



Western Riverside Council of Governments WRCOG Executive Committee

AGENDA

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

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

[Join Zoom Meeting](#)

Meeting ID: 893 7088 6219

Passcode: 20221107

Dial in: (669) 900-6833 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 (AB) 361 (Government Code Section 54953). 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 jleonard@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Janis Leonard 72 hours prior to the meeting at (951) 405-6702 or jleonard@wrcog.us. Later requests will be accommodated to the extent feasible.

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

- 1. CALL TO ORDER (Crystal Ruiz, 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 01-22, adopted on April 4, 2022, 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 October 3, 2022, Executive Committee Meeting

Requested Action(s):

1. Approve the Summary Minutes from the October 3, 2022, Executive Committee meeting.

C. Finance Department Activities Update

Requested Action(s):

1. Receive and file.

D. WRCOG Committees and Agency Activities Update

Requested Action(s):

1. Receive and file.

E. Report out of WRCOG Representatives on Various Committees

Requested Action(s):

1. Receive and file.

F. Regional Streetlight Program Activities Update

Requested Action(s):

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

G. PACE Programs: Adoption of Resolution to Escheat Unclaimed Funds to the State of California

Requested Action(s):

1. Adopt Resolution Number 25-22; A Resolution of the Executive Committee of the Western Riverside Council of Governments to Escheat Unclaimed Funds to the State of California.

H. Approval of Executive Committee and General Assembly Meeting Schedule for 2023

Requested Action(s):

1. Approve the schedule of Executive Committee and General Assembly meetings for 2023.

I. Approval of Two TUMF Reimbursement Agreement Amendments

Requested Action(s):

1. Authorize the Executive Director to execute Amendment Number 2 to a TUMF Reimbursement Agreement with the City of Menifee for the Construction Phase of the Holland Roadway Widening and Holland Road / I-215 Overpass Project from \$8,255,000 to \$10,255,000.
2. Authorize the Executive Director to execute Amendment Number 3 to a TUMF Reimbursement Agreement with the City of San Jacinto for the Construction Phase of the Esplanade Avenue Widening Project for an amount not to exceed \$5,630,000.

J. Approval of Revised 2022 TUMF Central Zone 5-Year Transportation Improvement Programs

Requested Action(s):

1. Approve the Revised 2022 TUMF Central Zone 5-Year Transportation Improvement Program

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. Cal Cities Activities Update

Requested Action(s):

1. Receive and file.

B. Commercial PACE Activities Update

Requested Action(s):

1. Receive and file.

C. Housing Activities Update

Requested Action(s):

1. Receive and file.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Rob Johnson, City of San Jacinto

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

Crystal Ruiz, City of San Jacinto

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

[Executive Director Activities Update](#)

11. ITEMS FOR FUTURE AGENDAS

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

12. GENERAL ANNOUNCEMENTS

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

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, December 5, 2022, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

14. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to Section 54956.9(d)(1): One case

1. Western Riverside Council of Governments v. National Union Fire Insurance Company of Pittsburgh, PA, U.S. District Court, C.D. Cal., Case No. 5:20-cv-02164-GW (KKx)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Director

15. ADJOURNMENT



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

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

Requested Action(s):

1. Affirm the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, 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.

WRCOG 2022-2027 Strategic Plan Goal:

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

Background:

Since the onset of the COVID-19 in early 2020, California government agencies have been able to continue to discharge their legal responsibilities through the use of virtual teleconferencing platforms such as Zoom to hold public meetings that enabled agencies to meet and conduct business, comply with social distancing orders, and most importantly, provide access to the public. WRCOG has been meeting on Zoom since March of 2020, when many Executive Orders were issued by Governor Newsom in response to the pandemic. One such order altered Brown Act requirements to allow for virtual meetings.

Although transmission, hospitalization, and death rates from COVID-19 have sharply declined since the original onset of the pandemic and subsequent Delta and Omicron Variant surges, an air of uncertainty remains regarding the pandemic and many counties continue to recommend masking inside and social distancing. Given that environment and a desire to continue allowing for the flexibility of holding virtual meetings, the Legislature recently approved, and Governor Newsom signed, Assembly Bill 361 (AB 361) to temporarily allow for virtual meetings under proscribed circumstances.

AB 361 amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology in certain circumstances. Under the Bill, 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. Even though cases have dropped, AB 361 is expressly intended "to protect the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location" because of physical status.

The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which continues to exist to this day.

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 allows the Executive Committee to implement AB 361 by making the findings discussed above. These findings 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 will also apply to any Committees that meet 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. AB 361 is scheduled to sunset January 1, 2024.

Prior Action(s):

October 3, 2022: The Executive Committee affirmed the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, which are: 1) 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 2) State or local officials have recommended measures to promote social distancing.

September 12, 2022: The Executive Committee affirmed the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, which are: 1) 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 2) State or local officials have recommended measures to promote social distancing.

August 1, 2022: The Executive Committee affirmed the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, which are: 1) 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 2) State or local officials have recommended measures to promote social distancing.

April 4, 2022: The Executive Committee adopted Resolution Number 01-22; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Virtual Committee

Meetings Pursuant to AB 361.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - Resolution Number 01-22: 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 01-22

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; Supersede. 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. This Resolution supersedes Resolution Number 26-21.

Section 6. Full and Fair Access. In making the findings included herein, the Executive Committee specifically relies on Section 8(b) of Statutes 2021, c.165 (AB 361, § 3, effective September 16, 2021) which provides as follows:

- (b) The Legislature finds and declares that [the changes made by AB 361 to] Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:
 - (1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

- (2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on April 4, 2022.

Karen S. Spiegel

Karen Spiegel, Chair
WRCOG Executive Committee

7h

Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun

Steven DeBaun
WRCOG Legal Counsel

AYES: 22 NAYS: 0 ABSENT: 2 ABSTAIN: 0

WRCOG Executive Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Crystal Ruiz at 2:01 p.m. on October 3, 2022, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

2. PLEDGE OF ALLEGIANCE

Committee member Ben Benoit 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 - Dale Welty
- 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 Moreno Valley - Edward Delgado
- City of Murrieta - Lori Stone
- City of Norco - Kevin Bash
- City of Perris - Marisela Nava
- City of Riverside - Ronaldo Fierro
- City of San Jacinto - Crystal Ruiz (Chair)
- City of Temecula - James Stewart
- 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

*Arrived after Roll Call

4. PUBLIC COMMENTS

Arnold San Miguel, SCAG, announced that on December 1, 2022, SCAG will host its 13th edition of its celebrated Southern California Economic Summit in downtown Los Angeles at the Sheraton Grand. This year's theme is "Resourcing the Region." Early bird registration is \$125 per person until October 28th. Elected officials and city managers may attend for free. At Thursday's Regional Council meeting, SCAG staff will be requesting authorization to release a Notice of Preparation for the draft program Environmental Impact Report for Connect SoCal 2024-2050. Lastly, October 5, 2022, is California Clean Air Day.

5. CONSENT CALENDAR

RESULT: APPROVED AS RECOMMENDED

MOVER: District 5

SECONDER: Jurupa Valley

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

A. Assembly Bill 361 Findings

Action:

1. Affirmed the findings of the Executive Committee in Resolution Number 01-22, adopted on April 4, 2022, 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 September 12, 2022, Executive Committee Meeting

Action:

1. Approved the Summary Minutes from the September 12, 2022, Executive Committee meeting.

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. Housing Legislative Activities Update

Action:

1. Received and filed.

G. Cal Cities Activities Update

Action:

1. Received and filed.

H. Approval of One TUMF Reimbursement Agreement Amendment

Action:

1. Authorized the Executive Director to execute Amendment Number 2 to a TUMF Reimbursement Agreement with the City of Corona for the Planning, Design, Right-Of-Way, and Construction Phases of the Auto Center Drive BNSF Railroad Grade Separation in an amount not to exceed \$2,120,000.

I. Approval of Amendment No. 1 to the Professional Services Agreement with AECOM for the Western Riverside County Energy Resilience Plan

Action:

1. Approved Amendment No. 1 to the Professional Services Agreement with AECOM authorizing an increase to the contract amount and extra work related to the Western Riverside County Energy Resilience Plan.

6. REPORTS / DISCUSSION

A. Environmental Department Activities Update

Olivia Sanchez, WRCOG Program Manager, reported that at its recent meeting, WRCOG's Solid Waste Committee received presentations and information on SB 1383, Capacity Planning for Organic Waste and Food Recovery, and current and pending legislation.

The Capacity Planning for Organic Waste and Food Recovery project started in April 2022 with MSW consultants to assist member cities that expressed interest. MSW worked with member jurisdictions, local franchise haulers, and edible food recovery facilities to determine tonnages and gaps in capacity. MSW determined that Riverside County as a whole, needs 66,314 tons of organic waste capacity and 21,211 tons of edible food recovery capacity. MSW continues to work with cities on completing an implementation plan.

Used oil / filter collection events have continued virtually over the past year, with 634 participants and 345 used oil filters exchanged. Grant funding from the Household Hazardous Waste Program was used to increase used oil capacity at certified collection centers, from 1,850 gallons to 3,700 gallons, in 10 WRCOG member cities.

The Love Your Neighborhood initiative will be deploying a new website in a few weeks to support cleanup efforts and to address illegal dumping. Cities interested in participating in this Program can contact WRCOG staff.

Action:

1. Received and filed.

B. 4th Quarter Draft Budget Amendment for Fiscal Year 2021/2022

Andrew Ruiz, WRCOG Chief Financial Officer, reported that for the fourth quarter of Fiscal Year 2021/2022, there will be a net increase in revenues of approximately \$29M. This is primarily due to an increase in collections in the TUMF Program. There has been a significant increase in development activity, specifically in housing.

The other major amendment is to the Inland Regional Energy Network, or I-REN, budget. While I-REN has launched, it has not incurred as much in revenues and expenditures as originally anticipated since the Program is still ramping up. This does not change the total amounts allocated by the California Public Utilities Commission, as I-REN has a six-year period to expend the funds and 2022 was its first year.

Committee member Jeff Hewitt expressed concern with some of the details in the budget amendment in that the resolution used to adopt the budget provides the Executive Director the authority to approve budget amendments as long as the amendments are in a technical nature.

Committee member Wendy Hewitt expressed concern with the large variance in numbers and believes that any numbers over 10% should require an explanation.

Mr. Ruiz responded that the item being presented today is for the 4th Quarter of Fiscal Year (FY) 2021/2022, and the resolution referred to is for the FY 2022/2023 Budget. Regarding an explanation when numbers change by over 10%, there is no language to that affect in the resolution for the current fiscal year, only that the Executive Director can approve if the change is of a technical nature.

Dr. Kurt Wilson, WRCOG Executive Director, added that any variances will be identified and explained within the staff report, even if it is below 10%.

Committee member Kevin Jeffries asked how transfers, not authorized by this Committee, to Western Community Energy (WCE) are being managed.

Mr. Ruiz responded that in the FY 2022/2023 Budget, any write-offs are reflected.

Dr. Wilson added that any losses related to WCE only became final upon adoption of the WCE plan of adjustment which happens in the current fiscal year rather than the previous fiscal year.

Action:

1. Approved the 4th Quarter draft Budget Amendment for Fiscal Year 2021/2022.

RESULT: APPROVED AS RECOMMENDED

MOVER: Meniffee

SECONDER: Wildomar

AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Meniffee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula,

Wildomar, District 1, District 2, District 3, EMWD, WMWD

ABSTAIN: District 5

C. PACE Programs: Adoption of Unclaimed Refund Policy and Procedure

Casey Dailey, WRCOG Director of Energy & Environmental Programs, reported that PACE refunds occur when a property owner prepays their PACE assessment line item prior to paying their property tax bill. These refunds are processed by WRCOG staff and multiple attempts are made to return refunds to the property owner. Occasionally, these checks remain unclaimed by property owners.

A number of checks were issued in 2019, and absent a WRCOG policy, those funds would automatically be returned to the State of California. State law requires all unclaimed property to be returned to the State after three years, unless a resolution and policy are adopted by the Agency that would allow the unclaimed property to remain with WRCOG.

Dr. Kurt Wilson added that the Administration & Finance Committee expressed concern with protecting the consumer rights and wanted to ensure that the property owners or their heirs have perpetual availability to the funds. Following the conversation at the Administration & Finance Committee meeting, staff revisited the options. Staff determined that one option could be that WRCOG maintains the funds in perpetuity, which would allow WRCOG to collect interest on those funds. If the funds were escheated to the State, then the State would collect the interest.

If this Committee determines that any unclaimed funds are to be escheated to the State, no action is required. Having said that, if this Committee wants to take a specific action to reinforce that, or any other action, staff would bring this item back on the Consent Calendar in November in order to have time to prepare a resolution.

Committee members discussed the matter of confusion between the discussion and recommendation from the Administration & Finance Committee and today's presentation.

Action:

1. Affirmed the recommendation from the Administration & Finance Committee to permit funds from unclaimed PACE refunds to revert to the State of California where valid claims can be honored in perpetuity, and directed staff to return with a resolution solidifying the policy.

RESULT: APPROVED AS RECOMMENDED

MOVER: Wildomar

SECONDER: Moreno Valley

AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5, EMWD, WMWD
The City of Temecula representative did not respond.

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Technical Advisory Committee (TAC) Chair Rob Johnson reported that at its last meeting, the TAC received updates and information on local housing activities and assistance, the 4th Quarter draft

Budget Amendment, grant writing assistance, and environmental department activities.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Brian Tisdale, CALCOG representative, reported that March 6 - 8, 2023, CALCOG will be holding its strategic retreat at the Riverside Convention Center. The Board of Directors will be holding its next meeting in person on October 29, 2022. At this meeting, new officers will be elected, and Committee member Tisdale is slated to be the President. Additional details are provided in the agenda packet.

Chair Crystal Ruiz, SANDAG Borders Committee representative, reported that SANDAG is now holding its meetings in person. Additional details are provided in the agenda packet.

Committee member Ted Hoffman, SAWPA OWOW representative, reported that 24 projects were submitted for Prop 1, Round 2 funding; of that, 13 projects were approved to move forward for final approval and funding by the Department of Water Resources. Four of the projects are located within Riverside County; if approved, funding will be provided in 2023.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Ruiz announced that the Cities of San Jacinto and Hemet, and the Soboba Band of Luiseno Indians recently hosted the Mayor's Ball and everyone had an opportunity to learn to ballroom dance. The City of San Jacinto has implemented a new initiative, Move with the Mayor, to help communities get healthy, and challenged other jurisdictions to do something similar. October 13, 2022, is San Jacinto's State of the City.

10. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reported that the bulk of his update can be found in the Agenda packet. A number of bills were recently signed that could have an impact of local jurisdictions. CALPERS has a proposed rule change which will have a significant impact on how many local jurisdictions do business.

11. ITEMS FOR FUTURE AGENDAS

Committee member Dale Welty indicated that it would be helpful if WRCOG could do the research and gather data on developers, they types of projects they do, and their financing mechanisms.

Committee member Jeff Hewitt asked for a future discussion on the Agency budget resolution.

12. GENERAL ANNOUNCEMENTS

Committee member Kevin Bash thanked Dr. Wilson for attending events in the City of Norco.

Committee member Russ Brown announced that the Ramona play next year will be the centennial performance. Ramona's equestrian unit was approved for participation in the Rose Parade.

13. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, November 7, 2022, at 2:00 p.m., in the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

14. CLOSED SESSION

Steve DeBaun, WRCOG Legal Counsel, announced that there are several Closed Session items as listed on the agenda.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

1. Significant exposure to litigation pursuant to Section 54956.9(2)(d): One potential case
2. Potential initiation of litigation pursuant to Section 54956.9(4)(d): Four potential cases

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to Section 54956.9(d)(1): One case

1. Western Riverside Council of Governments v. National Union Fire Insurance Company of Pittsburgh, PA, U.S. District Court, C.D. Cal., Case No. 5:20-cv-02164-GW (KKx)

There were no reportable actions.

15. ADJOURNMENT

The meeting was adjourned at 3:37 p.m.



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

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

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the Agency financials through August 2022.

WRCOG 2022-2027 Strategic Plan Goal:

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

Background:

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.

Regarding goal #1, staff have planned out a process to go through and revise all of its fiscal-related policies and plan to have them vetted and revised by the end of the fiscal year. Staff will begin by updating its investment policy with the assistance of its financial advisor, Public Financial Management (PFM), and will seek input from the Finance Directors Committee at its next meeting.

Regarding goal #3, staff have updated the public financial statements with significantly more detail, including breaking out each line item by fund, department, and program. These detailed financial statements provide more transparency into each of the Agency's funds and programs.

As staff continue to work through these goals, input through WRCOG's Committee structure will be important to ensure the goals are being met.

Financial Report Summary Through August 2022

The Agency's Financial Report summary through August 2022, a detailed overview of WRCOG's financial statements in the form of combined Agency revenues and costs, plus a detailed breakout, is

provided as Attachment 1.

Fiscal Year (FY) 2021/2022 Year End and Agency Audit

FY 2021/2022 has now ended and the Agency's books have now been closed. WRCOG will be utilizing the services of the audit firm Van Lant and Fankhanel (VLF) to conduct its financial audit. During FY 2021/2022, an RFP was released for financial auditing services as a Government Finance Officers Association (GFOA) best practice, as WRCOG has utilized auditing firm Rogers, Anderson, Malody and Scott for the past five years. WRCOG ended up selecting a new audit firm (VLF) to conduct its audits based on the results of the RFP.

In July 2022, VLF conducted the first phase of the audit, known as the interim audit, which involves preliminary audit work that is conducted prior to the books being fully closed. The interim audit tasks are conducted in order to gain an understanding of the Agency's processes during the year and to compress the period needed to complete the final audit after the books have been closed. The interim audit has now been completed and the full audit has started in October 2022 with expected completion by the end of November.

Prior Action(s):

None.

Fiscal Impact:

Finance Department activities are included in the Agency's adopted Fiscal Year 2022/2023 Budget under the Administration Department under Fund 110.

Attachment(s):

[Attachment 1 - Aug 2022 Agency Financials](#)



Western Riverside Council of Governments
Budget-to-Actuals - Total Agency
As of August 31, 2022

Description	Actual	FY 23 Budget	Variance
Revenues			
Member Dues	\$294,410	\$294,410	\$0
Fellowship	\$0	\$100,000	\$100,000
Interest Revenue - Other	\$0	\$5,000	\$5,000
Operating Transfer Out	\$191,990	\$2,476,847	\$2,284,857
REAP Revenue	\$0	\$1,050,000	\$1,050,000
LTF Revenue	\$1,002,500	\$930,000	(\$72,500)
Other Misc Revenue-RIVTAM	\$5,000	\$25,000	\$20,000
Commerical/Service	\$112,311	\$1,560,000	\$1,447,689
Retail	\$118,013	\$4,160,000	\$4,041,987
Industrial	\$959,113	\$8,320,000	\$7,360,887
Residential/Multi/Single	\$94,137	\$1,456,000	\$1,361,863
Operations and Maintenance	\$0	\$0	\$0
Residential/Multi/Single	\$2,259,283	\$34,944,000	\$32,684,717
Multi-Family	\$1,212,694	\$4,680,000	\$3,467,306
Baumont TUMF Settlement Revenue	\$0	\$900,000	\$900,000
Citizens Trust Investment Interest	\$0	\$275,000	\$275,000
PACE Revenue	\$6,375	\$0	(\$6,375)
Hero Admin Fees	\$37,600	\$2,725,000	\$2,687,400
WRCOG HERO CAFTA Revenue	\$0	\$150,000	\$150,000
PACE Commercial Sponsor Revenue	\$0	\$50,000	\$50,000
Regional Streetlights Revenue	\$36,856	\$135,542	\$98,686
IREN - Public Sector	\$0	\$10,038,349	\$10,038,349
Solid Waste - SB1383	\$117,593	\$117,593	\$0
Solid Waste	\$124,206	\$173,157	\$48,951
Used Oil Grants	\$198,398	\$198,398	\$0
Air Quality - Other Reimburse	\$126,000	\$270,167	\$144,167
LTF Revenue	\$70,000	\$70,000	\$0
REAP Revenue	\$0	\$132,064	\$132,064
Total Revenues	\$6,966,480	\$75,236,527	\$68,270,047



Western Riverside Council of Governments
Budget-to-Actuals - Total Agency
As of August 31, 2022

Description	Actual	FY 23 Budget	Variance
Expenses			
Salaries & Wages - Fulltime	\$338,142	\$3,064,926	\$2,749,096
Fringe Benefits	\$566,260	\$1,399,419	\$963,349
Overhead Allocation	\$288,411	\$2,174,586	\$1,962,841
General Legal Services	\$426,887	\$1,551,600	\$1,244,532
Audit Svcs - Professional Fees	\$0	\$30,000	\$30,000
Bank Fees	\$0	\$67,008	\$67,008
Commissioners Per Diem	\$10,200	\$72,000	\$61,800
Parking Cost	\$4,827	\$28,000	\$23,173
Office Lease	\$58,468	\$340,000	\$281,532
WRCOG Auto Fuels Expenses	\$0	\$1,000	\$1,000
WRCOG Auto Maintenance Expense	\$0	\$500	\$500
Parking Validations	\$711	\$14,100	\$13,390
Staff Recognition	\$1,660	\$3,100	\$1,440
Coffee and Supplies	\$0	\$2,500	\$2,500
Event Support	\$41,359	\$165,000	\$123,641
Program/Office Supplies	\$3,629	\$22,800	\$19,171
Computer Equipment/Supplies	\$0	\$7,000	\$7,000
Computer Software	\$8,750	\$104,500	\$95,750
Rent/Lease Equipment	\$1,214	\$15,000	\$13,786
Membership Dues	\$12,561	\$59,250	\$46,689
Subscription/Publications	\$5,780	\$8,950	\$3,170
Meeting Support Services	\$70	\$3,350	\$3,296
Postage	\$119	\$8,250	\$8,131
Other Household Exp	\$642	\$2,600	\$1,958
Storage	\$1,058	\$5,500	\$4,442
Printing Services	\$824	\$4,650	\$3,826
Computer Hardware	\$60	\$9,000	\$8,940
Misc. Office Equipment	\$58	\$1,000	\$942
Communications - Regular Phone	\$3,689	\$17,500	\$13,811
Communications - Cellular Phones	\$976	\$16,900	\$15,924
Communications - Computer Services	\$3,419	\$40,000	\$36,581
Communications - Web Site	\$0	\$8,000	\$8,000
Equipment Maintenance - Comp/Software	\$290	\$7,500	\$7,210
Maintenance - Building and Improvement	\$4,287	\$12,000	\$7,713
Insurance - Errors & Omissions	\$0	\$50,000	\$50,000
Insurance - Gen/Busi Liab/Auto	\$0	\$54,266	\$54,266
WRCOG Auto Insurance	\$0	\$6,000	\$6,000
Data Processing Support	\$1,776	\$8,000	\$6,224
Recording Fee-PACE	\$989	\$14,000	\$13,031
Seminars/Conferences	\$0	\$24,850	\$24,850
Travel - Mileage Reimbursement	\$2	\$20,030	\$20,028
Travel - Ground Transportation	\$44	\$10,300	\$10,256
Travel - Airfare	\$0	\$36,750	\$36,750
Lodging	\$889	\$80,600	\$79,711
Meals	\$301	\$10,730	\$10,429



Western Riverside Council of Governments
Budget-to-Actuals - Total Agency
As of August 31, 2022

Description	Actual	FY 23 Budget	Variance
Other Incidentals	\$0	\$1,500	\$1,500
Training	\$120	\$33,250	\$33,130
OPEB Repayment	\$0	\$110,526	\$110,526
Supplies/Materials	\$0	\$8,900	\$8,900
Advertising Media - Newspaper Ad	\$29,000	\$29,048	\$48
Staff Education Reimbursement	\$0	\$7,500	\$7,500
Compliance Settlements	\$40,280	\$200,000	\$159,720
Direct Costs	\$0	\$1,660,177	\$1,660,177
Consulting Labor	\$252,877	\$8,018,122	\$7,779,913
TUMF Project Reimbursement	\$0	\$25,000,000	\$25,000,000
COG REN Reimbursement	\$0	\$1,474,000	\$1,492,957
Total Expenses	\$2,110,629	\$46,126,038	\$44,398,056



Western Riverside Council of Governments
Budget-to-Actuals - Administration
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Administration								
Revenues								
110	12	40001	0	0	Member Dues	\$294,410	\$294,410	\$0
110	12	49001	0	0	Interest Revenue - Other	\$0	\$5,000	\$5,000
110	12	97001	0	0	Operating Transfer Out	\$191,990	\$2,476,847	\$2,284,857
Total Revenues						\$486,400	\$2,776,257	\$2,289,857
Expenses								
110	12	60001	0	0	Salaries & Wages - Fulltime	\$111,636	\$944,788	\$833,152
110	12	61000	0	0	Fringe Benefits	\$363,715	\$449,211	\$85,496
110	12	65101	0	0	General Legal Services	\$11,911	\$115,000	\$103,090
110	12	65401	0	0	Audit Svcs - Professional Fees	\$0	\$30,000	\$30,000
110	12	65505	0	0	Bank Fees	\$0	\$2,000	\$2,000
110	12	65507	0	0	Commissioners Per Diem	\$10,200	\$70,000	\$59,800
110	12	71615	0	0	Parking Cost	\$4,827	\$28,000	\$23,173
110	12	73001	0	0	Office Lease	\$58,468	\$340,000	\$281,532
110	12	73003	0	0	WRCOG Auto Fuels Expenses	\$0	\$1,000	\$1,000
110	12	73004	0	0	WRCOG Auto Maintenance Expense	\$0	\$500	\$500
110	12	73102	0	0	Parking Validations	\$711	\$10,000	\$9,290
110	12	73104	0	0	Staff Recognition	\$1,160	\$3,100	\$1,940
110	12	73106	0	0	Coffee and Supplies	\$0	\$2,500	\$2,500
110	12	73107	0	0	Event Support	\$5,250	\$45,000	\$39,750
110	12	73108	0	0	Program/Office Supplies	\$3,629	\$20,000	\$16,371
110	12	73109	0	0	Computer Equipment/Supplies	\$0	\$5,500	\$5,500
110	12	73110	0	0	Computer Software	(\$200)	\$35,000	\$35,200
110	12	73111	0	0	Rent/Lease Equipment	\$1,214	\$15,000	\$13,786
110	12	73113	0	0	Membership Dues	\$11,061	\$30,000	\$18,939
110	12	73114	0	0	Subscription/Publications	\$5,764	\$6,000	\$236
110	12	73115	0	0	Meeting Support Services	\$54	\$500	\$446
110	12	73116	0	0	Postage	\$0	\$5,000	\$5,000
110	12	73117	0	0	Other Household Exp	\$642	\$1,500	\$858
110	12	73119	0	0	Storage	\$0	\$1,500	\$1,500
110	12	73120	0	0	Printing Services	\$824	\$1,000	\$176
110	12	73122	0	0	Computer Hardware	\$60	\$8,000	\$7,940
110	12	73201	0	0	Communications - Regular Phone	\$3,689	\$17,500	\$13,811
110	12	73204	0	0	Communications - Cellular Phones	\$387	\$7,500	\$7,113



Western Riverside Council of Governments
Budget-to-Actuals - Administration
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
110	12	73206	0	0	Communications - Computer Services	\$3,419	\$40,000	\$36,581
110	12	73209	0	0	Communications - Web Site	\$0	\$8,000	\$8,000
110	12	73302	0	0	Equipment Maintenance - Comp/Software	\$290	\$5,000	\$4,710
110	12	73303	0	0	Maintenance - Building and Improvement	\$4,287	\$12,000	\$7,713
110	12	73401	0	0	Insurance - Errors & Omissions	\$0	\$50,000	\$50,000
110	12	73405	0	0	Insurance - Gen/Busi Liab/Auto	\$0	\$50,266	\$50,266
110	12	73407	0	0	WRCOG Auto Insurance	\$0	\$6,000	\$6,000
110	12	73601	0	0	Seminars/Conferences	\$0	\$3,500	\$3,500
110	12	73611	0	0	Travel - Mileage Reimbursement	\$2	\$3,500	\$3,498
110	12	73612	0	0	Travel - Ground Transportation	\$44	\$1,500	\$1,456
110	12	73613	0	0	Travel - Airfare	\$0	\$3,000	\$3,000
110	12	73620	0	0	Lodging	\$0	\$1,500	\$1,500
110	12	73630	0	0	Meals	\$215	\$3,500	\$3,285
110	12	73650	0	0	Training	\$0	\$30,000	\$30,000
110	12	73660	0	0	OPEB Repayment	\$0	\$110,526	\$110,526
110	12	73801	0	0	Staff Education Reimbursement	\$0	\$7,500	\$7,500
110	12	85100	0	0	Direct Costs	\$0	\$160,177	\$160,177
110	12	85101	0	0	Consulting Labor	\$31,345	\$250,000	\$218,655
Total Expenses						\$634,604	\$2,941,068	\$2,306,465



Western Riverside Council of Governments
Budget-to-Actuals - Administration
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Fellowship								
Revenues								
110	12	40009	4700	0	Fellowship	\$0	\$100,000	\$100,000
Total Revenues						\$0	\$100,000	\$100,000
Expenses								
110	12	60001	4700	0	Salaries & Wages - Fulltime	\$15,431	\$174,412	\$158,981
110	12	61000	4700	0	Fringe Benefits	\$1,408	\$15,660	\$14,252
110	12	65101	4700	0	General Legal Services	\$0	\$100	\$100
110	12	73102	4700	0	Parking Validations	\$0	\$1,000	\$1,000
110	12	73107	4700	0	Event Support	\$0	\$1,000	\$1,000
110	12	73108	4700	0	Program/Office Supplies	\$0	\$500	\$500
110	12	73115	4700	0	Meeting Support Services	\$0	\$250	\$250
110	12	73116	4700	0	Postage	\$0	\$100	\$100
110	12	73601	4700	0	Seminars/Conferences	\$0	\$150	\$150
110	12	73611	4700	0	Travel - Mileage Reimbursement	\$0	\$1,000	\$1,000
110	12	73612	4700	0	Travel - Ground Transportation	\$0	\$150	\$150
110	12	73630	4700	0	Meals	\$0	\$350	\$350
110	12	73650	4700	0	Training	\$0	\$250	\$250
110	12	85101	4700	0	Consulting Labor	\$0	\$500	\$500
Total Expenses						\$16,839	\$195,422	\$178,583



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Clean Cities								
Revenues								
120	80	41402	1010	0	Air Quality	\$126,000	\$270,167	\$144,167
120	80	41701	1010	0	LTF Revenue	\$70,000	\$70,000	\$0
Total Revenues						\$196,000	\$340,167	\$144,167
Expenses								
120	80	60001	1010	0	Salaries & Wages - Fulltime	\$7,546	\$170,523	\$170,523
120	80	61000	1010	0	Fringe Benefits	\$2,396	\$86,260	\$86,260
120	80	63000	1010	0	Overhead Allocation	\$6,000	\$36,000	\$36,000
120	80	73107	1010	0	Event Support	\$0	\$10,000	\$10,000
120	80	73115	1010	0	Meeting Support Services	\$0	\$500	\$500
120	80	73116	1010	0	Postage	\$0	\$400	\$400
120	80	73611	1010	0	Travel - Mileage Reimbursement	\$0	\$500	\$500
120	80	73612	1010	0	Travel - Ground Transportation	\$0	\$250	\$250
120	80	73613	1010	100	Travel - Airfare	\$0	\$3,500	\$3,500
120	80	73620	1010	100	Lodging	\$0	\$3,500	\$3,500
120	80	73630	1010	0	Meals	\$0	\$500	\$500
120	80	73640	1010	0	Other Incidentals	\$0	\$500	\$500
120	80	73703	1010	0	Supplies/Materials	\$0	\$1,500	\$1,500
120	80	85101	1010	0	Consulting Labor	\$14,668	\$25,850	\$25,850
Total Expenses						\$22,326	\$339,783	\$317,457



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Love Your Neighborhood								
Revenues								
110	80	41201	1035	0	Love Your Neighborhood Revenue	\$0	\$50,000	\$50,000
Total Revenues						\$0	\$50,000	\$50,000
Expenses								
110	80	73107	1035	0	Event Support	\$0	\$10,000	\$10,000
110	80	85101	1035	0	Consulting Labor	\$0	\$40,000	\$40,000
Total Expenses						\$0	\$50,000	\$50,000



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Solid Waste								
Revenues								
110	80	40301	1038	0	SB 1383	\$117,593	\$117,593	\$0
110	80	41201	1038	0	Solid Waste	\$124,206	\$123,157	(\$1,049)
Total Revenues						\$241,800	\$240,750	(\$1,049)
Expenses								
110	80	60001	1038	0	Salaries	\$8,269	\$61,429	\$53,159
110	80	61000	1038	0	Fringe Benefits	\$2,503	\$31,224	\$28,721
110	80	63000	1038	0	Overhead Allocation	\$2,000	\$12,000	\$10,000
110	80	65101	1038	0	Legal	\$270	\$1,000	\$730
110	80	73102	1038	0	Parking Validations	\$0	\$500	\$500
110	80	73107	1038	0	Event Support	\$0	\$2,000	\$2,000
110	80	73114	1038	0	Subscriptions/Publications	\$0	\$250	\$250
110	80	73204	1038	0	Cell Phone Expense	\$87	\$500	\$413
110	80	73601	1038	0	Seminars/Conferences	\$0	\$500	\$500
110	80	73611	1038	0	Mileage Reimbursement	\$0	\$250	\$250
110	80	73612	1038	0	Ground Transportation	\$0	\$150	\$150
110	80	73613	1038	0	Airfare	\$0	\$250	\$250
110	80	73630	1038	0	Meals	\$0	\$500	\$500
110	80	73650	1038	0	Training	\$0	\$500	\$500
110	80	85101	1038	0	Consulting Labor	\$47,165	\$129,556	\$82,391
Total Expenses						\$60,295	\$240,609	\$180,314



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Used Oil								
Revenues								
140	80	41401	2057	0	Used Oil Grants	\$198,398	\$198,398	\$0
Total Revenues						\$198,398	\$198,398	\$0
Expenses								
140	80	60001	2057	0	Salaries & Wages - Fulltime	\$10,289	\$76,400	\$66,111
140	80	61000	2057	0	Fringe Benefits	\$3,115	\$38,486	\$35,371
140	80	63000	2057	0	Overhead Allocation	\$3,307	\$19,839	\$16,533
140	80	65101	2057	0	General Legal Services	\$0	\$1,000	\$1,000
140	80	73102	2057	0	Parking Validations	\$0	\$250	\$250
140	80	73107	2057	0	Event Support	\$11,109	\$20,000	\$8,891
140	80	73108	2057	0	Program/Office Supplies	\$0	\$500	\$500
140	80	73113	2057	0	Membership Dues	\$0	\$500	\$500
140	80	73115	2057	0	Meeting Support Services	\$0	\$1,000	\$1,000
140	80	73119	2057	0	Storage	\$1,058	\$4,000	\$2,942
140	80	73120	2057	0	Printing Services	\$0	\$1,000	\$1,000
140	80	73204	2057	0	Communications - Cellular Phones	\$38	\$200	\$162
140	80	73405	2057	0	Insurance - Gen/Busi Liab/Auto	\$0	\$1,000	\$1,000
140	80	73601	2057	0	Seminars/Conferences	\$0	\$2,000	\$2,000
140	80	73611	2057	0	Travel - Mileage Reimbursement	\$0	\$1,000	\$1,000
140	80	73612	2057	0	Travel - Ground Transportation	\$0	\$500	\$500
140	80	73630	2057	0	Meals	\$0	\$500	\$500
140	80	73703	2057	0	Supplies/Materials	\$0	\$1,000	\$1,000
140	80	73704	2057	0	Advertising Media - Newspaper Ad	\$29,000	\$29,048	\$48
Total Expenses						\$57,915	\$198,223	\$140,308



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Inland Regional Energy Network								
Revenues						Actual	FY 23 Budget	Variance
180	67	41480	2080	71XX	IREN - Public Sector	\$0	\$6,239,958	\$6,239,958
180	67	41480	2080	72XX	IREN - Workforce Education and Training	\$0	\$2,323,361	\$2,323,361
180	67	41480	2080	73XX	IREN - Codes and Standards	\$0	\$1,475,030	\$1,475,030
Total Revenues						\$0	\$10,038,349	\$10,038,349
Expenses						Actual	FY 23 Budget	Variance
180	67	60001	2080	7101	Salaries & Wages - Fulltime	\$19,270	\$221,281	\$202,011
180	67	60001	2080	7201	Salaries & Wages - Fulltime	\$6,191	\$71,088	\$64,898
180	67	60001	2080	7301	Salaries & Wages - Fulltime	\$5,786	\$66,439	\$60,654
180	67	61000	2080	7101	Fringe Benefits	\$6,583	\$100,535	\$93,952
180	67	61000	2080	7201	Fringe Benefits	\$2,115	\$31,124	\$29,009
180	67	61000	2080	7301	Fringe Benefits	\$1,977	\$28,691	\$26,715
180	67	63000	2080	7101	Overhead Allocation	\$20,311	\$350,457	\$330,146
180	67	63000	2080	7201	Overhead Allocation	\$6,525	\$111,309	\$104,784
180	67	63000	2080	7301	Overhead Allocation	\$6,098	\$103,597	\$97,499
180	67	65101	2080	7101	General Legal Services	\$1,600	\$13,400	\$11,800
180	67	65101	2080	7111	General Legal Services	\$1,600	\$1,600	\$0
180	67	65101	2080	7201	General Legal Services	\$1,600	\$13,400	\$11,800
180	67	65101	2080	7211	General Legal Services	\$1,600	\$1,600	\$0
180	67	65101	2080	7301	General Legal Services	\$1,600	\$13,400	\$11,800
180	67	65101	2080	7311	General Legal Services	\$1,600	\$1,600	\$0
180	67	65505	2080	7101	Bank Fees	\$0	\$1,500	\$1,500
180	67	73102	2080	7101	Parking Validations	\$0	\$1,000	\$1,000
180	67	73107	2080	7103	Event Support	\$4,167	\$20,833	\$16,667
180	67	73107	2080	7113	Event Support	\$4,167	\$4,167	\$0
180	67	73107	2080	7203	Event Support	\$4,167	\$20,833	\$16,667
180	67	73107	2080	7213	Event Support	\$4,167	\$4,167	\$0
180	67	73107	2080	7303	Event Support	\$4,167	\$20,833	\$16,667
180	67	73107	2080	7313	Event Support	\$4,167	\$4,167	\$0
180	67	73113	2080	7101	Membership Dues	\$0	\$25,000	\$25,000
180	67	73117	2080	7101	Other Household Exp	\$0	\$1,000	\$1,000



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
180	67	73120	2080	7101	Printing Services	\$0	\$2,500	\$2,500
180	67	73122	2080	7101	Computer Hardware	\$0	\$1,000	\$1,000
180	67	73125	2080	7101	Misc. Office Equipment	\$58	\$1,000	\$942
180	67	73204	2080	7101	Communications - Cellular Phones	\$0	\$3,600	\$3,600
180	67	73601	2080	7101	Seminars/Conferences	\$0	\$10,000	\$10,000
180	67	73611	2080	7101	Travel - Mileage Reimbursement	\$0	\$10,530	\$10,530
180	67	73612	2080	7101	Travel - Ground Transportation	\$0	\$5,000	\$5,000
180	67	73613	2080	7101	Travel - Airfare	\$0	\$25,000	\$25,000
180	67	73620	2080	7101	Lodging	\$0	\$70,000	\$70,000
180	67	73630	2080	7101	Meals	\$0	\$2,880	\$2,880
180	67	73703	2080	7101	Supplies/Materials	\$0	\$1,000	\$1,000
180	67	85100	2080	7101	Direct Costs	\$0	\$1,500,000	\$1,500,000
180	67	85101	2080	7101	Consulting Labor	\$2,056	\$2,937,874	\$2,935,819
180	67	85101	2080	7103	Consulting Labor	\$245	\$245	\$0
180	67	85101	2080	7111	Consulting Labor	\$2,056	\$2,056	\$0
180	67	85101	2080	7113	Consulting Labor	\$245	\$245	\$0
180	67	85101	2080	7201	Consulting Labor	\$2,056	\$1,726,119	\$1,724,064
180	67	85101	2080	7203	Consulting Labor	\$245	\$245	\$0
180	67	85101	2080	7211	Consulting Labor	\$2,056	\$2,056	\$0
180	67	85101	2080	7213	Consulting Labor	\$245	\$245	\$0
180	67	85101	2080	7301	Consulting Labor	\$2,056	\$1,017,167	\$1,015,112
180	67	85101	2080	7303	Consulting Labor	\$245	\$245	\$0
180	67	85101	2080	7311	Consulting Labor	\$2,056	\$2,056	\$0
180	67	85101	2080	7313	Consulting Labor	\$245	\$245	\$0
180	67	85182	2080	7101	COG REN Reimbursement	\$0	\$916,256	\$922,575
180	67	85182	2080	7201	COG REN Reimbursement	\$0	\$341,155	\$347,474
180	67	85182	2080	7301	COG REN Reimbursement	\$0	\$216,589	\$222,908
Total Expenses						\$33,532	\$10,028,330	\$9,994,798



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
PACE Funding								
Revenues								
110	67	40601	2104	0	PACE Revenue	\$6,375	\$0	(\$6,375)
Total Revenues						\$6,375	\$0	\$6,375
Expenses								
110	67	73506	2104	0	Recording Fee-PACE	\$34	\$0	(\$34)
Total Expenses						\$34	\$0	(\$34)



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Greenworks								
Revenues								
110	67	40604	2105	0	Greenworks	\$0	\$150,000	\$150,000
Total Revenues						\$0	\$150,000	\$150,000
Expenses								
110	67	60001	2105	0	Salaries & Wages	\$7,564	\$58,176	\$50,612
110	67	61000	2105	0	Fringe Benefits	\$2,524	\$30,934	\$30,934
110	67	63000	2105	0	Overhead Allocation	\$4,000	\$24,000	\$24,000
110	67	73506	2105	0	Recording Fee	\$0	\$2,000	\$2,000
110	67	85101	2105	0	Consulting Labor	\$0	\$34,757	\$34,757
Total Expenses						\$14,088	\$149,866	\$142,303



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Twain								
Revenues								
110	67	40607	2115	0	PACE Commercial Sponsor Revenue	\$0	\$50,000	\$50,000
Total Revenues						\$0	\$50,000	\$50,000
Expenses								
110	67	65101	2115	0	General Legal Services	\$0	\$6,000	\$6,000
110	67	73506	2115	0	Recording Fee	\$0	\$2,000	\$2,000
110	67	85101	2115	0	Consulting Labor	\$0	\$10,000	\$10,000
Total Expenses						\$0	\$18,000	\$18,000



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Clean Fund								
					Expenses			
110	67	65101	2120	0	General Legal Services	\$0	\$5,000	\$5,000
					Total Expenses	\$0	\$5,000	\$5,000



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
California Resiliency Challenge								
Revenues								
110	67	41606	2225	0	Grant Revenue	\$0	\$132,064	\$132,064
Total Revenues						\$0	\$132,064	\$132,064
Expenses								
110	67	60001	2225	0	Salaries & Wages - Fulltime	\$1,542	\$8,035	\$6,493
110	67	61000	2225	0	Fringe Benefits	\$513	\$3,635	\$3,122
110	67	65101	2225	0	General Legal Services	\$101	\$250	\$149
110	67	85101	2225	0	Consulting Labor	\$0	\$119,127	\$119,127
Total Expenses						\$2,156	\$131,047	\$128,891



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
HERO								
Revenues								
110	67	40603	5000	0	Hero Admin Fees	\$37,600	\$2,725,000	\$2,687,400
Total Revenues						\$37,600	\$2,725,000	\$2,687,400
Expenses								
110	67	60001	5000	0	Stwide AB811 Salaries & Wages	\$49,869	\$326,906	\$277,037
110	67	61000	5000	0	Fringe Benefit	\$16,048	\$182,932	\$182,932
110	67	63000	5000	0	Overhead Allocation	\$66,667	\$400,000	\$400,000
110	67	65101	5000	0	GENERAL LEGAL SERVICES	\$131,549	\$900,000	\$888,270
110	67	65505	5000	0	Bank Fee	\$0	\$48,000	\$48,000
110	67	65507	5000	0	Commissioners Per Diem	\$0	\$2,000	\$2,000
110	67	73102	5000	0	Parking Validations	\$0	\$200	\$200
110	67	73107	5000	0	Statewide - Event Support	\$0	\$500	\$500
110	67	73108	5000	0	General Supplies	\$0	\$300	\$300
110	67	73109	5000	0	Computer Supplies	\$0	\$1,000	\$1,000
110	67	73110	5000	0	Computer Software	\$0	\$2,000	\$2,000
110	67	73113	5000	0	NWCC- Membership Dues	\$0	\$1,500	\$1,500
110	67	73114	5000	0	Subscriptions/Publications	\$0	\$1,000	\$1,000
110	67	73115	5000	0	Meeting Support Services	\$16	\$500	\$500
110	67	73116	5000	0	Postage	\$86	\$2,000	\$1,914
110	67	73204	5000	0	Cellular Phone	\$134	\$1,500	\$1,366
110	67	73504	5000	0	Data Processing Support	\$1,776	\$8,000	\$6,224
110	67	73506	5000	0	Recording Fee	\$955	\$10,000	\$9,065



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
110	67	73601	5000	0	Seminar/Conferences	\$0	\$2,500	\$2,500
110	67	73611	5000	0	Travel - Mileage Reimbursement	\$0	\$500	\$500
110	67	73612	5000	0	Travel - Ground Transportatoin	\$0	\$500	\$500
110	67	73613	5000	0	Travel - Airfare	\$0	\$2,500	\$2,500
110	67	73620	5000	0	Lodging	\$889	\$1,500	\$611
110	67	73630	5000	0	Meals	\$0	\$500	\$500
110	67	73640	5000	0	Statewide Other Incidentals	\$0	\$500	\$500
110	67	73650	5000	0	Training	\$120	\$2,000	\$1,880
110	67	73703	5000	0	Supplies/Materials	\$0	\$1,500	\$1,500
110	67	81010	5000	0	Compliance Settlements	\$40,280	\$200,000	\$159,720
110	67	85101	5000	0	CA HERO Direct Exp	\$309	\$160,000	\$159,691
Total Expenses						\$308,698	\$2,260,338	\$2,154,209



Western Riverside Council of Governments
Budget-to-Actuals - Energy and Environmental Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Streetlights								
Revenues								
110	67	40615	2026	0	Regional Streetlights Revenue	\$36,856	\$135,542	\$98,686
Total Revenues						\$36,856	\$135,542	\$98,686
Expenses								
110	67	60001	2026	0	Salaries	\$8,125	\$63,779	\$55,654
110	67	61000	2026	0	Fringe Benefits	\$2,703	\$31,032	\$28,329
110	67	63000	2026	0	Overhead Allocation	\$2,000	\$12,000	\$10,000
110	67	65101	2026	0	Legal	\$135	\$750	\$615
110	67	65505	2026	0	Streetlights Bank Fees	\$0	\$508	\$508
110	67	73102	2026	0	Parking Validations	\$0	\$150	\$150
110	67	73104	2026	0	Staff Recognition	\$500	\$0	(\$500)
110	67	73107	2026	0	Event Support	\$0	\$1,000	\$1,000
110	67	73108	2026	0	Program/Office Supplies	\$0	\$500	\$500
110	67	73114	2026	0	Subscriptions/Publications	\$0	\$1,600	\$1,600
110	67	73115	2026	0	Meeting&Support	\$0	\$600	\$600
110	67	73116	2026	0	Postage	\$33	\$150	\$117
110	67	73204	2026	0	Communications - Cellular Phones	\$51	\$500	\$449
110	67	73601	2026	0	Seminars/Conferences	\$0	\$1,200	\$1,200
110	67	73611	2026	0	Travel - Mileage Reimbursement	\$0	\$250	\$250
110	67	73612	2026	0	Travel-Ground Transportation	\$0	\$500	\$500
110	67	73613	2026	0	Travel - Airfare	\$0	\$1,000	\$1,000
110	67	73620	2026	0	Lodging	\$0	\$800	\$800
110	67	73630	2026	0	Meals	\$0	\$250	\$250
110	67	73650	2026	0	Training	\$0	\$500	\$500
110	67	73703	2026	0	Supplies/Materials	\$0	\$2,900	\$2,900
110	67	85101	2026	0	Consulting Labor	\$0	\$15,433	\$15,433
Total Expenses						\$13,548	\$135,402	\$121,855



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
TUMF Administration								
Revenues								
110	65	43001	1148	0	Commerical/Service	\$4,492	\$62,400	\$57,908
110	65	43002	1148	0	Retail	\$4,721	\$166,400	\$161,680
110	65	43003	1148	0	Industrial	\$38,365	\$332,800	\$294,435
110	65	43004	1148	0	Residential/Multi/Single	\$94,137	\$1,456,000	\$1,361,863
110	65	43005	1148	0	Multi-Family	\$48,508	\$187,200	\$138,692
110	65	43027	1148	0	Beaumont TUMF Settlement Revenue	\$0	\$36,000	\$36,000
Total Revenues						\$190,222	\$2,240,800	\$2,050,578
Expenses								
110	65	60001	1148	0	Salaries & Wages Fulltime	\$46,959	\$389,173	\$342,215
110	65	61000	1148	0	Fringe Benefits	\$15,191	\$177,218	\$162,027
110	65	63000	1148	0	Overhead Allocation	\$133,333	\$800,000	\$666,667
110	65	65101	1148	0	General Legal Services	\$7,981	\$75,000	\$67,019
110	65	65505	1148	0	Bank Fees	\$0	\$15,000	\$15,000
110	65	73102	1148	0	Parking Validations	\$0	\$500	\$500
110	65	73108	1148	0	General Supplies	\$0	\$500	\$500
110	65	73109	1148	0	Computer Supplies	\$0	\$500	\$500
110	65	73110	1148	0	Computer Software	\$8,950	\$65,000	\$56,050
110	65	73113	1148	0	Membership Dues	\$0	\$1,500	\$1,500
110	65	73114	1148	0	Subscriptions/Publications	\$16	\$100	\$84
110	65	73116	1148	0	POSTAGE	\$0	\$100	\$100
110	65	73117	1148	0	Other Household Expenses	\$0	\$100	\$100
110	65	73120	1148	0	Printing Services	\$0	\$150	\$150
110	65	73204	1148	0	Cellular Phone	\$279	\$3,000	\$2,721



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
110	65	73302	1148	0	Equipment Maintenance	\$0	\$2,500	\$2,500
110	65	73405	1148	0	Insurance - Gen/Busi Liab/Auto	\$0	\$3,000	\$3,000
110	65	73601	1148	0	Seminar/Conferences	\$0	\$1,500	\$1,500
110	65	73611	1148	0	Travel - Mileage Reimbursement	\$0	\$1,500	\$1,500
110	65	73612	1148	0	Travel - Ground Transportation	\$0	\$250	\$250
110	65	73613	1148	0	Travel-AirFare	\$0	\$750	\$750
110	65	73620	1148	0	Lodging	\$0	\$800	\$800
110	65	73630	1148	0	Meals	\$0	\$1,000	\$1,000
110	65	73640	1148	0	Other Incidentals	\$0	\$500	\$500
110	65	85101	1148	0	Outside Consultants	\$81,187	\$450,000	\$368,813
Total Expenses						\$293,896	\$1,989,641	\$1,695,745



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
TUMF								
Revenues								
220	65	43001	1148	0	Commercial/Svcs	\$107,819	\$1,497,600	\$1,389,781
220	65	43002	1148	0	Retail	\$113,292	\$3,993,600	\$3,880,308
220	65	43003	1148	0	Industrial	\$920,748	\$7,987,200	\$7,066,452
220	65	43004	1148	0	Residential/Multi/Single	\$2,259,283	\$34,944,000	\$32,684,717
220	65	43005	1148	0	Multi Family	\$1,164,186	\$4,492,800	\$3,328,614
220	65	43027	1148	0	Beaumont TUMF Settlement Revenue	\$0	\$864,000	\$864,000
220	65	49104	1148	0	Citizens Trust Investment Interest	\$0	\$275,000	\$275,000
Total Revenues						\$4,565,328	\$54,054,200	\$49,488,872
Expenses								
220	65	65101	1148	3307	Beaumont Legal Svcs-URBAN LOGIC	\$287	\$287	\$0
220	65	65101	1148	3310	General Legal Services	\$258,684	\$394,595	\$135,910
220	65	65101	1148	3311	General Legal Services	\$5,118	\$5,118	\$0
220	65	85160	1148	0	TUMF Project Reimbursement	\$0	\$25,000,000	\$25,000,000
Total Expenses						\$264,090	\$25,400,000	\$25,135,910



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Grant Writing								
					Expenses			
110	65	85101	1300	0	Consulting Labor	\$0	\$20,000	\$20,000
					Total Expenses	\$0	\$20,000	\$20,000



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Local Transportation Fund								
Revenues								
210	65	41701	1400	0	LTF Revenue	\$1,002,500	\$930,000	(\$72,500)
Total Revenues						\$1,002,500	\$930,000	(\$72,500)
Expenses								
210	65	60001	1400	0	Salaries & Wages - Fulltime	\$28,391	\$346,880	\$318,489
210	65	61000	1400	0	Fringe Benefits	\$9,308	\$153,100	\$143,792
210	65	63000	1400	0	Overhead Allocation	\$30,000	\$180,000	\$150,000
210	65	65101	1400	0	General Legal Services	\$0	\$2,500	\$2,500
210	65	73102	1400	0	Parking Validations	\$0	\$500	\$500
210	65	73107	1400	0	Event Support	\$0	\$500	\$500
210	65	73108	1400	0	Program/Office Supplies	\$0	\$500	\$500
210	65	73110	1400	0	Computer Software	\$0	\$2,500	\$2,500
210	65	73113	1400	0	Membership Dues	\$1,500	\$750	(\$750)
210	65	73116	1400	0	Postage	\$0	\$500	\$500
210	65	73204	1400	0	Communications - Cellular Phones	\$0	\$100	\$100
210	65	73601	1400	0	Seminars/Conferences	\$0	\$3,500	\$3,500
210	65	73611	1400	0	Travel - Mileage Reimbursement	\$0	\$1,000	\$1,000
210	65	73612	1400	0	Travel - Ground Transportation	\$0	\$1,500	\$1,500
210	65	73613	1400	0	Travel - Airfare	\$0	\$750	\$750
210	65	73620	1400	0	Lodging	\$0	\$2,500	\$2,500
210	65	73630	1400	0	Meals	\$85	\$750	\$665
210	65	73703	1400	0	Supplies/Materials	\$0	\$1,000	\$1,000
210	65	85101	1400	0	Consulting Labor	\$36,623	\$250,000	\$213,377
Total Expenses						\$105,907	\$948,829	\$842,922



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
RIVTAM								
Revenues								
110	65	42001	2039	0	Other Misc Revenue-RIVTAM	\$5,000	\$25,000	\$20,000
Total Revenues						\$5,000	\$25,000	\$20,000
Expenses								
110	65	60001	2039	0	Salaries & Wages - Fulltime	\$605	\$6,353	\$5,748
110	65	61000	2039	0	Fringe Benefits	\$183	\$3,504	\$3,321
110	65	85101	2039	0	Consulting Labor	\$0	\$15,000	\$15,000
Total Expenses						\$788	\$24,858	\$24,070



Western Riverside Council of Governments
Budget-to-Actuals - Transportation and Planning Programs
As of August 31, 2022

Fund	Department	Account	Project	Location	Description	Actual	FY 23 Budget	Variance
Regional Early Action Planning (REAP)								
Revenues								
110	65	41606	2235	0	REAP Revenue	\$0	\$1,050,000	\$1,050,000
Total Revenues						\$0	\$1,050,000	\$1,050,000
Expenses								
110	65	60001	2235	0	Salaries & Wages - Fulltime	\$10,670	\$79,264	\$68,594
110	65	61000	2235	0	Fringe Benefits	\$3,358	\$35,872	\$32,514
110	65	63000	2235	0	Overhead Allocation	\$11,350	\$125,383	\$114,033
110	65	65101	2235	6001	General Legal Services	\$1,251	\$0	(\$1,251)
110	65	85101	2235	0	Consulting Labor	\$27,777	\$809,101	\$781,324
Total Expenses						\$54,406	\$1,049,620	\$995,214



Western Riverside Council of Governments WRCOG Executive Committee

Staff Report

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

WRCOG 2022-2027 Strategic Plan Goal:

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

Background:

Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the month of October 2022.

Prior Action(s):

October 3, 2022: 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 - October 2022 meetings recaps](#)



**Western Riverside Council of Governments
Executive Committee and Supporting Foundation
Meetings Recap
October 3, 2022**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9625/ec-1022-packet>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9626/ec1022pp>

One TUMF Reimbursement Agreement Amendment Approved

- Authorized the Executive Director to execute Amendment Number 2 to a TUMF Reimbursement Agreement with the City of Corona for the Planning, Design, Right-Of-Way, and Construction Phases of the Auto Center Drive BNSF Railroad Grade Separation in an amount not to exceed \$2,120,000.

Amendment No. 1 to the Professional Services Agreement with AECOM for the Western Riverside County Energy Resilience Plan Approved

- Authorized extra work and compensation as it relates to the Western Riverside County Energy Resilience Plan. The extra work and compensation is to conduct an energy resilience analysis / microgrid conceptual design on a fourth facility, which has been identified as Fire Station 17 in the City of Jurupa Valley.

Environmental Department Activities Update

- At its recent meeting, the Solid Waste Committee received presentations and information on SB 1383, a workshop on the Capacity Planning for Organic Waste and Food Recovery, and current and pending legislation.
- The Capacity Planning for Organic Waste and Food Recovery project started in April 2022 with MSW consultants to assist member cities that expressed interest. MSW worked with those members, local franchise haulers, and edible food recovery facilities to determine tonnages and gaps in capacity. Overall MSW determined that Riverside County as a whole, needs 66,314 tons of organic waste capacity and 21,211 tons of edible food recovery capacity. MSW continues to work with cities on completing the implementation plan.
- Used oil / filter collection events have continued virtually over the past year, with 634 participants and 345 used oil filters exchanged. Under the Household Hazardous Waste grant, WRCOG staff increased used oil capacity at certified collection centers, from 1,850 gallons to 3,700 gallons, in 10 cities.
- The Love Your Neighborhood initiative will be deploying a new website in a few weeks to support cleanup efforts and to address illegal dumping. Cities interested in participating in this Program may contact WRCOG staff.

4th Quarter Draft Budget Amendment for Fiscal Year 2021/2022 Approved

- For the fourth quarter of Fiscal Year 2021/2022, there will be a net increase in revenues of approximately \$29M. This is primarily due to increased collections in the TUMF Program. There has been a significant increase in development activity, specifically in housing.
- The other major amendment is to the Inland Regional Energy Network, or I-REN, budget. While I-REN has launched, it has not incurred as much in revenues and expenditures as originally anticipated since the Program is still ramping up. This does not change the total amounts allocated by the CPUC, as I-REN has a six-year period to expend the funds and 2022 was its first year.

PACE Programs: Adoption of Unclaimed Refund Policy and Procedure

- Refunds occur when a property owner prepays their PACE assessment line item prior to paying their property tax bill. These refunds are processed by WRCOG staff and multiple attempts are made to return refunds to the property owner. Occasionally, these checks remain unclaimed by property owners.
- State law requires all unclaimed property to be returned to the State after three years, unless a resolution and policy are adopted that would allow the unclaimed property to remain with WRCOG.
- The Executive Committee directed that funds from unclaimed PACE refunds revert to the State of California where valid claims can be honored in perpetuity.
- Staff will return to the Executive Committee in November with a resolution codifying the decision.

Public Comment by SCAG Representative

- On December 1, 2022, SCAG will host the [13th edition of its celebrated Southern California Economic Summit](#) in downtown Los Angeles at the Sheraton Grand. This year's theme is "**Resourcing the Region.**" Southern California is rich in both natural and economic resources. SCAG is also leading the way financially, with a major influx of federal and state funding slated to come to the region.
- Early bird registration is \$125 per person until October 28th. Elected officials and city managers may attend for free.

NOP PEIR

- At Thursday's Regional Council meeting, staff is requesting authorization to the release the Notice of Preparation of a Draft Program Environmental Impact Report for Connect SoCal 2024 (2024-2050 Regional Transportation Plan/Sustainable Communities Strategy) to initiate a 30-day public review and comment period, beginning October 17, 2022, and ending November 16, 2022.

October 5th is California Clean Air Day

- [Take the Pledge](#)

Next Meeting

The next Executive Committee meeting is scheduled for Monday, November 7, 2022, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.



**Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
October 12, 2022**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9628/af1022packet>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9638/af1022pp>

Appointment of WRCOG Representatives to Various Committees

- The Committee made the following recommendations:
 - CALCOG:
 - Primary - Brian Tisdale (Lake Elsinore)
 - Alternate - Chris Barajas (Jurupa Valley)
 - Riverside County Solid Waste Advisory Council / Local Task Force:
 - Primary 1 - Lina Krupa (Hemet)
 - Primary 2 - Chris Barajas (Jurupa Valley)
 - Alternate 1 - Greg Norton (Norco)
 - Alternate 2 - Joseph Morabito (Wildomar)
 - SAWPA OWOW:
 - Ted Hoffman (Norco)
 - SANDAG Borders Committee:
 - Primary - Chris Ruiz (San Jacinto)
 - Alternate - Colleen Wallace (Banning)
 - SCAG Policy Committees:
 - Linda Krupa (Hemet) Transportation Committee
 - Crystal Ruiz (San Jacinto) Transportation Committee
 - Wes Speake (Corona) Transportation Committee
 - Christi White (Murrieta) Energy & Environment Committee
 - Colleen Wallace (Banning) Transportation Committee
 - Joseph Morabito (Wildomar) CEHD Committee
- This item will be brought to the WRCOG Executive Committee for final approval

Discussion of the Process for Recognizing Outgoing Members of the WRCOG Executive Committee

- The Committee provided direction to the Executive Director that outgoing members should be recognized if they are at or over a five-year threshold of service to WRCOG.
- The Committee also directed that Executive Committee members also be recognized for milestone service (5-year increments) on an on-going basis while they continue to serve as Executive Committee members.

SoCal AltCar 2022

- October 27, 2022: 9:00 a.m. – 3:30 p.m.
- Moreno Valley Conference and Recreation Center
- \$384 million NEVI Electric Vehicle infrastructure funding
- Workshops & Trainings

- Free registration for WRCOG members: <https://www.altcarexposocal.com/registration-staff>
- Password: ACSPON22

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, November 9, 2022, at 2:00 p.m., on the Zoom platform with the option for Committee members to attend in-person.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
October 13, 2022**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9632/pdc1022packet>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9643/pdc1022pp>

Public Comments

- Arnold San Miguel, SCAG, announced that SCAG is holding its 13th edition of its Southern California Economic Summit on December 1, 2022; register at <https://form.jotform.com/222616711419150>.
 - Don't wait to register: Early bird registration is \$125 per person until October 28; elected officials and City Managers may attend for free.
- SCAG has initiated "Money Mondays" to highlight open grant opportunities offered in the SCAG region that may be pertinent to an agency's workplan. Access Money Monday's at <https://scag.ca.gov/get-involved-grant-opportunities>.
 - Grant opportunities are also shared on SCAG's [Grant Opportunities webpage](#).

2022 Fee Comparison Analysis Update

- WRCOG is conducting an update of the Fee Comparison Analysis based on 2022 fees. The Analysis is a comparison of fees that jurisdictions and agencies charge for development. The Analysis includes all jurisdictions within Western Riverside County and some jurisdictions adjacent to the subregion. This Analysis was first conducted in 2016 and then in 2018.
- A breakdown of fees for each land development type analyzed was provided to Committee members for review and discussion on September 22, 2022. WRCOG is requesting input by October 20, 2022, to ensure fees utilized are reasonable.
- The fee comparison for each jurisdiction and comparison charts for all WRCOG jurisdictions will be provided in early November via email, and a final presentation to the Committee will be provided in December.

Implementation of California Housing Legislation 2022

- Taylor Libolt Varner with National Community Renaissance provided a presentation on California Housing Legislation approved in this past 2022 legislative session.
- AB 2011 and SB 6 are both related to residential development on commercially zoned property; the bills are designed to fast-track housing development subject to certain conditions and requirements.
- Other bills discussed included the density bonus law, parking requirements, accessory dwelling units, housing financing, property taxes, housing elements, and annual progress reports.

SB 9 Toolkit Update

- WRCOG is developing a SB 9 Toolkit to include a model ordinance, analysis of standards, an infographic, and supplemental informational seminars.
- The Draft Model Ordinance is available for review. The outstanding sections that have not yet been completed are discretionary topics.

- Committee members are invited to review the draft Toolkit and provide feedback, which will be incorporated or addressed at the next PDC meeting where WRCOG staff anticipates a final draft to be available.

Proposed REAP 2.0 Activities

- The Regional Early Action Planning (REAP) grant funding in the amount of \$246M is being made available to SCAG.
- SCAG is making most of the funding available through three programs: (1) County Transportation Commission Partnership Program, (2) Programs to Accelerate Transformative Housing (PATH), and (3) the Subregional Partnership Program (SRP) 2.0.
- The PATH includes three competitive funding opportunities for housing authorities, trust funds, catalyst funds, public agencies, water districts, other utilities, tribal entities, cities, and counties. The types of projects varies and WRCOG staff recommend reaching out to SCAG if interested.
- The SRP 2.0 allocates \$1.6M to WRCOG to assist member jurisdictions in the implementation of their 6th cycle Housing Elements. WRCOG is on schedule to submit a formal application to receive this funding.

Committee Discussion

- Please scroll down to review best practices for analyzing and mitigating wildfire impacts of development projects under the California Environmental Quality Act.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, November 10, 2022, at 9:30 a.m., on the Zoom platform with the option for Committee members to attend in-person. It is likely that this meeting will be cancelled, therefore, the next meeting after that would be December 8, 2022, at 2:00 p.m.



State of California
Office of the Attorney General

ROB BONTA
ATTORNEY GENERAL

**Best Practices for Analyzing and Mitigating Wildfire Impacts of
Development Projects Under the California Environmental Quality Act**

I. Introduction

Wildfires are part of California's present, and with the effects of climate change, an increasing part of our future. Development in fire-prone areas increases the likelihood that more destructive fires will ignite, fire-fighting resources will be taxed, more habitat and people will be put in harm's way or displaced, and more structures will burn. It is therefore imperative that local jurisdictions making decisions to approve new developments carefully consider wildfire impacts as part of the environmental review process, plan where best to place new development, and mitigate wildfire impacts to the extent feasible.

This guidance is designed to help lead agencies¹ comply with the California Environmental Quality Act, Public Resources Code, section 21000 et seq. (CEQA), when considering whether to approve projects in wildfire-prone areas. These areas are often in the wildland-urban interface, generally defined as the area where the built environment meets or intermingles with the natural environment.² The California Department of Forestry and Fire Protection (CAL FIRE) has classified lands based on fire hazard, the highest being those classified as high or very high fire hazard severity zones. It has also identified areas where the State (as opposed to a local agency) has responsibility for fire-fighting.³ Particularly in these high-risk areas, but also throughout the

¹ Lead agencies are any public agencies with "principal responsibility for carrying out or approving a project which may have a significant effect upon the environment." (Pub. Resources Code, § 21067.)

² CAL FIRE has published an instructive map on the wildland-urban interface in California: https://frap.fire.ca.gov/media/10300/wui_19_ada.pdf. The wildland-urban interface is defined differently by different agencies for different purposes, but the most widely used definition for wildfire purposes include the intermix and interface areas mapped by Radeloff et al. 2005, 2018. See Volker C. Radeloff, et al., *Rapid Growth of the US Wildland-Urban Interface Raises Wildfire Risk*. PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES USA, 115(13):3314-3319 (2018), available at <https://www.pnas.org/doi/10.1073/pnas.1718850115>.

³ See <https://osfm.fire.ca.gov/divisions/community-wildfire-preparedness-and-mitigation/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/>. Note that areas mapped by CAL FIRE as high or very high fire hazard are not always coextensive with the wildland-urban interface. In addition, CAL FIRE's maps are currently in the process of being updated and lead agencies should consult with CAL

wildland-urban interface, wildfire risks must be considered during the environmental review process for individual development projects.

This guidance provides suggestions for how best to comply with CEQA when analyzing and mitigating a proposed project's impacts on wildfire ignition risk, emergency access, and evacuation.⁴ This guidance is aimed at proposed development projects, such as residential, recreational, or commercial developments.⁵ The extent to which it applies will inherently vary by project, based on project design and location. This document does not impose additional requirements on local governments or alter any applicable laws or regulations. Rather, it is intended to provide guidance on some of the issues, alternatives, and mitigation measures that should be considered during the environmental review process. This guidance is based on the Office of the Attorney General's experience reviewing, commenting on, and litigating CEQA documents for projects in high wildfire prone areas, and is intended to assist lead agencies with their planning and approval of future projects. The guidance reflects current requirements and conditions and may need to be updated as changes occur.

II. Background

Although wildfires are and have been an important natural process throughout California's history, recent changes in fire frequency, intensity, and location are posing increasing threats to the residents and environment of California. More acres of California have burned in the past decade than in the previous 90 years⁶ and eight of the State's ten largest fires since 1932 have occurred in the last decade.⁷ While lightning is a common cause of some of the State's largest

FIRE before relying on the classifications listed on this map. CAL FIRE's list of state responsibility areas (defined as areas where the State of California, as opposed to a local agency, is financially responsible for prevention and suppression of wildfires) can be found at: <https://calfire-forestry.maps.arcgis.com/apps/webappviewer/index.html?id=468717e399fa4238ad86861638765ce1>. Each county should have a map of the very high or high fire hazard severity zones in its jurisdiction, and they are also included on the CAL FIRE zone map: <https://egis.fire.ca.gov/FHSZ/>.

⁴ Readers who want to determine their legal obligations under CEQA should consult their own attorney for legal advice.

⁵ This guidance is not intended to apply to state and local agency fire management activities, such as prescribed burns, approval of vegetation management plans to reduce wildfire risk, and review of timber harvesting plans.

⁶ CAL FIRE, Top 20 Largest California Wildfires (Jan. 13, 2022), available at https://www.fire.ca.gov/media/4jandlhh/top20_acres.pdf. See also Hugh D. Safford et al., *The 2020 California Fire Season: A Year Like No Other, a Return to the Past or a Harbinger of the Future?* (Apr. 17, 2022) GLOBAL ECOLOGY AND BIOGEOGRAPHY, available at <https://onlinelibrary.wiley.com/doi/10.1111/geb.13498?af=R>.

⁷ Paul Rogers, *Map: 1 of Every 8 acres in California has Burned in the Last 10 Years. Here's Where the Biggest Fires Spread—and are Burning Now*, Mercury News (Sept. 29, 2021), available at <https://www.mercurynews.com/2021/09/29/top-10-california-wildfires-megafires-map/>. Notably, the large fires of late are not unprecedented in the State's history with similarly large fires occurring specifically during the 1920s. See Jon E. Keeley & Alexandra D. Syphard, *Large California Wildfires: 2020*

fires, in recent years, many of the State's most destructive fires have been caused by human activity, such as downed powerlines or electrical sources associated with residential development or industrial facilities.⁸

Wildfires can have dramatic, adverse ecological impacts. Frequent wildfires can result in habitat loss and fragmentation, shifts in vegetative compositions, reductions in small mammal populations, and accelerated loss of predatory species.⁹ Wildfire can also have adverse impacts on erosion and water quality. During active burning, ash and associated contaminants can enter water supplies. Later, after large burns, rainstorms can flush vast amounts of sediment from exposed soils into those same water supplies.¹⁰

Wildfires also have tragic consequences for California's residents. Since 2010, wildfires have killed nearly 150 people in California¹¹ and, since 2005, wildfires have destroyed over 97,000 structures,¹² requiring mass evacuations and exacerbating the State's already-pressing need for more housing. In addition, wildfire smoke is unhealthy to breathe and is a public health concern.¹³ Further, wildfire losses are not experienced equally. Lower-income households are more likely to lose all of their assets and less likely to have adequate insurance to cover their losses.¹⁴ Meanwhile, the costs of wildfire suppression and resiliency have become significant. In

Fires in Historical Context (Aug. 25, 2021) FIRE ECOLOGY, available at <https://fireecology.springeropen.com/articles/10.1186/s42408-021-00110-7>.

⁸ See CAL FIRE, Top 20 Largest California Wildfires (Jan. 13, 2022), available at https://www.fire.ca.gov/media/4jandlhh/top20_acres.pdf; CalFire, Top 20 Most Destructive California Wildfires (Jan. 13, 2022), available at https://www.fire.ca.gov/media/t1rdhizr/top20_destruction.pdf.

⁹ See Alexandra D. Syphard, et al., *Human Influence on California Fire Regimes*. ECOLOGICAL APPLICATION 17:1388-1402 (2007).

¹⁰ United States Environmental Protection Agency, Wildfires: How do They Affect Our Water Supplies? (Aug. 13, 2019), available at <https://www.epa.gov/sciencematters/wildfires-how-do-they-affect-our-water-supplies#:~:text=Vegetation%20that%20holds%20soil%20in,%2C%20rivers%2C%20and%20downstream%20reservoirs>.

¹¹ CAL FIRE, Top Deadliest California Wildfires (Oct. 22, 2021), available at https://www.fire.ca.gov/media/lbfd0m2f/top20_deadliest.pdf.

¹² Headwaters Economics, Wildfires Destroy thousands of structures each year (Nov. 2020, updated Aug. 2022), available at <https://headwaterseconomics.org/natural-hazards/structures-destroyed-by-wildfire/>.

¹³ See Kurtis Alexander, *California Ranks Worst in Nation for Air Pollution Because of Wildfire Smoke*, S.F. Chronicle (June 23, 2022), available at <https://www.sfchronicle.com/bayarea/article/california-air-quality-17259687.php>. See also Lora Kolodny, *The West Coast Is Suffering from Some of the Worst Air in the World — These Apps Show How Bad it Is*, CNBC (Sept. 13, 2020), available at <https://www.cnbc.com/2020/09/12/air-quality-apps-purpleair-airnow-iqair-essential-in-western-us.html>; and California Air Resources Board, *Protecting Yourself from Wildfire Smoke*, available at <https://ww2.arb.ca.gov/protecting-yourself-wildfire-smoke>.

¹⁴ California Council on Science and Technology, *The Costs of Wildfire in California* (Oct. 2020), at p. 69, available at <https://ccst.us/reports/the-costs-of-wildfire-in-california/>.

2021, the State invested \$1.5 billion in wildfire resiliency efforts, and the 2022-2023 budget includes an additional \$1.2 billion to support wildfire and forest resilience.¹⁵ The changing nature of wildfires, under various metrics—frequency, area burned, adverse ecological impacts, the number of Californians displaced—is a worsening crisis that will unfortunately be part of California’s future.¹⁶

As of 2010, about one-third of California’s housing units were located within the wildland-urban interface.¹⁷ Residential developments in the wildland-urban interface and other wildfire prone areas can significantly increase the risks of wildfires and the risk to public safety for several reasons. First, introducing more people—via additional development—into a flammable landscape increases the likelihood of: (1) a wildfire igniting due to the increased presence of people; and (2) the ignition becoming a wildfire because of the placement of homes amongst the flammable vegetation.¹⁸ Second, building housing units in the wildland-urban interface puts more people in harm’s way.¹⁹ Wildfires, particularly those that impact developments in relatively remote locations, may impede the evacuation of communities and emergency access, making it more difficult to ensure public safety and to limit, control, or extinguish wildfires. Finally, fires in remote locations require significant fire-fighting resources and mobilization of fire-fighters from all over the State—putting a major strain on the State’s fire-fighters and the State’s budget. Put simply, bringing more people into or near flammable wildlands leads to more frequent, intense, destructive, costly, and dangerous wildfires.²⁰

¹⁵ Gavin Newsom, California State Budget (2022-2023), at p. 61, available at <https://www.ebudget.ca.gov/FullBudgetSummary.pdf>; California State Budget, Budget Addendum (2021-2022), at p. 3, available at <https://www.ebudget.ca.gov/BudgetAddendum.pdf>.

¹⁶ See California Council on Science and Technology, *The Costs of Wildfire in California* (Oct. 2020), at p. 17, available at <https://ccst.us/reports/the-costs-of-wildfire-in-california/>.

¹⁷ Community Wildfire Planning Center, Land Use Planning Approaches in the Wildland-Urban Interface (Feb. 2021), at p. 7, available at https://www.communitywildfire.org/wp-content/uploads/2021/02/CWPC_Land-Use-WUI-Report_Final_2021.pdf; see also Heather Anu Kramer, et al., *High Wildfire Damage in Interface Communities in California* (2019) INTERNATIONAL JOURNAL OF WILDLAND FIRE, available at https://www.fs.usda.gov/nrs/pubs/jrnl/2019/nrs_2019_kramer_001.pdf. At the current rate of growth and under current growth patterns, it is anticipated that an additional 645,000 housing units will be developed in areas designated by CAL FIRE as very high fire hazard severity zones by 2050. Next 10, *Rebuilding for a Resilient Recovery: Planning in California’s Wildland Urban Interface* (June 2021), at p. 9, available at <https://www.next10.org/publications/rebuilding-resilient>.

¹⁸ See Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) *Fremontia*, 47(2), at p. 29; Volker C. Radeloff, et al., *Rapid Growth of the US Wildland-Urban Interface Raises Wildfire Risk*. PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES USA, 115(13):3314-3319 (2018).

¹⁹ See Heather Anu Kramer, et al., *High Wildfire Damage in Interface Communities in California* (2019) International Journal of Wildland Fire, available at https://www.fs.usda.gov/nrs/pubs/jrnl/2019/nrs_2019_kramer_001.pdf; Volker C. Radeloff, et al., *Rapid growth of the US wildland-Urban interface raises wildfire risk*. PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES USA, 115(13):3314-3319 (2018).

²⁰ See Michael L. Mann, et al., *Incorporating Anthropogenic Influences into Fire Probability Models: Effects of Human Activity and Climate Change on Fire Activity in California* (Apr. 28, 2016) PLOS ONE

III. Wildfire and Land Use Planning

While this guidance is focused on best practices to disclose, analyze, and mitigate wildfire impacts in compliance with CEQA, it is important to note that general planning also provides a critical opportunity for local jurisdictions to think proactively about how to accommodate their housing and development needs while reducing the risks of wildfire.²¹ In the last ten years, new legislation has passed requiring local jurisdictions to consider wildfire risks in their general planning processes.²² The Governor’s Office of Planning and Research (OPR) recently published comprehensive guidance to help local agencies comply with these requirements.²³ We encourage local jurisdictions to consult this guidance and to thoughtfully plan for new development given the increasing risk of wildfires throughout the state.²⁴

11(4), available at <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0153589>; Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) *FREMONTIA*, 47(2), at pp. 28-35, available at <https://pubs.er.usgs.gov/publication/70215982>; Alexandra D. Syphard, et al., *Land Use Planning and Wildfire: Development Policies Influence Future Probability of Housing Loss* (2013) *PLOS ONE*, available at <https://journals.plos.org/plosone/article/file?id=10.1371/journal.pone.0071708&type=printable>; see also Final Statement of Reasons for Regulatory Action re Amendments to the State CEQA Guidelines OAL Notice File No. Z-2018-0116-12 (“Statement of Reasons”), at p. 87, available at https://resources.ca.gov/CNRALegacyFiles/ceqa/docs/2018_CEQA_Final_Statement_of%20Reasons_111218.pdf.

²¹ See Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) *FREMONTIA*, 47(2), at p. 33, available at <https://pubs.er.usgs.gov/publication/70215982> [concluding that “the most effective strategy at reducing future structure loss would focus on reducing the extent of low-density housing via careful land planning decisions”].

²² See Sen Bill No. 1241 (2011-2012 Reg. Sess.), amending and/or adding Gov. Code, §§ 65302, subd. (g)(3), 65302.5, subd. (b), and 66474.02) [requiring local jurisdictions within state responsibility areas or very high fire hazard severity zones to address wildfire risk when updating their safety elements and to submit their draft updates to the State Board of Forestry and Fire Protection for review]; Sen. Bill No. 99 (2019-2020 Reg. Sess.), amending Gov. Code, § 65302, subd. (g)(5) [requiring updated safety elements to identify residential developments within hazard areas that do not have at least two evacuation routes]; Assem. Bill No. 747 (2019-2020 Reg. Sess.), adding Gov. Code, § 65302.15 [requiring local jurisdictions to update their safety element to address the capacity of evacuation routes under a range of various emergency scenarios]; Assem. Bill No. 1409 (2020-2021 Reg. Sess.), amending Gov. Code, § 65302.15 [requiring that safety elements identify locations where people can evacuate to].

²³ Governor’s Office of Planning and Research, *Fire Hazard Planning Technical Advisory, 2022 Update* (Aug. 2022), available at https://opr.ca.gov/docs/20220817-Fire_Hazard_Planning_TA.pdf; and *Wildland-Urban Interface Planning Guide: Examples and Best Practices for California Communities* (Aug. 2022), available at https://opr.ca.gov/docs/20220817-Complete_WUI_Planning_Guide.pdf.

²⁴ Local jurisdictions that have complied with their general planning obligations, including incorporating wildfire and evacuation planning considerations into their general plans, may benefit from streamlined CEQA requirements at the project approval level. If a development project is consistent with an updated general plan and an environmental impact report (EIR) was prepared for that plan, the CEQA review for the project may be limited to the parcel-specific impacts of the project or impacts that new information,

IV. Analyzing and Mitigating Wildfire Risk Impacts Under CEQA

A. CEQA's requirements for analyzing wildfire risks

CEQA requires local jurisdictions considering development projects to prepare an environmental impact report (EIR) or a mitigated negative declaration²⁵ if the project may potentially have a significant impact on the environment and is not otherwise exempt from CEQA.²⁶ Under CEQA, local jurisdictions may act as lead agencies with responsibility for preparing the EIR (or other CEQA document), or as responsible agencies relying on an EIR prepared by a lead agency. CEQA provides a critical process for local jurisdictions to understand how new developments will exacerbate existing wildfire risks, allowing them to consider project design features, alternatives, and mitigation measures that provide for smarter development and the protection of existing communities.

The CEQA Guidelines²⁷ require that an EIR include a description of the physical environmental conditions in the vicinity of the project, at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced.²⁸ This “baseline” of existing environmental conditions is generally used to determine the significance of project-related impacts. In the EIR’s discussion of the existing environmental conditions, lead agencies should include information about open space areas and habitats within the project area that may be fire prone, as well as a discussion of fire history and fuels on the project site. Including a discussion of existing available water supplies for fire-fighting is also critical. Providing detail about existing environmental conditions at the project site that may exacerbate or minimize wildfire impacts will help ensure that the EIR fully considers the project’s impacts on wildfire risk.

The CEQA Guidelines require an analysis of “any significant environmental effects the project might cause or risk exacerbating by bringing development and people into the area affected,” including by locating development in wildfire risk areas.²⁹ The “environmental checklist form” in Appendix G of the CEQA Guidelines, Section XX, directs lead agencies to assess whether

arising since adoption of the general plan, shows will be more significant than described in the prior EIR. (Pub. Resources Code, § 21083.3; CEQA Guidelines, § 15193).

²⁵ Where “EIR” is used in this guidance it should also be considered to refer to a mitigated negative declaration.

²⁶ Pub. Resources Code, § 21067; CEQA Guidelines, §§ 15050 and 15367.

²⁷ The CEQA Guidelines are found at California Code of Regulations, title 14, section 15000, et seq.

²⁸ CEQA Guidelines, § 15125.

²⁹ CEQA Guidelines, § 15126.2.

projects located *in or near* state responsibility areas or lands classified as very high fire hazard severity zones,³⁰ would:

- a) Substantially impair an adopted emergency response plan or emergency evacuation plan;
- b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire;
- c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment; or
- d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.³¹

In addition to the four questions above, Section IX(g) of the checklist broadly directs lead agencies to consider whether a project will “expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires.”³² In answering these questions, lead agencies must consider both on- and off-site impacts.³³

B. Analyzing a project’s impact on wildfire risks

Several variables should be considered in analyzing a project’s impact on wildfire risk, including:

- **Project Density:** Project density influences how likely a fire is to start or spread, and how likely it is that the development and its occupants will be in danger when a fire starts. Fire spread and structure loss is more likely to occur in low- to intermediate-density developments.³⁴ This is because there are more people present to ignite a fire (as compared to undeveloped land), and the development is not concentrated enough

³⁰ See footnote 1 for more information on state responsibility areas and very high fire hazard severity zones.

³¹ CEQA Guidelines, Appendix G, XX.

³² CEQA Guidelines, Appendix G, IX(g). This Guidance focuses on these key wildfire-related questions in Sections IX(g) and XX of the checklist, but in conducting environmental review, lead agencies must continue to thoroughly address the other questions identified in Section XX and the checklist more generally.

³³ CEQA Guidelines, § 15360 [defining the environment to be considered as “the area in which significant effects would occur either directly or indirectly as a result of the project”].

³⁴ Alexandra D. Syphard, *The Relative Influence of Climate and Housing Development on Current and Projected Future Fire Patterns and Structure Loss Across Three California Landscapes* (2019) GLOBAL ENVIRONMENTAL CHANGE; Alexandra D. Syphard, et al., *Housing Arrangement and Location Determine the Likelihood of Housing Loss Due to Wildfire* (Mar. 28, 2012) PLOS ONE, available at <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0033954>.

(as compared to high-density developments) to disrupt fire spread by removing or substantially fragmenting wildland vegetation.³⁵ “Isolated clusters of development and low housing density mean that homes are embedded within, and more exposed to, a matrix of wildland vegetation.”³⁶ Moreover, fire-fighters may have difficulty accessing more remote and disconnected developments.³⁷

- **Project Location in the Landscape:** Project placement in the landscape relative to fire history, topography and wind patterns also influences wildfire risk. Although wildfire ignitions are primarily human-caused in California, wildfire behavior is largely driven by topography, fuel, climatic conditions, and fire weather (such as low humidity and high winds). How a development project is planned within the landscape determines to what extent it will influence fire risk.³⁸ For example, if a project site is located in a wind corridor, above-ground power lines may become a source of ignition. Similarly, siting residential structures in rugged terrain or on the top of steep hills may increase the wildfire risk. By contrast, if a project site includes landscape features that could prevent or slow the spread of fire, such as a lake or an irrigated golf course, the development may be strategically located so as to capitalize on that feature as a natural fuel break.³⁹

³⁵ See generally Alexandra D. Syphard, et. al., *Multiple-Scale Relationships between Vegetation, the Wildland-Urban Interface, and Structure Loss to Wildfire in California* (Mar. 12, 2021) MDPI FIRE 2021.

³⁶ Max A. Moritz, et al., *Learning to Coexist with Wildfire* (2014) NATURE 515(7525), at p. 64; see also Alexandra D. Syphard, et. Al., *Multiple-Scale Relationships between Vegetation, the Wildland-Urban Interface, and Structure Loss to Wildfire in California* (March 12, 2021) MDPI FIRE 2021.

³⁷ See Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) FREMONTIA, 47(2), at p. 31.

³⁸ See generally Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020) University of California Agriculture and Natural Resources, Publication 8680, available at <https://escholarship.org/uc/item/6n12m6pn>; Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) FREMONTIA, 47(2), at pp. 28-35, available at <https://pubs.er.usgs.gov/publication/70215982>.

³⁹ See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020) University of California Agriculture and Natural Resources, Publication 8680, at p. 10, available at <https://escholarship.org/uc/item/6n12m6pn>; see also Conservation Biology Institute, *Paradise Nature-Based Fire Resilience Project Final Report* (June 2020), available at https://d2k78bk4kdhbpr.cloudfront.net/media/reports/files/CBI_Paradise_Final_Report_for_Posting_Online.pdf [An examination of how siting and greenbelts may have protected homes during the Paradise fire]. Siting of a new fire-resistant development between wildlands and existing development may even serve as a protective barrier for the existing development. But there can still be some risk of ember spread if the new development succumbs to fire. See Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) FREMONTIA, 47(2), at pp. 28-35, available at <https://pubs.er.usgs.gov/publication/70215982>; California Council on Science and Technology, *The Costs of Wildfire in California* (Oct. 2020), at p. 67, available at <https://ccst.us/reports/the-costs-of-wildfire-in-california/>.

- **Water Supply and Infrastructure:** As part of evaluating a project's wildfire risk impacts, an EIR should analyze the adequacy of water supplies and infrastructure to address fire-fighting within the project site.⁴⁰ This analysis should consider the potential loss of water pressure during a fire, which may decrease available water supply⁴¹ and the potential loss of power, which may eliminate the supply.⁴²

To understand how a project may exacerbate the risk of wildfire, an EIR should qualitatively assess these variables and also use fire modeling and other spatial and statistical analyses to quantify the risks to the extent feasible. Experts should utilize fire models to account for various siting and design elements, as well as a variety of different fire scenarios. The modeling should include scenarios for fires that start in, near, and far from the project site, as well as extreme weather conditions that exacerbate fire spread.

Lead agencies are encouraged to develop thresholds of significance that either identify an increase in wildfire risk as a significant impact or determine, based on substantial evidence, that some increase in the risk of wildfires is not considered a significant impact. Relevant factors should include the project's impact on ignition risk, the likelihood of fire spread, and the extent of exposure for existing and new residents based on various fire scenarios. Modeling the various scenarios enables local agencies to quantify increased wildfire risks resulting from a project adding more people to wildfire prone areas and to assess the risks according to the threshold of significance.

Some EIRs have concluded that the conversion of some wildland vegetation into paved development reduces or does not increase wildfire risk. This conclusion is contrary to existing evidence and the well-accepted understanding that the fundamental driver of increased wildfire risk is the introduction of people into a flammable landscape.⁴³ Accordingly, the conversion of vegetation into developed land does not obviate the need for lead agencies to carefully consider and model how the addition of development into wildfire prone areas contributes to the risk of wildfire.

⁴⁰ See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020) University of California Agriculture and Natural Resources, Publication 8680, at p. 19 and Appendix B, available at <https://escholarship.org/uc/item/6n12m6pn>.

⁴¹ See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020), at p. 19, University of California Agriculture and Natural Resources, Publication 8680, available at <https://escholarship.org/uc/item/6n12m6pn>.

⁴² See Alexandra D. Syphard, *Nexus Between Wildfire, Climate Change and Population Growth in California* (2020) *FREMONTIA*, 47(2), at p. 26.

⁴³ See Heather Anu Kramer, et al., *High Wildfire Damage in Interface Communities in California* (2019) *INTERNATIONAL JOURNAL OF WILDLAND FIRE*, available at https://www.fs.usda.gov/nrs/pubs/jrnl/2019/nrs_2019_kramer_001.pdf; see also Exhibit A to the Final Statement of Reasons for Regulatory Action re Amendments to the State CEQA Guidelines, OAL Notice File No. Z-2018-0116-12, at p. 212, available at https://resources.ca.gov/CNRALegacyFiles/ceqa/docs/2018_CEQA_ExA_FSOR.pdf.

C. Analyzing the project's impact on evacuation and emergency access

The addition of new development into high wildfire risk or adjacent areas may impact the evacuation of project residents, as well as the existing population (e.g., residents, workers, students, visitors, and possibly livestock) in the area and the ability of emergency responders to simultaneously access the area to fight wildfire. This can, in turn, impact the risk and extent of large-scale fire spread and community safety within and around the new development. The EIR should evaluate these impacts both during construction and over the life of the project. The required analysis is relative to a project's impacts and risks; e.g., a higher density infill project within an already developed area would likely not require the same level of analysis as a new low-density development within the wildland-urban interface and surrounded largely by open space.⁴⁴

For projects located in high wildfire risk areas that present an increased risk of ignition and/or evacuation impacts, evacuation modeling and planning should be considered and developed at the time of project review and approval—when there is greater flexibility to modify a project's design, density, siting, and configuration to address wildfire considerations—rather than deferred to a later stage of the development process. Lead agencies will be best-positioned to ensure proposed development projects facilitate emergency access and ease constraints on evacuation with this information in hand prior to project approval. The ultimate objective is to allow for informed decision-making that minimizes the environmental and public safety hazards associated with new developments that increase the risk of ignition and impede evacuation in high wildfire prone areas.

Evacuation modeling and analysis should include the following:

- Evaluation of the capacity of roadways to accommodate project and community evacuation and simultaneous emergency access.
- Assessment of the timing for evacuation.
- Identification of alternative plans for evacuation depending upon the location and dynamics of the emergency.
- Evaluation of the project's impacts on existing evacuation plans.
- Consideration of the adequacy of emergency access, including the project's proximity to existing fire services and the capacity of existing services.
- Traffic modeling to quantify travel times under various likely scenarios.

⁴⁴ See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020), University of California Agriculture and Natural Resources, Publication 8680, at p. 5, available at <https://escholarship.org/uc/item/6n12m6pn> [describing the benefits of infill development].

In considering these evacuation and emergency access impacts, lead agencies may use existing resources and analyses, but such resources and analyses should be augmented when necessary. For example, agencies should:

- Utilize information from the EIR's analysis of traffic/transportation impacts, but they should not limit themselves to that information, which may not reflect the impact of emergency conditions on travel times.
- Consult with local fire officials and ensure that assumptions and conclusions regarding evacuation risk are substantiated with sound facts. Emergency conditions may not allow for ideal evacuation scenarios—staggered, staged, or targeted evacuation in response to a wildfire may sometimes be possible, but human behavior is difficult to predict and wildfires can be erratic, unpredictable, and fast-moving.⁴⁵
- Consider impacts to existing evacuation plans, but recognize that, depending on the scope of an existing evacuation plan, additional analyses or project-specific plans may be needed. Community evacuation plans often identify roles and responsibilities for emergency personnel and evacuation routes, but do not necessarily consider the capacity of roadways, assess the timing for community evacuation, or identify alternative plans for evacuation depending upon the location and dynamics of the emergency.
- Avoid overreliance on community evacuation plans identifying shelter-in-place locations. Sheltering in place, particularly when considered at the community planning stage,⁴⁶ can serve as a valuable contingency, but it should not be relied upon in lieu of analyzing and mitigating a project's evacuation impacts.⁴⁷

Local jurisdictions are encouraged to develop thresholds of significance for evacuation times. These thresholds should reflect any existing planning objectives for evacuation, as well as

⁴⁵ See FEMA and U.S. Fire Administration, *Wildland Urban Interface: A Look at Issues and Resolutions* (June 2022), available at <https://www.usfa.fema.gov/downloads/pdf/publications/wui-issues-resolutions-report.pdf>.

⁴⁶ FEMA, *Planning Considerations: Evacuation and Shelter-in-Place* (July 2019), available at <https://www.fema.gov/sites/default/files/2020-07/planning-considerations-evacuation-and-shelter-in-place.pdf>. The distinction between temporary shelter-in-place locations and buildings designed or retrofitted for longer term shelter-in-place should also be considered. See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020) University of California Agriculture and Natural Resources, Publication 8680, at p. 17, available at <https://escholarship.org/uc/item/6n12m6pn> [discussing the difference between “safety zones”—areas with little flammable vegetations, such as golf courses—versus buildings that are designed to provide protection from heat and embers while the front of a fire passes, typically for a duration of at least 30-60 minutes].

⁴⁷ See Mejia, *Pepperdine University Defends ‘Shelter in Place’ Decision During Woolsey Fire*, Los Angeles Times (Nov. 13, 2018), available at <https://www.latimes.com/local/lanow/la-me-ln-pepperdine-shelter-20181113-story.html>; Chandler, *Am I Going to Stay in the Parking Lot . . . While the Fires Burn Around Me?*, Record Searchlight (Dec. 12, 2019), available at <https://www.redding.com/in-depth/news/2019/04/25/california-wildfire-shelter-place-plans-questioned-evacuation-preparation/3427075002/>.

informed expert analysis of safe and reasonable evacuation times given the existing and proposed development. Local jurisdictions should consider whether any increase in evacuation times for the local community would be a significant impact. A conclusion that an increase in evacuation times is a less than significant impact should be based on a threshold of significance that reflects community-wide goals and standards.

In establishing thresholds, local jurisdictions should consider referring to successful evacuations from prior emergencies within their community or similarly situated communities. The thresholds should include, but not be limited to, whether the project creates an inconsistency with: (1) an adopted emergency operations or evacuation plan; (2) a safety element that has been updated per the requirements in Government Code sections 65302(g)(5) and 65302.15 to integrate wildfire and evacuation concerns; or (3) recommendations developed by the California Board of Forestry and Fire Protection regarding the safety of subdivisions pursuant to Public Resources Code section 4290.5.

D. Mitigating wildfire risk, evacuation, and emergency access impacts

If a project presents significant increased wildfire risks and/or evacuation and access impacts, CEQA requires the lead agency to consider and adopt feasible alternatives and mitigation measures to avoid or reduce the project's impacts (or make a finding of overriding consideration).⁴⁸ Not all project design features or mitigation measures will achieve the same reduction in impacts for every project—the effects and effectiveness of measures will vary geographically and by project. An EIR that baldly concludes that certain project design features or mitigation measures will reduce or eliminate all potential wildfire risks, without first describing those risks, fails to fully analyze the project's impacts. Compressing the analysis of impacts and mitigation deprives decision makers of a full description of the project's adverse impacts and, therefore, fails to equip the decision makers with the necessary information to properly address the impacts by adopting project design features, mitigation measures, or alternatives. To avoid this error and provide for better project design, the project EIR should first analyze the increased wildfire risks and evacuation impacts, and then consider feasible mitigation and alternatives to avoid or reduce those impacts.

Set forth below are some examples of potential mitigation measures and design alternatives that may reduce wildfire risk impacts. This list is not exclusive and a lead agency's adoption of some or all of these mitigation measures for a particular project may not be sufficient to comply with CEQA's requirement to adopt all feasible mitigation measures.

- Increasing housing density and consolidated design, relying on higher density infill developments as much as possible.
- Avoidance and minimization of low-density exurban development patterns or leapfrog-type developments (i.e., those with undeveloped wildland between developed areas).

⁴⁸ Pub. Resources Code, § 21081.

- Decreasing the extent and amount of “edge,” or interface area, where development is adjacent to undeveloped wildlands.
- Creation of buffer zones and defensible space within and adjacent to the development, with particular attention to ensuring that vegetation will not touch structures or overhang roofs.⁴⁹ It is also important that legal obligations are structured so that defensible space measures are retained over time.⁵⁰
- Siting projects to maximize the role of low-flammability landscape features that may buffer the development from fire spread.
- Undergrounding power lines.
- Limiting development along steep slopes and amidst rugged terrain, so as to decrease exposure to rapid fire spread and increase accessibility for fire-fighting.
- Placement of development close to existing or planned ingress/egress and designated evacuation routes to efficiently evacuate the project population and the existing community population, consistent with evacuation plans, while simultaneously allowing emergency access.
- Placement of projects close to adequate emergency services.
- Construction of additional points of ingress and egress and modification of evacuation routes to minimize or avoid increasing evacuation times or emergency access response times.
- Fire hardening structures and homes—upgrading the building materials and installation techniques to increase the structure’s resistance to heat, flames, and embers—beyond what is required in applicable building codes, both for new structures and existing structures in proximity to the new development.
- Requiring fire-hardened communication to the project site including high-speed internet service.
- Enhanced communication to the project population about emergency evacuation plans and evacuation zones.
- Parking limitations to ensure access roads are not clogged with parked vehicles.
- On-site water supply/storage to augment ordinary supplies that may be lost during a wildfire.

In all situations, mitigation measures should be combined and tailored to the specifics of the project, the surrounding landscape, and nearby existing uses. In some contexts, the mitigation measure itself may have an adverse impact that should be evaluated in an EIR. In addition,

⁴⁹ Note, however, that defensible space around homes does not alone tend to account for structural survival. See Alexandra D. Syphard, *Why Are so Many Structures Burning in California?* (2020) *FREEMONTIA*, 47(2), at p. 32, available at <https://pubs.er.usgs.gov/publication/70215982>; Alexandra D. Syphard et al., *The Role of Defensible Space for Residential Structure Protection During Wildfires* (Oct. 14, 2014) *INTERNATIONAL JOURNAL OF WILDLAND FIRE*, available at <http://dx.doi.org/10.1071/WF13158>.

⁵⁰ See Max Moritz, et al., *Building to Coexist with Fire: Community Risk Reduction Measures for New Development in California* (Apr. 2020), at p. 12, University of California Agriculture and Natural Resources, Publication 8680, available at <https://escholarship.org/uc/item/6n12m6pn>.

mitigation measures may not provide the same level of protection or mitigation in all scenarios.⁵¹ For example, home hardening has been shown to be an extremely effective measure for preventing structure loss during a wildfire. The California Building Code was updated in 2008 to require more advanced fire hardening and homes built to the revised standards were shown to be 40 percent less likely to be destroyed by a wildfire than similarly situated homes built prior to the update.⁵² However, home hardening by itself may not be an adequate mitigation measure in all situations. During the Camp Fire, which swept through Paradise in 2018, homes built before and after the 2008 Building Code update were destroyed at roughly equal rates.⁵³ Home hardening in conformance with the 2008 Building Code alone did not meaningfully effect survivability; rather, proximity to other destroyed structures, the extent of vegetative overstory, and defensive space around homes was more relevant to whether or not a home survived.⁵⁴ While home hardening may be a worthy measure, this highlights the importance of combining measures, with an awareness to overall landscape conditions, to maximize public safety and minimize wildfire-related losses. It also demonstrates that defensive measures can improve but do not guarantee survivability, which highlights the continued importance of planning for evacuation and emergency access.

VII. Conclusion

As climate change and housing pressure continue to impact the State's landscape, wildfire risks, and development needs, local agencies need to thoroughly evaluate where and how new development is planned and constructed. With careful forethought during the various planning processes and thoughtful environmental review at the individual project development stage, new development can be designed and positioned to minimize future wildfire risks, enhance fire resiliency of our communities, and protect the health and safety of California's residents and natural resources. While the applicable rules, requirements, and analytical tools to reduce wildfire risk are evolving, this guidance is intended to provide suggestions for how best to comply with CEQA when analyzing and mitigating the wildfire risks of development projects in the wildland-urban interface and other fire prone areas.

⁵¹ See Alexandra D. Syphard, et. al., *Multiple-Scale Relationships between Vegetation, the Wildland-Urban Interface, and Structure Loss to Wildfire in California* (Mar. 12, 2021), at p. 13, MDPI FIRE 2021 [noting that "the most effective fire risk reduction approach will account for multiple factors at multiple scales and will incorporate simultaneous strategies"].

⁵² Patrick W Baylis, et al., *Mandated vs. Voluntary Adaptation to Natural Disasters: the Case of U.S. Wildfires* (Dec. 2021), National Bureau of Economic Research, available at <https://www.nber.org/papers/w29621>.

⁵³ Eric E. Knapp, et al., *Housing Arrangement and Vegetation Factors Associated with Single-Family Home Survival in the 2018 Camp Fire, California* (2021) FIRE ECOLOGY 17:25, available at <https://fireecology.springeropen.com/track/pdf/10.1186/s42408-021-00117-0.pdf> [37 percent of homes built between 1997 and 2008 survived, while 44 percent of homes built between 2008 and 2018 survived].

⁵⁴ Eric E. Knapp, et al., *Housing Arrangement and Vegetation Factors Associated with Single-Family Home Survival in the 2018 Camp Fire, California* (2021) FIRE ECOLOGY 17:25, available at <https://fireecology.springeropen.com/track/pdf/10.1186/s42408-021-00117-0.pdf>.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
October 13, 2022**

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

Agenda Packet: <https://wrcog.us/DocumentCenter/View/9633/pwc1022packet>

PowerPoint Presentation: <https://wrcog.us/DocumentCenter/View/9644/pwc1022pp>

Policy for TUMF Reimbursement Prior to Exhaustion of Credit for Developer Credit / Reimbursement Agreements

- Chris Gray presented a proposed amendment to the TUMF Administrative Plan related to reimbursements prior to exhaustion of credits.
- Currently, the Administrative Plan prohibits the payment of reimbursements prior to exhaustion of credits.
- This policy contained requirements and limitations as it relates to types of eligible projects, certain conditions that would have to be met by the developer associated with the reimbursement, and the process for considering and approving this reimbursement.
- The PWC recommended that the Executive Committee not approve this proposed amendment to the TUMF Administrative Plan.

Overview of the Process for Review and Approval of TUMF Reimbursement Invoices

- Chris Gray presented an overview of the process for review and approval of TUMF reimbursement invoices.
- WRCOG performs this invoice review to comply with legal and programmatic requirements.
- Bill Zimmerman, WRCOG's Consultant Engineer, discussed the invoicing process including eligible and ineligible items, forms that should be submitted with each invoice, and recommendations on how the invoice should be formatted.

2022 Fee Comparison Analysis Update

- WRCOG is conducting an update of the Fee Comparison Analysis based on 2022 fees. The Analysis is a comparison of fees that jurisdictions and agencies charge for development. The Analysis includes all jurisdictions within Western Riverside County and some jurisdictions adjacent to the subregion. This Analysis was first conducted in 2016 and then in 2018.
- A breakdown of fees for each land development type analyzed was provided to Committee members for review and discussion on September 22, 2022. WRCOG is requesting input by October 20, 2022, to ensure fees utilized are reasonable.
- The fee comparison for each jurisdiction and comparison charts for all WRCOG jurisdictions will be provided in early November via email, and a final presentation to the Committee will be provided in December.

Future Agenda Items

- Chris Gray noted that the following agenda items will be brought forward at future meetings:
 - o Nexus Study Update

- o Residential trip generation study for compliance with AB 602
- o Regional VMT mitigation

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, November 10, 2022, at 2:00 p.m., on the Zoom platform with the option for Committee members to attend in-person. It is likely that this meeting will be cancelled, therefore, the next meeting after that would be December 8, 2022, at 2:00 p.m.



Western Riverside Council of Governments WRCOG Executive Committee

Staff Report

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

WRCOG 2022-2027 Strategic Plan Goal:

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

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 October 21, 2022. Agenda highlights include the following:

1. CAPTI First Annual Progress Report.
2. Caltrans System Investment Strategy.
3. Caltrans Sustainable Communities Planning Grants Draft Guidelines.
4. OPR Climate Adaptation Planning Grants Draft Guidelines.
5. SGC AHSC Cycle 7 Draft Guidelines.
6. RTP Guidelines Update (for MPOs and RTPAs).
7. CTP Guidelines Update.
8. CTC SB 1 Accountability and Reporting Requirements Update.
9. CARB Scoping Plan.

The next CALCOG Board of Directors meeting is scheduled for November 4, 2022.

SANDAG Borders Committee (Crystal Ruiz)

The SANDAG Borders Committee met on October 14, 2022. Agenda highlights include the following:

1. Otay Mesa East Port of Entry: Financing Strategy Update and Toll Revenue Sharing Agreement.

The next SANDAG Borders Committee meeting is scheduled for November 18, 2022.

SAWPA OWOW Steering Committee (Ted Hoffman)

There was no SAWPA OWOW Steering Committee meeting for this reportable time period. The next SAWPA OWOW Steering Committee meeting is scheduled for November 17, 2022.

Prior Action(s):

October 3, 2022: 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 (Fund 110).

Attachment(s):

[Attachment 1 - CALCOG agenda 102122](#)

[Attachment 2 - SANDAG Borders Committee agenda 101422](#)

Attachment

CALCOG Board of Directors
meeting agenda
October 14, 2022

Agenda for Information Sharing Meeting 10/21/2022

<https://us02web.zoom.us/j/6334525293?pwd=RzZHUldwV25DbIBGcVd1YnJwVlJxQT09>

Topic	Key Dates	Links	Notes
CAPTI First Annual Progress Report	Comments Due November 3	https://calsta.ca.gov/-/media/calsta-media/documents/capti-2022-annual-report-single-p2_a11y.pdf	Provides status of specific state implementation actions (“complete” vs in progress). Does not suggest changes to CAPTI strategies or actions.
Caltrans System Investment Strategy (CSIS)	Comments Due November 14	https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/strategic-investment-planning/draft-interim-csis-mar-2022-a11y.pdf	Guides Caltrans project nominations for Non-SHOPP projects.
Caltrans Sustainable Communities Planning Grants Draft Guidelines	Comments Due November 4	https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/sustainable-planning-grants-2021/81522-update/draft-fy2023-2024-stpg-application-guide.pdf	Includes guidelines for SCS (competitive, technical and formula) (\$29.5m), Strategic Partnerships (\$4.5m), and Climate Adaptation (\$50m) planning grants.
OPR Climate Adaptation Planning Grants Draft Guidelines	Comments Due October 28 Webinar October 25	https://opr.ca.gov/climate/icarp/grants/docs/20220928-APGP_Draft_Guidelines.pdf	Round 1 Guidelines, program will be three rounds \$6.6m each cycle. October 25 Webinar to discuss both OPR and Caltrans Climate Adaptation Grants. https://governorca.zoom.us/webinar/register/WN_K-IOA5JS7esv5FaBiBnZQ
SGC AHSC Cycle 7 Draft Guidelines	Comments Due October 31	https://sgc.ca.gov/programs/ahsc/docs/20220930-DRAFT_AHSC_Round_7_Guidelines.pdf	
RTP Guidelines Update (for MPOs and RTPAs)	Kick Off Meeting October 27, 1-3p	https://register.gotowebinar.com/register/1020581412216336141	Tentative Schedule: Draft in Spring 2023, CTC final approval December 2023
CTP Guidelines Update			Tentative Schedule: CTC final approval May 2023
CTC SB 1 Accountability and Reporting Requirements Update			CTC has hosted two webinars. Expecting draft guidelines out for comment soon.
CARB Scoping Plan	Likely to CARB Board for adoption by end of year	https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents	Proposed new targets are: 25% VMT/capita reduction by 2030 and 30% VMT/per capita reduction by 2045, both from a 2019 base year.

Attachment

SANDAG Borders Committee
meeting agenda
October 14, 2022



Special Board of Directors, Policy Advisory Committees, and Independent Taxpayer Oversight Committee Joint Meeting

Friday, October 14, 2022

Item No.		Action
1.	Chief Executive Officer's Report <i>Hasan Ikhata, SANDAG</i> Chief Executive Officer Hasan Ikhata will present an update on key programs, projects, and agency initiatives.	Discussion
	Reports	
+2.	Otay Mesa East Port of Entry: Financing Strategy Update and Toll Revenue Sharing Agreement <i>Mario Orso, Caltrans</i> <i>Betsy Blake, SANDAG</i> <i>Rogelio Rivero, Secretariat of Infrastructure, Communications and Transportation of Mexico</i> The Borders Committee recommends that the Board of Directors adopt Resolution No. 2023-05, approving and authorizing the execution and delivery of the Toll Revenue Sharing Agreement with Mexico's Ministry of Infrastructure, Communications, and Transportation.	Adopt
3.	Public Comments / Communications / Member Comments Members of the public shall have the opportunity to address the Board of Directors, Policy Advisory Committees, and Independent Taxpayer Oversight Committee (ITOC) on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Board of Directors, Policy Advisory Committee, and ITOC members also may present information and announcements under this agenda item. Subjects of previous agenda items may not again be addressed under public comments.	Discussion
4.	Upcoming Meetings The next Board of Directors meeting is scheduled for Friday, October 28, 2022.	
5.	Reception Members of the Board of Directors, Policy Advisory Committees, and ITOC are invited to attend a reception to commemorate the binational collaboration with state and federal partners in the U.S. and Mexico. Members of the public are welcome to attend.	

6. Adjournment

The meeting will be adjourned at the close of the Reception in Conference Room 7.

+ next to an item indicates an attachment

Special Board of Directors, Policy Advisory Committees, and Independent Taxpayer Oversight Committee

October 14, 2022

Otay Mesa East Port of Entry: Financing Strategy Update and Toll Revenue Sharing Agreement

Overview

The Otay Mesa East (OME) Port of Entry (POE) project is a joint venture between Caltrans and SANDAG, in collaboration with state and federal partners in the U.S. and Mexico, to create a 21st century border crossing, which will enhance regional mobility, reduce greenhouse gas emissions, fuel economic growth, and bolster binational trade.

On June 28, 2021, binational project stakeholders signed a Memorandum of Understanding (MOU) committing to open the OME POE in September 2024 (2021 MOU). The 2021 MOU envisioned an innovative toll collection process whereby the sole toll collection point for both northbound and southbound traffic would be on the U.S. side, which SANDAG would collect through its current toll collection system and share with Mexico. This approach is different than the traditional border crossing toll arrangement, where each country is entitled to collect a toll upon an individual's departure. The 2021 MOU also anticipated the use of a variable toll, which allows for better traffic and congestion management.

On September 23, 2022, the Borders Committee recommended that the Board of Directors approve the Toll Revenue Sharing Agreement. Today's item will include an update from our Mexican partners from the Ministry of Infrastructure, Communications and Transportation (SICT).

Key Considerations

Project Financial Strategy

The project financial strategy is based on the 2021 Investment Grade Traffic and Revenue Study, which estimated annual traffic and revenue by direction and vehicle class. Based on the study's results, the SANDAG financial team has developed an innovative financing strategy for the project, which includes toll revenue bonds, a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, and federal and state grants. On the U.S. side, approximately \$568 million in capital costs remain to be funded by SANDAG and its U.S. partners.

Action: **Adopt**

The Borders Committee recommends that the Board of Directors adopt Resolution No. 2023-05, approving and authorizing the execution and delivery of the Toll Revenue Sharing Agreement with Mexico's Ministry of Infrastructure, Communications, and Transportation.

Fiscal Impact:

The Toll Revenue Sharing Agreement can result in \$6.8 billion of toll revenue over 40 years for both countries.

Schedule/Scope Impact:

None.

On May 4 and May 5, 2022, SANDAG and Caltrans met with three rating agencies to present the project and visit the site as part of securing indicative ratings for the project. This process is continuing and, when complete, the indicative ratings will be presented to both the Build America Bureau as part of the application for a TIFIA loan, and to the bond market. Other funding is being sought from state and federal grants, such as a recently awarded Infrastructure For Rebuilding America (INFRA) grant from the U.S. Department of Transportation of \$150 million. Another key component of the project's financial strategy is the Toll Revenue Sharing Agreement with Mexico, the subject of this item.

Revenue Sharing Agreement

The Agreement has been under development with Mexico for several months. It has been reviewed by SANDAG legal and financial teams and by relevant Mexican agencies and signatories. If the Board adopts the resolution authorizing the execution of the Agreement, it will move the project one step closer to financing. It is anticipated that a signing event would be held this fall.

The Agreement will be between Mexico's SICT and SANDAG, and will include the following key terms:

1. Once signed, the Agreement will be effective January 1, 2023, and shall have a term extending to the later of: (i) January 1, 2063, or (ii) the date of SANDAG's final payment in full of its project bonds, TIFIA loan and other obligations under the Agreement.
2. SANDAG will be the single collection point for the variable toll for both northbound and southbound traffic. Mexico shall not collect a toll during the Agreement's term. SANDAG's current tolling operations center will support the toll collection.
3. The Board shall set the toll in accordance with applicable law, with the advice of a Binational Working Group, which will be made up of SANDAG and SICT representatives. SICT will sit as an advisory member to the Board when it considers toll setting matters. Mexico's Secretariat of Foreign Affairs (SRE) currently has an advisory seat on the Board, which will remain unchanged.
4. Once tolls are collected, they shall be deposited in a SANDAG account (Toll Revenues Fund) at the North American Development Bank (NADBank).
5. SANDAG will pay costs for certain tolling operations and maintenance expenses (Tolling O&M) from the Toll Revenues Fund.
6. Revenues remaining after Tolling O&M is paid will be deposited monthly into a joint SANDAG and SICT account (Net Revenues Fund) at NADBank.
7. NADBank will act as the custodian of the funds in both the Toll Revenues Fund and the Net Revenues Fund pursuant to a Custodial Agreement.
8. Once toll collections begin, amounts in the Net Revenues Fund will be split 50/50 except that Mexico is allowing SANDAG to keep an additional 10% (60/40) in the early years of tolling operations to generate investment-grade debt service coverage to fund necessary reserves (this split is referred to as the Modified 50/50). Once such reserves are sufficiently funded, SANDAG will repay Mexico such 10% plus applicable interest.
9. The Parties will transition from the Modified 50/50 split to a pure 50/50 split once, after ten years from Commencement of Tolling Operations, all of the following are true:
 - a. For the immediately preceding three years, SANDAG would have been able to maintain net toll revenues coverage of 2.0 times its Annual Debt Service obligations on its bonds and TIFIA loan under a pure 50/50 split.

- b. For the current fiscal year, SANDAG would be able to maintain net toll revenues coverage of 2.0 times its Annual Debt Service obligations on its bonds and TIFIA loan under a pure 50/50 split.
 - c. Toll Revenues are projected to be sufficient based on the current data to ensure SANDAG can maintain net toll revenues coverage of 2.0 times its Annual Debt Service obligations on its bonds and TIFIA loan under a pure 50/50 split.
10. Mexico has the right to data related to toll revenue collection, traffic volume, operations, and maintenance expenses. They will also have audit rights.
11. Disputes will be resolved under a process similar to the dispute resolution process contained in United States-Mexico-Canada Agreement (also known as NAFTA 2.0).

Next Steps

In addition to the Toll Revenue Sharing Agreement execution, the project team also will be pursuing the following activities:

- Obtain indicative ratings and move forward with finalizing and pursuing the project financing strategy.
- Secure operational understandings with our federal partners to staff, maintain, and operate the POE.
- Develop the Toll Governance Agreement with SICT, which will address the processes for toll violations, toll collections, and the particulars of the Binational Working Group that is to advise the Board on toll setting.
- Develop a POE Construction, Operation, and Maintenance Agreement with the appropriate Mexican parties, which will detail Mexico's obligations to construct, operate, and maintain the POE project components located on the Mexico side of the border.
- Proceed with the procurements for the design and delivery of the OME POE and ancillary facilities.

André Douzdjian, Chief Financial Officer

Key Staff Contacts: André Douzdjian, (619) 699-6931, andre.douzdjian@sandag.org
 Betsy Blake, (619) 699-1908, betsy.blake@sandag.org
 Mario Orso, (619) 921-4230, mario.orso@dot.ca.gov

Attachments:

1. Draft Toll Revenue Sharing Agreement
2. SR 11/OME POE Binational Toll Revenue Sharing Agreement Factsheet
3. Resolution No. 2023-05: Resolution Approving and Authorizing the Execution and Delivery of a Toll Revenue Sharing Agreement Relating to the Otay Mesa East Port of Entry Project and the Taking of All Other Actions Necessary in Connection Therewith

**AGREEMENT
BETWEEN
THE MINISTRY OF INFRASTRUCTURE, COMMUNICATIONS AND
TRANSPORTATION OF THE UNITED MEXICAN STATES,
AND
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS, CALIFORNIA, UNITED
STATES OF AMERICA
CONCERNING THE COLLECTION AND SHARING OF TOLL REVENUES
RELATING TO THE NEW INTERNATIONAL BORDER CROSSING AND PORT
MESA DE OTAY II - OTAY MESA EAST**

The Ministry of Infrastructure, Communications and Transportation of the United Mexican States (“SICT”), through Mr. Jorge Arganis Díaz Leal, Minister of Infrastructure, Communications and Transport, and the San Diego Association of Governments, a local agency of the State of California, United States of America (“SANDAG”), through Mr. Hasan Ikhrata, Chief Executive Officer, hereby enter into this Agreement Concerning the Collection and Sharing of Toll Revenues relating to the New International Border Crossing and Port Mesa de Otay II - Otay Mesa East (this “Agreement”).

RECITALS

CONSIDERING the Memorandum of Understanding between the Ministry of Foreign Affairs, the Ministry of Communications and Transport and the Ministry of Finance and Public Credit of the United Mexican States, the State Transportation Agency and the Department of Transportation of California, United States of America, and the San Diego Association of Governments with respect to the Mesa de Otay II - Otay Mesa East Border Crossing and Port and Access Roads to those Facilities, signed on June 28, 2021 (the “2021 MOU”);

WHEREAS, the 2021 MOU memorialized the shared intention of the parties thereto to cooperate, as expeditiously as possible within the authority of each agency, in the development of an international border crossing and port, referred to as “Mesa de Otay II - Otay Mesa East,” and related access roads and facilities;

WHEREAS, the 2021 MOU further memorialized the intention of the parties thereto to work collaboratively to implement a traffic congestion management and revenue collection strategy based on variable tolling, with tolls collected for both northbound and southbound directions by way of a single collection point, to be located within the United States on California State Route 11 (the “Toll Collection Point”);

WHEREAS, pursuant to the 2021 MOU, SICT and SANDAG (collectively, the “Parties”) plan to enter into future agreements related to Toll governance and Project operations and maintenance, which shall create a Binational Working Group to act as a non-governmental administrative body, to determine processes related to Toll setting, Toll collection and distribution, and traffic congestion and management.

WHEREAS, the 2021 MOU further memorialized the intention of the parties thereto to properly share such toll revenue in accordance with a future, binding Revenue Sharing Agreement;

WHEREAS, the Parties acknowledge and represent that it is in the best interest of the Project for the Parties to share Toll revenues on an equitable basis, reflecting the Operation and Maintenance Expenses associated with the collection of such toll revenues and the security and pledged revenue coverage requirements of the debt to be incurred solely by SANDAG to finance the acquisition and construction of certain portions of the Project;

WHEREAS, given the specifics of the Project, SICT acknowledges and represents that the revenue sharing provisions, tolling operations, variable tolling, Toll-setting policy and all other undertakings and understandings assumed under this Agreement provide, to the best of its knowledge, the most cost effective and best conditions for SICT and the people of the United Mexican States as it pertains to the Project and the subject matter hereto;

WHEREAS, given the specifics of the Project, SANDAG acknowledges and represents that the revenue sharing provisions, tolling operations, variable tolling, Toll-setting policy and all other undertakings and understandings assumed under this Agreement provide, to the best of its knowledge, the most cost effective and best conditions for SANDAG and the people of California and the United States of America as it pertains to the Project and the subject matter hereto;

WHEREAS, the purposes of the North American Development Bank (“NADBank”), a binational financial institution governed equally by the federal government of the United States of America and by the federal government of the United Mexican States, include: (i) fostering the investment of public and private capital contributing to its purposes; (ii) fostering private investment in projects, enterprises and activities in accordance with its purposes and supplementing private investment when private capital is not available on reasonable terms and conditions; and (iii) providing, under the direction of its Board of Directors, technical and other assistance for the financing and implementation of plans and projects; and

CONSIDERING that, in accordance with its purposes, NADBank may cooperate, when appropriate, with national and international institutions, as well as private funds that provide investment capital, SANDAG and SICT have decided to invite NADBank to participate in the Project, through the deposit and distribution of Toll Revenues as provided below.

REPRESENTATIONS

I. SICT hereby represents to SANDAG:

I.1. That it is an Agency of the Federal Executive Branch, which has the authority to enter into this Agreement, in accordance with the provisions set forth in articles 90 of the Constitution of the United Mexican States (*Constitución Política de los Estados Unidos Mexicanos*); 1, 2, section I, 26 and 36 sections XXI, XXII, XXIV, XXVII of the Organic Law of the Federal Public Administration (*Ley Orgánica de la Administración Pública Federal*); is able to formulate and conduct policies and programs for the development of transportation and communications in accordance with the needs of the country; build and maintain federal roads and

bridges, as well as other authorities expressly conferred by applicable laws and ancillary regulations.

I.2. That Mr. Jorge Arganis Díaz Leal, the Minister of Infrastructure, Communications and Transportation, has the authority to enter into this Agreement, pursuant to the provisions of article 2, section I and 4 of the Internal Regulations of the Ministry of Infrastructure, Communications and Transportation (*Reglamento Interior de la Secretaría de Infraestructura, Comunicaciones y Transportes*).

I.3 That for the purposes of this Agreement, its address to receive all types of notifications is the one located at Insurgentes Sur number 1089, ground floor, Colonia Noche Buena, Alcaldía Benito Juárez, Zip Code 03720, in Mexico City.

II. SANDAG hereby represents to SICT:

II.1 That it is a local agency of the State of California, which has authority to enter this Agreement in accordance with the provisions of the San Diego Regional Transportation Consolidation Act (California Public Utilities Code Section 132350 *et seq.*) and the Otay Mesa East Toll Facility Act (California Streets and Highways Code Sections 31460 *et seq.*), and the amendments thereto.

II.2. That Mr. Hasan Ikhrata, the Chief Executive Officer of SANDAG, has the authority to enter into this Agreement.

II.3 That for the purposes of this Agreement, its address to receive all types of notifications is the one located at 401 B Street, Suite 800, Attention: General Counsel, San Diego, California 92101.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

INITIAL PROVISIONS AND DEFINITIONS

Section 1.01 Toll Sharing and Collection Agreement. This Agreement is hereby acknowledged by the Parties as the “Toll Sharing Agreement” referenced in Section II of the 2021 MOU.

Section 1.02 Scope of Agreement. The purpose of this Agreement is (i) to establish that the Project will be operated through a single facility, the Toll Collection Point, (ii) to establish the role of the Toll Collection Point with respect to the Project; and (iii) to govern the allocation of Toll Revenues between SANDAG and SICT. Matters concerning tolling operations, variable tolling, Toll-setting policy and other aspects of the Project, to the extent not addressed herein, shall be governed by a future agreement between SANDAG and SICT.

Section 1.03 Delegated Authority.

(a) Each Party shall delegate regulatory and administrative authority to the corresponding public officials and ensure that such act in accordance with such Party's powers and fulfill such Party's obligations as set forth in this Agreement in the exercise of that authority.

(b) For purposes of this Agreement, SICT shall designate in writing to SANDAG an authorized person (the "Mexican Representative") who shall serve as the authorized representative of SICT and as the point of contact for all communications with SANDAG related to the Project; and for this purpose appoints the Minister of Infrastructure, Communications and Transportation, or his or her designee.

(c) For purposes of this Agreement, SANDAG shall designate in writing to SICT, an authorized person (the "SANDAG Representative") who shall serve as the authorized representative of SANDAG and as the point of contact for all communications with SICT related to the Project; and for this purpose appoints its Chief Executive Officer, or his or her designee.

Section 1.04 Definitions.

(a) For purposes of this Agreement, unless otherwise provided:

"Annual Debt Service" means the combined scheduled principal and interest due and to become due in any Fiscal Year on the outstanding Bonds and the TIFIA Loan.

"Binational Working Group" means the work group made up of the representative or representatives of SICT and SANDAG, having the purposes and functions described in Article III of this Agreement.

"Bonds" means the Toll revenue bonds and related obligations to be issued or incurred, and payable from and secured by SANDAG Net Revenues, pursuant to the Indenture for the purpose of financing the United States-side Construction Project, as noted in Exhibit A.

"Business Day" means any day, other than a Saturday, Sunday or other day on which the principal office of the Trustee or NADBank is authorized or obligated by law or executive order to be closed.

"Commencement of Toll Road Operations" means the date to be agreed upon by the Parties which shall be after substantial completion of the Construction Project, the exchange of diplomatic notes regarding the commencement of operations, the completion of the Intelligent Transportation System ("ITS") testing to the satisfaction of the Parties and necessary agencies, and any other requirements determined necessary by the Parties.

"Construction Project" means those components of the Project so described in Exhibit A hereto.

"Custodial Agreement" means the Custodial Agreement to be entered by SICT, SANDAG and NADBank as custodian relating to the allocation of Toll Revenues described in Section 3.03 hereof, and any amendments or supplements thereto entered into in accordance with its terms.

“Effective Date” means the date set forth in Section 5.01.

“Fiscal Year” means the annual period from July 1 to June 30.

“Indenture” means the Indenture of Trust to be entered into by SANDAG and the Trustee providing for the issuance of the Bonds, and any amendments or supplements thereto entered into in accordance with its terms.

“ITS Infrastructure” means all components of the Intelligent Transportation System to be deployed as part of the Project, including roadway tolling infrastructure and back-office management applications, border crossing traffic management systems, border wait time systems, traffic detection sensors, roadway lane management and variable message signs, data sharing and communications systems, and related hardware, software and other intellectual property.

“NADBank” means the North American Development Bank.

“Net Revenues” means Toll Revenues less Operation and Maintenance Expenses.

“Net Revenues Fund” means the fund by that name described in Section 3.02 hereof.

“Net Revenues received by SICT for the benefit of the Government of the United Mexican States” means (i) prior to the modification described in paragraph (e) of Section 3.03 hereof, that 40% (forty percent) share of Net Revenues received by NADBank, which is to be transferred by NADBank to SICT for the benefit of the United Mexican States pursuant to Section 3.03 hereof, and (ii) after the modification described in paragraph (e) of Section 3.03 hereof, that 50% (fifty percent) share of Net Revenues received by NADBank, which is to be transferred by NADBank to SICT for the benefit of the United Mexican States pursuant to Section 3.03 hereof.

“Operation and Maintenance Expenses” means all reasonable and documented current expenses incurred and paid or payable by SANDAG for operations, maintenance, service, repair, and replacement costs for (1) the Roadway Toll Collection System; (2) the Toll Backoffice System; and (3) certain other components of the Project as the Parties may agree.”

“Operation and Maintenance Expenses Budget” means the budget for Operation and Maintenance Expenses to be prepared annually by SANDAG and approved by the Binational Working Group, which approval shall not be unreasonably withheld.

“Pro Forma Net Revenues” means 50% (fifty percent) of Net Revenues received or projected to be received by NADBank during any Fiscal Year. This definition is intended to be used solely for the purpose of making the calculations described in Section 3.04 hereof

“Project” means, collectively, the international border crossing referred to as “Mesa de Otay II - Otay Mesa East” and related access roads and facilities, including but not

limited to the access road on the United States side known as California State Route 11 or SR-11, the access road on the Mexican side known as Blvd. Las Torres, and the ITS Infrastructure, all as more particularly shown as Exhibit A hereto.

“Rating Agency” means any of S&P Global Ratings, Moody’s Investors Service or Fitch Ratings.

“Remaining Funds” means the funds remaining at the end of each annual period described in Section 3.03 hereof after SANDAG Net Revenues are applied to satisfy all payment and reserve funding obligations under the Indenture and the TIFIA Loan Agreement.

“Roadway Toll Collection System” means roadway and roadside Toll collection equipment at the Toll Collection Point; and related assets and software licenses.

“SANDAG Net Revenues” means (i) prior to the modification described in paragraph (e) of Section 3.03 hereof, that 60% (sixty percent) share of Net Revenues received by NADBank, which is to be transferred by NADBank to the Trustee pursuant to Section 3.03 hereof, and (ii) after the modification described in paragraph (e) of Section 3.03 hereof, that 50% (fifty percent) share of Net Revenues received by NADBank, which is to be transferred by NADBank to the Trustee pursuant to Section 3.03 hereof.

“TIFIA Lender” means the United States Department of Transportation, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau.

“TIFIA Loan” means the loan made by the TIFIA Lender to SANDAG pursuant to the TIFIA Loan Agreement.

“TIFIA Loan Agreement” means the loan agreement to be entered into by SANDAG and the TIFIA Lender, providing for a loan to SANDAG payable from and secured by a pledge of SANDAG Net Revenues (in any case, excluding the Net Revenues to SICT for the benefit of the United Mexican States), for the purpose of financing the United States- side Construction Project, as described in Exhibit A hereto, and any amendments or supplements thereto.

“Toll” means the tolls, user fees, rents or other similar charges imposed or collected by SANDAG through the Toll Collection Point, for entrance to or use of the Toll Road in either direction.

“Toll Backoffice Systems” means all costs related to administration, processing, accounting, collection, enforcement, and marketing related to the Roadway Toll Collection System and/or Toll Revenues.

“Toll Collection Point” means the single collection point for the Project’s traffic congestion management and revenue collection strategy based upon a variable structure, collected for traffic traveling in either northbound or southbound directions by way of a single collection point, to be located within the United States on California State Route 11.

“Toll Governance Agreement” means a future agreement between the Parties that will set forth (i) the governance process of the Binational Working Group, (ii) matters related to Toll setting, Toll collection and distribution of Toll Revenues, and (iii) matters related to traffic congestion and management.

“Toll Revenues” means (a) all revenues collected by SANDAG resulting from its imposition of the Toll for cross-border traffic, as well as the corresponding fines and penalties and interest thereon collected as a result of a failure to pay the Toll, (b) proceeds of insurance payable to or received by SANDAG with respect to the Toll Road (except for proceeds of insurance that are and applied or reserved for application to the repair, restoration or replacement of the Toll Road), (c) proceeds of any condemnation awards with respect to the Toll Road (except to the extent applied or reserved for application to the replacement of the Toll Road); but excluding therefrom cash advances representing deposits against future Toll payments from users or potential users of the Toll Road, as reasonably agreed by the Parties, (d) proceeds of damages either awarded to or received by SANDAG that are in consideration for uncollected Toll Revenues and (e) any interest or other investment earnings on amounts on deposit in the Toll Revenues Fund and the Net Revenues Fund held by NADBank.

“Toll Revenues Fund” means the fund by that name described in Section 3.02 hereof.

“Toll Road” means California State Route 11, and any related tolling facilities and tolled or non-tolled connecting or supporting streets, roads, highway lanes or other facilities, as designated by SANDAG, and any expansions, improvements, upgrades, enlargements or enhancements thereto designated by SANDAG.

“Traffic Consultant” means any traffic and revenue consultant or firm of nationally or internationally recognized traffic and revenue consultants experienced in performing the duties for which a Traffic Consultant is required to be employed pursuant to the provisions of this Agreement selected by the Parties.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee under the Indenture, and any successor thereto.

“United States-side Construction Project” means that portion of the Construction Project constructed and to be constructed on the United States side of the border, as described in Exhibit A hereto.

(b) Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the 2021 MOU.

ARTICLE II

PRINCIPAL UNDERSTANDINGS

Section 2.01 Principal Understandings. The Parties hereby acknowledge and agree that:

- A. The Project shall be carried out by both Parties with Toll collection functions undertaken solely by SANDAG, through the Toll Collection Point.
- B. In order to finance the Project, and in accordance with applicable law, upon substantial completion of the Construction Project, the Parties desire to have the Toll be an undivided charge imposed on each vehicle upon entering or using the Toll Road to cross the Otay Mesa East - Mesa de Otay II international border crossing, whether traveling northbound or southbound. It is an express condition of this Agreement that (i) no tolls shall be collected on Mexico side of the Otay Mesa East - Mesa de Otay II international border crossing and (ii) SICT shall not participate as a borrower, joint obligor, or guarantor, or in any similar capacity, in the financing of the United States-side Construction Project.
- C. To the extent permitted by applicable law, SANDAG shall serve as the exclusive entity to collect such Toll, for the benefit of the Parties, through the Toll Collection Point.
- D. SANDAG shall support Toll revenue collection operations at the Toll Collection Point, through its current Toll operations center, with Tolls paid through the cash collection machines, automated payment terminals and prepaid anonymous electronic account options, using unified revenue and toll payment equipment to collect Tolls in both directions.

Section 2.02 Confirmation of the 2021 MOU. Except as otherwise provided in this Agreement, the Parties acknowledge and confirm the commitments and understandings provided in the 2021 MOU.

ARTICLE III

TOLL REVENUES; ALLOCATION OF NET REVENUES

Section 3.01 Imposition of Toll; Toll Setting.

(a) Upon Commencement of Toll Road Operations, SANDAG shall commence the imposition of the Toll, and collection of Toll Revenues for the benefit of the Parties. SANDAG, through its Board of Directors, shall set the Toll during the term of this Agreement, in accordance with applicable law and a future Toll Governance Agreement between the Parties. Such Toll setting shall take into account service and performance standards in addition to financial metrics.

(b) SICT and SANDAG shall cooperate to form the Binational Working Group to advise the SANDAG Board of Directors on Toll setting. Upon receiving such advice and recommendations from the Binational Working Group, the SANDAG Board of Directors shall deliberate and take action. The appropriate representative from SICT shall have an advisory position on the SANDAG Board of Directors, in accordance with applicable SANDAG policies, to advise on such Toll setting. Such SICT advisory position shall be in addition to the advisory

position currently held by the Ministry of Foreign Relations (*Secretaría de Relaciones Exteriores*) (“SRE”) on the SANDAG Board of Directors

Section 3.02 Collection of Toll Revenues. SANDAG shall collect and account for Toll Revenues on a daily basis. SANDAG shall deposit Toll Revenues into a designated account to be known as the “Toll Revenues Fund,” with SANDAG as owner of the funds in such account, to be maintained and administered by NADBank as Custodian pursuant to the Custodial Agreement. As shall be provided in the Custodial Agreement, from time to time, SANDAG shall direct NADBank to disburse, from time to time, from the Toll Revenues Fund all amounts needed to pay or reimburse SANDAG for Operation and Maintenance Expenses that are consistent with the Operation and Maintenance Budget. As shall be provided in the Custodial Agreement, and no later than five (5) Business Days prior to the last Business Day of each month, NADBank shall transfer all remaining Net Revenues (except for a reasonable portion needed for Operation and Maintenance Expenses provided for in the Operation and Maintenance Budget expected to come due before sufficient additional Toll Revenues are expected to be received to pay such Operation and Maintenance Expenses) into a designated account, with SICT (for the benefit of the United Mexican States) and SANDAG as joint owners of the funds in such account, to be known as the “Net Revenues Fund,” maintained and administered by NADBank as Custodian pursuant to the Custodial Agreement.

Section 3.03 Allocation of Net Revenues. Net Revenues will be distributed equitably between SANDAG and SICT, that is, 50% (fifty percent) each; in accordance with the following; with the understanding that to meet the financial commitments to be undertaken by SANDAG pursuant to the TIFIA Loan Agreement and the Indenture, the distribution of Net Revenues shall be made in the following order:

(a) Firstly, no later than the second to last Business Day of each month, from amounts in the Net Revenues Fund, NADBank shall allocate and transfer (i) 60% (sixty percent) of Net Revenues therein to the Trustee to be applied as set forth in the Indenture and the TIFIA Loan Agreement, and (ii) 40% (forty percent) of Net Revenues therein to SICT for the benefit of the United Mexican States, in each case pursuant to procedures and instructions set forth in the Custodial Agreement.

(b) Secondly, no later than on the last Business Day of June of each year, SANDAG shall pay, or cause the Trustee to pay, solely from Remaining Funds, to SICT for the benefit of the United Mexican States an amount equal to the lesser of (i) 10% (ten percent) of Net Revenues for the prior annual period or (ii) all Remaining Funds for the prior annual period. If Remaining Funds are insufficient to allow SANDAG to pay the amount set forth in clause (i) above, the difference between amounts described in clause (i) and clause (ii) above (the “Shortfall Amount”) shall be carried over to the following annual period by adding the Shortfall Amount to the amount calculated under clause (i) above for the following annual period, which shall be payable from Remaining Funds, to the extent then available, at the end of such following annual period (and if Remaining Funds are again insufficient to fully pay off the amount described in clause (i) for such following annual period, the cumulative Shortfall Amount shall likewise be carried over to the next following annual period). SANDAG shall be obligated to pay to SICT, solely from

Remaining Funds, interest on any unpaid Shortfall Amount at a daily rate equal to the Secured Overnight Financing Rate, or its acceptable replacement, in the event that said rate is no longer reported. Said interest will be capitalized and continue to accrue until paid.

(c) The Parties shall have no obligation to share any revenues generated by or relating to the Project other than Net Revenues and Remaining Funds as described herein.

(d) The Parties hereby acknowledge and agree that the payment obligations of SANDAG under the Indenture and the TIFIA Loan Agreement shall not be payable from or secured by Net Revenues received by SICT for the benefit of the United Mexican States. SANDAG shall not grant any claim to, lien on, or interest in the Net Revenues received by SICT for the benefit of the United Mexican States to the holders of the Bonds, to the TIFIA Lender, or any other party.

(e) Notwithstanding the foregoing, upon satisfaction of all conditions described in Section 3.04, paragraphs (a) and (b) of this Section 3.03 shall be replaced in their entirety with the following:

“(a) On the last Business Day of each month, from amounts in the Net Revenues Fund, NADBank shall allocate and transfer (i) 50% (fifty percent) of Net Revenues therein to the Trustee to be applied as set forth in the Indenture and the TIFIA Loan Agreement, and (ii) 50% (fifty percent) of Net Revenues therein to SICT for the benefit of the United Mexican States, in each case pursuant to procedures and instructions set forth in the Custodial Agreement.

(b) [Intentionally omitted]

Section 3.04 Conditions to Modification of Net Revenues Allocation.

(a) Subject to written approval from the TIFIA Lender, which may not be unreasonably withheld, delayed or denied, the allocation of Net Revenues under the original paragraph (a) of Section 3.03 hereof shall be modified not earlier than the tenth anniversary of the Effective Date pursuant to paragraph (e) of Section 3.03 hereof on the July 1 immediately following satisfaction of the following conditions:

(1) Based on SANDAG’s audited financial statements for the Toll Road, Pro Forma Net Revenues for each of the three immediately preceding Fiscal Years are shown to be not less than 2.0 times Annual Debt Service. Upon satisfaction of the condition described in subparagraph (a)(1) of this Section 3.04, SICT shall have the right to cause SANDAG to engage a Traffic Consultant to determine whether the condition described in subparagraph (a)(3) of this Section 3.04 is satisfied.

(2) Based on SANDAG’s then current annual budget for the Toll Road, Pro Forma Net Revenues for the current Fiscal Year are projected to be not less than 2.0 times Annual Debt Service.

(3) Based on the report of the Traffic Consultant selected pursuant to subparagraph (a)(1) of this Section 3.04, Pro Forma Net Revenues for the current and each

succeeding Fiscal Year until the later of the final maturity of the outstanding Bonds or the TIFIA Loan are projected to be not less than 2.0 times Annual Debt Service.

(b) Upon satisfaction of the conditions described in subparagraphs (a)(1), (a)(2) and (a)(3) of Section 3.04 above, SANDAG shall promptly notify the Mexican Representative and NADBank. On the July 1 immediately following such notice, the allocation of Net Revenues hereunder shall be modified in accordance with paragraph (e) of Section 3.03 hereof.

Section 3.05 Full Transparency; Accountability and Audits.

(a) In accordance with the full transparency guiding principles to which the Parties are bound and committed, SANDAG shall provide SICT permanent access to information concerning (1) the total amount of Toll Revenues that it collects each week; (2) the detailed information concerning the daily volume of traffic on California State Route 11; (3) Operation and Maintenance Expenses; and (4) any other information reasonably requested. All such information shall be provided deidentified in accordance with applicable law.

(b) SANDAG shall report every six months to SICT, if requested by SICT, information regarding the Toll Revenues and Operation and Maintenance Expenses. In addition, SANDAG shall allow SICT to audit from time to time, at SICT's sole expense, the collection of Toll Revenues and the expenditure of Toll Revenues to pay Operation and Maintenance Expenses and other operations relating to the Project, as reasonably requested.

**ARTICLE IV
DISPUTE RESOLUTION**

Section 4.01 Scope.

(a) The Parties shall at all times endeavor to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of a matter that might affect its operation or application.

(b) The dispute settlement provisions of this Article IV shall apply (i) with respect to the avoidance or settlement of disputes between the Parties regarding the interpretation or application of this Agreement or (ii) when either of the Parties considers that an actual or proposed action of the other Party would be inconsistent with an obligation of this Agreement or that an actual or proposed inaction of the other Party would constitute failure to carry out an obligation of this Agreement.

Section 4.02 Consultations.

(a) The Parties may request consultations with respect to any matter described in paragraph (b) Section 4.01 above. Such request shall be in writing, and shall set out the reasons for the request, including identification of the specific action, inaction or other matter at issue and an indication of the legal basis for the complaint. Unless the Parties decide otherwise, they shall

enter into consultations no later than fifteen (15) Business Days after the date of delivery of the request therefor.

(b) The Parties shall make every attempt to arrive at a mutually satisfactory resolution of a matter through consultations under this Section 4.02. To this end: (i) the Party requesting consultations shall provide sufficient information to enable a full examination of how the actual or proposed action, inaction or other matter at issue might affect the operation of application of this Agreement; (ii) all participants in such consultations shall treat the information exchanged in the course of consultations that is designated as confidential on the same basis as the Party providing the information; and (iii) the Parties shall seek to avoid a resolution that adversely affects the interests of the other under this Agreement.

Section 4.03 Alternative Dispute Resolution. The Parties may initiate at any time to voluntarily undertake an alternative method of dispute resolution, such as good offices, conciliation or mediation. Proceedings that involve good offices, conciliation or mediation shall be confidential and without prejudice to the rights of the Parties in another proceeding. SICT and SANDAG proceeding under this Section 4.03 may suspend or terminate those proceedings. If the Parties so decide, good offices, conciliation or mediation may continue while a dispute proceeds for resolution before a panel established under Section 4.04.

Section 4.04 Establishment of Panel.

(a) If the Parties fail to resolve the matter within thirty (30) Business Days after the date of delivery of the request for consultations described in paragraph (a) of Section 4.02 hereof, or such other period as the Parties may decide, then either Party may request the establishment of a panel by means of a written notice delivered to the other, and shall include in such request an identification of the measure or other matter at issue and a brief summary of the legal basis of the complaint sufficient to present the issue clearly. Upon delivery of such request, a panel shall be established to be composed of the panelists described in paragraph (b) of Section 4.04 below.

(b) The panel shall comprise three members. One panelist shall be selected by SICT, one panelist shall be selected by SANDAG and one panelist shall be selected by NADBank pursuant to the Custodial Agreement. Each panelist shall be selected on the basis of objectivity, reliability and sound judgment. The panelist selected by NADBank shall chair the panel.

(c) If a panelist resigns, is removed or becomes unable to serve, the time frames applicable to the panel's proceedings shall be suspended until a replacement is appointed and shall be extended by the amount of time that the work was suspended. Such appointment shall be made within the following fifteen (15) Business Days in accordance with the method used to select such panelist pursuant to paragraph (b) of Section 4.04 hereof.

Section 4.05 Panel Proceedings; Panel Report

(a) The Parties shall have the right to at least one hearing before the panel at which each Party may present views orally, and each may provide an initial and a rebuttal written submission. The panel shall protect the confidentiality of information designated as confidential.

Written submissions and oral arguments shall be made in one of the languages of the Parties, unless the Parties decide otherwise.

(b) The panel's function shall be to make an objective assessment of the matter before it and to present a report that contains (i) findings of fact, (ii) determinations as to whether the action, inaction or other matter at issue is inconsistent with the obligations in this Agreement or whether either Party has otherwise failed to carry out its obligations in this Agreement, (iii) recommendations for the resolution of the dispute and (iv) the reasons for the findings and determinations.

(c) The panel shall interpret this Agreement in accordance with customary rules of interpretation of public international law. Panel determination shall be unanimous, except that if the panel is unable to reach consensus, it may take its decision by majority vote.

(d) The panel shall present an initial report no later than sixty (60) Business Days after the date of the appointment of the last panelist. The Parties may submit written comment to the panel on its initial report no later than fifteen (15) Business Days after the presentation of the initial report or within another period as the Parties may decide. After considering such comments, the panel, on its own initiative or at the request of either Party, may (i) request the views of the other Party, (ii) reconsider its report or (iii) make such further examination as it considers appropriate. The panel shall present a final report no later than thirty (30) Business Days after presentation of the initial report, unless the Parties decide otherwise.

(e) Within thirty (30) Business Days from receipt of a final report that contains findings that (i) the action, inaction or other measure at issue is inconsistent with the obligations of either Party in this Agreement, or (ii) either Party has otherwise failed to carry out its obligations in this Agreement, the Parties shall endeavor to agree on the resolution of the dispute.

ARTICLE V

GENERAL PROVISIONS

Section 5.01 Effective Date. This Agreement shall become effective on January 1, 2023, provided that by that date each of the Parties receives an original counterpart of this Agreement, duly executed.

Section 5.02 Term. The term of this Agreement shall commence on the Effective Date and terminate in the event the later of the following occurs (i) the date that is forty (40) years after the Effective Date or (ii) the date that all obligations of SANDAG under the Indenture, the TIFIA Loan Agreement and this Agreement have been satisfied and paid in full, including the obligation to cause NADBank to allocate Net Revenues to SICT for the benefit of the United Mexican States, pursuant to paragraph (a) of Section 3.03 hereof and the obligation to pay any Shortfall Amount and interest accrued thereon from Remaining Funds pursuant to paragraph (b) of Section 3.03 hereof.

Section 5.03 Further Assurances.

(a) In order to assist SANDAG with satisfying its obligations under the Indenture, the TIFIA Loan Agreement or federal securities laws of the United States of America, the Mexican Representative (and/or the duly authorized officers of SICT, in accordance with the provisions of paragraph (b) of Section 1.03 hereof) will make its best efforts to provide any information, execute and deliver any documents or take any other actions reasonably requested by SANDAG. Moreover, in order to assist SICT with satisfying its credit, transparency, or any other obligations required under the field of information, the SANDAG Representative, in accordance with the provisions of paragraph (c) of Section 1.03 hereof, will make its best efforts to provide any information, execute and deliver any documents or take any other action reasonably requested by SICT.

(b) In connection with the foregoing, SICT shall deliver to SANDAG, promptly after the Effective Date of this Agreement a legal opinion at SANDAG's expense, of outside counsel to SICT selected by SICT addressing the enforceability of this Agreement against SICT, in form and substance reasonably satisfactory to SANDAG.

Likewise, SANDAG shall deliver to SICT, promptly after the Effective Date of this Agreement, a legal opinion at SANDAG's expense, of outside counsel to SANDAG selected by SANDAG addressing the enforceability of this Agreement against SANDAG, in form and substance reasonably satisfactory to SICT.

(c) Under any reason or circumstance, SICT is not liable with respect to any payment obligations of SANDAG under the TIFIA Loan Agreement, the Indenture and/or the Bonds. SANDAG undertakes to keep SICT, including the Mexican Representative (and/or the duly authorized officers of each of the Mexican parties to the 2021 MOU) (collectively, the "Indemnified Parties") free from any claim, lawsuit, complaint, proceeding, investigation, or action in connection with the TIFIA Loan Agreement, the Indenture and/or the Bonds to the extent caused by or arising from any acts or omissions of SANDAG; provided, however, that SANDAG shall not be required to hold harmless and indemnify any of the Indemnified Parties for any such claim, lawsuit, complaint, proceeding, investigation or action, but only if it is determined by a court with jurisdiction over the matter to have been caused by or arising from the negligence, recklessness, breach of contract, or willful misconduct of such Indemnified Party.

Section 5.04 Lawfully Binding Agreement. This Agreement is legally binding on the Parties. Each Party hereby accepts and recognizes its obligations and rights hereunder, being legally enforceable at law or in equity.

Section 5.05 No Liability. Either Party shall not be liable for the acts or omissions of the other Party.

Section 5.06 Waivers. No waiver of any provision of this Agreement requested by either Party shall be valid without the prior written consent of the other Party.

Section 5.07 Amendment. No amendment or modification of any provision of this Agreement shall be valid without the written agreement of both Parties.

Section 5.08 No Assignment. Neither Party may assign any of the rights, obligations or other provisions of this Agreement.

Section 5.09 Applicable Law. This Agreement shall be interpreted consistent with all applicable laws, and actions taken hereunder shall be subject to, and shall be performed in accordance with, all applicable laws. The obligations of SANDAG under this Agreement shall be governed by the laws of the State of California, and the obligations of SICT under this Agreement shall be governed by the laws of the United Mexican States.

Section 5.10 Execution in Counterparts. This Agreement will be executed in 2 (two) original counterparts, each one in both English and Spanish, which both shall be deemed authentic and all of which taken together shall constitute one and the same instrument.

[SIGNATURE SHEET FOLLOWS]

**MINISTRY OF INFRASTRUCTURE,
COMMUNICATIONS AND TRANSPORTATION OF
THE UNITED MEXICAN STATES**

By: _____
Name: Jorge Arganis Diaz Leal
Title: Minister
Date Signed: _____

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: _____
Name: Hasan Ikhata
Title: Chief Executive Officer
Date Signed: _____

**Witnessed by the Vice-Chair of the
SAN DIEGO ASSOCIATION OF GOVERNMENTS**

By: _____
Name: Todd Gloria (Mayor of the City of San Diego)
Title: Vice-Chair
Date Signed: _____

**Witnessed by the
STATE OF CALIFORNIA**

By: _____
Name: Eleni Kounalakis
Title: Lieutenant Governor
Date Signed: _____

**Witnessed by the
NORTH AMERICAN DEVELOPMENT BANK**

By: _____
Name: Calixto Mateos-Hanel
Title: Managing Director
Date Signed: _____

DRAFT

EXHIBIT A



Exhibit A – Key*

The numbered paragraphs (below) correspond to the numbers on the map. The map is for illustrative purposes only.

1. **State Route 11 Toll Road.** Construction is complete. Will not be financed with the Bonds or TIFIA loan.

California State Route 11 (also known as SR-11) is approximately 2.5 miles and includes connectors to California State Routes 905 and 125. SR-11 connects to the future Otay Mesa East Port of Entry site.

2. **Otay Mesa East Port of Entry.** Design in progress. Site preparation and utility development is under construction but construction of the Port of Entry buildings and supporting facilities has not commenced. The Port of Entry buildings and supporting facilities will be financed with the TIFIA Loan, Bonds, and/or grants.

The TIFIA Loan and Bonds will finance design and construction of a United States Port of Entry facility to provide controlled entry to and departure from the United States for passenger and commercial vehicles, in accordance with the requirements of United States Customs and Border

Protection and other United States federal agencies responsible for the enforcement of federal laws pertaining to such activities. There are anticipated to be 10 inbound lanes and six outbound lanes upon Commencement of Operations.

3. **Intelligent Transportation Systems (ITS) and Toll Facilities.** Design in progress. Construction has not yet commenced. Will be financed with the TIFIA Loan, Bonds, and/or grants.

Includes toll booths on SR-11 (near Siempre Viva Road), roadway technology infrastructure and related systems (e.g., fiber and wireless communications systems, vehicle detection equipment, messaging signs, and tolling collection equipment), and related software systems (e.g., Regional Border Management System and software upgrades to regional tolling back-office system to support the SR-11 tolling).

4. **California Highway Patrol Commercial Vehicle Enforcement Facility.** Design in progress. Construction has not commenced. Will be financed with the TIFIA Loan, Bonds, and/or grants.

The California Highway Patrol Commercial Vehicle Enforcement Facility (commonly called a weigh station) will be designed and constructed to meet the applicable California and United States agencies' requirements to process and inspect commercial vehicles for travel on United States federal highways and California state and local roads.

5. **Mesa de Otay II Port of Entry.** The design of the Mesa de Otay II Port of Entry is complete (see Exhibit B, below). It is designed over a surface of 31 hectares, allowing the accommodation of the different agencies involved, along with export and import zones. This design was coordinated with the United States-counterpart for its homologation to comply with the binational requirements and the collection logistics on the United States side. The Ministry of National Defense (Secretaría de la Defensa Nacional) (SEDENA) will construct the Mesa de Otay II Port of Entry with public resources.

6. **Intelligent Transportation System.** Design in progress. The completion of the design portion of the Intelligent Transportation System is coordinated among the National Customs Agency of Mexico (ANAM), Mexico's Ministry of National Defense (SEDENA), and SICT. The terms of reference for its contracting must incorporate elements that provide information to the user, feedback to the United States-side on traffic lanes that will be interchangeable, waiting times, toll payment, etc. The Control Center, located inside the border port, will monitor this information.

7. **Access Road.** The Mexican access road has been designed with a length of 1.25 kilometers, with eight (8) lanes of circulation, four (4) in each direction; it includes the construction of the

Vial Distributor for the access to the port from the Tijuana-Tecate freeway, as well as lateral streets at the same level for local access.

Currently, works are being carried out with the Federal Electricity Commission (Comisión Federal de Electricidad) to relocate the high, medium, and low voltage transmission lines, which will allow the initial construction of the access road.

Within the layout of the road, there is a gas pipeline owned by the company Ienova, which is working on the project to relocate and/or protect the pipeline.

*The Project includes all of the items 1 through 7. The Construction Project consists of items 2 – 7. The United States-side Construction Project consists of items 2 – 4.

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SR 11 / OTAY MESA EAST PORT OF ENTRY

Binational Toll Revenue Sharing Agreement

The Otay Mesa East Port of Entry Project (OME POE) hinges on an **innovative strategy** which uses toll revenues to help finance the design and construction of the POE. The financing strategy depends on a Toll Revenue Sharing Agreement with Mexico.

Unique Variable Tolling Approach

Unlike other tolled facilities with a fixed price, the OME POE will manage cross border traffic using variable tolls collected on State Route 11 (SR 11). Variable toll rates will be set using real time vehicle crossing data. The variable tolls aim to provide travelers an average 20-minute border wait time. Higher tolls will be charged during peak periods to manage throughput. Toll collection will be located on the U.S. side for northbound and southbound travelers.

Toll Revenue Sharing Agreement

Toll revenues will be shared jointly between SANDAG and Mexico under a Toll Revenue Sharing Agreement. The Agreement has been under development with Mexico for several months. It has been reviewed by SANDAG's legal and financial teams and by Mexican agencies. If the Board of Directors approves its execution, it will move the Project one step closer to financing and completion. The Agreement will be between Mexico's Ministry of Infrastructure, Communications and Transportation (SICT) and SANDAG. It establishes who will collect tolls, how tolls will be set, and how revenues will be distributed.

Who will collect tolls?

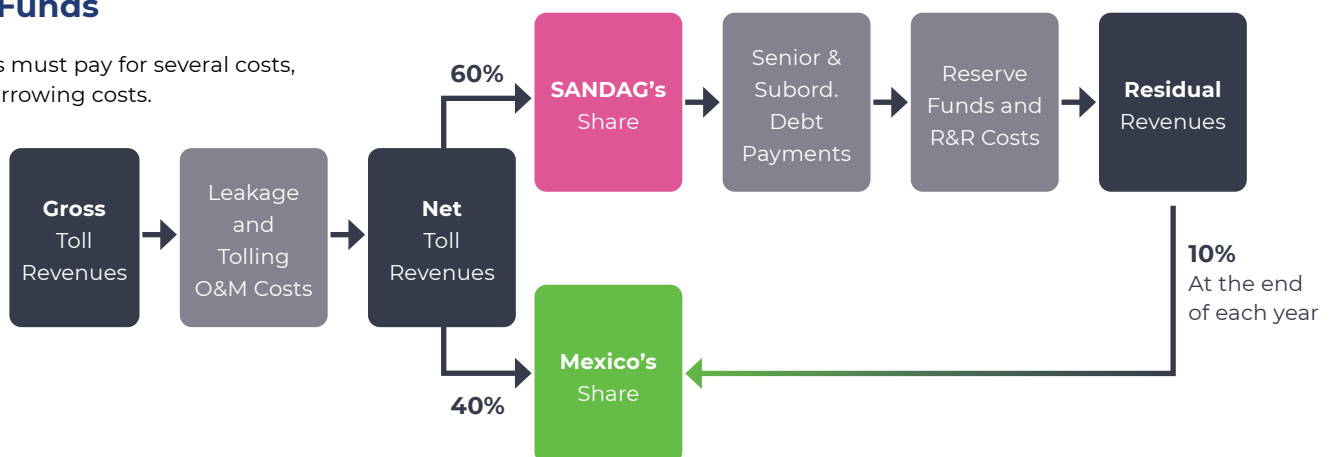
SANDAG will be the single collection point for the variable toll for both northbound and southbound traffic using its current tolling operations center. Mexico will not collect a toll during the Agreement's term.

How will tolls be set?

SANDAG's Board of Directors will set the toll in accordance with applicable law, with the advice of a Binational Working Group made up of SANDAG and SICT representatives.

Flow of Funds

Toll revenues must pay for several costs, including borrowing costs.



How will revenues be distributed?

Toll revenues will be deposited in a SANDAG fund at the North American Development Bank (NADBank). SANDAG will pay costs for certain tolling and operations and maintenance expenses. Revenues remaining will be deposited monthly into a joint SANDAG and SICT account at NADBank, who will act as the custodian of the funds pursuant to a Custodial Agreement.

Revenues will be split 50/50 except Mexico is allowing SANDAG to keep an additional 10% (60/40) in the early years of tolling operations to fund reserves necessary to generate investment-grade debt service coverage ratios (referred to as the Modified 50/50). Once such reserves are sufficiently funded and annual SANDAG debt service is paid, SANDAG will repay Mexico such 10% plus applicable interest.

September 2022



San Diego, CA 92101
 Phone (619) 699-1900
 Fax (619) 699-1905
 sandag.org

Resolution No. 2023-05

Resolution Approving and Authorizing the Execution and Delivery of a Toll Revenue Sharing Agreement Relating to the Otay Mesa East Port of Entry Project and the Taking of All Other Actions Necessary in Connection Therewith

WHEREAS, the San Diego Association of Governments (SANDAG) is a consolidated regional transportation agency organized and existing pursuant to the San Diego Regional Transportation Consolidation Act, being Chapter 3 of Division 12.7 of the Public Utilities Code of the State of California (Section 132350 et seq.);

WHEREAS, SANDAG is authorized by Sections 31474 et seq. of the Streets and Highways Code of the State of California (as amended, the "Toll Facility Act") to impose tolls along State Route 11 (SR-11), which will connect with a new international border crossing and port facility between the United States and Mexico known as Otay Mesa East on the U.S. side of the border, in the County of San Diego, and Mesa de Otay II on the Mexico side of the border (collectively, the Project);

WHEREAS, the Toll Facility Act was recently amended by the enactment of Senate Bill No. 985 (Hueso) (SB 985), which was signed by the Governor on September 18, 2022, and which will take effect, pursuant to Article IV, Section 8 of the California Constitution, on January 1, 2023;

WHEREAS, SB 985 authorizes SANDAG, among other things, to contract with one or more of the federal government of Mexico or a governmental agency or unit thereof, to provide for (i) toll collection to one side of the Otay Mesa East Port of Entry, (ii) the equitable allocation of toll revenues and (iii) the equitable allocation and financing of the operating, maintenance and capital costs of the Project;

WHEREAS, SANDAG has heretofore entered into a Memorandum of Understanding with the Ministry of Foreign Affairs, the Ministry of Infrastructure, Communications and Transport and the Ministry of Finance and Public Credit of the United Mexican States, the California State Transportation Agency and the California Department of Transportation with respect to the Mesa de Otay II – Otay Mesa East Border Crossing and Port and Access Roads to those Facilities, signed on June 28, 2021 (the 2021 MOU);

WHEREAS, the 2021 MOU memorialized the shared intention of the parties thereto to cooperate in the development of the Project and to work collaboratively to implement a traffic congestion management and revenue collection strategy based on variable tolling, with tolls collected for both northbound and southbound traffic by way of a single collection point to be located on SR-11;

WHEREAS, pursuant to the 2021 MOU, SANDAG and the Ministry of Infrastructure, Communications and Transport of the United Mexican States (SICT) have negotiated the terms of an Agreement Concerning the Sharing of Toll Revenues relating to the New International Border Crossing Mesa de Otay II – Otay Mesa East (the Toll Revenue Sharing Agreement);

WHEREAS, by its terms the Toll Revenue Sharing Agreement shall become effective not earlier than the effective date of SB 985; and

WHEREAS, a proposed form of the Toll Revenue Sharing Agreement between SANDAG and SICT has been prepared and presented to SANDAG.

NOW, THEREFORE, BE IT RESOLVED

Section 1. SANDAG finds and determines that the foregoing recitals are true and correct and makes them an effective part of this Resolution by incorporating them herein by reference.

Section 2. The proposed form of the Toll Revenue Sharing Agreement presented to this meeting and the terms and conditions thereof are hereby approved. Each of the Chief Executive Officer, the Chief Financial Officer or the designee of either, acting singly (each, an Authorized Officer), is hereby authorized and directed, for and in the name and on behalf of SANDAG, to execute and deliver the Toll Revenue Sharing Agreement, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Each Authorized Officer, is hereby authorized to execute all approvals, consents, directions, notices, orders, requests, amendments and other actions permitted or required by the Toll Revenue Sharing Agreement, including, without limitation, any amendment of the Toll Revenue Sharing Agreement or other agreements related thereto, that may be necessary or desirable in connection with financing, construction, operation or maintenance of the Project, and any similar action may be given or taken by an Authorized Officer, without further authorization or direction by SANDAG, and each Authorized Officer, acting singly, is hereby authorized and directed to give any such approval, consent, direction, notice, order, request, or other action and to execute such documents and take any such action which such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 4. The officers, employees and agents of SANDAG are hereby authorized and directed, jointly and severally, for and in the name and on behalf of SANDAG, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates and documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by the Toll Revenue Sharing Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Toll Facility Act and the Toll Revenue Sharing Agreement.

Section 5. This Resolution shall take effect immediately upon its adoption and approval.

PASSED AND ADOPTED this 14th of October 2022.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.



Western Riverside Council of Governments WRCOG Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update
Contact: Daniel Soltero, Program Manager, dsoltero@wrcog.us, (951) 405-6738
Date: November 7, 2022

Requested Action(s):

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

Purpose:

The purpose of this item is to request the Committee's approval of the Second Amendment to the Agreements with Yunex and member agencies for streetlight operations & maintenance services.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program that assisted 10 member agencies and a Community Services District to purchase streetlights which were previously owned and operated by Southern California Edison (SCE), within their jurisdictional boundaries. Once the streetlights were purchased by the member agency, the lamps were retrofitted to light-emitting diode (LED) technology to provide more economical operations (i.e., lower maintenance costs and reduced energy use). Local control of the streetlight system provides agencies with opportunities for future revenue generation such as digital-ready networks and telecommunications and information technology strategies. In order to identify and elaborate on these new opportunities, WRCOG developed a Smart Streetlights Implementation Plan and Broadband Assessment that could be applicable to all WRCOG member agencies.

In October 2017, WRCOG entered into a contract agreement with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services in an amount not to exceed \$5,913,073 over a five-year contract period. In November 2019, WRCOG executed a First Amendment to the Professional Services Agreement to allow for Consumer Price Index (CPI) adjustments to pricing and to transfer the assignment of the Agreement to Siemens due to a corporate restructuring resulting in the unit "Intelligent Traffic Systems" being moved to Siemens

Mobility. In October 2021, WRCOG transferred the agreement to Yunex, LLC, due to the worldwide carve-out of the unit "Intelligent Traffic Systems" from Siemens Mobility. In each of these instances, the participating members have executed an identical amendment or transfer letter respective to their Appendix to the Agreement.

Second Amendment to the Amended & Restated Professional Services Agreement (PSA) and Appendices

The Regional Streetlight Program oversees a contract with Yunex, formerly Siemens, to provide participating members with streetlight retrofit and operations & maintenance (O&M) services. The Agreement with Yunex expires on December 1, 2022.

Currently, Yunex provides streetlight O&M services to nine participating agencies, including the Cities of Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Perris, San Jacinto, and Wildomar, as well as the Jurupa Community Services District. In March 2022, staff met with representatives from each individual participating agency to solicit feedback regarding the contractor's customer service, response times, overall performance of the streetlight O&M services, and the potential for a contract extension. Additionally, staff held a streetlight O&M workshop in July 2022 to provide the participating agencies a summary of the individual discussions, and provide an opportunity for a roundtable discussion on the subject matter. The agencies that participated in the meeting expressed a high level of satisfaction with the service provided by Yunex and supported an extension of the existing contract. A few items for consideration and improvement were also raised, consisting of late invoicing, limited information on the quarterly night reports, and timing for replacing a pole knockdown. Having received this feedback from the participating agencies, and recognizing that an optional term is included in the Agreement, staff is requesting authorization of a Second Amendment to the Amended & Restated Professional Services Agreement and Appendices with Yunex, authorizing a one-year extension of the term to December 1, 2023.

Staff took this item to the Administration & Finance Committee on October 12, 2022, where the recommendation was made for the Executive Committee to approve the Second Amendment to the Agreements with Yunex and the member agencies. Concurrently, staff has been coordinating with the participating agencies that have expressed interest in a contract extension to process a Second Amendment to the Appendix to the Professional Services Agreement with WRCOG and Yunex. Most of the participating agencies are requiring its City Council's or Board's approval for the Second Amendment. As such, staff are coordinating with the member agency's staff to schedule a meeting date and provide necessary documentation, assist with staff reports, and provide any information to support the presentation. Below are the dates for City Council or Board meetings where staff will be seeking approval of the Second Amendment to the Appendices; remaining agency approvals will be sought in October and November 2022:

Agency	Scheduled / (Potential) Meeting Dates
City of Eastvale	October 26, 2022
City of Hemet	(Tentative ~ November 2022)
City of Lake Elsinore	(Tentative ~ November 2022)
City of Menifee	November 2, 2022
City of Murrieta	(Tentative ~ November 2022)
City of Perris	(November 8, 2022)

City of San Jacinto	November 1, 2022
City of Wildomar	(Tentative ~ November 2022)
Jurupa Community Services District	No Board approval needed.

Prior Action(s):

October 12, 2022: The Administration & Finance Committee recommended that the Executive Committee approve Amendment No. 2 to the Amended & Restated Professional Services Agreement and Amendment No. 2 to the Appendices 1 - 5, 7 - 9, and 11 to the Amended & Restated Professional Services Agreement between WRCOG, Yunex LLC, and the Member Agency to extend the Agreement one year to December 1, 2023, for streetlight retrofit, operation and maintenance services.

September 15, 2022: The Technical Advisory Committee received and filed.

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

Fiscal Impact:

Costs to WRCOG associated with this amendment include staff time and legal costs, which are budgeted for under the approved Streetlight Program budget (110-67-2026). The participating agencies receiving this service are responsible for streetlight retrofit, operation & maintenance costs arising from the contract.

Attachment(s):

[Attachment 1 - Second Amendment to the Amended & Restated Professional Services Agreement - WRCOG and Yunex LLC](#)

[Attachment 2 - Second Amendment to Appendix 1 to the Amended & Restated Professional Services Agreement - City of Eastvale](#)

[Attachment 3 - Second Amendment to Appendix 2 to the Amended & Restated Professional Services Agreement - City of Hemet](#)

[Attachment 4 - Second Amendment to Appendix 3 to the Amended & Restated Professional Services Agreement - Jurupa Community Services District](#)

[Attachment 5 - Second Amendment to Appendix 4 to the Amended & Restated Professional Services Agreement - City of Lake Elsinore](#)

[Attachment 6 - Second Amendment to Appendix 5 to the Amended & Restated Professional Services Agreement - City of Menifee](#)

[Attachment 7 - Second Amendment to Appendix 7 to the Amended & Restated Professional Services Agreement - City of Murrieta](#)

[Attachment 8 - Second Amendment to Appendix 8 to the Amended & Restated Professional Services Agreement - City of Perris](#)

[Attachment 9 - Second Amendment to Appendix 9 to the Amended & Restated Professional Services Agreement - City of San Jacinto](#)

[Attachment 10 - Second Amendment to Appendix 11 to the Amended & Restated Professional Services Agreement - City of Wildomar](#)

Attachment

Second Amendment to the Amended
& Restated Professional Services
Agreement - WRCOG & Yunex LLC

**SECOND AMENDMENT TO
THE AMENDED AND RESTATED
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

This Second Amendment to the Amended and Restated Western Riverside Council of Governments Professional Service Agreement ("Second Amendment") is made as of 7th day of November, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG") and **Yunex LLC, a Delaware corporation** ("Yunex"). The WRCOG and Yunex are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, by letter dated October 27, 2021, the WRCOG consented to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex now wish to enter into this Second Amendment to extend the term of the Agreement.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Agreement:

1. Term: Pursuant to Section 3.1.2, the term of the Agreement is hereby extended to December 1, 2023.

2. Modification: No alteration or variation of the terms of this Second Amendment to the Agreement shall be valid unless made in writing and signed by the parties hereto.

3. Continuation of Existing Provisions: Except as amended by this Second Amendment, all provisions of the 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.

**SIGNATURE PAGE TO
SECOND AMENDMENT TO
THE AMENDED AND RESTATED
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

Dated this _____ of _____, 2022.

WRCOG

By: _____
Dr. Kurt Wilson
Executive Director

YUNEX LLC

Hutchens
By: Michael

Digitally signed by Hutchens Michael
DN: cn=Hutchens Michael, o=Siemens,
email=Michael.Hutchens@siemens.com
Date: 2022.10.17 13:14:00 -0700

Name: Michael J. Hutchens

Title: Western Operations Manager

APPROVED AS TO FORM

By: _____
Best Best & Krieger LLP
General Counsel

Attachment

Second Amendment to Appendix 1 to
the Amended & Restated
Professional Services Agreement -
City of Eastvale

**SECOND AMENDMENT TO
APPENDIX #1
City of Eastvale**

This Second Amendment to Appendix #1 to the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of this ____ day of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Eastvale** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #1 to the Agreement ("Original Appendix") on June 27, 2018.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on November 13, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #1 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, by letter dated October 27, 2021, countersigned by Member Agency, the WRCOG and Member Agency consented to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.

2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.

3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 2 to
the Amended & Restated
Professional Services Agreement -
City of Hemet

**SECOND AMENDMENT TO
APPENDIX #2
City of Hemet**

This Second Amendment to Appendix #2 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Hemet** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #2 to the Agreement ("Original Appendix") on June 27, 2018.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on _____ to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #2 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Operations

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of Hemet

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 3 to
the Amended & Restated
Professional Services Agreement -
Jurupa Community Services District

**SECOND AMENDMENT TO
APPENDIX #3
Jurupa Community Services District**

This Second Amendment to Appendix #3 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **Jurupa Community Services District** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #3 to the Agreement ("Original Appendix") on December, 9, 2019.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on December 9, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #3 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

**Member Agency – Jurupa Community
Services District**

By: _____
General Manager

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
General Counsel

Attachment

Second Amendment to Appendix 4 to
the Amended & Restated
Professional Services Agreement -
City of Lake Elsinore

**SECOND AMENDMENT TO
APPENDIX #4
City of Lake Elsinore**

This Second Amendment to Appendix #4 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Lake Elsinore** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #4 to the Agreement ("Original Appendix") on November 12, 2019.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on November 12, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #4 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of Lake Elsinore

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 5 to
the Amended & Restated
Professional Services Agreement -
City of Menifee

**SECOND AMENDMENT TO
APPENDIX #5
City of Menifee**

This Second Amendment to Appendix #5 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Menifee** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #5 to the Agreement ("Original Appendix") on December 9, 2019.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on December 9, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #5 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. **Term; Incorporation of Second Amendment to Agreement:** The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. **Modification:** No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. **Continuation of Existing Provisions:** Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of Menifee

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 7 to
the Amended & Restated
Professional Services Agreement -
City of Murrieta

**SECOND AMENDMENT TO
APPENDIX #7
City of Murrieta**

This Second Amendment to Appendix #7 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Murrieta** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #7 to the Agreement ("Original Appendix") on December 9, 2019.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on December 19, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #7 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency - City of Murietta

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 8 to
the Amended & Restated
Professional Services Agreement -
City of Perris

**SECOND AMENDMENT TO
APPENDIX #8
City of Perris**

This Second Amendment to Appendix #8 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Perris** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #8 to the Agreement ("Original Appendix") on June 27, 2018.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on January 12, 2021 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #8 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of Perris

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 9 to
the Amended & Restated
Professional Services Agreement -
City of San Jacinto

**SECOND AMENDMENT TO
APPENDIX #9
City of San Jacinto**

This Second Amendment to Appendix #9 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of San Jacinto** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #9 to the Agreement ("Original Appendix") on March 31, 2020.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on March 31, 2020 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #9 from Siemens Industry to SMI.

WHEREAS, by letter dated May 26, 2021, SMI informed the WRCOG of the transfer of its intelligent transportation systems unit to Yunex, and requested the WRCOG's consent to the transfer of the Agreement to Yunex.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of San Jacinto

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Attachment

Second Amendment to Appendix 11
to the Amended & Restated
Professional Services Agreement -
City of Wildomar

**SECOND AMENDMENT TO
APPENDIX #11
City of Wildomar**

This Second Amendment to Appendix #11 the Amended and Restated Western Riverside Council of Governments Professional Service Agreement is made as of _____, 2022 by and between the **Western Riverside Council of Governments, a California public agency** ("WRCOG"), **Yunex LLC, a Delaware corporation** ("Yunex"), and the **City of Wildomar** ("Member Agency"). The WRCOG, Yunex, and Member Agency are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the WRCOG and Siemens Industry Inc., Intelligent Traffic Systems, a Delaware corporation ("Siemens Industry") entered into a Professional Services Agreement ("Original Agreement") on December 18, 2017.

WHEREAS, the WRCOG and Siemens Industry amended and restated the Original Agreement on March 27, 2018, to include additional language ("Agreement").

WHEREAS, the WRCOG, Siemens Industry, and Member Agency executed Appendix #11 to the Agreement ("Original Appendix") on December 16, 2019.

WHEREAS, the WRCOG and Siemens Industry entered into the First Amendment of the Agreement on November 22, 2019 to include the transfer and assignment of the Agreement from Siemens Industry to Siemens Mobility, Inc. ("SMI") and a CPI increase.

WHEREAS, the WRCOG, Siemens Industry, and Member Agency entered into the First Amendment on December 16, 2019 to amend the Original Appendix to include a CPI increase and the transfer and assignment of Appendix #11 from Siemens Industry to SMI.

WHEREAS, by letter dated March 18, 2022, SMI informed Member Agency of the transfer of its intelligent transportation systems unit to Yunex, and Member Agency consented to the transfer of the Agreement to Yunex by letter dated June 10, 2022.

WHEREAS, the WRCOG and Yunex entered into the Second Amendment of the Agreement on _____, 2022 to extend the term of the Agreement ("Second Amendment to Agreement").

WHEREAS, the WRCOG, Yunex and Member Agency now wish to enter into this Second Amendment to incorporate extension of the Agreement, and extend the term of the Original Appendix.

TERMS

NOW, THEREFORE the parties enter into this Second Amendment to the Appendix:

1. Term; Incorporation of Second Amendment to Agreement: The term of the Original Appendix, as previously amended, shall continue in effect to December 1, 2023, concurrent with the extension of the term of the Agreement pursuant to the Second Amendment to Agreement, the provisions of which are incorporated herein by reference.
2. Modification: No alteration or variation of the terms of this Second Amendment to the Appendix shall be valid unless made in writing and signed by the parties hereto.
3. Continuation of Existing Provisions: Except as amended by this Second Amendment to the Appendix, all provisions of the Original Appendix, as previously amended, shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

Dated this _____ of _____, 2022.

WRCOG

By: _____
Kurt Wilson, Executive Director

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
General Counsel

Yunex

By: _____
Name: Steven M. Teal, Jr.
Its: Director of Service

APPROVED AS TO FORM:

By: _____
Name: Michael J. Hutchens
Its: Western Operations Manager

Member Agency – City of Wildomar

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney



Western Riverside Council of Governments WRCOG Executive Committee

Staff Report

Subject: PACE Programs: Adoption of Resolution to Escheat Unclaimed Funds to the State of California

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

Date: November 7, 2022

Requested Action(s):

1. Adopt Resolution Number 25-22; A Resolution of the Executive Committee of the Western Riverside Council of Governments to Escheat Unclaimed Funds to the State of California.

Purpose:

As a follow up from the October meeting, the purpose of this item is to request adoption of a resolution that would allow aged PACE unclaimed refunds to revert to the State of California.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

During the October Executive Committee meeting, the Committee considered various alternatives and voted to require unclaimed funds associated with this agenda item to escheat to the State of California. This resolution memorializes that directive.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements. Improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item charge on the secured property tax bill. The Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join and allow property owners in these jurisdictions to participate.

Unclaimed Refunds

In 2012, WRCOG began issuing bonds to finance residential PACE home improvements. PACE assessments are paid as a secured assessment line item on the property tax bill, which is paid twice a year. When a property owner makes a prepayment or pays off the assessment prior to paying their property tax bill, and if the county in which the assessment was levied cannot make a correction to remove or adjust the PACE amount, it results in an over payment of the PACE assessment. When this

occurs, the property owners are owed a refund for the difference. The refunds are issued by WRCOG after the counties disburse the funds collected through the property tax payments. A majority of refunds are processed in February after the first property tax installment is paid and then again in June after the second property tax installment is paid.

Refund process:

1. WRCOG receives the refund list for the property owners that overpaid their PACE assessment on their property tax bill.
2. WRCOG processes the refunds.
3. WRCOG mails out the refunds to each property owner on the list.
 - a. In some instances, before a check is returned to WRCOG as undeliverable, a Post Office may attempt to deliver the check more than once if the address is not clear, if there is no forwarding address, or if the property owner requests to have the check held.
 - b. In cases where the property owners notify WRCOG that their refund was not received (lost mail, not delivered, stolen, etc.), WRCOG will re-issue the refund and mail it back out. Sometimes, the property owners opt to pick up the check at WRCOG's office.
 - c. If the refund check was not received after the second time it was mailed out, WRCOG will re-issue the check and send it via certified mail.

After attempting to deliver the refund checks multiple times, some refunds are returned to WRCOG or remain unclaimed, where they reside in a WRCOG pass-through account. In 2020, staff began working with Bond Counsel to identify what to do with these funds or if they could be moved elsewhere. At that time, it was identified by WRCOG's Bond Counsel that:

"Any individual item of less than fifteen dollars (\$15), which is unclaimed for a period of one (1) year, may be transferred to WRCOG's PACE Reserve Account in accordance with California Government Code Section 50055. Items fifteen dollars (\$15) and over, unclaimed for more than three (3) years, will be processed in accordance with California Government Code Sections 50050-500256 and may become the property of WRCOG at anytime after the three-year period."

In 2020, there were no unclaimed refunds that met the three-year requirement. Since there was nothing that could be done with the funds, the funds were left in the pass-through account to keep separate from Agency funds. However, by June 2022, staff identified that 175 refunds have been unclaimed for over three years. All current unclaimed refunds are from residential assessments. The total amount of these refunds is \$238,889.93. By December 2022, it is estimated that there will be 290 unclaimed refunds, totaling an estimated amount of \$398,119.

WRCOG's Bond Counsel identified that WRCOG has two options at the time a refund goes unclaimed for three years:

1. WRCOG can develop an Unclaimed Refund Check Policy and Procedure in order to claim the aged refunds; or
2. WRCOG would remit all unclaimed funds to the State in which then the State will exercise its right to take ownership of the unclaimed assets.

Status of Staff Analysis After, and in Response to, September 14th Administration & Finance (A&F) Committee Meeting

The discussion at the September A&F Committee meeting focused largely on the desire of Committee members to protect the ability of property owners or their heirs to collect money owed to them even if their claim occurs well after the statutory period for making claims. Based on the tenacity of the conversation, staff evaluated a new option that was not previously presented to the Committee.

The proposal presented to the A&F Committee in July supported a policy change that would allow WRCOG to take possession of the funds following the expiration of the statutory requirement. The proposal presented to the A&F Committee in September was expanded to include the time in which funds could be claimed to a period beyond the statutory minimum.

While the recommendation for this item was to affirm the recommendation of the A&F Committee, in an effort to provide the most current and comprehensive information, a new option was included for awareness purposes.

When valid claims are made to the State for funds in its possession, the claims are paid at face value. No interest is accrued for the claim. The State retains any interest earnings for the funds being held. While claims to the State are honored in perpetuity, advertising for those claims is not. As a result, the holding costs to the State are minimal for this process. If WRCOG opted to hold the funds and make them perpetually available, the holding costs would similarly be minimal. Those holding costs would be less than the interest earning achieved by investing the funds. It would be similar to a non-wasting endowment in which the principal amount would remain unchanged unless a valid claim against the funds was honored.

Follow-up to October 3rd Executive Committee Comments

On October 3, 2022, the Executive Committee determined that WRCOG will escheat to the State of California any unclaimed funds held by WRCOG for more than three years.

WRCOG must follow the California State Controller's Office procedure before escheating the funds to the State of California. In addition, there are certain deadlines that need to be met by WRCOG prior to escheating the funds, but given the timing of the Executive Committee's decision, staff will work with the Controller's office to request an extension on submitting the Holder Notice Report (Attachment 2).

California State Controller's Escheatment Steps

1. Identify Unclaimed Property

- a. WRCOG reviews and identifies unclaimed refunds that are three years or older to report to the State.
- b. WRCOG prepares an encrypted file listing all reportable unclaimed refunds and verifies that it meets the requirements listed by the State.

2. Perform Holder Due Diligence

- a. WRCOG mails notices to property owners regarding their refund prior to reporting the funds to the State Controller's Office.

3. Submit a Holder Notice Report prior to November 1st each year

- a. WRCOG fills out the Universal Holder Face Sheet (UFS-1) and remits the form to the State Controller's Office. No funds will be submitted with the UFS-1 sheet.

4. Respond to Property Owner claims resulting from State Controller's Office Notice

- a. The State Controller's Office sends notices to the property owners that have unclaimed refunds.
 - b. The State of California provides property owners with instructions to contact WRCOG before funds are escheated to the State to claim their refund.
 - c. Once a property owner contacts WRCOG regarding their refund, prior to the funds being escheated to the State Controller's Office, WRCOG will process the refund and mail the refund to the property owner.
5. **Submit a Holder Remit Report and Remittance between June 1st and June 15th of each year**
- a. WRCOG submits to the State Controller's Office the Holder Remit Report and Remittance for the funds to escheated to the State.
 - b. The Holder Remit Report must match the Holder Notice Report that WRCOG submitted by November 1st.
 - c. WRCOG submits a Supplemental Holder Notice Report if more unclaimed funds are identified and not included in the initial report.

These escheatment steps would occur on a regular basis and WRCOG staff will continue to report unclaimed refunds to the State of California on a yearly basis.

Prior Action(s):

October 3, 2022: Affirm the recommendation from the Administration & Finance Committee to permit funds from unclaimed PACE refunds to revert to the State of California where valid claims can be honored in perpetuity, and to return with a resolution solidifying this policy.

September 14, 2022: The Administration & Finance Committee recommended that the Executive Committee permit unclaimed PACE refunds to revert to the State where they can be perpetually available for property owners or their heirs to submit valid claims.

July 13, 2022: The Administration & Finance Committee tabled this item for further discussion at a future meeting.

Fiscal Impact:

Based on the current recommended action from the Executive Committee, once unclaimed refunds reach the three-year threshold, the funds will be remitted to the State of California.

Attachment(s):

[Attachment 1 - Resolution Number 25-22 authorizing the escheatment of unclaimed funds to the State of California](#)

[Attachment 2 - California State Controllers Office Reporting Guidelines for Holders of Unclaimed Property](#)

Attachment

Resolution Number 25-22;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments authorizing
the escheatment of unclaimed funds
to the State of California

RESOLUTION NUMBER 25-22

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF
THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AUTHORIZING THE ESCHEATMENT OF UNCLAIMED FUNDS
TO THE STATE OF CALIFORNIA**

WHEREAS, the Western Riverside Council of Governments ("WRCOG") has been created pursuant to a certain Joint Exercise of Powers Agreement, as amended, ("JPA") in accordance with California Government Code section 6500, *et seq.*; and

WHEREAS, pursuant to Section 1519 of the Code of Civil Procedure, WRCOG is required to escheat to the State of California any unclaimed funds held by WRCOG for more than three years; and

WHEREAS, the Executive Committee of WRCOG desires (i) to authorize the escheatment of unclaimed funds to the State of California and (ii) to authorize the Executive Director to report and escheat, or designate the Chief Financial Officer to report and escheat, unclaimed funds to the State of California.

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee of the Western Riverside Council of Governments does hereby resolve as follows:

Section 1. Unclaimed funds held by WRCOG for more than three years shall escheat to the State of California, in accordance with Section 1519 of the Code of Civil Procedure.

Section 2. The Executive Director is authorized to report and escheat, or to designate the Chief Financial Officer to report and escheat, unclaimed funds to the State of California pursuant to the Code of Civil Procedure Section 1500, *et seq.*

Section 3. This Resolution shall become effective upon adoption by the WRCOG Executive Committee.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on November 7, 2022.

Crystal Ruiz, Chair
WRCOG Executive Committee

Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

Attachment

California State Controllers Office Reporting Guidelines for Holders of Unclaimed Property



Controller Betty T. Yee

California State Controller's Office

Unclaimed Property Division

Reporting Unclaimed Property

Reporting Guidelines for Holders of Unclaimed Property

STEPS TO REPORT UNCLAIMED PROPERTY

Step 1 Identify Unclaimed Property

Holders must review their books and records annually to determine if they have reportable property, whether tangible or intangible, that has remained unclaimed or in inactive accounts for the required dormancy period. For examples of unclaimed property, refer to the Unclaimed Property Dormancy Periods section of this guideline or visit GoReport.sco.ca.gov.

Step 2 Perform Holder Due Diligence

Due diligence is the process of locating apparent owners of property that has remained dormant or inactive on a holder's books and records. Holders must send notices to owners of securities, safe deposit boxes, and property with a value of \$50 or more prior to reporting the accounts to the State Controller's Office (SCO). For complete requirements for notifying owners of unclaimed property and to view a sample due diligence letter, visit GoReport.sco.ca.gov.

Step 3 Submit a Holder Notice Report

California has an annual two-report process. The Holder Notice Report is the first step in the two-report process. The Holder Notice Report is due before November 1 of each year (May 1 for life insurance companies). Properties should not be remitted or delivered with the Holder Notice Report; any property received with this report will be returned to the holder. The SCO accepts the standard NAUPA II reporting format. For a link to free reporting software, visit GoReport.sco.ca.gov.

Step 4 Respond to Owner Claims Resulting from SCO Notices

After receiving the Holder Notice Report, the SCO sends its own due diligence notices to reported owners of securities, safe deposit boxes, and property valued at \$50 or more. These notices instruct property owners to contact the holder to claim their unclaimed property before it is escheated to the SCO. If the property owner contacts the holder to claim their unclaimed property before the required Holder Remit Report due date of June 1 (December 1 for life insurance companies), the property is no longer considered dormant. Once contact has been made, the holder should return the property directly to the property owner.

Step 5 Submit a Holder Remit Report and Remittance

The Holder Remit Report is the second step in the two-report process. The Holder Remit Report is normally due between June 1 and June 15 of each year (December 1 and December 15 for life insurance companies). Property not yet claimed by the owner must be remitted with the Holder Remit Report. For owner accounts that are no longer unclaimed, the holder may either exclude the owner accounts from the report entirely, or include the owner accounts with an appropriate pay or deletion type code and show the property remit amount as zero. The Holder Remit Report should not include any property unreported on the original Holder Notice Report. If more unclaimed property is identified, it must be reported on a Supplemental Holder Notice Report.

IMPORTANT DATES

Life Insurance Holders

Before May 1

Holder Notice Report
Due Date

Mid-October

SCO Deadline to Send
Owner Notices

December 1 - 15

Holder Remit Report
Due Date

All Other Holders

Before November 1

Holder Notice Report
Due Date

Mid-April

SCO Deadline to Send
Owner Notices

June 1 - 15

Holder Remit Report
Due Date

**California State Controller's Office
Unclaimed Property Division
10600 White Rock Road, Suite 141
Rancho Cordova, CA
95670**

GoReport.sco.ca.gov

**Outreach and Compliance
(916) 464-6088**

UPDHolderOutreach@sco.ca.gov

**Reporting Assistance
(916) 464-6284**

UCPReporting@sco.ca.gov

**Claims Assistance
(800) 992-4647
claimit.ca.gov**

UNCLAIMED PROPERTY

The Unclaimed Property Law allows the state to reunite lost and abandoned property with its rightful owner(s) and to safeguard these properties from being used by private interests for personal gain.

What is unclaimed property?

Unclaimed property is generally defined as any financial asset that has been left inactive by the owner for a period of time specified by law, usually three years. The California Unclaimed Property Law does not address real estate or abandoned personal property.

Why must holders report unclaimed property?

California's Unclaimed Property Law (California Code of Civil Procedure, section 1500 et seq.) was enacted to ensure that property is returned to its rightful owner(s) and to relieve holders of the burden and liability of carrying or maintaining the property. The law requires businesses to review their books and records annually to determine if they hold any reportable property and provides California citizens a single source, the State Controller's Office (SCO), to search for unclaimed property.

Who must file and unclaimed property report?

- Business associations, banking and financial organizations, and life insurance corporations
- Non-profits, sole-proprietorships, and partnerships
- Other entities holding property belonging to another

DORMANCY PERIODS

This is a general guideline for dormancy periods for certain types of property. For more details, visit GoReport.sco.ca.gov.

One Year

Commissions; Ordered Refunds; Wages

Three Years

Cashier's Checks; Demand Deposits (checking); Dividends; Interest; IRAs & Retirement Plans; Life Insurance Benefits, Escrow Accounts, Matured Time Deposits; Safe Deposit Boxes; Safekeeping Repositories; Savings; Stocks and Bonds; Written Instruments (uncashed checks) and Other Tangible and Intangible Property.

Seven Years

Money Orders

Fifteen Years

Travelers Checks



Western Riverside Council of Governments WRCOG Executive Committee

Staff Report

Subject: Approval of Executive Committee and General Assembly Meeting Schedule for 2023
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: November 7, 2022

Requested Action(s):

1. Approve the schedule of Executive Committee and General Assembly meetings for 2023.
-

Purpose:

The purpose of this item is to provide and obtain approval of a meeting schedule for 2022.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #4 - Communicate proactively about the role and activities of the Council of Governments.

Background:

Attached are the proposed 2023 meeting dates for the Executive Committee and General Assembly. All Executive Committee meeting dates are proposed for the 1st Monday of the month at 2:00 p.m. If the 1st Monday is a holiday, the meeting is scheduled for the 2nd Monday.

The General Assembly meeting is scheduled for the last Thursday in the month of June.

Prior Action(s):

None.

Fiscal Impact:

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

Attachment(s):

[Attachment 1 - WRCOG Standing Committees 2023](#)



WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS SCHEDULE OF MEETINGS FOR 2023

WRCOG Standing Committees	Day	Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
General Assembly		6:30 p.m.	-	-	-	-	-	29	-	-	-	-	-	-
Executive Committee	1st Mon.	2:00 p.m.	DARK	6	6	3	1	5 & 30 ¹	DARK	7	11 ²	2	6	4

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

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



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Approval of Two TUMF Reimbursement Agreement Amendments
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: November 7, 2022

Requested Action(s):

1. Authorize the Executive Director to execute Amendment Number 2 to a TUMF Reimbursement Agreement with the City of Menifee for the Construction Phase of the Holland Roadway Widening and Holland Road / I-215 Overpass Project from \$8,255,000 to \$10,255,000.
2. Authorize the Executive Director to execute Amendment Number 3 to a TUMF Reimbursement Agreement with the City of San Jacinto for the Construction Phase of the Esplanade Avenue Widening Project for an amount not to exceed \$5,630,000.

Purpose:

The purpose of this item is to request approval of two Transportation Uniform Mitigation Fee (TUMF) Reimbursement Agreement. Amendments.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County.

TUMF Reimbursement Agreement

Two Reimbursement Agreement Amendments are being presented for approval. A Reimbursement Agreement is a document between WRCOG and a member agency and allows WRCOG to provide funding for TUMF expenses incurred for the Planning, Design, Engineering, and/or Construction Phase of a TUMF project. To enter into a Reimbursement Agreement, the funding for the project must first be allocated in the appropriate TUMF Zone Transportation Improvement Program (TIP). The following reimbursement amendments are presented for approval.

City of Menifee: This Reimbursement Agreement Amendment includes an additional \$2,000,000 for construction, which reflects an increase in Construction funding from \$8,255,000 to \$10,255,000.

The primary reason why the City of Menifee is requesting this Amendment is that the City is seeking

reimbursement for additional anticipated construction expenses. The Central Zone Technical Advisory Committee and Executive Committee have already approved an updated Central Zone Transportation Improvement Program (TIP) which allocates funds, consistent with the Reimbursement Agreement. An updated Central Zone TIP reflecting this allocation is included on the agenda today for consideration as well.

City of San Jacinto: The Reimbursement Agreement Amendment includes a request for \$5,630,000 for the Construction Phase. The total amount of the agreement would therefore increase to \$7,770,025.

The primary reason why the City of San Jacinto is requesting this Amendment is that the City is seeking funding for construction expenses. The Hemet / San Jacinto Technical Advisory Committee and Executive Committee have already approved an updated Hemet / San Jacinto TIP which allocates funds, consistent with the Reimbursement Agreement. This TIP was previously approved by the WRCOG Executive Committee.

Prior Action(s):

October 4, 2021: The Executive Committee approved Amendment No.1 to the Reimbursement Agreement with the City of Menifee for the Holland Road Widening and I-215 / Holland Road Overpass Project for the increasing project funding to \$8,255,000.

March 2, 2020: The Executive Committee approved a Reimbursement Agreement for the Holland Road widening and I-215 / Holland Road overpass in the amount of \$6,455,000.

September 8, 2015: The Executive Committee approved Amendment No. 2 for \$770,025 for the Planning and Engineering Phase for the Esplanade Avenue widening in the City of San Jacinto.

March 5, 2006: The Executive Committee approved Amendment No. 1 with the City of San Jacinto to increase overall project funding to \$4,894,500 for Planning, Design, Right-Of-Way, and Construction Phases for the Esplanade Avenue Widening Project.

April 3, 2005: The Executive Committee approved a Reimbursement Agreement with the City of San Jacinto for \$194,500 for the Planning Phase for the Esplanade Avenue Widening Project.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2022/2023 Budget under the Transportation Department. This Reimbursement Agreement is consistent with the previously approved Northwest Zone TIP. TUMF reimbursements are programmed under Fund 220.

Attachment(s):

[Attachment 1 - Holland Road TUMF Reimbursement Agreement](#)

[Attachment 2 - Esplanade Avenue TUMF Reimbursement Agreement](#)

Attachment

City of Menifee
Holland Road
TUMF Reimbursement Agreement

**AMENDMENT NO. 2 TO TRANSPORTATION UNIFORM MITIGATION FEE
PROGRAM AGREEMENT**

HOLLAND ROAD / I-215 OVERPASS

This Amendment No. 2 to Transportation Uniform Mitigation Fee Program Agreement (“Amendment No. 2”) is entered into this _____ day of _____, 2022, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (“WRCOG”) and **the City of Menifee** (“AGENCY”). WRCOG and the AGENCY are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. WRCOG and AGENCY have entered into an agreement numbered 18-CN-MEN-1181 titled “Transportation Uniform Mitigation Fee Program Agreement” that is dated **3/30/2020** (“Agreement”) and as well as Amendment No. 1 to the Agreement (“Amendment No. 1”) that is dated **11/17/2021**. The Agreement and Amendment No. 1 provide the terms and conditions, scope of work, schedule and funding amount for the CON (construction) Phase of the **Holland Road / I-215 Overpass** (hereinafter the “Project”).

B. The Parties desire to amend the Agreement and Amendment No. 1 by increasing the original construction funding amount pursuant to Sections 6 and 33 of the Agreement.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement and additional funding amount in Amendment No. 1 is hereby increased by Two Million Dollars (2,000,000) from Eight Million Two Hundred Fifty-Five Thousand Dollars (\$8,255,000) for the construction phase of the project which includes the Holland Road segment from Antelope Road to Haun Road, for a total amount of **Ten Million Two Hundred Fifty-Five Thousand Dollars (\$10,255,000).**

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

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

5. The above-stated Recitals are hereby fully incorporated into this Amendment No. 2.

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

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF MENIFEE

By: _____
Dr Kurt Wilson,
Executive Director

By: _____
Armando Villa, City Manager

Approved to Form:

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

By: _____
Jeffrey T. Melching, City Attorney

Attest:

By: _____
Sarah Manwaring, City Clerk

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	LOCAL	TOTAL
PA&ED		\$ 800,000	\$ 800,000
PS&E		\$ 1,538,190	\$ 1,538,190
RIGHT OF WAY		\$3,110,000	\$ 3,110,000
CONSTRUCTION	\$10,255,000	\$15,517,421	\$25,772,421
TOTAL	\$10,255,000	\$20,965,611	\$31,220,611

EXHIBIT “A-2”**PROJECT SCHEDULE****TIMETABLE:**

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	October 2020	\$ 800,000	Completed
PS&E	February 2022	\$ 1,538,190	In Process
RIGHT OF WAY	October 2021	\$ 3,110,000	In Process
CONSTRUCTION	August 2022	\$25,772,421	
TOTAL		\$31,220,611	

Attachment

City of San Jacinto
Esplanade Avenue
TUMF Reimbursement Agreement

**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
ESPLANADE AVENUE WIDENING (WARREN ROAD TO STATE STREET) PHASES
I AND II
CONSTRUCTION**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 2022, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and **CITY OF SAN JACINTO**, a California municipal corporation (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **Esplanade Avenue Widening (Warren Road to State Street) Phases I and II** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with the defined WRCOG Call for Projects phase detailed herein as follows:

1) Construction Cost and Construction Engineering

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **Five Million Six Hundred Thirty Thousand Dollars (\$5,630,000)**, to be used for reimbursing the AGENCY for eligible

Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

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

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

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

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

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG’s decision as to the eligibility of one or more invoices to WRCOG’s Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director’s decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within

ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

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

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

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

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

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

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

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

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

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

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

15. Termination.

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

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

been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

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

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

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

18. Indemnification.

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

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

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

WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

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

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

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

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

(iii) Contain standard separation of insured provisions.

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

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

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

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

1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

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

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

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

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

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

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

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

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

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

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

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

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

If to AGENCY: City of San Jacinto
 595 S. San Jacinto Avenue
 San Jacinto, CA 92583
 Attn: Stuart E. McKibbin, Contract City Engineer
 Telephone: 951-654-3592
 Facsimile: 951-654-3672

If to WRCOG: Western Riverside Council of Governments
 3390 University Avenue, Suite 450
 Riverside, California 92501
 Attention: Christopher Gray, Director of Transportation
 Telephone: (951) 405-6710
 Facsimile: (951) 787-7991

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

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

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

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms

and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF SAN JACINTO

By: _____ Date: _____
Kurt Wilson
Executive Director

By: _____ Date: _____
Rob Johnson
City Manager

Approved to Form:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

EXHIBIT “A”

SCOPE OF WORK

Project includes the right of way and construction phases of project development for the future widening of Esplanade Ave to provide one new lane of travel in each direction from Warren Road to State Street, for a length of 3.6 miles. This project is titled **Esplanade Ave Widening (Warren to State)**. The existing roadway primarily consists of one lane in each direction. There is a short segment (approx. ¼ mile) on Esplanade just west of State Street which already has two lanes in each direction. In this segment, no widening is proposed. One new lane with paved shoulder and curb and gutter will be added in each direction. .

Phase I is the widening of Esplanade Avenue from Sanderson Avenue to Warren Rd., from two lanes to four lanes (two lanes in each direction), with sidewalk and drainage improvements on the north side, and traffic signals at the intersections of Esplanade Ave. and Cawston Ave. and at Esplanade Ave. at Warren Rd. The widening is taking place on the north side of Esplanade, in the City of San Jacinto city limits/right of way.

Esplanade Ave within the project limits forms the boundary between the City of San Jacinto and the City of Hemet. As such, the two agencies are working together to implement the proposed widening of Esplanade. Esplanade Ave is a key east-west corridor for both cities and is starting to see heavy development (residential and commercial). The City of San Jacinto’s ultimate general plan configuration for the north side of Esplanade is a four-lane facility with a striped median, curb and gutter, sidewalks, and a landscape parkway/buffer zone.

The construction phase of the project is funded herein. The project schedule is shown in the following exhibits.

EXHIBIT “A-1”
ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	\$294,025	\$ -	\$294,025
PS&E	\$876,000	\$ -	\$876,000
RIGHT OF WAY	\$1,000,000	\$ -	\$1,000,000
CONSTRUCTION	<u>\$5,630,000</u>	\$ -	<u>\$5,630,000</u>
TOTAL	\$7,800,025	\$ -	\$7,800,025

This reimbursement agreement is only for the construction phase.

EXHIBIT “A-2”
PROJECT SCHEDULE

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	April 30, 2019	\$294,025	CEQA completed 3/27/2020
PS&E	September 30, 2019	\$876,000	8/31/2022
RIGHT OF WAY	September 30, 2019	\$1,000,000	8/31/2022
CONSTRUCTION	November 30, 2023	\$5,630,000	Start of Construction in Spring 2023
TOTAL		\$7,770,025	

This reimbursement agreement is for the Construction funding.

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

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

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

**EXHIBIT “B-1”
[Sample for Professional Services]**

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

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

1.1 DIRECT LABOR COSTS.

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

1.1.1 DIRECT SALARY COSTS

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

1.1.2 MULTIPLIER

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

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

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

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general,

administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

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

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

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

1.3 ADDITIONAL DIRECT COSTS.

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

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

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

2. DIRECT SALARY RATES

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

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[__sample__]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

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

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

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

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
ATTN: Accounts Payable

Re: Project Title - Invoice #__

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

Invoice period covered is from Month/Date/Year to Month/Date/Year .

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00
	=====

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

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
Attn: Accounts Payable

Invoice # _____

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

Invoice period covered is from Month/Date/Year to Month/Date/Year.

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

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

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

By: _____
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

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

A. Activities and Work Completed during Current Work Periods

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

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

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



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Approval of Revised 2022 TUMF Central Zone 5-Year Transportation Improvement Programs

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

Date: November 7, 2022

Requested Action(s):

1. Approve the Revised 2022 TUMF Central Zone 5-Year Transportation Improvement Program

Purpose:

The purpose of this item is to request approval of the 2022 TUMF Transportation Improvement Programs (TIPs) for the TUMF Central Zone.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County.

TUMF Zone TIP Approval

TUMF funds are programmed through a collaborative exercise involving each of WRCOG's member agencies which participate in the TUMF Program. The WRCOG subregion is divided into TUMF Zones, which allows member jurisdictions to coordinate with neighboring ones to discuss project allocations.

The five TUMF Zones are comprised of the following:

1. Central Zone: Menifee, Moreno Valley, Perris, and County of Riverside (District 5)
2. Hemet/San Jacinto Zone: Hemet, San Jacinto, and County of Riverside (District 3)
3. Northwest Zone: Corona, Eastvale, Jurupa Valley, Norco, Riverside, and County of Riverside (Districts 1 & 2)
4. Pass Zone: Banning, Beaumont, Calimesa, and County of Riverside (District 5)
5. Southwest Zone: Canyon Lake, Lake Elsinore, Murrieta, Temecula, Wildomar, and County of Riverside (Districts 1 & 3)

Staff and elected officials representing each jurisdiction within its respective Zone meet regularly to discuss funding allocations for individual projects. The result of these meetings is a 5-year Zone-specific

TIP, which must ultimately be approved by the WRCOG Executive Committee.

An updated TIP for the Central Zone is provided for consideration and approval. This updated version of the TIP combines funding for the Holland Road and I-215 / Holland Road overpass into a single project for funding purposes. This TIP was previously approved by the Central Zone Technical Advisory Committee and the Central Zone Executive Committee.

Prior Action(s):

September 12, 2022: The WRCOG Executive Committee approved the 2022 TUMF Central Zone 5-Year Transportation Improvement Program.

June 27, 2022: The TUMF Central Zone Executive Committee recommended that the WRCOG Executive Committee approve the 2022 TUMF Central Zone 5-Year Transportation Improvement Program.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2022/2023 Budget under the Transportation Department. TUMF revenue and expenditures are associated with Fund 220 for its programmatic costs and Fund 110 for its administrative costs.

Attachment(s):

[Attachment 1 - Draft 2022 Central Zone 5-Year TIP May 2022](#)



Revised 10/19/2022

2022 Central Zone 5-Year Transportation Improvement Program - DRAFT

Fiscal Year				FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost	Reimbursement Agreement Values	Max Share (2022)
Forecast Revenues				\$7,500,000	\$ 7,575,000	\$ 7,612,875	\$ 7,650,939	\$ 7,727,449	\$ 56,721,283	\$ (59,304,193)	\$ 108,269,910		
Carryover Revenues (As of March 2022)				\$ 17,294,977	\$ (10,600,261)	\$ (20,997,829)	\$ (18,737,431)	\$ (12,086,491)					
										2022 TIP			
										5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Balance	
										\$ 55,361,240.14	\$ 62,720,283	\$ (7,359,042)	
Available Revenue				\$ 24,794,977	\$ (3,025,261)	\$ (13,384,954)	\$ (11,086,491)	\$ (4,359,042)					
Programmed Expenditures													
Status* Phase**													
County of Riverside													
06-CN-RCY-1103	Cajalco Road, Alexander Street to I-215 (3.280 mi. 2 to 4 lanes)	PLN	PA&ED	\$ 1,953,000	\$ 1,808,338	\$ -	\$ -	\$ -	\$ 3,761,338	\$ (271,160)	\$ 4,032,498	\$ 600,000	\$ 14,074,000
		PLN	PSE	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,813,338	
City of Menifee/County of Riverside													
05-CN-RCY-1004	Newport Road/I-215 Interchange	CLD	CLD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,573,829)	\$ 2,573,829	\$ 2,900,000	NA (Removed from Nexus Study)
		CLD	CLD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,519,266)	\$ 5,519,266	\$ 5,704,840	
City of Menifee													
16-CN-MEN-1178	Scott Road/I-215 Interchange	PLN	CON	\$ 1,451,887	\$ -	\$ -	\$ -	\$ -	\$ 1,451,887	\$ (13,548,112)	\$ 15,000,000	\$ 15,000,000	\$ 39,934,000
18-CN-MEN-1181	Holland Rd (Antelope to Haun) & I-215 Overcrossing	PLN	CON	\$3,250,000	\$ 5,005,000	\$ 2,000,000	\$ -	\$ -	\$10,255,000	\$ -	\$ 10,255,000	\$ 6,455,000	\$ 24,441,000
18-CN-MEN-1182	Scott Road Widening (Sunset Ave to I-215)	STD	PA&ED	\$ 541,830	\$ -	\$ -	\$ -	\$ -	\$ 541,830	\$ (135,171)	\$ 677,000	\$ 150,000	\$ 14,665,000
		STD	ENG	\$ 160,590	\$ -	\$ -	\$ -	\$ -	\$ 160,590	\$ (1,650,850)	\$ 1,811,440	\$ 2,220,000	
		PLN	ROW	\$ 2,809,000	\$ -	\$ -	\$ -	\$ -	\$ 2,809,000	\$ -	\$ 2,809,000	\$ -	
20-CN-MEN-1183	McCall/I-215 Interchange	STD	PA&ED	\$ 1,161,366	\$ -	\$ -	\$ -	\$ -	\$ 1,161,366	\$ (295,592)	\$ 1,456,958	\$ 1,100,000	\$ 18,243,000
		PLN	ENG	\$500,000	\$ 1,252,230	\$ -	\$ -	\$ -	\$ 1,252,230	\$ -	\$ 1,252,230	\$ 1,752,230	
21-CN-MEN-XXXX	McCall Blvd Widening (Aspell Rd to Menifee Rd)	PLN	PAED	\$ 132,000	\$ -	\$ -	\$ -	\$ -	\$ 132,000	\$ -	\$ 132,000	\$ 132,000	\$ 2,859,000
		PLN	PSE	\$ 330,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000	
		PLN	ROW	\$ 548,000	\$ -	\$ -	\$ -	\$ -	\$ 548,000	\$ -	\$ 548,000	\$ 548,000	
		PLN	CON	\$ -	\$ 1,507,000	\$ -	\$ -	\$ -	\$ 1,507,000	\$ -	\$ 1,507,000	\$ 1,507,000	
22-CN-MEN-XXXX	Menifee (Scott to Garbani)	PLN	PAED	\$ 284,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		PLN	PSE	\$ 709,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		PLN	ROW	\$ 1,176,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City of Moreno Valley													
05-CN-MOR-1012	Moreno Beach Drive/SR-60 Interchange Phase II - Overcrossing - 1	PLN	PA&ED	\$ 389,993	\$ -	\$ -	\$ -	\$ -	\$ 389,993	\$ (1,251,842)	\$ 1,641,835	\$ 861,849	\$ 32,306,000
		PLN	ENG	\$ 467,621	\$ -	\$ -	\$ -	\$ -	\$ 467,621	\$ (4,038,251)	\$ 4,505,872	\$ 3,570,631	
		PLN	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,568,406)	\$ 218,000	\$ 5,626,000	
		PLN	CON	\$ 6,199,812	\$ 2,500,000	\$ 1,500,000	\$ 1,000,000	\$ -	\$ 11,199,812	\$ (2,925,262)	\$ 14,125,074	\$ 14,500,000	
05-CN-MOR-1013	Nason Street/SR-60 Interchange w/Bridge Phase II	CLD	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)	\$ 500,000	\$ 500,000	NA
		CLD	ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,381,451)	\$ 1,381,451	\$ 1,381,451	
		CLD	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (897,034)	\$ 836,534	\$ 836,534	
		PND	CON	\$ 102,966	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,102,966	\$ (7,931,466)	\$ 11,261,500	\$ 11,261,500	
20-CN-MOR-1184	Redlands Blvd/SR-60 Interchange	PLN	PA&ED	\$ 3,500,000	\$0	\$ -	\$ -	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000.00	\$ 3,500,000.00	\$ 39,934,000
		PLN	PSE	\$ -	\$0	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 3,000,000.00	\$ -	
22-CN-MOR-1189	SR60/Theodore WLC	PLN	PSE	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City of Perris													
18-CN-PER-1180	Goetz Road (Ethanac Road to Case Road)	PND	ENG	\$ 691,000	\$ -	\$ -	\$ -	\$ -	\$ 691,000	\$ (555,780)	\$ 1,246,780	\$ 691,000	\$ 2,847,000
		PLN	ROW	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ (608,330)	\$ 1,708,330	\$ 1,100,000	
		PLN	CON	\$ 715,000	\$ -	\$ -	\$ -	\$ -	\$ 715,000	\$ -	\$ 715,000	\$ 715,000	
13-CN-PER-1164	Perris Boulevard Widening, Phase II (I-215 to Case)	STD	ENG	\$ -	\$ 44,220	\$ -	\$ -	\$ -	\$ 44,220	\$ (705,780)	\$ (150,000)	\$ 150,000	\$ 6,598,000
		PLN	ROW	\$ -	\$ 808,257	\$ -	\$ -	\$ -	\$ 808,257	\$ (1,235,900)	\$ (627,570)	\$ 627,570	
		PLN	CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,183,413)	\$ 2,183,413	\$ 3,700,000	



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Cal Cities Activities Update

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

Date: November 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update of activities undertaken by Cal Cities.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #1 - Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion.

Background:

The League of California Cities has been shaping the Golden State's political landscape since the association was founded in 1898. It defends and expands local control through advocacy efforts in the Legislature, at the ballot box, in the courts, and through strategic outreach that informs and educates the public, policymakers, and opinion leaders. Cal Cities also offers education and training programs designed to teach city officials about new developments in their field and exchange solutions to common challenges facing their cities.

Information regarding legislation of interest to Cal Cities members is provided as Attachment 1.

Prior Action(s):

October 3, 2022: 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 - Cal Cities Legislative Update October 2022](#)



LEGISLATIVE UPDATE

Community Services

AB 1742 (Rivas) California Cigarette Fire Safety and Firefighter Protection Act: Tobacco Master Settlement Agreement

This measure would help ensure local governments continue to receive the substantial annual payments that tobacco companies owe under the Tobacco Master Settlement Agreement (MSA) and strengthen tobacco safety and enforcement laws and would delete the State Fire Marshal's authority to administer the act and instead require administration by the Attorney General.

Cal Cities Position: Support

Final Action: Signed into Law

AB 1789 (Bennett) Trails and Greenways Program

This measure would include a one-time \$75 million appropriation (General Fund) and an annual \$15 million appropriation for investments that would create, expand, and improve the natural surface trails networks throughout the state.

Cal Cities Position: Support

Final Action: Signed into Law

AB 2164 (Lee) Disability Access: Certified Access Specialist Program: Funding

This measure would increase compliance with accessibility laws by allowing small businesses to tap into sustainable public funds to make accessibility-related improvements and would make permanent existing law that allows local jurisdictions to collect a dedicated fee of \$4.00 on business licenses and business permit renewals. Additionally, this measure clarifies existing law that authorizes local governments to provide financial assistance to struggling small businesses to increase accessibility.

Cal Cities Position: Support

Final Action: Signed into Law

AB 2281 (Lackey) Early Childhood Mental Health Services Act

This measure contingent upon an appropriation in the Budget Act, would establish the Early Childhood Mental Health Services Act, administered in a similar manner by the commission, to award grants to eligible entities or partnerships to improve access to, and quality of care, services, and supports for, children from birth to 5 years of age, inclusive, and their parents, families, and caregivers, with emphasis on prevention and early intervention and disparities.

Cal Cities Position: Support

Final Action: Vetoed

AB 2645 (Rodriguez) Local Emergency Plans: Integration of Access and Functional Needs: Community Resilience Centers

This measure would require counties to integrate community resilience centers into local emergency plans. Specifically, would require emergency planning to ensure community resilience centers are prepared to serve as community-wide assets during disasters and integrate transportation and sheltering plans for these centers ensure

that these community resilience centers accommodate all residents, including our access and function needs populations, who we know are disproportionately affected by disasters.

Cal Cities Position: Support

Final Action: Signed into Law

Behavioral Health Legislative Package (Eggman)

This package includes 8 bills SB 929, 965, 970, 1035, 1154, 1227, 1238, and 1416 to modernize California's behavioral health continuum.

Cal Cities Position: Support

Final Action: SB 929, 1035, 1227 Signed into Law. SB 1238 vetoed. SB 965, 970, 1154, 1416 were held in committee.

SB 1338 (Umberg) Community Assistance, Recovery, and Empowerment (CARE) Court Program.

This measure would authorize specified adult persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services, to be provided by county behavioral health agencies, to provide behavioral health care, including stabilization medication, housing, and other enumerated services to adults who are currently experiencing a severe mental illness and have a diagnosis identified in the disorder class schizophrenia and other psychotic disorders, and who meet other specified criteria. The bill would require the Counties of Glenn, Orange, Riverside, **San Diego**, Stanislaus, and Tuolumne and the City and County of San Francisco to implement the program commencing October 1, 2023, and the remaining counties to commence no later than December 1, 2024. The bill would require the Judicial Council to develop a mandatory form for use in filing a CARE process petition and would specify the process by which the petition is filed and reviewed, including requiring the petition to be signed under penalty of perjury, and to contain specified information, including the facts that support the petitioner's assertion that the respondent meets the CARE criteria.

Cal Cities Position: Support

Final Action: Signed into Law

Environmental Quality

AB 1985 (R. Rivas) Organic Waste. List. Available Products.

This measure would seek to help cities with their SB 1383 (Lara, 2016) procurement requirements. Specifically, the measure would require CalRecycle to compile and maintain a list on its website, organized by ZIP code, of information regarding persons or entities that produce and have organic waste products available and update the list every 6 months.

Cal Cities Position: Support

Final Action: Signed into Law

Budget Ask: SB 1383 Local Assistance Grant Program – \$180 million

- \$180 million to help cities and counties implement SB 1383 (Lara, 2016).
- Supplements the \$60 million allocated for this purpose in last year's budget.
- Local government coalition led by Cal Cities.

Cal Cities Position: Co-Author/Support

\$180m included in budget bills AB 154 and SB 154

AB 2142 (Gabriel) Income taxes: exclusion: turf replacement water conservation program.

This measure will reinstate an important tax exemption for turf replacement rebates from gross income in California. The exemption will remove barriers for low-income families and help conserve water at a minimal cost to the state.

Cal Cities Position: Support

Final Action: Signed into law

AB 2247 (Bloom) Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and PFAS products and product components: publicly accessible data collection interface.

This measure would require manufacturers of PFAS or a product containing intentionally added PFAS to register the PFAS or the product on the publicly accessible platform.

Cal Cities Position: Support

Final Action: Vetoed

AB 2440 (Irwin) Responsible Battery Recycling Act of 2022.

This measure would create a convenient, statewide, producer-run collection and recycling program for loose and

product-embedded batteries. Due to the hazardous metals and corrosive materials that batteries contain, California classifies batteries as hazardous waste and bans them from solid waste landfills.

Cal Cities Position: Support

Final Action: Signed into law

SB 54 (Allen) Solid waste: reporting, packaging, and plastic food service ware.

This measure would require manufactures of single-use, disposable packaging and food service ware to ensure that products sold into the state are either recyclable or compostable by 2032.

Cal Cities Position: Support

Final Action: Signed into law

SB 867 (Laird) Sea Level Rise Adaptation

This measure would require a local government lying in whole or in part within the coastal zone or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, to implement sea level rise planning and adaptation through either submitting a local coastal program to the California Coastal Commission or submitting a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission, by January 1, 2026. The bill would require those local governments to provide a comprehensive update to that planning and adaptation every 10 years, and technical adjustments every 5 years.

Cal Cities Position: Neutral

Final Action: Vetoed

Governance, Transparency, and Labor Relations

AB 1711 (Sevarto) Privacy Breach

This measure would require cities to post a notice on their website after a data breach.

Cal Cities Position: Oppose

Final Action: Vetoed

AB 2449 (B Rubio) Open meetings: local agencies: teleconferences.

This measure would allow members of a Brown Act body to teleconference without posting their location but would require there to be a quorum of in person members of the legislative body at the singular location clearly identified on the agenda. The measure was recently amended to require additional language translation requirements.

Cal Cities Position: Removal of Opposition

Final Action: Signed into law

AB 2647 (Levine) Local Government. Open Meetings.

This measure would clarify that material distributed to a majority of a local legislative body less than 72 hours before a meeting can be posted online to satisfy the requirements of the Brown Act.

Cal Cities Position: Sponsor/Support

Final Action: Signed into law

SB 284 (Stern) Workers' compensation: firefighters and peace officers: post-traumatic stress.

This measure substantially expands California's current workers' compensation presumption for post-traumatic stress disorders.

Cal Cities Position: Oppose

Final Action: Vetoed

SB 931 (Leyva) Deterring Union Membership: violations

The measure authorizes a public employee organization or applicant to file a claim with the Public Employment Relations Board (PERB) alleging a violation of the Government Code related to employer actions that may "deter or discourage" union membership. While the amended bill is significantly better than the original, PERB must still award attorneys' fees and costs only when the employee organization is the prevailing party. This will likely expose public entities, even those determined to be faithfully adhering to state law, to significant new liability.

Cal Cities Position: Oppose

Final Action: Signed into law

SB 1089 (Wilk) Public employee retirement systems: prohibited investments: Turkey

This measure would extend by 10 years a January 1, 2025, sunset on existing law requiring CalPERS and CalSTRS to divest from investment vehicles issued or owned by the government of Turkey, when and if the United States government imposes sanctions on the Turkish government related to Turkey's failure to recognize the Armenian Genocide.

Cal Cities Position: Oppose

Final Action: Signed into law

SB 1127 (Atkins) Workers Compensation; Liability Presumptions

This measure alters longstanding rules and timeframes for determining the eligibility for workers' compensation claims by reducing the timeline for employers to decide about covering workers' compensation insurance claims covered by a presumption statute from 90 to 75 days, and imposing penalties as high as \$50,000 per claim if an employer unreasonably rejects liability for one of these workers' compensation claims.

Cal Cities Position: Oppose

Final Action: Signed into law

SB 1131 (Newman). Address Confidentiality public employees and contractors

The measure will establish an address confidentiality program for public entity employees and contractors, Safe at Home. The program will provide a substitute mailing address for workers facing threats of violence or harassment from the public because of their work serving a public entity and their communities.

Cal Cities Position: Support

Final Action: Signed into law

SB 1439 (Glazer D) Campaign contributions: agency officers.

The Political Reform Act of 1974 prohibits an officer of an agency, state or local government, from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reasons to know that the participant has financial interest, as defined. The act also prohibits a party, participant, or participant's agent from making a contribution of more than \$250 to an officer of the agency during the proceeding and 3 months following the date a final decision is rendered. The bill would extend the prohibition on contributions from 3 to 12 months following the date a final decision is rendered in the proceeding. The bill would permit an officer who does not willfully and knowingly accept, solicit, or direct a prohibited contribution to cure the violation by returning it. The bill would require the party to a proceeding to disclose whether the party or the party's agent has made a contribution of more than \$250 in the 12 months before the proceeding.

Housing, Community, and Economic Development

AB 2011 (Wicks) Affordable Housing and High Road Jobs Act of 2022

This measure creates the Affordable Housing and High Road Jobs Act of 2022, which would make certain housing developments that meet specified affordability and site criteria and objective development standards a use by right within a zone where office, retail, or parking are a principally permitted use, and would subject these development projects to one of 2 streamlined, ministerial review processes. The bill would require a development proponent for a housing development project approved pursuant to the streamlined, ministerial review process to require, in contracts with construction contractors, that certain wage and labor standards will be met, including that all construction workers shall be paid at least the general prevailing rate of wages, as specified. The bill would require a development proponent to certify to the local government that those standards will be met in project construction.

Cal Cities Position: Oppose

Final Action: Signed into law

AB 2097 (Friedman) Residential, Commercial, or other development types: parking requirements

This measure would prohibit a local government from imposing or enforcing a minimum automobile parking requirement on specified residential, commercial, or other developments, if the development is located on a parcel within one-half mile of public transit.

Cal Cities Position: Oppose

Final Action: Signed into law

AB 2234 (R. Rivas) Planning. Housing. Post-entitlement Phase Permit.

This measure would, no later than January 1, 2024, require a public agency to allow post-entitlement phase permits to be applied for, completed, and stored through a publicly available process on its website. Until the public agency has established this process on its website, it shall accept applications for permits and any related documentation by electronic mail.

Cal Cities Position: Oppose

Final Action: Signed into law

AB 2295 (Bloom) Local Education Agencies: Housing Development Projects

This measure would declare that notwithstanding any law, a housing development project shall be deemed allowable use on any real property owned by a local education agency if the housing development satisfies specific local requirements.

Cal Cities Position: Support

Final Action: Signed into law

SB 6 (Caballero) Local Planning. Housing. Commercial Zones

This measure would establish a housing development project as an allowable use within a zone where office, retail, or parking are a principally permitted use, so long as the parcel is not adjacent to a parcel dedicated to industrial use.

Cal Cities Position: Oppose

Final Action: Signed into law

SB 897 (Wieckowski) Accessory Dwelling Units.

This measure would make numerous changes to existing ADU law. Most notably, SB 897 would require local governments to allow ADUs to be constructed with a height of up to 25 feet.

Cal Cities Position: Oppose

Final Action: Signed into law

Public Safety

AB 662 (Rodriguez) Mental Health: State Fire Marshall: peer to peer suicide prevention training

This measure would require the State Fire Marshal to establish additional training standards that include the criteria for curriculum development recommended by the Statewide Training and Education Advisory Committee involving peer-to-peer suicide prevention programming.

Cal Cities Position: Support

Final Action: Signed into law

AB 988 (Bauer-Kahan) Mental health: 988 Suicide and Crisis Lifeline

This measure would enact the Miles Hall Lifeline and Suicide Prevention Act. The bill would require the Office of Emergency Services to verify, no later than July 16, 2022, that technology that allows for transfers between 988 centers as well as between 988 centers and 911 public safety answering points, is available to 988 centers and 911 public safety answering points throughout the state.

Cal Cities Position: Support

Final Action: Signed into law

AB 1613 (Irwin) Theft: jurisdiction

This measure would establish the jurisdiction of a criminal action brought by the Attorney General for theft, organized retail theft, or receipt of stolen property as including the county where an offense involving the theft or receipt of the stolen merchandise occurred, the county in which the merchandise was recovered, or the county where any act was done by the defendant in instigating, procuring, promoting, or aiding in the commission of the offense. The bill would also, if multiple offenses of theft or other specified crimes all involving the same defendant or defendants and the same merchandise, or the same defendant or defendants and the same scheme or substantially similar activity, occur in multiple jurisdictions, establish that any of those jurisdictions is a proper jurisdiction for all of the offenses. The bill would extend jurisdiction to all associated offenses connected in their commission to the underlying theft offenses.

Cal Cities Position: Support

Final Action: Signed into law

AB 1653 (Patterson) Property crimes: regional property crimes task force.

Current law, until January 1, 2026, requires the Department of the California Highway Patrol to coordinate with the Department of Justice to convene a regional property crimes task force to identify geographic areas experiencing increased levels of property crimes and assist local law enforcement with resources, such as personnel and equipment. This bill would specify theft of vehicle parts and accessories as a property crime for consideration by the regional property crimes task force.

Cal Cities Position: Support

Final Action: Signed into law

AB 1740 (Muratsuchi) Catalytic Converters.

This measure would additionally require a core recycler to maintain a written record of the year, make, and model of the vehicle from which the catalytic converter was removed.

Cal Cities Position: Support

Final Action: Signed into law

SB 1087 (Gonzalez) Vehicles: Catalytic Converters.

This measure would prohibit any person from purchasing a used catalytic converter from anybody other than certain specified sellers, including an automobile dismantler, an automotive repair dealer, or an individual possessing documentation, as specified, that they are the lawful owner of the catalytic converter. A violation of this provision would be an infraction, punishable by a fine, as specified.

Cal Cities Position: Support

Final Action: Signed into law

SB 1186 (Wiener) Medicinal Cannabis Patients' Right of Access Act.

This measure would prohibit regulations that unreasonably restrict, among other things, the operating hours or the number or frequency of sales of medicinal cannabis businesses.

Cal Cities Position: Oppose

Final Action: Signed into law

SB 1326 (Caballero) Cannabis Interstate Agreements

This measure would make an exception to the prohibition and would authorize the Governor to enter into an agreement with another state or states authorizing medicinal or adult-use commercial cannabis activity, or both, between entities licensed under the laws of the other state or states and entities operating with a state license pursuant to MAUCRSA, provided that the commercial cannabis activities are lawful and subject to licensure under the laws of the other state or states. The bill would prohibit an entity with a commercial cannabis license issued under the laws of another state from engaging in commercial cannabis activity within the boundaries of this state without a state license, or within a local jurisdiction without a license, permit, or other authorization issued by the local jurisdiction.

Cal Cities Position: Support

Final Action: Signed into law

Revenue and Taxation

AB 1951 (Grayson) Manufacturing Exemptions

This bill would, on and after January 1, 2023, and before January 1, 2028, make this a full exemption for purchases not exceeding \$200,000,000. The bill would repeal these provisions on January 1, 2028, would revert to partial exemption on that date.

Cal Cities Position: Oppose

Final Action: Vetoed

AB 2622 (Mullin) Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.

The Sales and Use Tax Law provides various exemptions from those taxes, including, until January 1, 2024, an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, specified zero-emission technology transit buses sold to specified public agencies that are eligible for specified incentives from the State Air Resources Board. This bill would extend the exemption for specified zero-emission technology transit buses until January 1, 2026.

Cal Cities Position: Support

Final Action: Signed into law

SB 1449 (Caballero) Annexation Incentive Grant Program.

This measure would create an Unincorporated Area Annexation Incentive Grant Program within the State Office of Planning and Research. The matching grant program (1:1) aims to support cities with the infrastructure needs within new or future annexed areas.

Cal Cities Position: Support

Final Action: Vetoed

Transportation, Communications, and Public Works

AB 1685 (Bryan) Vehicle Parking: violations

Current law requires a processing agency to offer a payment plan for unpaid parking citations to qualified indigent persons. This bill would require a processing agency, if it seeks to collect an unpaid parking penalty by requesting the Department of Motor Vehicles to place a registration hold on the vehicle, to forgive at least \$1,500 in parking fines and fees annually for a qualified homeless person, provide certain information regarding the parking citation forgiveness program, including on its internet website, and collect and have readily available specified information

Cal Cities Position: Oppose

Final Action: Vetoed

AB 2438 (Friedman) Transportation funding: alignment with state plans and greenhouse gas emissions reduction standards.

This measure would require the agencies that administer programs, including the state transportation improvement program, the state highway operation and protection program, the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program, and the program within the Road Maintenance and Rehabilitation Program commonly known as the Local Partnership Program, to revise the guidelines or plans applicable to those programs to ensure that projects included align with California Transportation Plan, the Climate Action Plan for Transportation Infrastructure adopted by the Transportation Agency, and specified greenhouse gas emissions reduction standards.

Cal Cities Position: Oppose

Final Action: Vetoed

AB 2752 (Wood) Broadband infrastructure and video service: mapping: subscriber information.

Current law requires the Public Utilities Commission to develop, implement, and administer the California Advanced Services Fund program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies. Current law requires the commission, in collaboration with relevant state agencies and stakeholders, to maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state, as provided. This bill would authorize the commission to collect information from providers of broadband services at the address level. The bill would prohibit the commission from disclosing residential subscriber information, as provided.

Cal Cities Position: Oppose

Final Action: Signed

AB 2953 (Salas) Recycled Material.

This bill would require a local agency to use, to the extent feasible and cost effective, recycled materials in streets and highways.

Cal Cities Position: Neutral

Final Action: Signed

SB 932 (Portantino) Circulation Element.

The measure would require cities to adopt significant bicycle, pedestrian, and traffic calming elements when they develop and revise their general plans.

Cal Cities Position: Neutral

Final Action: Signed



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Commercial PACE Activities Update

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

Date: November 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on WRCOG's Commercial PACE activities.

WRCOG 2022-2027 Strategic Plan Goal:

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

Background:

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements. Improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item charge on the secured property tax bill. The Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join and allow property owners in these jurisdictions to participate.

Beginning in 2018, WRCOG began to receive significantly more interest in the Commercial, or C-PACE, side of the Program. Since then, WRCOG has partnered with Nuveen Green Capital (formerly Greenworks Lending) and Twain Financial Partners Holding to expand its C-PACE offerings throughout California. The growth in C-PACE is being seen across the United States with approximately 37 states now offering C-PACE financing, compared to only three states that offer residential PACE. Additionally, C-PACE projects more closely align with local government economic development efforts by offering competitive financing to businesses seeking to develop or expand new commercial facilities within its jurisdictions.

What's the difference between Residential PACE and Commercial PACE (C-PACE)?

Residential and C-PACE Programs within the State of California were enacted from the same Legislation (AB 811). The PACE Program concept and purpose of both types of programs are similar as they both

provide property owners a financing option for eligible energy efficiency, renewable, and water conservation. Beyond this general framework, however, C-PACE firstly differentiates from Residential PACE in that C-PACE can support financing eligible projects within new construction, can provide a 36-month look-back retroactive financing for eligible products, and also can provide financing for seismic and fire-hardening improvements, which Residential PACE does not.

Additionally, C-PACE differentiates itself from Residential PACE in the financing closing processes in following important ways:

1. Lender consent - existing lienholders are required to acknowledge and consent to C-PACE financing. This requires acknowledgement of senior lien holder prior to finance closing.
2. Enhanced underwriting standards - C-PACE works with businesses and corporations, and as such the underwriting process includes businesses and PACE legal counsels, and typically takes a longer process. Typical underwriting processes include the legal review of multiple projects, financing, and legal documents which, in many cases, can take up to a few months.

C-PACE Project Update

In Fiscal Year (FY) 2020/2021, the WRCOG C-PACE Program financed 11 projects for a total amount of \$79M and covered five energy efficiency (two with seismic improvements), three renewable system, and three refinance projects. Over \$8M in C-PACE financing was used by business owners in two WRCOG subregional projects:

1. A new construction apartment project in the City of Corona covering HVAC, plumbing, seismic, electrical, and windows.
2. A retrofit project at an exotic car dealership in the City of Murrieta covering HVAC, electrical, lighting, plumbing, and roofing improvements.

In FY 2021/2022, 11 C-PACE projects were completed, totaling \$68M, and covered six energy efficiency (five with seismic improvements), three renewable system, and two new construction projects. Over \$12M in C-PACE financing was used by business owners in two WRCOG subregional projects:

1. An energy efficiency project converting a vacant space for a brewery in the City of Temecula covering HVAC, building envelope, and installation.
2. A new construction project converting a senior living center in the City of Temecula covering HVAC, lighting/electrical, building envelope, and plumbing.

Continued Interest from Investment and Commercial Banks to Participate in WRCOG C-PACE Program

On April 5, 2021, the Executive Committee received a report that would have expanded the C-PACE Program to create a pathway to partner directly with banks and other financial institutions (Capital Providers), in which there would be no administrators or program administration agreements needed. The benefits provided at the time were:

- Working with Capital Providers subject to federal banking regulations and audited by the federal government.
- Typically, with Capital Providers, PACE financings constitute only a small portion of its portfolio

and, as such, there is a diversification of Capital Provider's investments / assets.

- Capital Providers with a commercial lending platform could offer PACE as an additional lending option to projects. As such, the banks would conduct their own due diligence of projects and would have established underwriting criteria.
- With no program administrator for these projects, interest rates and fees would be lower as the financing is directly placed with the Capital Provider.
- Potentially, the Capital Provider could also serve as the fiscal agent / trustee and thereby reduce the costs of financing as well.
- Increased minimum project size leads to more sophisticated property owners.

Ultimately, the Executive Committee decided to table the conversations until a C-PACE introductory item was provided to the Committee, and past projects were analyzed. Staff began to provide semi-annual updates to the Committee on C-PACE projects.

Over the last year, staff have received 15 requests from additional service providers and potential Capital Providers regarding interest in participating in WRCOG's C-PACE Program, most notably from large investment banks developing C-PACE groups, like JP Morgan. At this point, staff have informed these providers that it is the current direction of the Executive Committee to not expand the C-PACE Program to additional providers.

If the Executive Committee expresses interested in expanding the C-PACE Program to include the pathway to partner directly with banks, WRCOG staff will bring back the necessary documents to amend the C-PACE Program Report at a future Executive Committee meeting.

Prior Action(s):

March 17, 2022: The Technical Advisory Committee received and filed.

March 9, 2022: The Administration & Finance Committee received and filed.

April 5, 2021: The Executive Committee continued this item until after an audit of the seven projects has been conducted as well as information gathered on past projects as discussed during the meeting, and directed staff to return with an overview of the C-PACE Program and how it works.

Fiscal Impact:

PACE Program Activities are included in the Agency's adopted FY 2022/2023 Budget under the Energy & Environmental Department.

Attachment(s):

None.



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Housing Activities Update
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: November 7, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on recent and upcoming housing activities WRCOG is engaged in.

WRCOG 2022-2027 Strategic Plan Goal:

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

Background:

Relation to the Strategic Plan

WRCOG's activities are guided by the 2022-2027 Strategic Plan which outlines WRCOG's Mission Statement, Vision, and Goals. Two of these goals include:

1. Goal 1: Serve as an advocate at the regional, state, and federal level for the Western Riverside County subregion.
2. Goal 2: Identify and secure grants and other potential funding opportunities for projects and programs that benefit WRCOG member agencies.

Specific actions that relate to these goals include:

- 1.1: Provide consistent updates regarding legislative actions that impact WRCOG member agencies to Committee members and member agency staff.
- 2.1: Track and provide updates on regional, state, and federal grant opportunities of interest to WRCOG and its member agencies.

Housing is both a key legislative activity, given the number of recent bills related to housing, and also a significant housing opportunity. Because of that connection to the Strategic Plan, WRCOG is providing an update to summarize pertinent housing activities that involve member agencies, recent funding opportunities, recent WRCOG assistance efforts, and a look ahead to future assistance and funding

opportunities.

Background

Over the last 20 years, the population of Riverside County has increased 58%. For the entire Riverside County, the population was 1,558,985 in the year 2000; 2,201,562 in the year 2010; and 2,458,395 in the year 2020. While the total population for the WRCOG subregion is less than that of neighboring counties, the 58% growth change from 2000 to 2020 in Riverside County represents a greater increase than any other county in the Southern California Association of Governments (SCAG) region. Over the same period of time, San Bernardino County has seen a 27% increase in population and Orange County has seen an 11% increase in population. For WRCOG cities, the population has increased by an average of 73% since the year 2000. Some of the fastest growing cities in the state are here in the WRCOG subregion. Beaumont, Lake Elsinore, and Menifee are among cities with the highest population growth in California over the past decade, but several other cities in the subregion have seen or are currently seeing significant growth as well. Menifee has seen the greatest amount of growth in recent years, and other cities, including Murrieta, San Jacinto, and Temecula, have experienced more steady growth over the past two decades.

Since 2003, approximately 103,000 residential units have been built in the WRCOG subregion; approximately 84,000 being single-family units, and nearly 19,000 are multi-family units. Prior to the Great Recession, between 10,000 and 20,000 units were being developed each year. While pre-recession development levels have yet to be seen, the subregion continues to experience increasing housing development that has not been stifled by the global pandemic, with over 6,000 units being developed during the last fiscal year. However, while housing development continues, it does not seem to be keeping pace with demand, as data shows an increased housing burden seen through multiple indicators.

Historically, the inland region has provided an opportunity for people seeking more spacious and affordable housing compared to Los Angeles and Orange County communities. However, with growing population and housing demands, rising construction costs, and lagging production, housing in the inland region has become less affordable than it once was. To offset high housing costs, many households maintain affordability by living in crowded housing conditions – increased people per household. This is a trend seen across the state; a report by the California Legislative Analyst's Office found that Californians are four times more likely to live in crowded housing. Alternatively, or in addition to overcrowding, housing burden is represented by those households who pay 30% or more of their income on housing through the amount paid towards mortgage or gross rent. Recent data suggest that approximately 41% of the population in Riverside County experience housing burden. This is another trend seen throughout the state with Californians spending a larger share of their income on mortgage and rent compared to the rest of the country. This housing burden level is comparable to other areas of California such as Orange, Ventura, and San Diego Counties.

The State has traditionally provided assistance in the form of low income tax credits, grant opportunities, and other funding sources. However, as housing continues to be a concern for Californians, the State has expanded programs and funding opportunities. Over the next five years, the California Department of Housing and Community Development (HCD) expects to release as much as \$5B in additional state and federal funds to build additional housing units, including permanent supportive housing, and housing specifically for household with specific healthcare needs. Some of the major upcoming housing-related program investments include \$500M to the Infill Infrastructure Grant Program, \$500M towards State Low

Income Housing Tax Credits, and \$600M to the Regional Early Action Planning (REAP) 2.0 Grant Program. Past program investments include \$119M to the Local Early Action Planning (LEAP) grant, \$123M for the SB 2 Planning Grant Program, and \$125M to the Regional Early Action Planning (REAP) grants of 2019.

Housing has also been a top priority for legislators; during the 2022 legislative session, over 40 housing-related bills were signed into law. This is comparable with the past few years where the focus continues to be on housing. Specific topics include accessory dwelling units, density bonus law, housing element requirements and annual reporting, homelessness, surplus land, landlord and tenant assistance, CEQA exemptions for housing, adaptive reuse, and other housing incentives and streamlining. Typically, there are a couple major bills each year that directly impact jurisdictions. WRCOG prepares regular updates to its Planning Directors Committee to provide insight on those key bills. Examples include SB 9, approved in 2021, which allows lot split and duplexes by-right in any residential zone that allows a single-family home, provided certain conditions are met. A couple significant bills from this year include SB 6 and AB 2011, which incentivizes and streamlines application processing of housing development on commercially zoned properties.

The Regional Housing Needs Assessment (RHNA)

The RHNA process is used to determine how many homes, at various affordability levels, are needed for a particular planning period; this process is repeated every eight years. The current 6th cycle planning period, covering October 2021 through October 2029, determined a need for 1,341,827 housing units for the SCAG region. The number of units, determined by the HCD, represents both existing and projected needs, and is then distributed by SCAG amongst its 197 member jurisdictions within the region.

SCAG staff, along with a subcommittee comprised of elected officials serving on various SCAG committees, develops a methodology for distributing those units in a way that meets all statutory requirements and is equitable across a diverse range of jurisdictions. The methodology recently adopted for the 6th cycle resulted in an allocation of 167,351 units for the entire Riverside County. Approximately two-thirds of those units are within the WRCOG subregion.

RHNA Reform

AB 101 requires that HCD develop a recommended improved RHNA allocation process and methodology that “promotes and streamlines housing development and substantially addresses California’s housing shortage.” In October 2021, the California State Joint Legislative Audit Committee approved an emergency audit to examine HCD’s regional determination process. While the audit did not examine the SCAG region specifically, the report found flaws in HCD’s allocation process including errors in data calculations, inadequate analysis on specific factors, and insufficient consideration of working group recommendations. However, the conclusion of the report found the errors in HCD’s methodology resulted in an under-allocation of units.

To complement HCD’s RHNA reform process, SCAG also is conducting a review to provide HCD with comments and to review their own allocation methodology process. In the summer of 2022, SCAG solicited input from agencies and the public to provide input on both HCD’s RHNA determination process and their own RHNA allocation methodology. Comments related to SCAG’s allocation methodology process and factors will be considered in preparation for the next RHNA cycle. WRCOG provided a comment letter to SCAG pursuant to this opportunity to provide input. The RHNA reform comment letter

was approved at the August 1, 2022, Executive Committee meeting and subsequently sent to SCAG for review and consideration.

REAP (1.0) SRP Overview

The SCAG REAP Subregional Partnership Program (SRP) 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 RHNA. The SRP has been designed to augment and complement funds that were awarded to jurisdictions by HCD pursuant to SB 2 Planning Grants and Local Early Action Planning grants. WRCOG was allocated approximately \$1.7M through the SRP to provide assistance to the subregion's local jurisdictions. 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.

REAP (1.0) SRP WRCOG Summary of Projects

The following provide a list of activities WRCOG has provided, using REAP SRP funds:

- Legislative Updates
 - Eight reports to the Executive Committee
 - Ten presentations and reports to the Planning Directors Committee
- Housing Elements Technical Assistance
- Development Case Studies for City of Riverside
 - Development Case Studies for City of Perris
 - Peer Review of AFFH analysis for City of Riverside
 - GIS Sites Analysis for Cities of Perris and Beaumont
- GIS Underutilization Explorer Dashboard Tool
- Objective Design Standards Toolkit
 - Standards for building design, site planning, landscaping, and seven architectural styles.
- Senate Bill 9 Toolkit
 - Model ordinance, infographic, informational seminars
- Housing Activities Local Assistance
 - City of Riverside – Entitlement application review and HCD pro-housing designation
 - City of Murrieta – Hillside development ordinance update, electric vehicle charging station ordinance, and SB 330 and SB 35 application review.
 - City of Temecula – Municipal code review and update
 - City of Hemet – Municipal code review and update
 - City of Calimesa – In-lieu fee, financial feasibility analysis, and municipal code amendment for the City's existing inclusionary housing ordinance.
 - City of San Jacinto – Customized objective design and development standards
- Affordable Housing Development Pipeline
 - In coordination with the Housing Authority of Riverside County, develop a list of shovel-ready affordable housing projects in the WRCOG subregion that can be used as tool to apply for and distribute funding from various regional, state, and federal programs.

REAP 2.0 Overview

The REAP 2.0 Program was established as part of the 2021 California Comeback Plan under AB 140 and builds on REAP 1.0 that was established in 2019, but expands the Program focus by integrating housing and climate goals. This shift in focus is intended to allow for broader planning and implementation investments including infrastructure investments with objectives that reduce vehicle miles traveled (VMT), affirmatively further fair housing, and support infill development that facilitates housing supply, choice, and affordability.

SCAG is set to receive approximately \$246M in REAP funding from the State. A majority of this funding will be made available to eligible entities through three programmatic funding areas, described below.

1. County Transportation Commission (CTC) Partnerships - SCAG has developed a new partnership program with the region's six CTCs to fund the development of plans, programs, pilot projects, and certain signature greenhouse gas (GHG) emissions / VMT-reducing capital projects with a strong nexus to housing, consistent with the goals and objectives of REAP 2.0. SCAG has allocated \$80M to this program on a competitive basis.
2. Programs to Accelerate Transformative Housing (PATH) - PATH builds on the concepts put forward in the Key Connections in Connect SoCal 2020, which focuses on advancing expanded mobility ecosystems and management strategies using innovative policy and/or technology to realize regional planning goals, and account for the GHG emissions reduction needed to meet SCAG's SB 375 requirements. SCAG has allocated \$88M to this Program on a competitive basis.
3. Subregional Partnership Program (SRP) 2.0 - The SRP 2.0 Program will allocate funds to subregional councils of governments (COGs) for activities supporting cities and counties to implement projects and programs identified in their Housing Elements. SCAG has allocated \$23M to this Program on a non-competitive basis. WRCOG is set to receive approximately \$1.6M.

REAP SRP 2.0

The SRP approach supports housing element implementation and creates a means for local efforts to align with SCAG's regional plans, implement the infill and VMT reduction goals of the Connect SoCal Plan, and support state planning goals. WRCOG utilized its REAP 1.0 allocation to assist local jurisdictions with their housing efforts, as described above, that benefited a number of jurisdictions. It is the intention of WRCOG to continue with this assistance by allocating SRP 2.0 funds to the following:

- Provide assistance to jurisdictions for land use planning and related studies and/or programs that result in implementable / adoptable programs and policies required to meet the programs, projects and commitments in jurisdictions' 6th cycle Housing Elements.
- Provide assistance to jurisdictions to apply and achieve a pro-housing designation, upon request.

WRCOG has submitted an Intent to Apply for Funding and will commence work on a formal application that must be submitted by February 10, 2023. Once awarded, WRCOG will have until January 30, 2026, to fully complete projects, expend funds, and submit invoices to SCAG for reimbursement.

Conclusion

Relating back to the WRCOG Strategic Plan, staff will continue to provide consistent updates regarding legislative actions that impact WRCOG member agencies to Committee members and member agency staff. Regular updates on relevant housing bills will be provided to the Executive Committee and the

Planning Directors Committee. Beyond informational material, WRCOG will continue to provide assistance and guidance on implementation of relevant bills. Future actions, guided by the WRCOG Strategic Plan and direction of the Executive Committee, may also include a more active role in legislative analysis and advocacy. In doing so, WRCOG would seek to develop a collective position on shared key issues to unify the subregion and provide a united and impactful voice for member agencies.

Additionally, WRCOG staff will continue to track and provide updates on regional, state, and federal grant opportunities of interest to WRCOG and its member agencies. Staff has provided updates to the Technical Advisory Committee and Planning Directors Committee regarding the funding opportunities made available through the REAP grant and conducted direct outreach to several WRCOG member agencies. Information and regular updates will be provided in addition to the direct assistance provided by WRCOG through grant funding received.

While the topic of housing, including related legislation and funding opportunities, are extensive, WRCOG strives to serve its member agencies through programs, services, assistance, and other opportunities that align with WRCOG's Mission, Vision and Strategic Plan.

Prior Action(s):

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 & Planning Department activities are included in the Agency's adopted Fiscal Year 2022/2023 Budget under the Transportation Department. This item is covered by REAP funding that has been approved by SCAG; this funding source is identified in the Fiscal Year 2022/2023 Budget.

Attachment(s):

None.