOG via its chosen consultant pursuant to the terms and conditions set forth in this Agreement and in the task order(s) to be issued pursuant to this Agreement and executed by the parties ("Task Order").

3. Terms.

3.1 Scope of Services and Term. Member Agency has requested WRCOG to provide certain professional service ("Services") offered under the Program

3.1.1 Term. The term of this Agreement shall be from [INSERT DATE] to [INSERT DATE], unless earlier terminated as provided herein.

3.1.2 Services. The Services to be provided under this agreement shall be set forth in Task Orders approved by WRCOG and the Member Agency. The Task Order shall include a description of the Services, the requested schedule for the Services, the Consultant assigned to perform the Services ("the Consultant"), the expected product and the maximum budget for the Services provided under the Task Order. The maximum cost of Consultant's work provided to the Member Agency shall not exceed the maximum budget set forth in the Task Order without the written approval from WRCOG.

3.2 Insurance. WRCOG shall require the Consultant to procure and maintain, at its own expense, for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require its subcontractors to

procure and maintain the same insurance for the duration of the Agreement. Such insurance shall give both WRCOG and the Member Agency insured status.

3.3 General Provisions.

3.3.1 Termination of Agreement.

(a) Grounds for Termination. WRCOG or the Member Agency may terminate the whole or any part of this Agreement at any time and without cause by giving written notice of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination.

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

Member Agency: [INSERT MEMBER AGENCY INFO]

WRCOG: Western Riverside Council of Governments
3390 University Ave., Suite 200
Riverside, CA 9501
Attn: Kurt Wilson
Phone: 951-405-6701

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

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

3.3.4 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.3.5 Indemnification. WRCOG's agreement with the Consultant shall require the Consultant to defend, indemnify and hold the Member Agency, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to the Services provided by the Consultant under the Program.

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

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

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

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

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

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

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PLANNING SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

[INSERT MEMBER AGENCY]

By: _____
Kurt Wilson
Executive Director

By: _____
[INSERT NAME]
[INSERT POSITION]

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

Attachment

WSP PSA Amendment No.4

**FOURTH AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
WSP USA, INC.**

1. PARTIES AND DATE.

This Third Amendment is made and entered into this _____ day of _____, 2022, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and WSP USA Inc. ("Consultant"), a New York Corporation ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Master Agreement.

WRCOG and Consultant have entered into that certain Professional Services Agreement dated July 15, 2017 ("Master Agreement").

2.2 First Amendment.

WRCOG and Consultant entered into a First Amendment for the purposes of providing additional compensation for on-call planning services as it pertains to Transportation Planning, Grant Writing Assistance, Economic and Demographic Forecasting, and WRCOG Staff Support, and extending the term of the Master Agreement.

2.3 Second Amendment.

WRCOG and Consultant entered into a Second Amendment for the purposes of extending the term of the Master Agreement.

2.4 Third Amendment.

WRCOG and Consultant entered into a Third Amendment for the purposes of providing additional compensation for on-call planning services as it pertains to assisting with the WRCOG Sustainability Framework, Transportation Planning, Grant Writing Assistance, Economic and Demographic Forecasting, and WRCOG Staff Support ("Services"), and extending the term of the Master Agreement.

2.5 Fourth Amendment.

WRCOG and Consultant now desire to entire into this Fourth Amendment for the purposes of extending the term of the Master Agreement and redefining the Project, Scope of Services and Term, Responsibilities of the Consultant, Insurance, and Indemnification with respect to the Regional Early Action Planning ('REAP') Local Staff Assistance Program and made possible through WRCOG's REAP Grant. (the "Program.")

3. TERMS.

3.1 Term.

Section 3.1.2 of the Master Agreement (Term) shall be amended to extend the term to June 30, 2023, (the "Fourth Extended Term"), unless earlier terminated as provided in the Master Agreement.

3.3 Project.

Section 2.2 of the Master Agreement (Project) shall be amended to include the following sentence:

"A Project under this Agreement may include providing on-call assistance for other member agencies as directed by Task Order(s). These Projects provide assistance to the various jurisdictions and member agencies of WRCOG and made possible through WRCOG's Regional Early Action Planning Grant ("REAP")."

3.4 Scope of Services and Term.

Section 3.1.1 of the Master Agreement (General Scope of Services) shall be amended to include:

"If the Project involves providing assistance to a member agency under the Program, the Consultant is required to keep WRCOG up to date and informed of any communication between the Consultant and any member agency that the Consultant is performing on-call assistance for through the Task Order.

3.5 Responsibilities of Consultant.

Section 3.2.1 of the Master Agreement (Control and Payment of Subordinates, Independent Contractor) shall be amended to include the following sentence:

"If the Project involves providing assistance to a member agency, the Consultant is required to keep WRCOG up to date and informed of any communication between the Consultant and any member agency that the Consultant is performing on-call assistance for through the Task Order. Contracts made between the Consultant and member agencies in regards to providing assistance to a member agency shall made be made at the direction of WRCOG."

3.6 Insurance.

Section 3.2.10(d)(i)(3) of the Master Agreement (General Liability) shall be amended to state:

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

3.7 Indemnification.

Section 3.5.6 of the Master Agreement (Indemnification) shall be amended to include:

“Consultant shall defend, indemnify and hold WRCOG and its member agencies, their officials, officers, consultants, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project, this Agreement, or any Task Order issued under the Program, including without limitation the payment of all consequential damages and attorney’s fees and other related costs and expenses.”

3.8 Continuation of Existing Provisions.

Except as amended by this Fourth Amendment, all provisions of the Master Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this Fourth Amendment.

3.4 Counterparts.

This Fourth Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument.

3.5 Electronic Delivery of Amendment; Electronic Signatures.

A manually signed copy of this Third Amendment which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Fourth Amendment for all purposes. This Fourth Amendment may be signed using an electronic signature.

[Signatures on the following page]

SIGNATURE PAGE TO
FOURTH AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
WSP USA, INC.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Fourth Amendment as of the date first written above.

WRCOG

CONSULTANT

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

WSP USA, INC.

By: _____
Dr. Kurt Wilson
Executive Director

By: _____
Jason Majzoub
Area Manager

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

Attachment

Housing Activities Assistance
Jurisdiction Request Form



Jurisdiction Request Form

WRCOG REAP - Housing Activities Assistance

Spring 2022

Final

Introduction

The Western Riverside Council of Governments (WRCOG) is soliciting requests for its Regional Early Action Planning (REAP) jurisdiction support program. WRCOG has received REAP grant funds to support jurisdictions in carrying out activities that facilitate local housing production. Jurisdictions may request support through this program by completing this Request Form.

Program Overview

The Housing Activities Assistance program provides WRCOG jurisdictions with housing-related support through a list of eligible activities. Eligible activities were identified through feedback sought by jurisdiction staff on their top priorities to help advance their respective housing goals. WRCOG has retained specialized consultants to provide jurisdiction support and will administer their contracts.

Eligible Activities

Jurisdictions may request support with up to three (3) activities listed below and summarized in the Appendix; WRCOG will use information collected with this Request Form to assess the best way to meet jurisdiction needs. Activities need not start immediately, and due to REAP grant funding conditions, all activities must be completed by June 30, 2023. WRCOG will work to accommodate first choice activities and ideal timelines as much as possible. Final activity selection and timing may differ from those requested by a jurisdiction in this form.

A description of each potential eligible activity, listed below, can be found on Page 8, Appendix: Activity Summaries:

Legislation Implementation Activities

- Accessory Dwelling Unit (ADU) Ordinance
- Senate Bill (SB) 35/330 Applications Review
- Senate Bill (SB) 35/330 Applications Development
- Senate Bill (SB) 35 Promotion and Resources
- Municipal Code Updates
- Density Bonus Law User Guide
- Municipal Code Revision: Density Bonus Law
- Surplus Land Act Implementation Assistance
- Senate Bill (SB) 9 User Guide
- Development Application Approvals and Timelines Guide
- Senate Bill (SB) 10 Ordinance

Assistance Activities

- Development Application Review
- Accessory Dwelling Unit (ADU) FAQ and Construction Process User Guide
- Transit Priority Area (TPA) Mapping and FAQ Document

- Development Impact Fee (DIF) Structure Review
- Prohousing Designation
- Community Engagement

Submission Requirements

To be eligible for housing-related support through this program, jurisdictions are encouraged to submit this completed Request Form ASAP. Please note that funding for this assistance is not unlimited and subject to availability based on requests from other jurisdictions. The request form shall be submitted to Suzanne Peterson via email at speterson@wrcog.us. The table below summarizes key program dates. All questions about this program may also be directed to Suzanne Peterson via email.

Item	Date
Request Form released	February 2022
Earliest activities begin	March 2022
Latest activities conclude	6/30/2023

Request Form

1. Applicant Information

Jurisdiction:

Primary contact

Name:

Title:

Email:

Phone number:

Role on the project:

Secondary contact

Name:

Title:

Email:

Phone number:

Role on the project:

3. Activity 1 Information

Activity title (from list on page 1):

Preferred start date:

Latest date by which the activity must be completed (all activities must be completed by June 30, 2023):

Factors or requirements (for example, Council direction, state law) driving the timeline:

Optional: Brief (a few sentences) description of the activity if request is modified or different than the proposed scope found in the Appendix below:

General Plan/6th Cycle Housing Element goal(s) this activity helps advance, if applicable:

5. Optional: Activity 2 Information

Activity title (from list on page 1):

Preferred start date:

Latest date by which the activity must be completed (all activities must be completed by June 30, 2023):

Factors or requirements (for example, Council direction, state law) driving the timeline:

Optional: Brief (a few sentences) description of the activity if request is modified or different than the proposed scope found in the Appendix below:

General Plan/6th Cycle Housing Element goal(s) this activity helps advance, if applicable:

7. Optional: Activity 3 Information

Activity title (from list on page 1):

Preferred start date:

Latest date by which the activity must be completed (all activities must be completed by June 30, 2023):

Factors or requirements (for example, Council direction, state law) driving the timeline:

Optional: Brief (a few sentences) description of the activity if request is modified or different than the proposed scope found in the Appendix below:

General Plan/6th Cycle Housing Element goal(s) this activity helps advance, if applicable:

9. Activity Prioritization

If you have selected more than one activity, please rank your selected activities on a scale of 1-3, with 1 being the highest priority activity and 3 being the lowest priority activity:

Rank 1:

Rank 2:

Rank 3:

10. Optional: Additional Information

Is there anything else related to your selected activities that you would like to share?

Appendix: Activity Summaries

Below are brief activity scopes and estimated timeframes for completion. Please note, these timeframes are estimates based on assumed activity components and are subject to change.

- Accessory Dwelling Unit (ADU) Ordinance
 - Create or update an ADU Ordinance to be incorporated into a jurisdiction's municipal code. This ordinance would comply with all state legislation, including but not limited to lot and building size requirements, setback requirements, development standards, permitting processes and timelines, allowed zones, etc. The ordinance would also identify sections of the jurisdiction's municipal code which must be repealed or amended to comply with ADU legislation and/or remain consistent with the ADU ordinance.
 - Estimated timeframe: 3 months
- Senate Bill (SB) 35/330 Applications Review
 - Review preliminary applications or full applications based on HCD templates and existing jurisdiction-specific documents. Preliminary applications will be consistent with requirements of SB 330 and will be designed to be used for projects seeking streamlined ministerial approval pursuant to SB 35. Full applications will be consistent with SB 35 and jurisdictions' objective policies and procedures.
 - Estimated timeframe: 2 months
- Senate Bill (SB) 35/330 Applications Development
 - Develop preliminary applications or full applications based on HCD templates and existing jurisdiction-specific documents. Preliminary applications will be consistent with requirements of SB 330 and will be designed to be used for projects seeking streamlined ministerial approval pursuant to SB 35. Full applications will be consistent with SB 35 and jurisdictions' objective policies and procedures.
 - Estimated timeframe: 3 months
- Senate Bill (SB) 35 Promotion and Resources
 - Assist with SB 35 implementation and promotion at the local jurisdiction level through developing both public- and City staff-facing resources. Resources can include creating the SB 35-mandated list of local submittal requirements for residential development applications, creating an SB 35 webpage on a jurisdiction's website, and creating a user guide for SB 35 streamlining.
 - Estimated timeframe: 4 months
- Municipal Code Updates
 - Identify and/or address updates to a jurisdiction's municipal code necessitated by recent state housing legislation. This project involves reviewing existing municipal code language, including the jurisdiction's draft or adopted 6th Cycle Housing Element for legally necessitated programs related to municipal code updates to create a matrix of specific sections that require both updates and conformance amendments and the justification for amendment. If a municipal code amendment is required by recent state housing legislation but not identified as a program in

- the housing element, this amendment will be included in the matrix. An optional task entails writing the language of the amendments.
- Estimated timeframe: 10 months
 - Density Bonus Law User Guide
 - Creating a Density Bonus Law user guide for public and/or City staff use. The user guide will serve as a resource for projects using state Density Bonus incentives for constructing affordable housing units and will make clear what opportunities and commitments are involved. The user guide will be based on adopted Density Bonus law as of December 31, 2021.
 - Estimated timeframe: 4 months
 - Municipal Code Revision: Density Bonus Law
 - Revise the jurisdiction's municipal code to incorporate recent state Density Bonus Law updates and reaffirm the jurisdiction's codified commitment to facilitating affordable housing development. This project involves adding direct language of California's density bonus program into the municipal code in place of references to Government Code sections, as well as revising the municipal code to ensure no items are out of date or out of compliance with current Density Bonus Law.
 - Estimated timeframe: 3 months
 - Surplus Land Act Implementation Assistance
 - Provide implementation assistance for activities related to the Surplus Land Act, with particular focus on changes to Government Code section 54222 enacted by Assembly Bills (AB) 1255 and 1486. Available assistance includes creating a surplus lands disposition user guide; helping provide the legally required noticing for surplus land disposition; and inventorying a jurisdiction's surplus land for the annual HCD submittal.
 - Estimated timeframe: 6 months
 - Senate Bill (SB) 9 User Guide
 - Creating a SB 9 user guide for public and/or City staff use. The user guide will serve as a resource for projects using SB 9 for lot split or to develop two units on a parcel zoned as single-family residential. The guide will make clear what opportunities and commitments are involved, as well as the bill's interaction with related legislation and municipal code specifications, such as objective design standards and existing zoning. The user guide will be based on the adopted bill as of December 31, 2021.
 - Estimated timeframe: 4 months
 - Development Application Approvals and Timelines Guide
 - Create a guide to serve as an informational resource for City staff and/or the public about state-mandated residential development application approval stipulations and timelines. This guide will provide information for the following key focus areas: which projects are eligible for streamlined ministerial approval pursuant to state legislation, state-mandated reasons for why a jurisdiction may not disprove a development application processed ministerially, state-mandated

- timelines for jurisdictions to approve a development application and any new requirements or standards jurisdictions are prohibited from imposing on a development while the application is being processed, and state-mandated development application expiration timelines.
 - Estimated timeframe: 4 months
- Senate Bill (SB) 10 Ordinance
 - Create a jurisdiction's SB 10 ordinance, including the map of parcels subject to the ordinance. This ordinance would, consistent with SB 10, allow for any parcel to be zoned for up to 10 dwelling units per acre if it is located in a transit-rich area or an urban infill site.
 - Estimated timeframe: 6 months

Assistance Activities

- Development Application Review
 - Assist jurisdiction staff in reviewing residential development applications. These development applications may be processed through ministerial or discretionary review. The consultant will serve in an assistance role to assist with and carry out activities with which jurisdiction staff would benefit from extra staff capacity.
 - Estimated timeframe: 6 months
- Accessory Dwelling Unit (ADU) FAQ and Construction Process User Guide
 - Create an FAQ document and construction process user guide for ADUs. This document will respond to recent state ADU legislation as well as the jurisdiction's municipal code to create a resource that property owners can use to assist them in understanding the opportunities, considerations, and processes involved in constructing an ADU/JADU. An optional task involves holding office hours for community members to engage directly with consultant and/or jurisdiction staff about ADU construction; the consultant will facilitate a learning process so that jurisdiction staff are well equipped to continue the office hours program after the project concludes.
 - Estimated timeframe: 6 months
- Transit Priority Area (TPA) Mapping and FAQ Document
 - Create city-wide maps and geospatial files of TPAs that both developers and jurisdiction staff can use to facilitate housing development in areas with transit accessibility. To support using these maps in context, the consultant will create an FAQ document with information about opportunities, incentives, and development streamlining that are possible through state legislation when developing housing in TPAs.
 - Estimated timeframe: 4 months
- Development Impact Fee (DIF) Structure Review
 - Cities charge development impact fees (DIF) for the development of amenities and infrastructure and are necessary to continue to administer existing programs and support other development services to ensure the health, safety, and welfare

- of the community. However, DIF can be a barrier to development and home prices. This project involves revising the current fee structure to change the unit of measurement for DIF from number of units to square footage to encourage the production of additional housing units. Additionally, an impact fee nexus study will be prepared in accordance with AB 602 to justify the increase or development of fees and establish transparency and accountability standards.
- Estimated timeframe: 6 months
 - Prohousing Designation
 - Assist a jurisdiction obtain HCD's Prohousing designation through the Prohousing Designation Program. Obtaining this designation can yield additional points or other preference in the scoring of a jurisdiction's applications for competitive housing and infrastructure programs.
 - Estimated timeframe: 3 months
 - Community Engagement
 - This project entails meaningfully and purposefully engaging with community members and stakeholders to add value and address community needs related to the projects in this workplan. Each form of outreach and engagement in this project's tasks may be used separately or may be combined with others for more comprehensive engagement. Jurisdictions will select which engagement form(s) to use.
 - Estimated timeframe: 12 months