



Western Riverside Council of Governments Technical Advisory Committee

AGENDA

**Thursday, January 17, 2019
9:30 a.m.**

**Western Riverside Council of Governments
Citrus Tower
3390 University Avenue, Suite 450
Riverside, CA 92501**

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

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

- 1. CALL TO ORDER (George Johnson, Chair)**
- 2. SELF INTRODUCTIONS**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Technical Advisory Committee regarding any items with 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. MINUTES**

- A. Summary Minutes from the October 18, 2018, Technical Advisory Committee Meeting are Available for Consideration. P. 1**

Requested Action: 1. *Approve the Summary Minutes from the October 18, 2018, Technical Advisory Committee meeting.*

6. 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. Finance Department Activities Update Andrew Ruiz P. 7**

Requested Action: 1. *Receive and file.*

- B. WRCOG Committees and Agency Activities Update Rick Bishop P. 13**

Requested Action: 1. *Receive and file.*

- C. Western Community Energy Activities Update Barbara Spoonhour P. 27**

Requested Action: 1. *Receive and file.*

- D. Environmental Department Activities Update Kyle Rodriguez P. 109**

Requested Action: 1. *Receive and file.*

- E. Regional Streetlight Program Activities Update Daniel Soltero P. 113**

Requested Action: 1. *Receive and file.*

- F. Western Riverside Energy Partnership Activities Update Anthony Segura P. 117**

Requested Action: 1. *Recommend that the Executive Committee authorize the Executive Director to execute the Third Contract Amendment with Southern California Gas Company to jointly deliver the 2013-2014 Western Riverside Energy Efficiency Partnership Program, including the continuation of the Western Riverside Energy Partnership, through year 2019, substantially as to form.*

- G. TUMF Program Activities Update Christopher Gray P. 129**

Requested Action: 1. *Receive and file.*

- H. International City / County Management Association Activities Update AJ Wilson, California Senior Advisor P. 133**

Requested Action: 1. Receive and file.

- I. **Approval of Technical Advisory Committee 2019 Meeting Schedule** **Janis Leonard** **P. 135**

Requested Action: 1. Approve the Schedule of Technical Advisory Committee meetings for 2019.

- J. **PACE Programs Activities Update** **Casey Dailey** **P. 141**

Requested Action: 1. Consider the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.

- K. **Approval of Revised Purchasing and Procurement Policy** **Casey Dailey** **P. 145**

Requested Action: 1. Recommend that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.

7. **REPORTS / DISCUSSION**

- A. **Report from the League of California Cities** **Erin Sasse, League of California Cities** **P. 163**

Requested Action: 1. Receive and file.

- B. **Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program Update** **Darcy Kuenzi, Riverside County Flood Control** **P. 169**

Requested Action: 1. Receive and file.

- C. **Public Service Fellowship Activities Update** **Andrea Howard, WRCOG** **P. 181**

Requested Action: 1. Recommend that the Executive Committee direct staff to implement the following changes to the Fellowship Program: 1) recruit fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school in, or are from the region and meet other minimum qualifications, 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year, and 5) admit Fellows to serve in either a part-time or full-time capacity.

- D. **Update on the Development of a Sustainability** **Christopher Gray, WRCOG** **P. 201**

Indicators Report

Requested Action: 1. *Receive and file.*

8. **REPORT FROM THE EXECUTIVE DIRECTOR** Rick Bishop

9. **ITEMS FOR FUTURE AGENDAS** Members

10. **GENERAL ANNOUNCEMENTS** Members

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

11. **NEXT MEETING:** The next Technical Advisory Committee meeting is scheduled for Thursday, February 21, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

12. **ADJOURNMENT**

1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:30 a.m. by 2nd Vice-Chair Gary Thompson at WRCOG's office, Citrus Conference Room.

2. ROLL CALL

Members present:

Todd Parton, City of Beaumont
Aaron Palmer, City of Canyon Lake
Ernie Reyna, City of Eastvale
Gary Thompson, City of Jurupa Valley
Grant Yates, City of Lake Elsinore
Tom DeSantis, City of Moreno Valley (9:34 a.m. arrival)
Kim Summers, City of Murrieta (9:44 a.m. arrival)
Andy Okoro, City of Norco (9:47 a.m. arrival)
Al Zelinka, City of Riverside
Aaron Adams, City of Temecula
Gary Nordquist, City of Wildomar
Brian Nestande, County of Riverside
Danielle Coats, Eastern Municipal Water District
Danielle Wheeler, March Joint Powers Authority (9:59 a.m. departure)
Craig Miller, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation
Casey Dailey, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Daniel Ramirez-Cornejo, Program Manager
Andrea Howard, Program Manager
Mike Wasgatt, Program Manager
Cynthia Mejia, Staff Analyst
Sofia Perez, Staff Analyst
Suzy Nelson, Administrative Assistant

Guests present:

Erin Sasse, League of California Cities
Genevieve Sherman, GreenWorks Lending
Alma Ramirez, WRCOG Fellow, Eastern Municipal Water District
Stacey Stevenson, City of Murrieta

3. PLEDGE OF ALLEGIANCE

Committee member Grant Yates, City of Lake Elsinore, led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. MINUTES

A. Summary Minutes from the August 16, 2018, Technical Advisory Committee Meeting are Available for Consideration.

Action: 1. *Approved Summary Minutes from the August 16, 2018, Technical Advisory Committee meeting.*

(County / EMWD) 13 yes; 0 no; 0 abstain; Item 5.A was approved. The Cities of Banning, Calimesa, Corona, Hemet, Menifee, Moreno Valley, Murrieta, Norco, Perris, and San Jacinto, the Morongo Band of Mission Indians, and the Riverside County Office of Education were not present.

6. CONSENT CALENDAR *(County / Riverside) 13 yes; 0 no; 0 abstain; Items 6.A – 6.I were approved. The Cities of Banning, Calimesa, Corona, Hemet, Menifee, Moreno Valley, Murrieta, Norco, Perris, and San Jacinto, the Morongo Band of Mission Indians, and the Riverside County Office of Education were not present.*

A. Finance Department Activities Update

Action: 1. *Received and filed.*

B. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

C. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

D. Experience Regional Innovation Center Feasibility Analysis Activities Update

Action: 1. *Received and filed.*

E. Western Community Energy Activities Update

Action: 1. *Received and filed.*

F. Single Signature Authority Report

Action: 1. *Received and file.*

G. International City / County Management Association Activities Update

Action: 1. *Received and file.*

H. Emergency Medical Care Committee Activities Update

Action: 1. *Received and file.*

I. TUMF Zone Boundaries Update

- Actions:**
1. *Recommended that the Executive Committee approve minor revisions to the TUMF Zone boundaries to align with County of Riverside Supervisorial Districts.*
 2. *Recommended that the Executive Committee direct staff to invite all Riverside County Supervisors that fall within a specific TUMF Zone to the Zone Committee meetings.*

8. REPORTS / DISCUSSION

A. Report from the League of California Cities

Erin Sasse reported that Proposition 6 efforts are underway. Proposition 6, or Senate Bill (SB) 1, are gaining traction throughout the region with rallies scheduled to take place in the coming weeks. The League urges cities to communicate the value of SB 1 funds to its constituents due to the many projects already underway throughout Western Riverside County.

SB 946, the new street vending law, was signed by Governor Jerry Brown. This bill restricts how cities can regulate vending and limits the kind of rules cities can impose on its street vendors. Beginning in January 2019, all cities that do not have regulations in place that align with the state regulation will not be able to regulate those types of businesses.

Congress has new efforts in place regarding regulating the small cell deployment. If enacted, this would take away all local control. S.3157 was introduced in June of this year and will be cycling through Congress in the coming months. Although the California Bill was vetoed by Governor Brown in 2017, Ms. Sasse recommends cities to continue to monitor the new federal bill since it could have similar impacts.

- Action:**
1. *Received and filed.*

B. Presentation by the March Joint Powers Authority

Dr. Danielle Wheeler, Executive Director at March JPA, provided a presentation on March JPA's Manufacturing-Aerospace-Research-Science (MARS) Career Promise Pre-Apprenticeship Program. This Program is an innovative career training initiative that aligns industry-based workforce needs with STEM and CTE training within middle schools and high schools throughout the region. Along with MARS, March JPA has relationships and direct access to colleges, universities and technical education institutions offering a direct pipeline of highly trained and qualified workers. These relationships serve the emerging needs of our region, promote the Inland Empire as a land of opportunity and are helping to attract more highly educated and skilled workers every day.

- Action:**
1. *Received and filed.*

C. PACE Programs Activities Update

Casey Dailey introduced Genevieve Sherman from GreenWorks Lending to present on its Commercial PACE (C-PACE) Program. C-PACE offers competitive financing for new construction and upgrades and is a government financing tool that classifies building energy improvement upgrades as a public benefit, such as sewer, road extension, etc., which would improve the overall operating expenses of a project, increasing the cash flow and value of that investment.

Most energy and water projects qualify under C-PACE including renewable energy systems, building management systems, water conservation, automated building and HVAC controls, high efficiency lighting, and building enclosure / roofing.

Collective PACE is another Program available to non-profit institutions with the notion that non-profits typically own their properties debt-free but cannot access the same funding sources as commercial businesses. With Collective PACE, non-profit organizations can combine the attributes of a long-utilized solar leasing, while C-PACE allows for the long-term financing of energy saving and renewable energy projects through commercial property taxes.

Action: 1. *Received and filed.*

D. Public Service Fellowship Activities Update

Cynthia Mejia reported that planning for Round IV of the Fellowship Program is currently underway. Staff are considering a variety of potential modifications including the possibility of opening the Program to universities located outside of the subregion to meet the demands of members and attract students with technical backgrounds like planning and engineering. City Managers and Alumni Fellows have been asked to participate in a feedback survey to gauge participant satisfaction.

Staff recommended assembling an Ad Hoc Committee to assist with planning and vetting those suggestions for the next round of the Program. Members from Lake Elsinore, Moreno Valley, Murrieta, Temecula, Beaumont, and the Eastern Municipal Water District volunteered to sit on the Ad Hoc Committee.

Action: 1. *Six Committee members volunteered to serve on an Ad Hoc Planning Committee for the fourth round of the Fellowship Program.*

E. Local Assistance for WRCOG Member Agencies: Grant Writing Assistance & BEYOND Program Activities Updates

Andrea Howard shared an update on the Local Assistance for WRCOG Member Agencies which includes the Grant Writing Assistance and BEYOND Program Activities Updates.

The second and final round of BEYOND-funded projects was originally scheduled for completion by November 2018. In response to requests from multiple agencies, TAC members recommended that the project deadline be extended to March 30, 2019, with final invoices due by May 15, 2018. If the extension is approved as a firm deadline by the Executive Committee, any remaining funds from the Program would be reprogrammed through the budgeting process for Fiscal Year 2019/2020.

Action: 1. *Directed staff to extend the BEYOND Round I and BEYOND Round II project deadlines to March 31, 2019, establishing a firm deadline for the completion of all work eligible for reimbursement.*

(Temecula / Lake Elsinore) 15 yes; 0 no; 0 abstain; Item 7.E was approved. The Cities of Banning, Calimesa, Corona, Hemet, Menifee, Perris, and San Jacinto, and the Morongo Band of Mission Indians and Riverside County Office of Education were not present.

9. REPORT FROM THE EXECUTIVE DIRECTOR

There was no report from the Executive Director.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Chris Gray, WRCOG Director of Transportation & Planning, shared that WRCOG will be hosting an Automation Workshop – Impact of Jobs, on October 29, 2019, in the WRCOG offices at 10:00 a.m. Please RSVP to Suzy Nelson at snelson@wrcog.us.

Aaron Adams with the City of Temecula shared information regarding the TUMF funded I-15 / 79-S Interchange Ribbon Cutting taking place November 28, 2018. All are invited to attend.

12. NEXT MEETING

The next Technical Advisory Committee meeting is scheduled for Thursday, November 15, 2018, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

13. ADJOURNMENT

The meeting of the Technical Advisory Committee adjourned at 10:09 a.m.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Finance Department Activities Update

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

Date: January 17, 2019

The purpose of this item is to provide an update on the Fiscal Year (FY) 2017/2018 Agency Audit, Annual TUMF review, and the Agency Financial Report summary through November 2018.

Requested Action:

1. Receive and File.

FY 2017/2018 Agency Audit

FY 2017/2018 ended on June 30, 2018. WRCOG's annual Agency Interim Audit was completed on May 31, 2018. WRCOG utilizes the services of the audit firm Rogers, Anderson, Malody, and Scott (RAMS) to conduct its financial audit. The first visit is known as the "interim" audit, which involves preliminary audit work that is conducted prior to fiscal year end. The interim audit tasks are conducted in order to compress the period needed to complete the final audit after fiscal year end. In late September, RAMS returned to finish its second round, which is known as "fieldwork."

The final Comprehensive Annual Financial Report (CAFR) was issued the week of November 26, 2018. Staff has transmitted the CAFR to the Finance Directors Committee members to solicit comments and will present it to the Finance Directors Committee on January 24, 2019, prior to bringing the Report to the Administration & Finance and Technical Advisory Committees in February 2019, with the Executive Committee expected to receive the Report no later than at its March 2019 meeting.

Annual TUMF Review of Participating Agencies

Each year, WRCOG meets with participating members to review TUMF Program fee collections and disbursements to ensure compliance with Program requirements. The FY 2017/2018 reviews began in November; final reports will be issued to the respective jurisdictions and agencies by January 2019.

Financial Report Summary through November 2018

The Agency Financial Report summary through November 2018, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action:

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

Fiscal Impact:

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

Attachment:

1. Financial Report summary – November 2018.

Item 6.A

Finance Department Activities Update

Attachment 1

Financial Report summary – November 2018

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**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending November 30, 2018**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 11/30/2018	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	560,000	144,709	415,291
WRELP Phase 2 Revenue	86,750	715	86,035
Statewide HERO Revenue	2,400,000	477,125	1,922,875
Gas Co. Prtnrshp Revenue	86,676	10,065	76,611
PACE Commercial Revenue	25,000	24,075	925
WRCOG HERO-Recording Revenue	122,500	66,852	55,648
PACE Commercial Recording Revenue	2,500	445	2,055
Statewide Recording Revenue	600,000	308,190	291,810
Regional Streetlights Revenue	300,000	261,500	38,500
Solid Waste	107,313	107,313	-
NW Clean Cities - Air Quality	132,500	132,500	-
LTF Revenue	675,000	775,500	(100,500)
Commerical/Service	110,645	25,166	85,479
Retail	130,094	54,062	76,032
Industrial	272,663	206,450	66,213
Residential/Multi/Single	1,144,551	516,143	628,408
Multi-Family	142,045	60,835	81,210
PACE SB2 Recording Revenue	-	268,385	(268,385)
Interest Revenue - Other	-	34,199	(34,199)
HERO - Other Revenue	-	18,062	(18,062)
Commercial/Service - Non-Admin Portion	2,655,491	629,150	2,026,341
Retail - Non-Admin Portion	3,122,265	1,351,550	1,770,715
Industrial - Non-Admin Portion	6,543,923	5,161,250	1,382,673
Residential/Multi/Single - Non-Admin Portion	27,469,233	12,903,575	14,565,658
Multi-Family - Non-Admin Portion	3,409,088	1,520,875	1,888,213
FY 17/18 Carryover Funds Transfer in	945,845	945,845	-
Carryover Funds Transfer in	4,268,757	4,268,757	-
Overhead Transfer in	2,084,260	868,441	1,215,819
Total Revenues and Carryover Funds	58,937,742	31,465,644	27,481,911
Expenditures			
Wages and Benefits			
Salaries & Wages	2,987,699	1,038,763	1,948,936
Fringe Benefits	929,898	359,062	570,836
Overhead Allocation	2,084,260	868,441	1,215,819
Total Wages, Benefits and Overhead	6,001,857	2,266,266	3,735,591
General Legal Services	615,000	266,722	348,278
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	24,380	3,120
Bank Fees	19,000	14,709	4,291
Commissioners Per Diem	62,500	29,700	32,800

Office Lease	400,000	133,926	266,074
WRCOG Auto Fuels Expenses	1,250	395	855
WRCOG Auto Maintenance Expense	84	84	-
Parking Validations	27,550	5,137	22,413
Staff Recognition	800	34	766
Coffee and Supplies	3,000	202	2,798
Event Support	129,926	109,165	20,761
Program/Office Supplies	24,150	8,690	15,460
Computer Equipment/Supplies	8,000	51	7,949
Computer Software	30,000	450	29,550
Rent/Lease Equipment	30,000	6,748	23,252
Membership Dues	33,000	18,167	14,833
Meeting Support Services	9,681	1,072	8,609
Postage	6,015	2,233	3,782
Other Household Exp	750	218	532
COG HERO Share Expenses	15,000	1,672	13,328
Storage	16,000	2,395	13,605
Printing Services	4,607	1,670	2,937
Computer Hardware	14,100	1,636	12,464
Communications - Regular Phone	15,000	7,143	7,857
Communications - Cellular Phones	21,000	3,920	17,080
Communications - Computer Services	57,500	15,635	41,865
Communications - Web Site	8,000	6,742	1,258
Equipment Maintenance - General	10,000	4,450	5,550
Equipment Maintenance - Comp/Software	21,000	17,776	3,224
Insurance - Gen/Busi Liab/Auto	79,850	101,062	(21,212)
PACE Residential Recording	727,500	144,431	583,069
Seminars/Conferences	13,150	1,224	11,926
General Assembly Expenses	300,000	20,854	279,146
Travel - Mileage Reimbursement	23,600	5,068	18,532
Travel - Ground Transportation	4,800	560	4,240
Travel - Airfare	11,500	1,098	10,402
Lodging	8,750	1,337	7,413
Meals	8,150	808	7,342
Other Incidentals	9,950	4,133	5,817
Training	9,250	149	9,101
Supplies/Materials	34,168	3,541	30,627
Advertisement Radio & TV Ads	49,500	13,870	35,630
Consulting Labor	3,102,373	869,656	2,232,717
TUMF Project Reimbursement	38,000,000	18,516,934	19,483,066
BEYOND Program REIMB	2,799,015	235,608	2,563,407
Computer Equipment/Software	3,500	1,880	1,620
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	47,676,204	20,762,397	26,941,448
Total Expenditures and Overhead	53,678,061	23,028,663	30,677,039



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

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

Date: January 17, 2019

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

Requested Action:

1. Receive and file.

Attached are summary of actions and activities from recent WRCOG standing Committee meetings that have taken place for meetings which have occurred during the month of December.

Prior Action:

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

Fiscal Impact:

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

Attachments:

1. WRCOG December Committees Activities Matrix (Action items only).
2. Summary recaps from December Committee meetings.

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Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG December Committees
Activities Matrix (Action items only)

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<u>WRCOG Committees</u> <u>Activities Matrix</u> <u>(Action Items Only)</u>		<u>Executive Committee</u>	<u>Administration & Finance Committee</u>	<u>Technical Advisory Committee</u>	<u>Planning Directors Committee</u>	<u>Public Works Committee</u>	<u>Finance Directors Committee</u>	<u>Solid Waste Committee</u>
Date of Meeting:		12/3/18	Did not meet	DARK	12/13/18	12/13/18	Did not meet	Did not meet
Current Programs / Initiatives:								
	Regional Streetlights Program	Received and filed.			n/a	n/a		
	Property Assessed Clean Energy (PACE) Programs	Adopted WRCOG Resolution Number 45-18; 2) Adopted WRCOG Resolution Number 46-18;			n/a	n/a		
	Community Choice Aggregation (CCA) / Western Community Energy	n/a			n/a	n/a		
	TUMF	Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Eastvale for the Planning and Engineering Phases of the Hamner Avenue Widening (Bellegrave Avenue to Limonite Avenue) Project in an amount not to exceed \$689,000; 2) Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Eastvale for the Right of Way and Construction Phases of the Hamner Avenue Widening (Bellegrave Avenue to Limonite Avenue) Project in an amount not to exceed \$2,288,000; 3) Approved the Second Amendment to the Professional Services Agreement between the Western			n/a	n/a		
	Fellowship	n/a			n/a	n/a		
New Programs / Initiatives:								
	EXPERIENCE	Accepted the Experience Feasibility Analysis as to form; 2) authorized staff to proceed with the next phase regarding the implementation of the Experience Center; 3) selected the City of Riverside as the host jurisdiction; 4) directed staff to negotiate a Memorandum of Understanding (MOU) with the City of Riverside to implement the Experience Center; 5) directed staff to include a cost sharing mechanism in the MOU to limit future WRCOG expenditures to share staffing costs to support Experience; 6) directed staff to include specific milestones for the development and implementation of the MOU, including deadlines related to funding commitment and site selection; 7) appointed Kelly Coates, City of Murrieta, and Kevin Deak			Received and filed.	n/a		

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Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from December
Committee meetings

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**Western Riverside Council of Governments
Executive Committee
Meeting Recap
December 3, 2018**

Following is a summary of key items discussed at the last Executive Committee meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

TUMF Program Activities Update

- Reimbursement agreements totaling approximately \$3 million were approved for planning, engineering, right of way, and construction phases for Hamner Avenue in the City of Eastvale. The project will widen Hamner Avenue to provide two full northbound through lanes and new public improvements in addition to widening of Hamner South of 58th Street to provide two southbound lanes.
- The Executive Committee also approved a path forward on how to allocate existing and potential future settlement funds received from Beaumont 3rd party activities. Funds will be distributed to the Pass Zone in accordance with the Nexus Study. Staff will also coordinate with RCTC to add the I-10 Bypass, the I-10 / Cherry Valley Boulevard Interchange, and the I-10 / Highland Springs Interchange to the list of Regional TUMF projects along with the SR-60 / Potrero Boulevard Interchange, which would make these projects eligible for future TUMF regional funding.

MOU with Riverside County Superintendent of Schools for Continued Membership on WRCOG Approved

- A MOU for the continued ex-officio participation of the Riverside County Superintendent of Schools on the WRCOG Executive Committee was approved.

New PACE Program Providers Approved

- The Executive Committee approved changes to its Administrative Guidelines to allow for two commercial PACE providers (Ygrene and CleanFund Commercial) to operate in the subregion under WRCOG's Commercial PACE Program Umbrella.

Green Light Given to Examine Formation of a Regional Energy Network (REN)

- REN's are intended to administer energy efficiency programs when the IOUs cannot or do not have available resources to implement within their respective service territories. For this subregion, a REN could essentially expand the range of services currently provided by WRCOG's Western Riverside Energy Partnership (WREP), including residential and commercial energy efficiency installation programs, workshops and trainings, financing mechanisms for energy efficient projects, and working with 3rd party providers for either municipal / business energy efficiency support.
- Authorization was given to staff to develop a joint cooperative agreement with CVAG and SBCOG to coordinate and develop a REN between all three entities.
- WRCOG, CVAG and SBCOG will develop a RFP to provide for a feasibility study and implementation plan to be undertaken.

Experience Feasibility Study Concluded: Candidate Site Selected

- Work has been completed on an extended effort to examine the feasibility of an "Experience" Center intended to host a variety of visitor attractions and serve as a sustainability demonstration center, innovation hub, business incubator and more.

- The Executive Committee selected the City of Riverside to be the host jurisdiction for Experience, and directed staff to negotiate a MOU with the City for implementation of the Experience Center, including specific milestones and deadlines for funding and site selection commitments.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, January 7, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
December 13, 2018**

Following is a summary of major items discussed at the December 13, 2018, Planning Directors Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Development of a Sustainability Indicators Report Activities Update

- WRCOG is in the process of updating several regional indicators related to the Economic Development and Sustainability Framework, first adopted by the Executive Committee in 2012.
- Working alongside consultants, staff is working to consolidate the original list of 50+ indicators to 15-20 that altogether highlight the notable trends throughout Western Riverside County. The condensed list of indicators includes updates on the economy, health, and environmental and energy factors.
- Among the findings are economic indicators that, of the 63,000 jobs that were added in the subregion from 2010-2015, the sectors with the highest job growth include retail and hospitality. The analysis also found that the median household income in Riverside County has decreased since 2010 when adjusted for inflation.

2018 Affordable Housing Package Update

- Alexa Washburn, WRCOG consultant, presented on a number of housing-related bills, including bills included in the 2017 Affordable Housing package, as well as new legislation passed in 2018.
- Included with the bills covered was Senate Bill 828 (Weiner), which, among other things, requires jurisdictions to report the number of households spending more than 30% of income on housing and zone to meet demand. In response to this, WRCOG is exploring opportunities to perform the requisite data compilation on behalf of its member agencies to support compliance with the law.
- The full list of bills and summaries is available in the PowerPoint (linked above).

Legislative News and Case Studies in Accessory Dwelling Units

- Due to the state's housing shortage, there has been increasing pressure for new strategies to create housing for all incomes. Accessory Dwelling Units (ADUs) present a unique solution, particularly in communities where larger scale residential development potential is limited, which is why newly enacted legislation makes it easier to construct and offer ADUs across the state.
- According to HCD's findings, the majority of ADUs are rented to family and friends with only 10% of ADUs used as short-term rentals. Some of the benefits of ADUs include shorter and more cost effective construction times and additional income opportunities for homeowners.
- Local governments cannot ban the construction or permitting of ADUs entirely; but they can regulate them through such means as: designating where ADUs are permitted throughout a jurisdiction, establishing less restrictive standards with regards to parking, lot size, etc. Local governments looking to establish specific regulations must adopt an ordinance. Otherwise, they will be required to apply state standards.
- Local governments can include ADUs in calculating progress toward meeting the Regional Housing Need Allocation (RHNA).

CAPTivate 2.0 Activities Update

- WRCOG has released the Request for Proposals (RFP) to prepare CAPtivate 2.0, an update to the subregional Climate Action Plan (CAP). Proposals are due January 24, 2019 and work is anticipated to commence in late February/early March 2019.
- WRCOG envisions three potential options for members to utilize CAPtivate 2.0: (1) adopting the subregional CAP as-is, (2) adopting a standalone tier-off of the subregional CAP, or (3) adopting a standalone and tailored agency specific CAP, which may utilize limited components of the subregional CAP.
- Staff recognize that many member agencies have already prepared documents that address climate change. Staff is therefore working with a team of consultants to review all member agency CAPs and similar documents to determine how best to integrate them all into CAPtivate 2.0.

Announcements and Items for Future Agenda

- WRCOG is in the process of updating its legislative priorities platform. If there are any areas that member agencies would like to see in the platform, please let staff know.
- Alexa Washburn will return with additional updates and clarifications regarding new legislation, with a particular focus on housing legislation.

Next Meeting

The meeting of the WRCOG Planning Director Committee scheduled for January 10, 2019 is adjourned.

The next meeting of the WRCOG Planning Directors Committee is scheduled for Thursday, February 14, 2019 at 9:00 a.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



Western Riverside Council of Governments
Public Works Committee
Meeting Recap
December 13, 2018

Following is a summary of major items discussed at the December 13, 2018, Public Works Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

High Cube Warehouse Trip Generation Study

- A draft version of the TUMF High-Cube Warehouse Trip Generation Study was presented to the Committee.
- The study shows that daily trip generation rates at fulfillment centers are significantly less than the rates developed in the previous study conducted by ITE/NAIOP; however, fulfillment center trip generation rates are slightly higher than other conventional trans-load and short-term storage warehouses. This is due to higher passenger car trips at fulfillment centers.
- Based on the data from the study, the Committee directed WRCOG staff to present a proposed adjustment to the High-Cube Warehouse component of the TUMF Calculation Handbook at the February Committee meeting. Staff anticipates that the adjustment to the current High-Cube Warehouse component of the TUMF Calculation Handbook will result in a nominal change to the fee calculation for these uses.

TUMF Project Cost Analysis

- Staff presented initial research into the perceived growing discrepancy between actual project costs and maximum TUMF shares and suggested that the Committee convene a working group to explore the issue of rising project costs.
- The Committee selected several agencies (Cities of Calimesa, Corona, Eastvale, Hemet, Temecula, and the County of Riverside and the Riverside County Transportation Commission) to participate in an effort to further review the relationship between project costs and maximum TUMF shares.

TUMF Administrative Plan Revisions

- Staff presented several minor revisions to the Administrative Plan to add details on the annual review process, requirements for member agencies, reporting of TUMF exemptions, and the remittance report process.
- Staff also incorporated language, applicable to member agencies that retain responsibility of collection and calculation, to allow these agencies to deduct the balance due for any TUMF miscalculation from future TUMF project reimbursement.
- The Committee recommended that the Executive Committee approve the proposed revisions to the TUMF Administrative Plan.

Next Meeting

The Public Works Committee meeting scheduled for January 10, 2019, is adjourned.

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



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Western Community Energy Update

Contact: Barbara Spoonhour, Deputy Executive Director – Operations, bspoonhour@wrcog.us, (951) 405-6760

Date: January 17, 2019

The purpose of this item is to provide an update on the status of implementing Western Community Energy (WCE), a Community Choice Aggregation, for participating jurisdictions in the subregion.

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. A CCA provides a choice for the community, which it does not currently have (unless their community is served by a separate public utility). Under a CCA, residents and businesses can choose from new rates and power sources (which are often more renewable) offered by the CCA, or they can choose to stay with SCE. Local jurisdictions, by participating in a CCA, allow for their businesses and residents to voluntarily make these choices. Importantly, a CCA also provides local control over rate setting and programs by locally elected city councilmembers. Rates and programs would be designed and implemented at the local level, at local public meetings, where members of the public who are living within the CCA boundaries can readily participate.

Background

Over the past six months, the WCE Board of Directors has been meeting to adopt policies and provide staff and its consultants direction on various data inputs (i.e., energy mixture, rate savings goals, etc.) needed to prepare an Implementation Plan.

To move forward with the implementation of WCE in April 2020, WCE must prepare and submit an Implementation Plan to the California Public Utilities Commission (CPUC) for certification. The Implementation Plan outlines how the new agency will operate, identify its renewable energy goals, and identify its potential savings. As a formality, the Plan must contain all the following:

1. An organizational structure of the Program, its operations, and its funding.
2. Rate setting and other costs to participants.
3. Provisions for disclosure and due process in setting rates and allocating costs among participants.
4. The methods for entering and terminating agreements with other entities.
5. The rights and responsibilities of Program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures.
6. Termination of the Program.
7. A description of the third parties that will be supplying electricity under the Program, including, but not limited to, information about financial, technical, and operational capabilities.

Update: On December 12, 2018, the WCE Board of Directors held a public hearing to formally approve the WCE Implementation Plan (attachment 1). Using updated information from the CPUC's decision on the Power Charge Indifference Adjustment and updated costs provided by SCE, the Implementation Plan continues to project over a 2% savings. Currently the Cities of Canyon Lake, Eastvale, Hemet, Jurupa Valley, Norco, Perris, and Wildomar are members of WCE. Together, their residents and businesses are expected to save over \$6 million dollars annually.

On December 20, 2018, WCE submitted the plan to the CPUC for certification. It is anticipated that the CPUC will provide its certification by March 2019. Staff has already begun working with SCE staff to ensure that a smooth transition can occur in April 2020.

In addition to the Implementation Plan, the Board of Directors remains interested in having other jurisdictions (whether members of the WRCOG or outside the subregion) join our efforts. Please contact WRCOG staff if your jurisdiction is interested in joining Western Community Energy. Any jurisdiction that joins in 2019 will not be able to begin service until 2021 (compared to April 2020 for the current members) but would be able to participate in the many policy decisions that will take place between now and that subsequent launch period.

Prior Action:

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

Fiscal Impact:

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

Attachment:

1. Final WCE Implementation Plan.

Item 6.C

Western Community Energy Activities Update

Attachment 1

Final WCE Implementation Plan

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Community Choice Aggregation Implementation **Plan & Statement of **Intent****

DECEMBER 12, 2018

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ABBREVIATIONS

CAISO	California Independent System Operator
CARE	California Alternative Rate for Energy
CCA	Community choice aggregation
CEC	California Energy CPUC
CP	Commercial paper
CPUC	California Public Utilities CPUC
CRC	Cost recovery charge
CRS	Cost responsibility surcharge
DLAP	Default load aggregation point
EEI	Edison Electric Institute
ESP	Energy service provider
FERC	Federal Energy Regulatory CPUC
FIT	Feed-in tariff
GHG	Greenhouse gas
GWh	Gigawatt-hour
ICE	Intercontinental Exchange
IDSM	Integrated demand side management
ISDA	International Swaps and Derivatives Association
IOU	Investor owned utility
kWh	Kilowatt-hour
LRA	Local reliability area
LSE	Load serving entity
MW	Megawatt
NEM	Net energy metering
PAC	Program administrator costs
PCC	Portfolio content category
PCIA	Power Charge Indifference Adjustment
PGC	Public Goods Charge
PV	Photovoltaic
RA	Resource adequacy
REC	Renewable energy credit
RFO	Request for offers
RFP	Request for proposals
RPS	Renewable portfolio standard
RTO	Regional transmission organization
SCE	Southern California Edison
TEA	The Energy Authority
TRC	Total resource cost
WCE	Western Community Energy
WRCOG	Western Riverside Council of Governments
WSPP	Western System Power Pool

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Chapter 1: Agency Introduction

INTRODUCTION

This document constitutes Western Community Energy’s (WCE’s) Implementation Plan (Plan) and Statement of Intent to create a voluntary Program for electric customers within the jurisdictional boundaries of its Members that currently take bundled electric service from Southern California Edison (SCE). The Program will give electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over SCE’s transmission and distribution system.

Western Community Energy’s (WCE’s) efforts to form a Community Choice Aggregation (CCA) Program began in 2016 with the support of the Western Riverside Council of Governments (WRCOG) Executive Committee, and interest from many of the Cities within Riverside and San Bernardino Counties.

WRCOG, a Joint Powers Authority (JPA), received direction from its Executive Committee to explore the feasibility of implementing a CCA. WRCOG partnered with Coachella Valley Association of Governments (CVAG), and San Bernardino Council of Governments (SBCOG) to undertake a Feasibility Study for Riverside and San Bernardino Counties. The Study was completed and adopted by the WRCOG Executive Committee in December 2016 and showed it feasible to move forward.

WRCOG’s Executive Committee directed staff to develop a stand-alone joint powers authority (JPA) to implement a Community Choice Aggregation (CCA) Program, now known as, Western Community Energy (WCE or Authority). Established on August 23, 2018, WCE is a public agency located within Western Riverside County, formed for implementing a CCA. WCE’s JPA can be found in Appendix B. Member Agencies include seven cities (Members or Member Agencies), which have elected to allow WCE to provide electric generation service within its respective jurisdictions.

These Members include:

Member Agencies			
Canyon Lake	Eastvale	Hemet	Jurupa Valley
Norco	Perris	Wildomar	

The anticipated start date to begin servicing customers is April 1, 2020 (subject to the final review and approval of WCE’s Board of Directors). Again, participation is completely voluntary; however, customers will be automatically enrolled, as provided by law, unless they affirmatively elect to opt-out. All current SCE customers within the jurisdictional boundaries of its Members (the Program’s service area) will receive information describing the Program and will have multiple opportunities to express their desire to remain as a bundled customer of SCE, in which case they will not be enrolled.

Implementation will enable customers within the service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law.

WCE's primary objectives are to provide:

- 1) Provide local control in rate setting.
- 2) Provide overall rates that are lower and/or competitive with those offered by SCE for similar power supplies.
- 3) Provide options to residents and businesses.
- 4) Provide expanded options for economic development.
- 5) Supply an energy portfolio that will use local and/or regional renewable resources (in the future), including existing facilities, to the maximum extent technically and economically feasible.

The prospective benefits to consumers include increase electric generation reliability; the ability to reduce energy costs; stabilize electric rates; influence which technologies are used to meet electricity needs (including a potential increased use of renewable energy); ensure effective planning of sufficient resources and energy infrastructure to serve its Members' residents and businesses; and improve the local and regional economy.

The California Public Utilities Code (Code) provides the relevant legal authority for WCE to become an aggregator and invests the California Public Utilities Commission (CPUC) with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the Program. The CPUC also has responsibility for registering WCE as an aggregator and ensuring compliance with basic consumer protection rules. The Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed and certified with the CPUC to determine the cost recovery mechanism to be paid by customers of the Program to prevent shifting of costs to SCE's bundled customers.

The Draft Plan was published on WCE's website (www.westerncommunityenergy.org) and on WRCOG's website (www.wrcog.us) on October 25, 2018; it was also made available at the office of WRCOG. Any person was able to view the Draft Plan and provide comments for consideration in the final version. SCE's CCA staff was also provide a copy of the Draft Plan on October 25, 2018.

WCE conducted a Public Hearing on December 12, 2018, to formally adopt the Plan, through a WCE Resolution 2018-13, which is provided in Appendix A.

Six of the seven Members have adopted an ordinance to implement a CCA Program through WCE. Due to election results and the seating of new Councilmembers, the City of Canyon Lake will act on January 9, 2019. With these milestones accomplished, WCE now submits its Plan to the CPUC for certification. Once certified, WCE will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

In the future, as new jurisdictions join WCE, the Plan will be modified and filed regularly with the CPUC, with plans to serve load in accordance with the Resource Adequacy Proceeding and Resolution E-4907. Prior to submittal, WCE will notify CPUC staff of its intent to file a modified plan and will collaborate with SCE on launch dates, which would correspond to the CPUC's Resource Adequacy Proceeding and Resolution E-4907. WCE will maintain a current version on file with the CPUC and its website.

IMPLEMENTATION PLAN ORGANIZATION

The Plan complies with the statutory requirements of AB 117. As required by Code Section

366.2(c)(3), the Plan details the process and consequences of aggregation and provides WCE's Statement of Intent for implementing a CCA Program that includes the following:

-  Universal access
-  Reliability
-  Equitable treatment of all customer classes
-  Any requirements established by state law or by the CPUC concerning aggregated service

The remainder of the Plan is organized as follows:

- Chapter 2: Aggregation process
- Chapter 3: Organizational structure
- Chapter 4: Start-up plan and funding
- Chapter 5: Program Phase-In
- Chapter 6: Load forecast and resource plan
- Chapter 7: Financial plan
- Chapter 8: Rate setting
- Chapter 9: Customer rights and responsibilities
- Chapter 10: Procurement process
- Chapter 11: Contingency plan for program termination
- Appendix A: WCE resolution approving implementation plan and member ordinances
- Appendix B: WCE Joint Powers Agreement

The requirements of AB 117 are cross-referenced to Chapters of its Implementation Plan in Table 1.

Table 1. Cross-reference table of ab 117 requirements and implementation plan chapters

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Program Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation process
Organizational structure of the Program, its operations and funding	Chapter 3: Organizational structure Chapter 4: Start-up plan and funding Chapter 7: Financing plans
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other cost to participants	Chapter 8: Rate setting Chapter 9: Customer rights and
Participants rights and responsibilities	Chapter 9: Customer rights and responsibilities
Methods for entering and terminating agreement	Chapter 10: Procurement process
Description of third parties that will be supplying electricity under the Program, including information about financial, technical, and operational capabilities	Chapter 10: Procurement process
Termination of the Program	Chapter 11: Contingency plan for Program termination

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Chapter 2: Aggregation Process

INTRODUCTION

Since its inaugural meeting on August 23, 2018, WCE’s Board of Directors has been meeting to determine policies and procedures to implement the Program. The following chapter lays out the aggregation process.

PROCESS OF AGGREGATION

WCE’s objectives are 1) provide local control in rate setting 2) provide overall rates that are lower and/or competitive with those offered by SCE for similar power supplies, 3) provide options to residents and businesses, 4) provide expanded options for economic development, and 5) supply an energy portfolio that will use local and/or regional renewable resources (in the future), including existing facilities, to the maximum extent technically and economically feasible.

To ensure successful operation, WCE is partnering with experienced energy suppliers and consultants to provide energy and implementation services. A competitive solicitation process was used and subsequent contract negotiations to choose qualified consultants to support implementation and provide requisite energy products and scheduling coordinator services to meet the electric energy requirements. Initially, Program operations will rely heavily on consultants with WRCOG in-house support; however, over time this may change. As the Program matures, WCE will evaluate its operational model and determine if there continues to be a need for heavy consulting support or if it is more efficient and cost effective to move tasks in-house. The Plan represents a partnership amongst WCE, its Members, other not-for-profit entities, and the private sector to bring the benefits of competition and choice to Member residents and businesses. By exercising its legal right to form a CCA, Members’ constituents will have access to the competitive market for energy and exert local control over the community’s electricity supply. Absent action by WCE or its individual Members, very few customers (i.e. those who have direct access (DA) arrangements) would have the ability to choose an electric supplier other than SCE.

The core consultant team consists of:

 The Energy Authority:	Providing technical services, power procurement and supply management, CAISO credit requirements, power purchase negotiation assistance, rate design, risk management, scheduling coordination, and related services.
 EES Consulting:	Assisting with long term planning, rate design/setting, and regulatory filings.
 Public Financial Management (PFM):	Assisting with financial planning and reserve policies.
 Calpine Energy Solutions:	Providing customer and data management, call center, and risk reporting services.
 Best, Best & Krieger:	Providing legal assistance.

These core consultants are also supported by marketing firms and other additional technical consultants in sub-contracting roles.

Before being enrolled in the Program, customers will receive two notices in the mail from WCE that will provide information needed to understand the Program's terms and conditions of service and explain how customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled. Enrolled customers will begin receiving electric service from the Program at their next regularly scheduled meter read date (following the date of automatic enrollment). Table 2 outlines the schedule for notification and enrollment.

Table 2: Notification and enrollment schedule

DATE	ACTION
February 2020	Notification #1
March 2020	Notification #2
April 2020	Enrollment
April 2020	Notification #3
May 2020	Notification #4

Customers automatically enrolled will continue to have their electric meters read and will be billed for electric service by SCE. The electric bill will show separate charges for generation procured by WCE. All other charges related to delivery of the electricity and other utility charges will continue to be assessed by SCE.

After automatic enrollment, customers will be given two additional opportunities to opt-out and return to SCE following the cutover of service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for Program charges for the time they were served by WCE but will not otherwise be subject to any penalty for leaving the Program. Customers that have not opted-out within sixty days of cutover to WCE service will be deemed to have elected to become a participant and to have agreed to the Program's terms and conditions, including those pertaining to requests to terminate service, as further described in Chapter 9.

New customers who establish service within the Program service area will be automatically enrolled in the Program and will receive two notifications within 60 days post enrollment, with the option to opt-out at any time.

A high-level process overview and timeline for Aggregation is shown in Table 3.

Table 3: Aggregation process timeline

ACTIVITY	TIMELINE
Implementation Plan filed with CPUC	December 2018
CPUC certifies receipt of Implementation Plan	March 2019
WCE finalizes initial rates	October 2019

WCE executes service agreement with SCE.	October 2019
WCE submits registration package to CPUC	November 2019
WCE customer outreach and pre-enrollment opt-out notices	February 2020
Initial Notification Period Commences	February 2020
Customers switched to CCA service on next scheduled meter read date	April 2020
Post enrollment opt-out notices	April and May 2020

CONSEQUENCES OR IMPACTS OF AGGREGATION

The following outlines the consequences or impacts of aggregation on the community.

Rate impacts

Customers will see no obvious changes in electric service other than the price and composition of their electric bills. Customers will pay the generation charges set by the Program and will no longer pay the costs of SCE procurement and generation. Customers enrolled will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

The rate setting policies, described in Chapter 8, establish a goal of providing rates that are competitive and/or lower than the equivalent procurement and generation rates offered by SCE. Established rates will be sufficient to recover all costs related to operations, and actual rates will be adopted by the Board of Directors, who represent participating jurisdictions.

The total electric rate will be reduced for customers if the Program is successful in obtaining electric generation at a lower cost than charged by SCE. Initial Program rates will be established following approval of the budget, reflecting final costs from the Program's energy supplier(s). WCE's goal is to have initial rates set at 2% below those charged by SCE. Information regarding final Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment opt-out notices sent to potential customers.

Once WCE gives notice to SCE that it will commence service, customers, generally, will not be responsible in any way for costs associated with SCE's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs will continue to be charged by SCE to customers through a separate rate component, called the Cost Responsibility Surcharge (CRS). This charge is shown in SCE's tariffs, which can be accessed from SCE's website, and is already included in rates currently paid. As noted in SCE's electric schedule CCA-CRS, "The CCA CRS consists of the Department of Water Resources (DWR) Bond Charge, the Energy Cost Recovery Amount, Ongoing Competition Transition Charges and the Power Charge Indifference Adjustment (PCIA), as set forth in each rate schedule."

Renewable energy impacts

The Program anticipates an increase in the proportion of energy generated and supplied by renewable resources. The resource plan includes procurement of renewable energy sufficient to meet 33% of the Program's electricity needs, increasing to 45% by the Program's fifth year of operation. The renewable content goal has been established to be consistent with California

RPS. This renewable energy will come from a combination of sources, with the goal to increase the portion of renewable energy produced locally and/or regionally over time, as facilities are brought on-line.

Energy efficiency impacts

The Program will have an increase in Energy Efficiency (EE) Program investments and activities. The existing EE Programs administered by SCE are not expected to change because of Program implementation. Customers will continue to pay the public goods charges to the distribution utility which funds energy efficiency programs for all customers, regardless of generation supplier. The EE investments ultimately planned for the Program, as described in Chapter 6, will be in addition to the level of investment that would continue in the absence of the Program. Thus, the Program has the potential for increased energy savings and a further reduction in emissions due to expanded EE Programs.

Greenhouse gas emissions impacts

With the implementation of the Program, there will be environmental benefit associated with reducing greenhouse gas emissions. Members have adopted Climate Action Plans with the goal of reducing greenhouse gas emissions to 1990 levels. WCE offers an opportunity to cut carbon emissions below what may be achieved by SCE. The amount of renewable power in SCE's power supply portfolio is currently 32 percent according to its 2017 Power Content Label,¹ and is scheduled to increase to 33 percent by 2020. WCE will meet SCE's GHG-free supply percentage with the opportunity to further reduce GHG emissions through targeted energy efficiency programs and 100% renewable service.

Economic development impacts

The Program intends to increase local economic development. The Feasibility Study described indirect effects which will benefit the local economy, including increased local investments in energy efficiency and distributed energy resources (DER), increased disposable income due to bill savings, and improved environmental and health conditions. In addition to increased economic activity due to electric bill savings, potential local renewable energy projects can also create job and economic growth within the service territory.

¹SCE 2017 Power Content Label. Available online:<https://www.sce.com/wps/wcm/connect/6ee40264-673a-45ee-b79a-5a6350ed4a50/2017PCL.pdf?MOD=AJPERES>

Chapter 3: Organizational Structure

INTRODUCTION

As discussed in Chapter 1, WCE was formed as a new JPA established on August 23, 2018, representing seven (7) cities. The governance, organizational, management and staffing, and operational aspects of the Agency were considered and are outlined below.

GOVERNANCE

WCE has a Board of Directors (Board) that establishes Program policies and objectives; management and administrative services will be provided by WRCOG, which will be responsible for operating the Program in accordance with such policies, and consultants that will provide energy and other specialized services.

The Board includes one appointed elected designee (with one elected alternate) from each of its Members. WCE was established through a JPA on August 23, 2018 and formed under California law. WCE's members include seven (7) municipalities located within the region, which have elected to allow WCE to provide electric generation service within its respective jurisdictions. Other jurisdictions within the region can join WCE at a future date, if they so desire, but its load would not be able to serve until the following next year, in accordance with the Resource Adequacy Proceeding and Resolution E-4907.

The Board is the local authority with jurisdiction over WCE with the primary duties to include:

-  Establish policies.
-  Authorize any subsequent changes to its Implementation Plan.
-  Review and approve Resource Plans.
-  Review and approve proposed rates and rate changes.
-  Establish committees and/or sub-committees to oversee and advise operational activities.
-  Provide policy direction to WRCOG's Executive Director, who will have general accountability for WCE operations, consistent with the policies established by the Board.

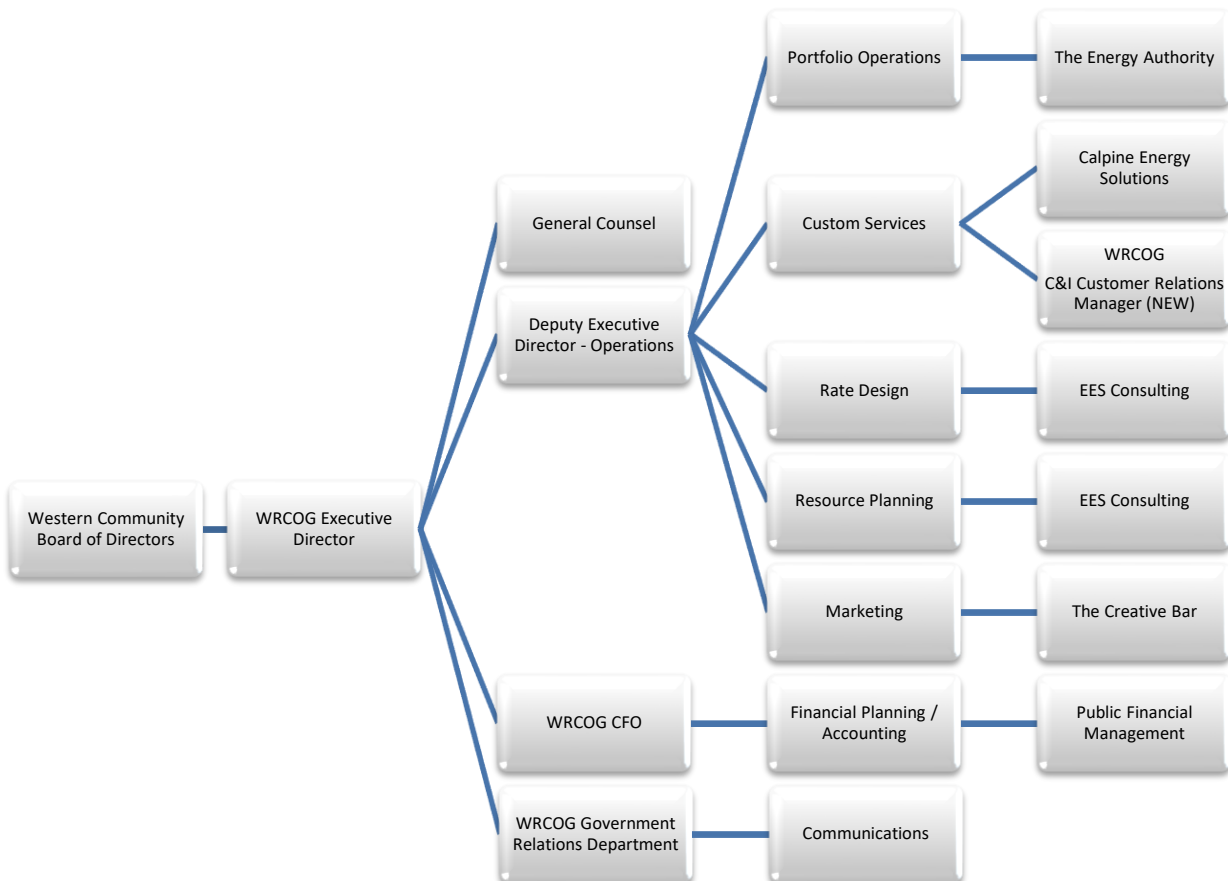
The Board has established a Chair and Vice- Chair from amongst its members and may establish other committees and sub-committees, as needed, to address issues that require greater expertise in areas (e.g., finance or contracts). WCE may also form various standing and ad hoc committees or advisory groups, as appropriate, which would have responsibility for evaluating various issues that may affect WCE and its customers, including rate-related and power contracting issues, and would provide analytical support and recommendations to the Board in these regards.

ORGANIZATIONAL OVERVIEW

WCE is the public agency that is registering with the CPUC to implement a CCA Program. WCE has entered into an Implementation and Management Services Agreement with WRCOG to provide administrative and management services. The Board has determined that WCE will be operated under the direction of WRCOG's Executive Director, with legal and regulatory support provided by WRCOG's General Counsel. Until WCE deems differently, staffing hired to work for WCE will be WRCOG employees. If the Board desires to move away from its Implementation and Management Services Agreement with WRCOG, WCE would have the option to hire those WRCOG employees.

The Executive Director has designated the Deputy Executive Director – Operations (Director) to have management responsibilities over the functional areas of Resource Planning, Electric Supply, Local Energy Programs, Finance and Rates, and Customer Services and Regulatory Affairs. In carrying out these responsibilities, the Director will utilize a combination of internal WRCOG staff and consultants. Certain specialized functions needed for Program operations, namely the electric supply and customer account management functions described below, will be performed initially by TEA, Calpine Energy Solutions, Public Financial Management, The Creative Bar, and EES Consulting.

Figure 1. Organizational chart



WRCOG staffing

Once fully operational, staffing requirements are anticipated to increase from 1 3/4 to 4 1/2 full-time equivalent positions. These staffing requirements are in addition to the services and staffing provided by third-party energy suppliers and contractors.

Table 4 shows the staffing plan at full-scale operational levels at the beginning of 2020. WCE staffing requirements during the pre-start-up and phase-in periods are discussed in Chapter 4. Longer-term staffing needs will include personnel to support energy efficiency activities and potentially the creation of an internal organization to perform the portfolio operations and account services functions that will originally be contracted out.

Table 4: Staffing plan for WCE

POSITION	2018	2019	2020
WRCOG Executive Director	¼	¼	¼
WRCOG CFO	¼	¼	¼
Deputy Executive Director - Operations	1	1	1
WRCOG Program Manager	¼	1	1
Administrative Assistant		¼	1
C & I Customer Support Manager		½	1
Total Staffing	1 ¾	3 ½	4 ½

Resource planning

The Director is charged with leading the development of both short (one and two- year) and long-term resource plans, under the guidance provided by the WRCOG Executive Director and the Board and in compliance with California Law, and other requirements of California regulatory bodies, including the CPUC and the California Energy Commission (CEC) Long-term resource planning includes load forecasting and supply planning on a 10- to 20-year time horizon. The Director will lead and coordinate the development of an Integrated Resource Plan (IRP) that will meet Program supply objectives and balance cost, risk, and environmental considerations. The IRP will consider demand side energy efficiency and demand response programs, as well as, traditional supply options.

Portfolio operations

Portfolio operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. WCE has initially contracted with TEA which has the necessary experience to perform most of the portfolio operation requirements. This will include the procurement of energy and ancillary services, scheduling coordinator services, and day-ahead, and real-time trading. A description of TEA's services, including information about technical and operations capabilities, is contained in Chapter 10. Long-term energy procurement and generation project development will be managed by the Director.

These activities include the following:



Electricity Procurement:

Assemble a portfolio of electricity resources to supply the electric needs of Program customers.



Risk Management:

Standard industry risk management techniques will be employed to reduce exposure to the volatility of energy



Load Forecasting:

markets and insulate customer rates from sudden changes in wholesale market prices.

Develop accurate load forecasts, both long term for resource planning, and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.



Scheduling Coordination:

Scheduling and settling electric supply transactions with the California Independent System Operator (CAISO).

Local energy programs

The Director is charged with the development and implementation of integrated demand side management (IDSM) programs. These programs will include the existing energy efficiency programs currently offered by WRCOG, SCE, and others, in addition to new efficiency and demand response programs that complement, but do not duplicate those already funded by SCE and administered by WRCOG and others. IDSM programs can be used as cost-effective alternatives to procurement of supply-side resources.

An example of a potential local energy program is solar development which encourages both residential and commercial constituents to invest in solar generation through available financing options, by taking advantage of Property Assessed Clean Energy (PACE) Programs and federal solar investment tax credits.

Rate setting

The Board will have the ultimate responsibility for setting the electric generation rates. The Director, in consultation with staff and consultants, will develop proposed rates and options for the Board to consider before the finalization of the actual rates, subject to the notice requirements and process described in Chapter 8. The final approved rates will, at a minimum, meet the annual revenue requirement for the Program, including any reserves or coverage requirements set forth in bond covenants. The Board will have the flexibility to consider rate adjustments within ranges, provided that the overall revenue requirement is achieved; this provides an opportunity for economic development rates or other rate incentives. WCE will administer a standardization set of electrical rates and may offer optional rates to encourage policy goals.

Financial management/accounting

With consultant support from Public Financial Management (PFM), WRCOG's Chief Financial Officer (CFO) is responsible for managing the financial management and accounting for WCE which includes: developing the annual budget and revenue requirement, managing and maintaining cash flow requirements, securing bridge loans and other financial tools as needed, and overseeing a large volume of billing settlements. Managing the overall financial aspects is expected to be a significant work activity.

The finance function arranges financing for capital projects, prepares financial reports, and ensures sufficient cash flow for the Program. The finance function plays an important Program risk management function of monitoring the credit of suppliers so that credit risk is managed properly. Credit monitoring is important to keep abreast of changes in a supplier's financial condition and credit rating. The finance function establishes credit policies that the Program must follow.

Settlements (customer billing) will be contracted out to Calpine Energy Solutions, an organization with the necessary infrastructure and capability to handle the approximately 120,000 accounts (pending eligible customer accounts from SCE) that are expected to first participate in the Program. This function is described under Customer Services below.

Customer services

WCE has contracted with Calpine Energy Solutions for certain billing related or “Customer Account Services” as described below, which the Director will oversee. In addition to general Program communications and marketing, which will be handled by WRCOG’s Government Relations team, a significant amount of customer service and key account representation will be necessary. This includes both a call center for questions and routine interaction with customer accounts.

The Customer Account Services function performs retail settlements-related duties and manages customer account data. It processes customer service requests and administers customer enrollments and departures from the Program, maintaining a current database of customers enrolled in the Program. This function coordinates the issuance of monthly bills through the distribution utility’s billing process and tracks customer payments. Business-to-business data transactions with SCE will include the electronic exchange of usage, billing, and payment data between SCE and WCE. Additionally, Customer Account Services will be responsible for tracking of customer account receivables and payments, issuance of late payment and/or service termination notices (which would return affected customers to bundled service), and administration of customer deposits (if any) in accordance with WCE’s credit policies.

WCE will conduct the general Program marketing and key customer account management functions. These include assignment of account representatives for key accounts to provide high levels of customer service, and implementation of a marketing strategy to promote customer satisfaction. Ongoing communications, marketing messages, and information regarding WCE’s Program to all customers will be critical for the overall success of the Program and will be handed by WRCOG’s Government Relations Team.

Legal and regulatory representation

WCE will require ongoing regulatory representation to file resource plans, ensure resource adequacy (RA) and California Renewable Portfolio Standard (RPS) compliance, and provide overall representation on issues that will impact WCE and its CCA Members. WCE, with support from its consultant (EES Consulting) will play an active role in responding to regulatory or legislative actions that affect the Programs interests at the CPUC, CEC, and, as necessary, Federal Energy Regulatory Commission (FERC), and the California legislature.

WCE will retain legal services from Best Best & Krieger, LLC, to review contracts, and provide overall legal support to the activities of WCE.

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Chapter 4: Start-Up Plan and Funding

INTRODUCTION

Ensuring that all start-up costs and ongoing funding is important to a successful program. WCE and its consultants have focused on this area and have outlined the following for its start-up activities, staffing and contract services, as well as capital requirements and financial planning.

START-UP ACTIVITIES

The start-up activities, including the necessary expenses and capital outlays, which have already begun and will continue once the CPUC certifies the receipt of this Implementation Plan.

The initial Program start-up activities include the following:

-  Hire staff and consultants to manage implementation - Completed
-  Identify and negotiate supplier/vendor contracts – Once CPUC certifies
 - Electric supplier and scheduling coordinator - Completed
 - Data management provider - Completed
-  Define and execute communications plan - Completed
 - Customer research/information gathering - Ongoing
 - Media campaign - Ongoing
 - Key customer/stakeholder outreach - Ongoing
 - Informational materials and customer notices - Ongoing
 - Customer call center – Once CPUC certifies
-  Pay utility service initiation, notification, and switching fees - Once CPUC certifies
-  Perform customer notification, opt-out and transfers - Once CPUC certifies
-  Conduct load forecasting - Once CPUC certifies
-  Establish rates - Once CPUC certifies
-  Obtain legal and regulatory support - Completed
-  Implement financial management and reporting - Once CPUC certifies

Other costs related to start-up are the responsibility of the Program consultants (and are assumed to be covered by any fees/charges imposed by such consultants). These include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

STAFFING AND CONTRACT SERVICES

As described in Chapter 3, WCE has entered into an Implementation and Management Services Agreement with WRCOG to utilize a mix of WRCOG staff and consultants for implementation. WRCOG currently has 30 full-time employees, including an Executive Director, several Directors, Program Managers, and finance and administrative support personnel to support regulatory, procurement, finance, legal, and communications activities that will be used. Personnel in the form of WRCOG staff or consultants will be added incrementally to match workloads involved in Program management. To determine the capital requirements for the start-up period, it is assumed that approximately 4 1/2 full time equivalent staff, as well as, supporting consulting professional services would be engaged by the end of 2020. Following the start-up period, additional staff and/or consultants may be retained to support the roll-out of additional value-added services and generation projects and programs.

CAPITAL REQUIREMENTS

The start-up will require capital for three major functions: 1) staffing and consultant costs; 2) deposits and reserves; and 3) working capital. Each of these functions and its anticipated capital requirements are discussed below. The finance plan contained in Chapter 7 provides a more detailed discussion of the longer-term capital requirements and Program finances.

- 1) **Staffing and consultant costs:** Start-up staffing and consultant costs are estimated to be approximately \$4.2 million, and includes internal staffing costs, and costs related to public relations support, technical support, and customer communications. Actual costs may vary depending on how WCE manages its start-up activities and the degree to which some or most of these start-up activities are performed by the selected energy services provider rather than by WCE. Most of these costs will be covered by WRCOG and conventional financing.
- 2) **Deposits and reserves:** Requisite deposits and operating reserves of the Program are estimated to approximate \$874,000 and include the following items: 1) operating reserves to address anticipated cash flow variations associated with WCE Program management - \$600,000 2) CCA bond (posted with the CPUC) - \$100,000; and 3) SCE service fee deposit - \$147,000. These will be covered by The Energy Authority and Calpine Energy Solutions.
- 3) **Working capital:** Operating revenues from sales of electricity will be remitted to WCE beginning approximately on day 47 of Program operations, based on SCE's standard meter reading cycle of 30 days and SCE's payment/collections cycle of 17 days. WCE will obtain its initial working capital requirements through conventional financing methods to fund payments to power suppliers made in advance of receiving Program revenues. The working capital needed to support electricity procurement, which is estimated to be \$16 million. This cost will be reflected in its price for providing full requirements electric service to the Program.

Therefore, the total staffing and contractor costs, applicable deposits, and working capital are expected to be approximately \$21 million for the first six months. These are costs that ultimately will be collected through Program rates; however, some of these costs will be incurred prior to WCE selling its first kWh of electricity. WRCOG will finance costs incurred prior to Program commencement.

FINANCING PLAN

WCE's initial capital requirement will be provided via conventional financing methods (e.g., bank loans and/or lines of credit), and is not expected to exceed \$21 million. WCE will make repayments (including any interest, as applicable) over assumed 5-year terms, commencing in July 2020. Additional funding for communications services, via a line of credit, will be provided by Calpine Energy Solutions, which will be repaid at an annual interest of 5% follow Program commencement.

The balance of start-up funding will be provided by WRCOG. WCE will repay WRCOG within a sixty-month term starting the month after the Program launches. WCE will recover the principal and interest costs associated with the start-up funding via retail generation rates charged to Program customers. It is anticipated that the start-up costs will be fully recovered through such customer generation rates within the first three-years of operations. Pro forma projections for the initial four years of Program operations are shown in Chapter 7.

Chapter 5: Program Phase-In

INTRODUCTION

WCE plans to begin serving all residential and non-residential customers, except non-residential Direct Access or Standby Accounts, within its initial member jurisdictions with the below outlined Phase-in approach. WCE may consider servicing Standby Accounts at a future date. This approach will allow for an easier transition into the Program. Service is anticipated to begin in April 2020, with all accounts that have not opted-out being enrolled by the Program within two billing cycles of that date. The following provides an outline of 2 separate Phases for roll-out.

PHASE-IN APPROACH

Phase 1. Residential and non-residential accounts – April 2020

All residential and non-residential accounts would begin service on or after April 1, 2020. During Phase 1, WCE anticipates serving approximately 114,000 out of 120,500 accounts (pending receipt of eligible customers from SCE), representing 1,575 GWh or 93% of the total retail load. It is anticipated that the completion of Phase 1 will take approximately 2 billing cycles.

Phase 2. NEM customers – April 2020, July 2020, October 2020, And January 2021

The first group of NEM customers will be enrolled with Phase 1 and will continue over 9 months to ensure that NEM customers are brought across in a fashion that will provide as little impact as possible to their annual true-up. WCE will begin to serve load on or after April 1st, 2020 to NEM customers that have a true-up between February 1st and April 30th. NEM customers with a true up between May 1st and July 31st will see WCE servicing their load on their next meter read on or after July 1st, 2020. For NEM customers that are trued up between August 1st and October 31st, WCE will begin to serve load on their next meter read on or after October 1st, 2020. Finally, those NEM customers that are trued up between November 1st and January 31st, WCE will begin to serve load their next meter read on or after January 1st, 2021.

Once NEM customers are enrolled, their annual true-up will occur once a year. WCE will determine that date prior to launch.

ADDITIONAL MEMBERS ROLL-OUT

In the future, jurisdictions can join WCE at any time. This flexibility allows WCE to expand its territory. On a regular basis, an updated Plan will be submitted to the CPUC, if any new members join the Program, however, load will not be served until the next year, in accordance with the Resource Adequacy Proceeding and Resolution E-4907. Prior to submitting an updated Plan, WCE will work with SCE on the timeline to begin service and will provide notification to the CPUC staff that an update will be submitted.

NEW RESIDENTIAL AND NON-RESIDENTIAL CUSTOMERS

Riverside County is one of the fastest growing counties in the nation. For any new customers moving into the WCE service territory after it has begun servicing load, WCE intends to provide service to all customer classes (i.e., Residential, Commercial, and NEM customers) during one billing cycle. However, if a customer moves into the WCE region prior to April 1, enrollment, WCE will begin to service the load-based timeline stated above.

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Chapter 6: Load Forecast and Resource Plan

INTRODUCTION

A ten-year resource plan seeks to implement the energy goals identified in a financially sustainable way, in compliance with CAISO and CPUC regulations. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. Key policies are as follows:

-  Increase use of renewable energy resources and distributed energy resources to reduce reliance on fossil-fueled electric generation for purposes of reducing electric sector GHG emissions.
-  Manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
-  Apply for the administration of energy efficiency program funding to help customers reduce energy costs through administration of enhanced customer energy efficiency, distributed generation, and other demand reducing programs.
-  Benefit the area's economy through investment in local infrastructure, energy projects, and energy programs.

The initial resource mix will include a proportion of renewable energy meeting California's prevailing RPS procurement mandate. As the Program moves forward, incremental renewable supply additions will be made based on resource availability, as well as, economic goals to achieve increased renewable energy content over time.

RESOURCE OVERVIEW

WCE has engaged TEA to act as its agent to procure supply in the bilateral markets as well as act as its Scheduling Coordinator with CAISO. TEA is a not-for-profit energy firm which assists over 40 municipal and state-chartered entities in energy procurement nationwide. TEA actively participates in forward markets through the Intercontinental Exchange (ICE) and on a bilateral basis – procuring energy, resource adequacy capacity and renewable energy credits. TEA will also assist WCE in running competitive solicitations for long-term supply contracts and to develop new resources.

WCE's proposed ten-year resource plan for the years 2020 through 2029 is summarized in Table 5 (in GWh). Energy efficiency and behind-the meter resources are included in the retail load forecast.

Table 5: Proposed ten-year resource plan in GWh

YEAR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Retail Load	1,286	1,575	1,585	1,595	1,604	1,614	1,624	1,635	1,645	1,655
Losses and UFE	72	88	89	89	90	90	91	91	92	93
Wholesale Load System	1,358	1,663	1,673	1,684	1,694	1,705	1,715	1,726	1,737	1,748
WCE Supply										

Renewable Resources	442	587	637	688	724	776	813	866	919	974
Conventional Resources	917	1,076	1,036	996	970	929	903	860	817	774
Total Supply	1,358	1,663	1,673	1,684	1,694	1,705	1,715	1,726	1,737	1,748
Energy Open Position	-	-	-	-	-	-	-	-	-	-

SUPPLY REQUIREMENTS

WCE is planning to roll the Program out to all its customers simultaneously, with NEM customers being phased in. To date seven cities, representing over 25% of potential load within the region, have elected to participate. Should additional cities elect to join prior to Program launch, WCE will work with SCE to determine their initial roll out and submit a modified Plan to the CPUC.

The starting point for the Resource Plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis and matched with resources best suited to serving the aggregate of hourly demands or the Program’s “load profile.”

LOAD FORECAST METHODOLOGY

To forecast future electricity consumption, SCE load shape data was applied to 2015 loads. The resulting forecast was extended using an annual growth rate of 0.6% per year (growth rate is net of energy efficiency and rooftop generation). Finally, distribution losses were applied to determine the wholesale procurement requirements.

CUSTOMER PARTICIPATION RATES

Customers will be automatically enrolled unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. WCE studied scenarios with participation rates between 85% and 95% based upon the experiences of other recent CCA formation and expansions in California. The expected case assumed a 95% participation rate for residential, agricultural, streetlighting and 90% for commercial and industrial. The commercial and industrial participation rates are lower based on the new direct access cap for SCE (SB 237). Planning around a “poor case” outcome assumed an 85% participation rate. WCE plans to offer rates that are competitive and/or lower than SCE’s and expects that will lead to fewer opt-outs.

CUSTOMER FORECAST

During the month of enrollment approximately 114,000 customers (pending receipt of eligible customer list from SCE) are expected to be enrolled across all rate classes, or ~3,800 per day. Total customer accounts by rate class are shown in Table 6 below.

Table 6: Expected WCE customer enrollments by rate class in April 2020

CUSTOMER CLASS	ACCOUNTS
Residential	89,081
Low Income Res	13,982
Agriculture	253

Small Commercial	7,102
Med Commercial	1,489
Large Commercial and Industrial	188
Street Lighting	1,909
TOTAL	114,003

The forecast of service accounts (customers) served for each of the next ten years is shown in Table 7, which reflects an estimated annual growth of 0.6%.

Table 7: Total projected service accounts by rate class

Year	Residential	Low Income Residential	Agriculture	Small Commercial	Medium Commercial	Large Commercial and Industrial	Street Lighting	Total
2020	89,492	13,874	250	7,138	1,507	189	1,927	114,378
2021	89,464	13,922	250	7,134	1,517	189	1,927	114,403
2022	89,479	13,962	251	7,137	1,516	188	1,927	114,460
2023	89,493	13,990	250	7,136	1,513	188	1,927	114,497
2024	89,522	14,009	251	7,138	1,512	188	1,927	114,547
2025	89,583	14,010	251	7,141	1,512	189	1,935	114,620
2026	89,651	14,007	251	7,143	1,513	189	1,935	114,690
2027	89,679	14,010	252	7,144	1,515	187	1,928	114,716
2028	89,653	14,044	253	7,145	1,516	187	1,923	114,720
2029	89,663	14,090	252	7,151	1,517	187	1,917	114,776

SALES FORECAST

The forecast of MWh sales reflects the roll-out and customer enrollment schedule shown above. The annual electricity needed to serve retail customers is shown in Table 8.

Table 8: Projected Energy Sales 2020-2029 in MWh

Year	Residential	Low Income Residential	Agriculture	Small Commercial	Medium Commercial	Large Commercial and Industrial	Street Lighting	Total
2020	628,204	95,423	36,480	71,682	182,788	255,452	15,275	1,285,305
2021	757,109	116,118	44,394	89,127	227,003	321,374	19,783	1,574,909
2022	761,815	116,840	44,670	89,681	228,414	323,371	19,906	1,584,697
2023	766,549	117,566	44,948	90,239	229,834	325,381	20,030	1,594,547
2024	771,314	118,297	45,227	90,800	231,262	327,403	20,155	1,604,457
2025	776,107	119,032	45,508	91,364	232,700	329,438	20,280	1,614,429
2026	780,931	119,772	45,791	91,932	234,146	331,485	20,406	1,624,463
2027	785,785	120,516	46,076	92,503	235,601	333,546	20,533	1,634,559
2028	790,668	121,265	46,362	93,078	237,065	335,619	20,660	1,644,718
2029	795,583	122,019	46,650	93,657	238,539	337,705	20,789	1,654,940

CAPACITY REQUIREMENTS

WCE is required to procure or self-provide sufficient generation capacity to meet the resource adequacy (RA) obligations as set forth by CAISO and the CPUC. The obligation is to demonstrate ownership of a combination of system-wide capacity from any generator within, or dynamically connected to the CAISO footprint; local capacity within specific local reliability areas (LRAs) within the same default load aggregation point (DLAP) which in WCE's case is the SCE DLAP; and flexible capacity to meet morning and evening ramps due to load ramping up and variable energy resources ramping down.

The amounts of the obligations in each category are determined by the CEC based on load forecasts provided by each load serving entity (LSE), as well as, information about any renewable resources which are under contract for the coming year. The amount of total capacity required (system plus local) is based on an individual LSE's (in this case WCE) coincident peak demand with CAISO. The amount is 115% of the coincident peak demand monthly. The local RA fraction is a pro-rata share of the total local capacity requirement within the SCE service territory. WCE must show it has procured 90% of its RA obligations for the year prior to the start of the year, and the remainder prior to the beginning of each month.

The Resource Adequacy filings take place in October of each year, according to the schedule established by the CEC for evaluating statewide resource adequacy based on resource plans filed by all LSEs in the state.

Local capacity (Western Riverside County subregion) requirements are a function of the SCE area resource adequacy requirements and WCE's projected peak demand. WCE will work with the CPUC's Energy Division and potentially CEC staff obtain the data necessary to calculate WCE's monthly local capacity requirement.

The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year.

WCE will coordinate with SCE and appropriate state agencies to manage the transition of responsibility for resource adequacy from SCE to WCE during phase-in. For system resource adequacy requirements, WCE will make month-ahead showings for each month that WCE plans to serve load, and load migration issues would be addressed through the CPUC's approved procedures. WCE will work with the CEC and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

RENEWABLE PORTFOLIO STANDARDS (RPS) REQUIREMENTS

WCE is required by law for ensuring CPUC regulations are met to procure a minimum percentage of its retail electricity sales from qualified renewable energy resources. The same standards and rules governing RPS compliance that are applicable to the distribution utilities apply equally to all CCAs.

RPS Standards

On October 7, 2015, Governor Brown signed Senate Bill 350 (De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased from 33 percent by 2020 to 50

percent by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCAs and other retail electricity sellers to facilitate progress towards the 50 percent procurement mandate for planning purposes.

In September of 2018, Governor Brown signed into law SB 100, which calls for all electricity supplies in the State to be “carbon-free” by 2045. The legislation is important for all LSEs in that it tightens the RPS targets even from SB 350. While the PCC categorization has not been determined, the overall targets in SB 100 are as follows:

- 50% eligible renewable energy by 2026
- 60% eligible renewable by 2030
- 100% carbon free by 2045 (note “carbon-free” vs. “renewable”).

For the purposes of meeting the RPS, what qualifies a resource as renewable varies by the resource’s location and type of contract. Resources which have their first point of interconnection or are delivered directly to the California grid (Balancing Authorities within California) and are contracted for by the LSE as energy bundled with their renewable energy credits (RECs) qualify as Portfolio Content Category I (PCC1) resources. Resources which sell energy and RECs together but are not necessarily connected to the California grid and not delivered simultaneously (i.e. the energy may be “shaped” into flat blocks of power) qualify as PCC2 resources. RECs sold independently of the energy produced qualify as PCC3 resources.

California's Newest Renewable Targets

Target Date	2017	2020	2026	2030	2045
RPS Goal	20%	33%	50%	60%	100% ¹
Year Passed	2002 (SB 1078)	2011 (SB 21X)	2018 (SB 100)	2018 (SB 100)	2018 (SB 100)

¹ 100% carbon free, 60% renewable.

WCE’s RPS goals

WCE intends to pursue a renewable supply portfolio that meets the required statute prior to its implementation date of 2020 and 2030. This includes exceeding both the RPS mandate and SCE’s forecast for overall renewable portfolio percentage and using only PCC1 and PCC2 qualified renewables to meet the mandate. The basic retail offering will meet these objectives. In addition, WCE will offer a 100% renewable option available at a premium rate.

From launch, WCE plans to exceed the state RPS while maintaining rate discounts from SCE rates and offer local programs.

RESOURCES

WCE plans to procure supply through a variety of resources. The long-term strategic vision is to procure and develop local renewable resources. WCE plans to issue a request for offers (RFO) to

procure output from local biomass generators for a portion of its supply needs at start-up. In addition, over time would like to procure from existing, develop local solar capacity, and potentially develop local wind supply.

WCE has contracted with a third-party service provider, TEA, to act as its agent in procuring power, capacity and renewable energy credits through the wholesale market. The arrangement provides flexibility such that WCE can incorporate contracted or new resources into the supply mix as they are procured. WCE will seek to spread transactions out amongst different counterparties and over time. This will lead to a lower risk portfolio over time as WCE's supply costs will tend to smooth out fluctuations in market prices.

In accordance with SB 350, beginning January 1, 2021, at least 65% of WCE's procurement will count toward the renewables portfolio standard requirement of each compliance period will be from its contracts of 10-years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources.

PURCHASED POWER

An extensive use of power markets will be used to meet supply needs on an ongoing basis to retain rate competitiveness with SCE. A substantial portion of SCE's supply portfolio consists of short-term power and gas contracts procured from wholesale markets. WCE will need to follow a similar practice with respect to its power supply costs to mitigate the risks of having more expensive supply than SCE. As the proportion of renewable supply grows it can continue to maintain supply cost flexibility by having some of its contracts be index-based contracts, where the energy price varies with market prices. This residual exposure to market prices can then be systematically hedged using similar techniques to those discussed below.

Over-the-counter power markets such as the Intercontinental Exchange (ICE) provide a transparent platform upon which to procure power in standardized contracts with very low transaction costs. WCE plans to procure peak and off-peak power in annual, quarterly or monthly blocks in a systematic way to mitigate the risk of buying large percentages of supply when the market happens to be expensive. This smoothing, or dollar-cost-averaging of supply costs, is a standard best practice for utilities (as well as other participants in wholesale markets) to manage their price risk. WCE will make use of stochastic price and load models to measure the levels of risk and the effectiveness of various hedging transactions on reducing the risk.

WCE will also be able to procure power through CAISO in the Day-Ahead, Fifteen Minute, and 5 Minute Markets. These are also low-cost ways to procure power and can seamlessly provide supply shaping to match load shaping on hourly and sub-hourly granularity. WCE will plan to use the CAISO market to handle its hourly shaping needs and to contribute to the dollar-cost-averaging approach to risk mitigation.

Prior to beginning procurement and in collaboration with TEA, a strategy for procuring power based upon a variety of considerations will be developed that includes:

-  Quantity and cost of procured local renewable supply
-  SCE's rates and procurement practices
-  Stochastically measured risk metrics and risk tolerances
-  Plans for layering in local renewable supply over time
-  Credit availability

REGIONAL RENEWABLE RESOURCES

WCE has a goal of supporting and developing local renewable resources. Additional local supply supports WCE's objective of greater electrical security given limited transmission access to the larger CAISO grid. Spending money on local supply also supports the objective of supporting the local economy. However, there are some obstacles to procuring local renewable supply.

Therefore, WCE proposes to procure regional renewable power as financial circumstances allow, and supplement with non-local, less expensive renewables available on a short-term bilateral basis. This may include utility-scale solar, wind, geothermal or other forms of renewable supply. WCE's wholesale services adviser (TEA), will solicit Category 1 and 2 power and RECs from marketers as needed to meet WCE's RPS obligations and renewable percentage objectives described earlier. WCE will make use of the wholesale service advisor's enabling agreements – with Western System Power Pool, Edison Electric Institute, and International Swaps and Derivatives Association (WSPP, EEI and ISDA) – to transact with marketers on a short-term basis. As more local renewables are contracted, the need for short-term renewable supply will diminish. Planned mechanisms for procurement of local renewable energy include feed-in tariffs for renewable energy systems with capacity less than 1 MW and with minimal on-site loads, and net metering arrangements like those offered by SCE for solar systems under 1 MW that principally serve on-site load².

ENERGY EFFICIENCY

California electric distribution utilities (investor owned utilities and municipal utilities) are required by law to include a separate line item on customer bills containing a surcharge to fund Public Purpose Programs supported by the Public Goods Charge (PGC). PGC funded programs include energy efficiency, renewable energy, low-income, and research and development programs. The PGC surcharge is non-bypassable, subject to payment regardless of whether the serving distribution utility provides the energy commodity. Therefore, customers purchasing energy from a private Energy Service Provider (ESP) or a CCA must pay the PGC and may participate in PGC funded programs. Additionally, under CCA enabling legislation, CCAs can apply to administer cost-effective energy efficiency programs. Energy efficiency programs provide a least-cost, least-risk resource and enhance customer service.

WRCOG, which will provide administrative and management services to WCE, already focuses on energy efficiency in western Riverside County. WRCOG currently receives funding through SCE and Southern California Gas Company to implement its Local Government Partnership. WRCOG plans to continue its current efficiency work post WCE implementation, and develop additional efficiency programs that enhance, but do not duplicate, existing programs in its overall integrated demand side management strategies.

WCE may complete the CPUC application process for administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by WCE customers. Additional details related to WCE's energy efficiency plan will be developed once WCE Program phase-in is underway and the financial viability of WCE is established.

DEMAND RESPONSE

Demand Response (DR) Programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., WCE), reducing the amount of generation capacity that must be

² Net metered rooftop solar supply will increase the overall renewable supply in Riverside County but will not count towards meeting WCE's RPS obligations.

maintained as infrequently-used reserves. DR Programs can be cost effective alternatives to capacity otherwise needed to comply with the resource adequacy requirements. The Programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier and customer service benefits to the customer.

WCE is interested in exploring the potential for DR within its service area. However, it is not clear at present how much potential there may be for effective demand response. Other CCAs have initiated some prototype DR projects, but have not found opportunities for large scale DR deployment to date. Two newly-emerging areas of demand response are electric vehicle and heat pumps with thermal storage combined with smart grid or timer control. WCE will explore the potential for fuel switching as a form of demand response.

SCE offers several demand response programs to its customers such as the Base Interruptible Program, the Demand Bidding Program, the Optional Binding Mandatory Curtailment Plan, and access to some DR aggregator programs. These may be available to WCE's customers as well. Some existing CCAs provide access to these programs, while others do not. WCE will explore options for including DR programs into its overall integrated demand side management strategies.

DISTRIBUTED GENERATION

WCE is strongly supportive of developing local renewable generation. One significant element of that objective is to incentivize the development of distributed generation, primarily rooftop and small-scale solar PV. WCE plans to implement Net Energy Metering (NEM) and Feed-in-Tariff (FIT) rate schedules which will be more remunerative than the comparable SCE schedules to encourage residents, businesses and developers to install more solar generation within the WCE service area. WCE's resource plan calls for several MWs of both NEM and FIT capacity to be developed within the first several years of operation.

The net metering rate allows PV customers to sell extra energy generated by their PV systems at the retail rate, which is significantly higher than the average procurement cost for energy. For customers, net metering provides a financial incentive to install solar PV. Because WCE customers are likely to be using and benefitting from SCE's Net Energy Metering (NEM) rate schedule, WCE will continue to offer this advantageous rate to continue supporting existing and encouraging additional PV installations.

There are clear environmental benefits and strong customer interest in distributed PV systems. To support such systems, WCE may provide direct financial incentives from revenues funded by customer rates to further support use of solar power and/or other renewable resources within the local area. With regards to WCE's prospective net energy metering program, it is anticipated that WCE would adopt a Program that would allow participating customers to sell excess energy produced by customer-sited renewable generating sources to WCE. Such a program would be consistent with principles identified in Assembly Bill 920 ("AB 920"), which directed the CPUC to establish and implement a compensation methodology for surplus renewable generation produced by net energy metered facilities located within the service territories of California's large investor owned utilities, including SCE. However, WCE may choose to offer enhanced compensation structures, relative to those implemented because of AB 920, as part of the direct incentives that may be established to promote distributed generation development within the region. To the

extent that incentives offered by WCE improve project economics for its customers, it is reasonable to assume that the penetration of distributed generation within the region would increase.

IMPACT OF RESOURCE PLAN ON GREENHOUSE GAS EMISSIONS

WCE plans to reduce CO₂ emissions from its supply portfolio relative to SCE's forecasted emissions rates. WCE plans to achieve emissions reductions through having a substantial part of their supply portfolio be non-fossil-fuel resources. This will consist of RPS-eligible renewable supply as well as other non-fossil-fuel supply such as large hydro generation.

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Chapter 7: Financial Plan

INTRODUCTION

This Chapter examines the cash flows expected during the start-up and customer phase-in period of and identifies the anticipated financing requirements. It includes estimates of start-up costs, including necessary expenses, and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

DESCRIPTION OF CASH FLOW ANALYSIS

The Cash Flow Analysis estimates the level of working capital that would be required until WCE begins to collect retail revenues. With a planned program start date of April 1, 2020 regular monthly revenues would not be realized until June 2020. The Cash Flow Analysis focuses primarily on the monthly costs and revenues associated with the CCA Program implementation period. The components of the Cash Flow Analysis can be summarized into two distinct categories:

- 💡 Cost of Program Operations, and
- 💡 Revenues from Program Operations.

The Cash Flow Analysis identifies and provides annual estimates for each of these two categories. A key aspect of the Cash Flow Analysis is to focus primarily on the costs and revenues associated with the CCA program implementation period, and specifically to account for the transition or “Phase-In” of Customers from SCE’s service territory. The Cash Flow Analysis assumes the Phase-In schedule for the WCE’s Program as described in Chapter 5.

Cost of Program operations

The first category of the Cash Flow Analysis is the Cost of Operations. To estimate the overall costs associated with Operations, the following components were taken into consideration:

- 💡 Electricity Procurement
- 💡 Resource Adequacy and Renewable Energy Credit Requirements
- 💡 Staffing Requirements
- 💡 Consulting Costs
- 💡 Administrative Overhead
- 💡 3rd Party Wholesale Services and Data Management Fees
- 💡 Billing Costs
- 💡 Franchise Fees
- 💡 CCA Bond and Security Deposit
- 💡 CAISO Charges
- 💡 Debt Service

WCE has arranged for services contracts with a Data Management Provider (Calpine Energy Solutions). This contract was arranged to supply deferred payments to WCE through the implementation period. WCE will not begin being billed for these services until revenues start to accrue. Therefore, WCE will not require any additional financing for those services through that period.

Revenues from Program operations

The Cash Flow Analysis also provides estimates for revenues generated from electricity sales to customers. In determining the level of revenues, the Cash Flow Analysis assumes that WCE's Program provides a discount of 2% from SCE's rate for each customer class. Based on this assumed discount, Table 9 provides a comparison of the projected blended distribution utility rate and WCE's blended electric rate over the Implementation period. Costs shown are per MWh.

Table 9: WCE and SCE Blended Rate Forecast for 2020

2020 Blended Rates Generation + Delivery	
WCE Generation Rate	\$66.32
SCE PCIA	\$17.92
SCE Transmission and Distribution	\$100.88
Total CCA Customer	\$185.11
SCE Generation	\$87.73
SCE Transmission and Distribution	\$100.88
Total SCE Bundled	\$188.60
Percentage Discounts	
Of Total Generation + Delivery	2.0%
Of Generation Rate (including PCIA)	4.0%

Cash flow analysis results

The results of the Cash Flow Analysis provide an estimate of the level of working capital required for WCE to move through the implementation period. This estimated level of working capital is determined by examining the monthly cumulative net cash flows (Revenues from CCA Operations minus Cost of CCA Operations) based on assumptions for payment of costs by WCE, along with an assumption for when customer payments will be received. This identifies, monthly, what level of cash flow is available in terms of a surplus or deficit. The Cash Flow Analysis assumes that customers will make payments within 60 days of the service month, and WCE will make payments to suppliers within 30 days of the service month.

As a currently operating energy efficiency organization, WCE has already accounted for much of its overhead in terms of internal staff and operations. Therefore, WCE's additional financing needs are limited to any incremental resources needed to meet staffing costs. WCE has entered into an Implementation and Management Services Agreement with WRCOG to provide staffing

and General Counsel, and consultant costs. WRCOG has funds that can be drawn down to cover these costs, but all WCE's current funding is on a reimbursable basis. Therefore, having a healthy general fund balance and/or line of credit is necessary to manage cash-flow for daily operations.

In terms of reviewing the results of the Cash Flow Analysis, it is important to note that from a feasibility standpoint, the Program is viable, meaning that the Program is feasible while providing cost savings to customers when compared to the costs for electricity those same customers pay under the incumbent distribution utility. The feasibility of the Program during the implementation period is summarized further below.

PROGRAM IMPLEMENTATION PRO-FORMA

In addition to developing a Cash Flow Analysis that estimates the level of working capital required to get WCE through full implementation, a summary analysis has been prepared that evaluates the feasibility of the Program during the implementation period. The difference between the Cash Flow Analysis and the Program Implementation Feasibility Analysis ("Feasibility Analysis") is that the Feasibility Analysis does not include a lag associated with payment streams. Costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with Operations and rates charged to customers, remain the same.

The results of the Feasibility Analysis are in Table 10. Over the entire 10-year implementation period, the Analysis demonstrates that the Program will generate an estimated positive cash flow of approximately \$40 million. This positive cash flow is feasible while providing 2% electricity savings to customers, valued at \$60 million over the same period. The positive cash flow estimate is subject to change depending upon market prices, SCE rates, and other factors. Surplus revenues will form the basis of a rate-stabilization or reserve fund. They may also be used for the development and implementation of renewable energy projects, energy efficiency programs, and/or low-income assistance programs.

The pro-forma also include room for the Power Charge Indifference Allocation or "Exit Fee" charge by SCE to recover the market cost of its legacy contracts. On October 11, 2018 the CPUC voted unanimously to implement the Alternative Proposed Decision (APD) methodology beginning in 2019. The Analysis incorporates this decision in the forecast PCIA.

Table 10: WCE Pro-Forma from Feasibility Analysis in 2016\$. Net Programs Revenues is the Total Revenues minus Total Operations Costs

Implementation Plan Proforma												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Revenues from Operations (\$)												
Electric Sales Revenues	\$ 74,698,058	\$ 104,886,972	\$ 110,451,065	\$ 116,402,178	\$ 118,936,173	\$ 124,919,979	\$ 131,046,785	\$ 139,095,639	\$ 146,695,151	\$ 154,657,107	\$ 163,252,292	\$ 1,385,041,398
Less Uncollected Accounts	\$ 373,490	\$ 524,435	\$ 552,255	\$ 582,011	\$ 594,681	\$ 624,600	\$ 655,234	\$ 695,478	\$ 733,476	\$ 773,286	\$ 816,261	\$ 6,925,207
Total Revenues	\$ 74,324,568	\$ 104,362,537	\$ 109,898,809	\$ 115,820,167	\$ 118,341,492	\$ 124,295,379	\$ 130,391,551	\$ 138,400,161	\$ 145,961,675	\$ 153,883,821	\$ 162,436,031	\$ 1,378,116,191
Cost of Operations (\$)												
Cost of Energy	\$ 71,574,412	\$ 95,807,193	\$ 101,032,195	\$ 105,869,606	\$ 111,953,251	\$ 113,077,249	\$ 119,583,290	\$ 127,004,257	\$ 135,284,774	\$ 144,572,415	\$ 154,822,630	\$ 1,280,581,274
Operating & Administrative												
Data Management	\$ 1,183,333	\$ 1,614,438	\$ 1,656,961	\$ 1,700,605	\$ 1,749,149	\$ 1,795,221	\$ 1,842,506	\$ 1,891,037	\$ 1,940,846	\$ 1,991,966	\$ 2,044,434	\$ 19,410,495
Scheduling Coordinator	\$ 466,500	\$ 633,403	\$ 646,071	\$ 658,993	\$ 673,273	\$ 686,738	\$ 700,473	\$ 714,482	\$ 728,772	\$ 743,348	\$ 758,215	\$ 7,410,268
SCE Fees (includes billing)	\$ 153,784	\$ 231,739	\$ 233,179	\$ 234,629	\$ 236,209	\$ 237,677	\$ 239,154	\$ 240,640	\$ 242,136	\$ 243,641	\$ 245,155	\$ 2,537,944
Consulting Services	\$ 388,500	\$ 319,464	\$ 325,853	\$ 332,370	\$ 339,018	\$ 345,798	\$ 352,714	\$ 359,768	\$ 366,964	\$ 374,303	\$ 381,789	\$ 3,886,542
Staffing	\$ 354,375	\$ 481,163	\$ 490,786	\$ 500,601	\$ 511,449	\$ 521,678	\$ 532,112	\$ 542,754	\$ 553,609	\$ 564,681	\$ 575,975	\$ 5,629,183
General & Administrative expenses	\$ 319,400	\$ 150,777	\$ 160,168	\$ 163,371	\$ 166,911	\$ 170,249	\$ 173,654	\$ 177,127	\$ 180,670	\$ 184,283	\$ 187,969	\$ 2,034,579
Debt Service	\$ 2,939,010	\$ 4,404,765	\$ 4,404,765	\$ 4,404,765	\$ 4,404,765	\$ 1,468,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,026,323
Total O&A Costs	\$ 5,804,902	\$ 7,835,748	\$ 7,917,783	\$ 7,995,333	\$ 8,080,773	\$ 5,225,616	\$ 3,840,613	\$ 3,925,809	\$ 4,012,996	\$ 4,102,222	\$ 4,193,536	\$ 62,935,334
Total Cost & Reserves	\$ 77,379,314	\$ 103,642,941	\$ 108,949,979	\$ 113,864,940	\$ 120,034,025	\$ 118,302,866	\$ 123,423,903	\$ 130,930,066	\$ 139,297,771	\$ 148,674,638	\$ 159,016,166	\$ 1,343,516,608
CCA Program Surplus/(Deficit)	\$ (3,054,746)	\$ 719,596	\$ 948,831	\$ 1,955,228	\$ (1,692,533)	\$ 5,992,513	\$ 6,967,647	\$ 7,470,094	\$ 6,663,904	\$ 5,209,183	\$ 3,419,865	\$ 34,599,583
Cash From Financing	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CCA Accumulated Reserves	\$ 16,945,254	\$ 17,664,850	\$ 18,613,681	\$ 20,568,908	\$ 18,876,376	\$ 24,868,889	\$ 31,836,536	\$ 39,306,630	\$ 45,970,535	\$ 51,179,718	\$ 54,599,583	

FINANCINGS

Implementation financing

It is anticipated that one or more financings will be necessary to support WCE's implementation. Subsequent capital requirements will be self-funded from WCE's accrued financial reserves.

Local renewable resource project financing

WCE will issue Request for Offers (RFO) for local generation as its first purchase of resource-specific generation. It is anticipated that existing generators will respond and will not require any collateral or other initial funding. Any additional renewable generation development in the first several years of operations is expected to be funded out of operating revenues and/or accumulated reserves. The most likely early resource development efforts will be focused on relatively small scale solar PV developments.

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Chapter 8: Rate Setting

INTRODUCTION

WCE has developed its initial policies for setting its rates for electric aggregation services, as outlined below. These include policies regarding rate design, rate objectives, net metering, and provision for due process in setting Program rates.

RATE POLICIES

WCE will establish rates sufficient to recover all costs related to operations, including any reserves that may be required as a condition of financing, and other discretionary reserve funds that may be approved by the Board. The initial goal has been set to build a discretionary reserve between \$35 and \$40 million over the first 8 years of operation, depending on market conditions. As a general policy, rate discounts relative to SCE will be uniform for all customer classes throughout the service area of the Program, comprised of the jurisdictional boundaries of WCE's Members.

Program rates are ultimately approved by the Board and it retains the authority to modify Program policies from time to time at its discretion.

WCE intends to allocate approximately 2% of its available budget to rate savings. This is estimated to translate into a targeted total customer rate savings of \$5.4 million per year on average over the first five years of operation, or \$27 million in cumulative rate savings over this period.

The primary objective of the rate setting plan is to set rates that achieve the following:

- 💡 Rate competitiveness
- 💡 Rate stability
- 💡 Equity among customers
- 💡 Customer understanding
- 💡 Revenue sufficiency

Each of these objectives is described below.

Rate competitiveness

WCE's goal is to offer competitive and/or lower rates for the electric services it provides to participating customers than those served by SCE. The financial projections included in the Plan indicate that this target is achievable on a long-term basis due, in part, to WCE's access to low cost generation sources. Competitive rates will be critical to attracting and retaining key customers.

Rate stability

WCE will offer stable rates by hedging its supply costs over multiple time horizons. Rate stability considerations may mean that rates at any point in time may offer somewhat greater or lesser savings than the general rate targets set for the Program. Although WCE's rates will be stabilized through execution of appropriate price hedging strategies, the distribution utility's rates can fluctuate significantly year-to-year based on energy market conditions such as natural gas prices, the utility's hedging strategies, and hydro-electric conditions; and from rate impacts caused by periodic additions of generation to utility rate base.

Equity among customer classes

WCE's policy is to provide rate benefits to all customer classes relative to the rates that would otherwise be paid to the local distribution utility. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by the Board.

Customer understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only helps minimize customer confusion and dissatisfaction, but it will also result in fewer billing inquiries to WCE's customer service call center. Customer understanding also requires rate structures to make sense (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue sufficiency

WCE's rates must collect sufficient revenues from participating customers to fully fund the Program's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover Program costs.

RATE DESIGN

WCE's rate designs will initially, mirror the structure of SCE's generation rates so that similar rate benefits can be provided to all Program customers. WCE's rates will not follow a similar tier structure as SCE's but will offer a Time of Use rate that is consistent with the times SCE has outlined in its tariff. WCE will generally match the rate structures from SCE's standard rates to avoid significantly different bill impacts across customers. WCE may also introduce new rate options for customers, such as rates designed to encourage economic expansion or business retention within WCE's service area.

The proposed rate design approach will apply an equal percentage discount to the otherwise applicable rate for all the various rate schedules offered by SCE. All customers, including low income residential customers receiving low income discounts, would receive the same rate benefit on a percentage basis.

This "equal benefits" rate design will facilitate easy rate comparisons and provide for a smooth transition of customers from bundled service to Program service. WCE's Board has the discretion to modify its rate design policies.

Low-income customers who stay with the Program will still be eligible for the California Alternative Rate for Energy (CARE) plan through SCE. This program is funded by all customers through either the public purpose program charge or the investor owned utilities (IOUs) distribution rates and would not impose additional costs on Program customers. However, WCE may create additional programs to benefit low income customers.

NET ENERGY METERING

Customers with on-site generation eligible for net metering from SCE would be offered a net energy metering rate from WCE. Net energy metering (NEM) allows for customers with certain qualified

distributed generation to be billed based on their net energy consumption. WCE's objective is that WCE net energy metering tariff would apply to the generation component of the bill, and the SCE net energy metering tariff would apply to the utility's portion of the bill. To the extent that current CPUC regulations governing provision of net energy metering to CCA customers are unresolved, WCE would work with SCE and the CPUC to establish a net energy metering tariff that accomplishes this objective.

RATE IMPACTS

Based on projected costs for the first year of service, WCE's initial load-weighted average rate is expected to be 8.4 cents/kWh. This is below projected SCE generation rates, including the impact of the PCIA charge which WCE customers will also have to pay.

WCE's rates include all costs expected to be incurred by WCE related to the Program, including power supply costs, operations and administration costs, reserves, and billing and metering fees charged by SCE to WCE. Program rates are designed to be at or below SCE rates.

DISCLOSURE AND DUE PROCESS IN SETTING RATES AND ALLOCATING COSTS AMONG PARTICIPANTS

Initial Program rates will be adopted by the Board following the establishment of the first year's operating budget prior to initiating the customer notification process. Subsequently, WCE will prepare an annual budget and corresponding customer rates and submit these as an application for a change in rates to the Board. The rates must be approved at a public meeting of WCE no sooner than sixty days following submission of the proposed rates, during which affected customers will be able to provide comment on the proposed rate changes.

Within forty-five days after applying to increase any rate, WCE will furnish notice of its application to its customers affected by the proposed increase, either by mailing such notice postage prepaid to such customers or by including such notice with the regular bill for charges transmitted to such customers. The notice will state the amount of the proposed increase expressed in both dollar and percentage terms, a brief statement of the reasons the increase is required or sought, and the mailing address of WCE to which any customer inquiries relative to the proposed increase, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

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Chapter 9: Customer Rights and Responsibilities

INTRODUCTION

This chapter discusses customer rights, including the right to opt-out of the Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the Program. All customers that do not opt-out within 30 days of the fourth enrollment notice will have agreed to become full status Program participants and must adhere to the obligations set forth below, as may be modified and expanded by the Board from time to time.

By adopting this Plan, the Board will have approved the customer rights and responsibilities policies contained herein to be effective at Program initiation. The Board retains authority to modify program policies from time to time at its discretion.

CUSTOMER OPT-OUT RIGHTS, NOTICES AND PROCESS

Customer rights, includes the right to opt-out of the Program, as well as obligations customers undertake upon agreement to enroll in WCE. All customers that do not opt-out within 60 days of enrollment (after having received the fourth opt-out notice) will have agreed to become full status Program participants and must adhere to the obligations set forth below, as may be modified and expanded by the Board from time to time.

Opt-out notices

A total of four notices will be provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. Customers who do not affirmatively opt-out within this period shall be automatically enrolled in the Program.

Following automatic enrollment, a third opt-out notice will be sent within 30 days of enrollment, and a fourth and final opt-out notice will be sent within 60 days of enrollment. Customers who opt-out will be obligated to pay WCE's charges for electric services provided during the time the customer took service from the program but will otherwise not be subject to any penalty or transfer fee from WCE.

WCE will use its own mailing service for opt-out notices to increase the likelihood that customers will read the enrollment notices. Customers may opt-out by notifying WCE using the Program's designated telephone-based or internet opt-out processing service. Customers that contact SCE to opt-out will be transferred to the Program's call center to complete the opt-out process. Consistent with CPUC regulations, notices returned as undelivered mail will be treated as failure to opt-out and the customer will be automatically enrolled.

Termination fee

Customers that are automatically enrolled in the Program can elect to transfer back to SCE without penalty. WCE will not charge any fee to customers returning to bundled service with SCE. Customers electing to terminate service will be transferred to SCE on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Customers who voluntarily transfer back to SCE will also be liable for the nominal reentry fees imposed by SCE as set forth in the applicable SCE CCA tariffs. Such customers will

also be required to remain on bundled utility service for a period of one year, as described in SCE's CCA tariffs.

Customer re-entry

Customers that opt out within the initial and follow-up notification periods may return to WCE service at any time. A customer opting out after the follow-up notification period is locked in to SCE bundled service for a period of one year and subject to conditions imposed by SCE as set forth in the applicable SCE-CCA tariffs. However, WCE will not impose a customer reentry fee for the customer's change of service provider.

Customer confidentiality

WCE will maintain confidentiality of individual customer data. Confidential data includes individual customers' name, service address, billing address, telephone number, account number and electricity consumption. Aggregate data that does not compromise confidentiality of individual customers may be released at the discretion of WCE or as required by law or regulation.

An exception may be made where reasonably necessary to conduct business of WCE or to provide services to customers, including but not limited to where such disclosure is necessary to a) comply with the law or regulations; b) enable WCE to provide service to its customers; c) collect unpaid bills; d) obtain and provide credit reporting information; or e) resolve customer disputes or inquiries. WCE will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. This requirement does not extend to disclosure of generic information, or aggregate data, regarding the usage, load shape, or other general characteristics of a group or rate classification, unless the release of that information would reveal customer-specific information because of the size of the group, rate classification, or nature of the information. WCE will handle customer energy usage information in a manner that is fully compliant with the California Public Utility CPUC's required privacy protections for customers of Community Choice Aggregators, as currently defined in Decision 12-08-045.

Responsibility for payment

Pursuant to CPUC regulations, electricity service will not be shut off for failure to pay WCE's bill. In most circumstances, customers will be returned to SCE for failure to pay bills in full and customer deposits will be withheld in the case of unpaid bills. Late-payment notices will be sent to overdue customers; if payment is not received after an additional period as stated in the notices, service will be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service will not be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC and that customer has paid the disputed amount into an escrow account.

Customers will be obligated to pay WCE charges for services provided through the date of transfers, including any applicable Termination Fees. WCE will have an enforceable collection mechanism to support its credit and will attempt to negotiate collection arrangements with SCE that will satisfy WCE's credit requirements. WCE may petition the CPUC to obtain shut-off rights for a customer's non-payment of Program charges, if a satisfactory collections agreement cannot be negotiated with SCE.

Customer deposits

Customers may be required to post a deposit equal to two months' estimated bills for WCE's charges to obtain service from WCE under certain circumstances. A deposit would be required for an applicant who previously has been a customer of SCE or WCE and whose electric service has been discontinued by SCE during the last twelve months of that prior service because of nonpayment of bills. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in SCE Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and re-establish credit by depositing the prescribed amount. This rule will apply regardless of whether service has been discontinued for such nonpayment. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with SCE.

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Chapter 10: Procurement Process

INTRODUCTION

The following describes WCE's procurement process and the key third party service agreements that WCE will utilize to assist with operations.

PROCUREMENT METHODS

WCE has entered into and will continue to enter into agreements for a variety of services needed to support Program development, operation, and management.

WCE will utilize competitive procurement methods for services that are over \$50,000 and are not in relation to the procuring of energy. Anything under \$50,000 can be signed by the Executive Director without going through the competitive procurement process. Sole source procurement will only be used in the case of emergency or when a competitive process would be an idle act or take up too much time to process.

WCE utilized a competitive solicitation process to enter into agreements with entities providing electrical services for the Program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered on a direct procurement or sole source basis at the discretion of the Executive Director or Board.

The Executive Director will report monthly to the Board a summary of the actions taken with respect to the delegated procurement authority. Authority for terminating agreements will generally mirror the authority for entering into the agreements.

KEY CONTRACTS

The following outlines key contracts that WCE has entered for implementation.

Electric supply contract

WRCOG, on behalf of WCE conducted an open RFP process through which it has contracted with The Energy Authority (TEA) to provide wholesale power services including assistance with procurement, risk management and to act as its CAISO Scheduling Coordinator. TEA is a not-for-profit energy services company which is owned by and works exclusively for municipal and state agencies. TEA has over 50 customers for its services across the United States. TEA specializes in wholesale procurement in the forward, cash and real-time markets, both in bilateral and regional transmission organization (RTO) - based markets. TEA also provides risk management, valuation and other analytic and middle-office services.

TEA will serve as WCE's agent by procuring energy, capacity and renewable energy credits in the over-the-counter markets from energy marketers and other utilities. TEA will secure these products via multiple provider solicitations. WCE will contract directly with power suppliers.

TEA will also help WCE with competitive solicitations for local renewable generation, though WCE will contract with those generators directly. TEA will also act as the Scheduling

Coordinator for WCE with CAISO. TEA will pass through CAISO charges and credits directly to WCE.

Lastly, TEA will assist WCE in managing its portfolio. TEA will provide analytical expertise to help WCE manage its financial prospects, including stochastically driven metrics to understand its risks of, for example, not meeting budget or having to raise rates.

Data management contract

Calpine Energy Solutions will provide retail customer services including billing and other account services. Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract is separate from the electric supply contract. Calpine Energy Solutions will be responsible for the following services:

-  Data exchange with SCE
-  Technical testing
-  Customer information system
-  Customer call center
-  Billing administration/retail settlements
-  Reporting and audits of utility billing

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can cost from \$5 to 10 million dollars to implement and take significant time to deploy. A longer-term contract is appropriate for this service because of the time and expense that would be required to migrate data to a new system. Separation of the account services contract from the energy supply contract gives WCE greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

Chapter 11: Contingency Plan for Program Termination

INTRODUCTION

While it is not envisioned that the Program would terminate, the need for a termination process is needed. WCE has outlined the following process that would return Customers to SCE service, the proposed process is designed to minimize the impacts on its customers and on SCE. The termination plan follows the requirements set forth in SCE's tariff Rule 23 governing service to CCAs.

TERMINATION BY WCE

There is no planned Program termination date. In the unanticipated event the Board decides to terminate and any applicable restrictions on such termination have been satisfied, notice will be provided to customers six months in advance that they will be transferred back to SCE. A second notice will be provided the last sixty days in advance of the transfer. The notice will describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one-year advance notice will be provided to SCE and the CPUC before transferring customers, and WCE will coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers will be transferred *en masse* on the date of their regularly scheduled meter read date.

WCE will maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves will be maintained against the fees imposed for processing customer transfers. The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover re-entry fees imposed on customers that are involuntarily returned to SCE under certain circumstances. The cost of re-entry fees is the responsibility of the energy services provider or the Community Choice Aggregator, except in the case of a customer returned for default or because its contract has expired. WCE will self-insure against the risk of customer reentry fees.

TERMINATION BY MEMBERS

As stated in article 5.1 of the JPA Agreement:

A Member Agency may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Member Agency. Withdrawal of a Member Agency shall require an affirmative vote of the Member Agency's Board. A Member Agency that withdraws its participation in the Authority pursuant to this subsection may be subject to certain continuing liabilities as described in Section 5.4. The withdrawing Member Agency and the Authority shall execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Member Agency.

Because of a CCA Member's withdrawal from the Program, customers within the CCA Member's jurisdiction will be returned to SCE bundled service at their regularly scheduled meter read date

prior to the effective date of the CCA Member's withdrawal from the Program, following the 60-day notice period described above.

In accordance with the distribution utility tariffs, WCE will execute a revised service agreement or specialized service agreement, as appropriate, with SCE to coordinate the removal of the withdrawing CCA Member from WCE.

**Appendix A Resolution Adopting Implementation Plan and
Statement of Intent**

BEGINS ON THE FOLLOWING PAGE



RESOLUTION NUMBER 2018-13

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF WESTERN COMMUNITY ENERGY
ADOPTING THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION
PLAN AND STATEMENT OF INTENT REQUIRED BY CALIFORNIA PUBLIC
UTILITIES CODE SECTION 366.2**

- A. Western Community Energy (“WCE”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, on August 23, 2018, to establish an independent public agency to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related and climate change programs under authority granted to it pursuant to California Public Utilities Code § 366.2.
- B. The member agencies of WCE are the Cities of Canyon Lake, Eastvale, Hemet, Jurupa Valley, Norco, Perris, and Wildomar.
- C. California Public Utilities Code § 366.2 requires that prior to commencing a community choice aggregation program, WCE must first prepare and adopt an Implementation Plan and Statement of Intent to be filed with and certified by the California Public Utilities Commission.
- D. WCE’s Implementation Plan and Statement of Intent were presented to the Board of Directors at a duly noticed public hearing for consideration and adoption on December 12, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Western Community Energy as follows:

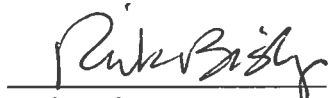
Section 1. In accordance with California Public Utilities Code § 366.2, the Board of Directors hereby considers and adopts the Implementation Plan and Statement of Intent at a duly noticed public hearing held on December 12, 2018, at the offices of the Western Riverside Council of Governments, 3390 University Ave, Suite 450, Riverside Ca 92501, at 1:00 p.m., after allowing interested persons the opportunity to provide public comment on the Implementation Plan and Statement of Intent.

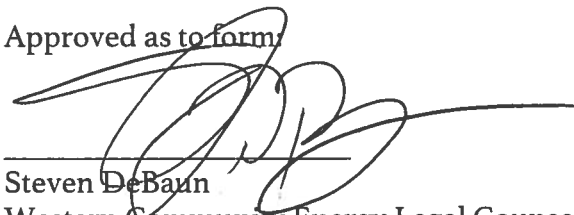
Section 2. The Board of Directors hereby directs the Executive Director to file the Implementation Plan and Statement of Intent with the Energy Division of the California Public Utilities Commission no later than December 31, 2018.

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

PASSED AND ADOPTED at a meeting of the Board of Directors of Western Community Energy held on December 12, 2018.


Ben Benoit, Chairperson
Western Community Energy


Rick Bishop, Secretary
Western Community Energy

Approved as to form:

Steven DeBaun
Western Community Energy Legal Counsel

AYES: 6

NAYS: 0

ABSENT: 1

ABSTAIN: 0

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Appendix B WCE Joint Powers Agreement

BEGINS ON THE FOLLOWING PAGE

WESTERN COMMUNITY ENERGY JOINT POWERS AGREEMENT

This Joint Powers Agreement (“**Agreement**”), effective as of August 23, 2018, (“**Effective Date**”) is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit A (“**Member Agencies**”). The term “**Member Agencies**” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

A. In 2002, AB 117 was signed into law allowing public agencies to aggregate the electrical load of interested consumers within their jurisdictional boundaries and purchase electricity on behalf of those consumers.

B. The Member Agencies desire to establish a separate public agency, known as Western Community Energy (“**Authority**”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code § 6500 *et seq.*) (“**Act**”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs, and exercise any powers common to the Authority’s members to further these purposes.

C. The Member Agencies have each adopted an ordinance electing to implement through the Authority a community choice aggregation program pursuant to California Public Utilities Code § 366.2. The priority of the Authority will be the consideration of those actions necessary to implement the program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Member Agencies as follows:

SECTION 1. FORMATION OF AUTHORITY

1.1 Creation of Agency. Pursuant to the Joint Exercise of Powers Act, California Government Code § 6500 *et seq.* and other pertinent provisions of law, there is hereby created a public entity to be known as the Western Community Energy. The Authority shall be a public entity separate and apart from the Member Agencies.

1.2 Effective Date and Term. This Agreement shall become effective and Authority shall exist as a separate public agency on the date this Agreement is executed by at least two Member Agencies after adoption of the ordinances required by California Public Utilities Code § 366.2(c)(10). The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 5, subject to the rights of a Member Agency to withdraw from the Authority.

1.3 Member Agencies. The names, particular capacities, and addresses of the Member Agencies are shown on Exhibit A, attached hereto, as may be amended from time to time.

1.4 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Member Agency to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related and climate change programs (the “**CCA Program**”), and to exercise all other powers necessary and incidental to accomplishing this purpose. The Member Agencies intend for this Agreement to be used as a contractual mechanism by which the Member Agencies are authorized to participate in the CCA Program. The Member Agencies intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any energy programs approved by the Authority.

1.5 Powers. The Authority shall have all powers common to the Member Agencies and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purpose, including, but not limited to, each of the following powers:

1.5.1 Serve as a forum for the consideration, study, and recommendation of energy services for the CCA Program;

1.5.2 To make and enter into any and all contracts to effectuate the purpose of this Agreement, including, but not limited to, those relating to the purchase or sale of electrical energy or attributes thereof, and related service agreements;

1.5.3 To employ agents and employees, including, but not limited to, engineers, attorneys, planners, financial consultants, and separate and apart therefrom to employ such other persons, as it deems necessary;

1.5.4 To acquire, contract, manage, maintain, and operate any buildings, works, or improvements, including, but not limited to, electric generating facilities;

1.5.5 To acquire property by eminent domain, or otherwise, except as limited by section 6508 of the Act, and to hold or dispose of property;

1.5.6 To lease any property;

1.5.7 To use and be sued in its own name;

1.5.8 To incur debts, liabilities, and obligations, including, but not limited to, loans from private lending sources pursuant to its temporary borrowing powers, such as California Government Code § 53850 *et seq.* and authority under the Act;

1.5.9 To form subsidiary or independent corporations or entities, if appropriate, to carry out energy supply and energy conservation programs, or to take advantage of legislative or regulatory changes;

1.5.10 To issue revenue bonds and other forms of indebtedness;

1.5.11 To apply for, accept, and receive all licenses, permits, grants, loans, or other assistance from any federal, state, or local agency;

1.5.12 To submit documentation and notices, register, and comply with orders, tariffs, and agreements for the establishment and implementation of the CCA Program and other energy and climate change programs;

1.5.13 To adopt rules, regulations, policies, bylaws, and procedures governing the operation of the Authority; and

1.5.14 To receive gifts, contributions, and donations of property, funds, services, and other forms of financial assistance from persons, firms, corporations, and any governmental entity.

1.6 Manner of Exercising Powers. The powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by a general law city.

SECTION 2: GOVERNANCE

2.1 Board of Directors. The governing body of the Authority shall be a Board of Directors consisting of one director for each Member Agency appointed in accordance with Section 2.2.

2.2 Appointment of Directors. The governing body of each Member Agency shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Member Agency on matters within the powers of the Authority. The governing body of each Member Agency shall also appoint and designate in writing one alternate Director who may vote in matters when the regular Director is absent from a Board meeting. The persons appointed and designated as the regular Director and the alternate Director shall be a member of the governing body of the Member Agency.

2.3 Terms of Office. Each regular and alternate Director shall serve at the pleasure of the governing body of the Member Agency that the Director represents, and may be removed as Director by the governing body of the Member Agency at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the governing body to fill the position of the previous Director within ninety (90) days of the date that such position becomes vacant.

2.4 Quorum. A majority of the Directors of the entire Board shall constitute a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law.

2.5 Powers of the Board of Directors. The Board may exercise all the powers enumerated in this Agreement and shall conduct all business and activities of the Authority consistent with this Agreement and any bylaws, operating procedures, and applicable law.

2.6 Executive Committee. The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise.

2.7 Committees. The Board may establish advisory committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the purposes of this Agreement.

2.8 Director Compensation. The Board may adopt policies establishing a stipend to compensate work performed by a Director on behalf of the Authority as well as policies for the reimbursement of expenses incurred by a Director.

2.9 Voting by the Board of Directors.

2.9.1 Vote Count. Each member of the Board or participating alternate shall be entitled to one vote. Action of the Board on all matters shall require an affirmative vote of a majority of all Directors present and qualified to vote constituting a quorum.

2.9.2 Weighted Vote. Notwithstanding Section 2.9.1, above, the Board of the Authority may establish in its Bylaws a procedure to require a weighted vote for all or certain matters before the Board. Any procedure for a weighted vote shall allocate votes based on energy usage of Member Agencies and shall be approved or amended by the affirmative vote of at least a majority of all Directors present and qualified to vote and constituting a quorum.

2.10 Officers.

2.10.1 Chair and Vice Chair. On an annual basis, the Directors shall select from among themselves, a Chair and a Vice-Chair. The Chair shall be the presiding officer of all Board meetings. The Vice-Chair shall serve in the absence of the Chair. The term of office of the Chair and Vice-Chair shall continue for one year. There shall be no limit on the number of terms held by either the Chair or Vice-Chair. The office of either the Chair or Vice-Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Member Agency that the person represents removes the person as its representative on the Board, or (b) the Member Agency that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

2.10.2 Secretary. The Board shall appoint a Secretary who need not be a member of the Board. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

2.10.3 Treasurer/Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom need be members of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may be appointed as the Treasurer and Auditor. Such person or persons shall possess the powers of, and shall perform those functions required of them by California Government Code §§ 6505, 6505.5, and 6505.6, and by all other applicable laws and regulations and amendments thereto.

2.11 Meetings. The Board shall provide for its regular meetings, the date, hour, and place of which shall be fixed by resolution of the Board. Regular, adjourned, and special meetings shall be called and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code § 54950 *et seq.*

2.12 Executive Director. The Executive Director shall be the chief administrative officer of the Western Riverside Council of Governments, or whomever is appointed by the Board thereafter. Compensation shall be fixed by the Board. The powers and duties of the Executive Director shall be subject to the authority of the Board.

2.13 Initial Administration of Authority. The Authority will be initially administered by the Western Riverside Council of Governments (“**WRCOG**”), which shall provide Executive Director, staff, and consultant services to the Authority. WRCOG shall provide administrative services for three years from the Effective Date of this Agreement pursuant to a services agreement. The term and conditions of the administrative services agreement may be extended by mutual agreement of WRCOG and the Authority without further amendment of this Agreement, as set forth in the administrative services agreement.

2.14 Additional Officers and Employees. The Board shall have the power to authorize such additional officers and assistants as may be appropriate, including retaining one or more administrative service providers for planning, implementing, and administering the CCA Program. Such officers and employees may also be, but are not required to be, officers and employees of the individual Member Agencies.

2.15 Bonding Requirement. The officers or persons who have charge of, handle, or have access to any property of the Authority shall be the members of the Board, the Treasurer, the Executive Director, and any such officers or persons to be designated or empowered by the Board. Each such officer or person shall be required to file an official bond with the Authority in an amount which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bond attributable to the coverage required herein shall be the appropriate expenses of the Authority.

2.16 Audit. The records and accounts of the Authority shall be audited annually by an independent certified public accountant and copies of such audit report shall be filed with the State Controller, and each Member Agency to the Authority no later than fifteen (15) days after receipt of said audit by the Board.

SECTION 3: PARTICIPATION IN AUTHORITY AND IMPLEMENTATION OF CCA PROGRAM

3.1 Participation in Authority. An interested incorporated municipality or county may become a Member Agency of the Authority and a party to this Agreement upon satisfaction of the following:

3.1.1 Adoption of a resolution by the governing body of an incorporated municipality or county requesting participation and an intent to join the Authority;

3.1.2 Adoption of an ordinance required by California Public Utilities Code § 366.2(c)(12) and execution of all necessary CCA Program documents by an incorporated municipality or county;

3.1.3 Adoption by an affirmative vote of the Board of a resolution authorizing participation of the additional incorporated municipality or county;

3.1.4 Payment of a membership payment, if any; and

3.1.5 Satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Member Agencies acknowledge that participation in the CCA Program may change by the addition or withdrawal or termination of a Member Agency. The Member Agencies agree to participate with additional Member Agencies as may later be added. The Member Agencies also agree that the withdrawal or termination of a Member Agency shall not affect this Agreement or the remaining Member Agencies' continuing obligations under this Agreement.

3.3 Implementation of CCA Program.

3.3.1 Enabling Ordinance. Each Member Agency shall adopt an ordinance in accordance with California Public Utilities Code § 366.2(c)(12) specifying that the Member Agency intends to implement a community choice aggregation program by and through its participation in this Authority.

3.3.2 Implementation Plan. The Authority shall cause to be prepared an implementation plan meeting the requirements of California Public Utilities Code § 366.2 and any applicable regulations of the California Public Utilities Commission ("CPUC"). The Board shall approve the implementation plan prior to it being filed with the CPUC.

3.4 Authority Documents. The Member Agencies acknowledge and agree that the operations of the Authority will be implemented through various program documents and regulatory filings duly adopted by the Board, including, but not limited to, operating rules, an annual budget, and plans and policies related to the provision of the CCA Program. The Member Agencies agree to abide by and comply with the terms and conditions of all such Authority documents that may be approved or adopted by the Board.

3.5 Termination of CCA Program. Nothing contained in this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

SECTION 4: FINANCIAL PROVISIONS

4.1 Fiscal Year. The Authority's fiscal year shall be twelve (12) months commencing July 1 of each year and ending June 30 of the succeeding year.

4.2 Treasurer. The Treasury of the member agency whose Treasurer is the Treasurer for the Authority shall be the depository for the Authority. The Treasurer of the Authority shall have custody

of all funds and shall provide for strict accountability thereof in accordance with California Government Code § 6505.5 and other applicable laws. The Treasurer shall perform all of the duties required in California Government Code § 6505 *et seq.* and all other such duties as may be prescribed by the Board.

4.3 Depository & Accounting. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with the funds of any Member Agency or any other person or entity. Disbursement of such funds during the term of this Agreement shall be accounted for in accordance with generally accepted accounting principles applicable to governmental entities and pursuant to California Government Code § 6505 *et seq.* and other applicable laws. There shall be a strict accountability of all funds. All revenues and expenditures shall be reported to the Board. The books and records of the Authority shall be open to inspection by the Member Agencies at all reasonable times.

4.4 Budget. The Board shall establish the budget for the Authority, and may from time to time amend the budget to incorporate additional income and disbursements that might become available to the Authority for its purposes during a fiscal year.

4.5 Initial Funding of Authority. WRCOG has funded certain activities necessary to implement the CCA Program. If the program becomes operational, these initial costs shall be included in the customer charges for electric services to the extent permitted by law, and WRCOG shall be reimbursed from the payment of such charges by customers of the Authority pursuant to a reimbursement agreement between Authority and WRCOG. Prior to such reimbursement, WRCOG shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event the program does not become operational, WRCOG shall not be entitled to any reimbursement of the initial costs.

4.6 No Liability to the Member Agencies. The debts, liabilities, or obligations of the Authority shall not be the debts, liabilities, or obligations of the individual Member Agencies unless the governing board of a Member Agency agrees in writing to assume any of the debts, liabilities, or obligations of the Authority. Notwithstanding Government Code section 895.2, if the Authority is found to be liable for injury caused by a negligent or wrongful act or omission occurring in the performance of an agreement, no Member Agency is jointly or severally liable for such injury.

SECTION 5: WITHDRAWAL AND TERMINATION

5.1 Right to Withdraw. A Member Agency may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Member Agency. Withdrawal of a Member Agency shall require an affirmative vote of the Member Agency's governing board. A Member Agency that withdraws its participation in the Authority pursuant to this subsection may be subject to certain continuing liabilities as described in Section 5.4. The withdrawing Member Agency and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Member Agency.

5.2 Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Member Agencies the report from the electrical utility

consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Member Agency may immediately withdraw its membership in the Authority without any financial obligation, as long as the Member Agency provides written notice of its intent to withdraw to the Authority Board no more than thirty (30) days after receiving the report.

5.3 Involuntary Termination. Membership in the Authority may be terminated for material non-compliance with the provisions of this Agreement or any other agreement or Board operating procedure relating to the Member Agency's participation in the CCA Program upon a vote of the Board.

5.4 Continuing Liability. Except as provided by Section 5.2, upon the withdrawal or involuntary termination of a Member Agency, the Member Agency shall remain responsible for any claims, demands, damages, or liabilities arising from the Member Agency's membership or participation in the Authority through the date of its withdrawal or termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member Agency may remain liable, include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Member Agency's load and the administrative costs associated thereto. The Authority may withhold funds otherwise owed to the Member Agency or require the Member Agency to deposit sufficient funds with the Authority, as reasonably determined by the Authority to cover the Member Agency's costs described above. Upon notice by a Member Agency that desire to withdraw from the Authority, the Authority shall notify the Member Agency of the minimum waiting period under which the Member Agency would have no costs for withdrawal if the Member Agency agrees to stay in for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member Agency elects to withdraw from the Authority before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset the actual costs to the remaining ratepayers served by the Authority, and may not include punitive damages that exceed actual costs.

5.5 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Member Agencies; provided, however, that this subsection shall not be construed as limiting the rights of a Member Agency to withdraw in accordance with Section 5.1.

5.6 Disposition of Authority Assets Upon Termination of Agreement. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred by the Authority, shall be returned to the then-existing Member Agencies in proportion to the contributions made by each.

SECTION 6: MISCELLANEOUS PROVISIONS

6.1 Dispute Resolution. The Member Agencies and Authority shall make efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy

provided by law, a Member Agency or Member Agencies and the Authority shall engage in nonbinding mediation in the manner agreed to by the Member Agency or Member Agencies and the Authority. In the event that nonbinding mediation does not resolve a dispute within 120 days after the demand for mediation is made, any Member Agency or the Authority may pursue any all remedies provided by law.

6.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify, and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by California Government Code § 995 *et seq.* Nothing in this section shall be construed to limit the defenses available under the law to the Member Agencies, the Authority, or its Directors, officers, or employees.

6.3 Indemnification. The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Member Agencies, and the Authority's ratepayers. The Authority shall indemnify, defend, and hold harmless the Member Agencies and each of their respective members board or council members, officers, agents, and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

6.4 Amendment of Agreement. This Agreement may be amended in writing with the approval of not less than two-thirds (2/3) of a vote of the Member Agencies.

6.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Member Agencies may not be assigned or delegated without the advance written consent of all other Member Agencies. Any attempt to assign or delegate such rights or duties without express written consent shall be null and void. This Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Member Agencies. This section does not prohibit a Member Agency from entering into an independent agreement with another entity regarding the financing of that Member Agency's contributions to the Authority, or the disposition of proceeds which that Member Agency receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Member Agencies under this Agreement.

6.6 Severability. If any part of this Agreement is held, determined, or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

6.7 Further Assurances. Each Member Agency agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary to effectuate the purposes of this Agreement.

6.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

6.9 Notices. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Member Agency, as the case may be, or such other person designated in writing by the Authority or Member Agency. Notices given to one Member Agency shall be copied to all other Member Agencies. Notices given to the Authority shall be copied to all Member Agencies.

ATTEST:

City Clerk
City of Canyon Lake

By: Cynthia D. Palmer

Dated: 7/18/2018

CITY OF CANYON LAKE

By: [Signature]
Mayor

ATTEST:

City Clerk
City of Eastvale

By: _____

Dated: _____

CITY OF EASTVALE

By: _____
Mayor

ATTEST:

City Clerk
City of Hemet

By: _____

Dated: _____

CITY OF HEMET

By: _____
Mayor

ATTEST:

City Clerk
City of Jurupa Valley

By: _____

Dated: _____

CITY OF JURUPA VALLEY

By: _____
Mayor

ATTEST:

City Clerk
City of Canyon Lake

By: _____

Dated: _____

CITY OF CANYON LAKE

By: _____
Mayor

ATTEST:

City Clerk
City of Eastvale

By:  _____

Dated: 10/4/18 _____

CITY OF EASTVALE

By:  _____
Mayor

ATTEST:

City Clerk
City of Hemet

By: _____

Dated: _____

CITY OF HEMET

By: _____
Mayor

ATTEST:

City Clerk
City of Jurupa Valley

By: _____

Dated: _____

CITY OF JURUPA VALLEY

By: _____
Mayor

ATTEST:

City Clerk
City of Canyon Lake

By: _____

Dated: _____

CITY OF CANYON LAKE

By: _____
Mayor

ATTEST:

City Clerk
City of Eastvale

By: _____

Dated: _____

CITY OF EASTVALE

By: _____
Mayor

ATTEST:

City Clerk
City of Hemet

By: Sarah McComas

Dated: 10/15/18

CITY OF HEMET

By: [Signature]
Mayor

ATTEST:

City Clerk
City of Jurupa Valley

By: _____

Dated: _____

CITY OF JURUPA VALLEY

By: _____
Mayor

ATTEST:

City Clerk
City of Canyon Lake

By: _____

Dated: _____

CITY OF CANYON LAKE

By: _____
Mayor

ATTEST:

City Clerk
City of Eastvale

By: _____

Dated: _____

CITY OF EASTVALE

By: _____
Mayor

ATTEST:

City Clerk
City of Hemet

By: _____

Dated: _____

CITY OF HEMET

By: _____
Mayor

ATTEST:

City Clerk
City of Jurupa Valley

By: Victoria Ueno

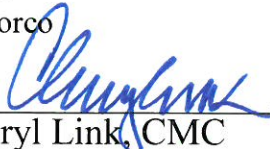
Dated: 8/16/18

CITY OF JURUPA VALLEY

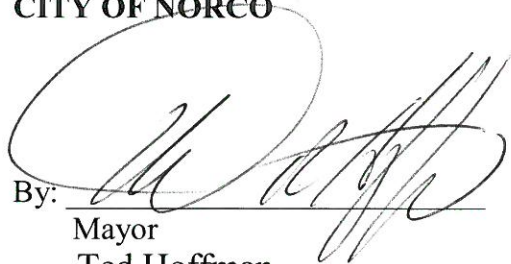
By: [Signature]
Mayor

ATTEST:

City Clerk
City of Norco

By: 
Cheryl Link, CMC
Dated: October 3, 2018

CITY OF NORCO

By: 
Mayor
Ted Hoffman

ATTEST:

City Clerk
City of Perris

By: _____
Dated: _____

CITY OF PERRIS

By: _____
Mayor

ATTEST:

City Clerk
City of Wildomar

By: _____

CITY OF WILDOMAR

By: _____
Mayor

ATTEST:

City Clerk
City of Norco

By: _____

Dated: _____

CITY OF NORCO

By: _____
Mayor

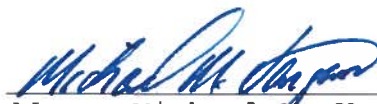
ATTEST:

City Clerk, Nancy Salazar
City of Perris

By:  _____

Dated: 11/20/18 _____

CITY OF PERRIS

By:  _____
Mayor, Michael M. Vargas

ATTEST:

City Clerk
City of Wildomar

By: _____

CITY OF WILDOMAR

By: _____
Mayor

ATTEST:

City Clerk
City of Norco

By: _____

Dated: _____

CITY OF NORCO

By: _____
Mayor

ATTEST:

City Clerk
City of Perris

By: _____

Dated: _____

CITY OF PERRIS

By: _____
Mayor

ATTEST:

City Clerk
City of Wildomar

By: *Devin A. Lee*



CITY OF WILDOMAR

By: *[Signature]*
Mayor

EXHIBIT A

List of Member Agencies

City of Canyon Lake

City of Eastvale

City of Hemet

City of Jurupa Valley

City of Perris

City of Norco

City of Wildomar

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Environmental Department Activities Update

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

Date: January 17, 2019

The purpose of this item is to provide the status of a Solid Waste Cooperative and updates on the Used Oil and Filter Exchange Program and status of community outreach activities.

Requested Action:

1. Receive and file.

Background

WRCOG's Solid Waste Program assists member jurisdictions with addressing state mandates which requires recycling programs that divert waste and resources from landfills. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdiction's achievements in meeting and maintaining the diversion requirements. The Solid Waste Program also has a Regional Used Oil component designed to assist member jurisdictions in educating and promoting the proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW).

Solid Waste Cooperative

WRCOG's Solid Waste Cooperative is formed of 18 WRCOG member agencies, waste haulers such as CR&R Environmental Services, Waste Management, and the California Department of Resources Recycling and Recovery (CalRecycle). The Solid Waste Cooperative was formed to help the subregion discuss issues of importance and learn challenges and successes of recycling programs invoked. WRCOG staff held one-on-one meetings with members of the Cooperative, and in responses to some of the issues raised during those discussions, staff was asked to focus on recently chaptered legislation, SB 1383, Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reduction. WRCOG will be hosting a workshop on California's recent legislation, which aims to achieve a 50% reduction in statewide greenhouse gas emissions from organic waste disposal by the year 2020 and by 75% by 2025. CalRecycle will be presenting general information on the upcoming law, as well as answer any questions or concerns. WRCOG will host the workshop on Wednesday, February 20, 2019, from 1:00 p.m. to 3:00 p.m., open to all jurisdictional staff that is interested. Staff will continue to work with the Cooperative to clearly define what activities it can undertake to address this bill.

Used Oil and Filter Exchange Events

The Used Oil Program is paid for by a grant from CalRecycle which funds jurisdictions to provide outreach and education on recycling of used motor oil and filters. WRCOG provides this outreach on behalf of the 18 jurisdictional members that participate in the Program. WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. The primary objective is to teach "Do It Yourself" (DIY) individuals who change their oil, as well as promote recycling of used oil and oil filters to avoid contaminants being disposed of directly into the environment; therefore, an auto parts store is an excellent venue for these events. In addition to promoting used oil / oil filter recycling, staff provides

information about the County-wide HHW Collection Program, which allows residents to drop-off other automotive and hazardous household products for free. The team utilizes an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. At the end of 2018, over 5,000 members of subregion have stopped by the WRCOG booth. Staff has been able to exchange over 1,000 oil filters during events. WRCOG has also distributed more than 3,000 oil drain containers to help ease recycling on DIYers. Staff recently conducted the following Used Oil events in the subregion:

Date	Event	Location	Oil Filters
11/10/18	Community Event	Moreno Valley RCDWR	N/A
11/10/18	Oil & Filter Event	Banning, AutoZone	26
11/17/18	Oil & Filter Event	Riverside, Pep Boys	63
12/1/18	Community Event	Hemet Park	N/A
12/1/18	Oil & Filter Event	Jurupa Valley, AutoZone	55
12/8/18	Oil & Filter Event	San Jacinto, AutoZone	22
12/15/2018	Oil & Filter Event	Temecula, AutoZone	10

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

Date	Events	Location	Time
1/12/2019	Oil & Filter Event	Hemet, AutoZone	9:00 a.m. - 12:00 p.m.
1/26/2018	Oil & Filter Event	Riverside, AutoZone	9:00 a.m. - 12:00 p.m.
2/2/2019	Oil & Filter Event	Eastvale, AutoZone	9:00 a.m. - 12:00 p.m.
2/16/2019	Oil & Filter Event	Riverside, AutoZone	9:00 a.m. - 12:00 p.m.
2/23/2019	Oil & Filter Event	Murrieta, AutoZone	9:00 a.m. - 12:00 p.m.

ReCollect

WRCOG's acquired waste and recycling communication platform, known as ReCollect, is gearing up for a soft launch in late January. ReCollect is an educational toolbar that can be used to help residents, businesses, and schools properly dispose of waste. ReCollect contains a collection calendar that provides dates to take out trash, recycle, and organic bins based on the inputted address. A search engine provides a list of locations to dispose of waste based on the inputted material. The toolbar also includes an easy drag and drop game to help determine which materials are to be placed in which bin, or if they need to be taken to a local facility.

Behind the scenes, tutorials and demonstrations are available upon request. ReCollect's online Collection Calendar and Waste Wizard provides a "widget" (a simple line of code), so it can be added to multiple websites or web pages, making it easy for residents, multi-family units, or commercial businesses to find and use. ReCollect's services will help provide education and lower calls to jurisdictional staff, direct questions to contracted haulers, and offer valuable analytical data on materials that need more attention, based on individual cities. ReCollect will be a free service to all WRCOG cities.

Prior Action:

November 5, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

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

Date: January 17, 2019

The purpose of this item is to provide an update on the Western Riverside County streetlight acquisition and transition processes, incentives and rebates, and the City of Murrieta's acquisition and LED Sample Area.

Requested Action:

1. Receive and file.

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

Background

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

Streetlight Transition Process Background

WRCOG receives regular transition timelines and updates from SCE indicating the estimated timing that SCE will initiate and analyze each streetlight pole as part of the acquisition process. Known as the SCE Inventory and Inspection Process (or inventory true-up process), SCE estimates the entire region will have the transition started by the end of January 2019. At the end of the Process, each jurisdiction will be provided with its own streetlight report containing important information such as the amount of sellable streetlight systems, streetlight location, pole material, etc. To date, the Cities of Eastvale, Hemet, Lake Elsinore, Murrieta, Perris and San Jacinto, as well as the Jurupa Community Services District have completed the Process and have received their streetlight data for review.

The table on the next page estimates the Program milestones for each jurisdiction from the period SCE's Process commences all the way through retrofit completion for the jurisdictions. Note that the table provides different scenario timelines based on alternating milestones of SCE's Process as well as the pace of retrofit and fixture delivery.

12.18.18	SCE Transition start 1	SCE Transition closing 2		City approval + payment of invoice 3	Retrofit Start 4		Retrofit End (Siemens @ 3,000 poles/month) 5		Retrofit End (Siemens @ 1,000/Month)	
		Scenario #1 @ 5 months	Scenario #2 @ 3.5 months		Scenario #1	Scenario #2	Scenario #1	Scenario #2	Scenario #1	Scenario #2
Eastvale	6/1/18	2/26/19	1/12/19	* 150 days	7/26/19	6/11/19	09/04/19	07/21/19	11/24/19	10/10/19
Hemet	6/4/18	3/1/19	1/15/19		7/29/19	6/14/19	08/15/19	07/01/19	09/19/19	08/05/19
JCSD	6/4/18	3/1/19	1/15/19		7/29/19	6/14/19	08/16/19	07/02/19	09/23/19	08/09/19
Lake Elsinore	6/4/18	3/1/19	1/15/19		7/29/19	6/14/19	08/29/19	07/15/19	11/01/19	09/17/19
Menifee	Est. 1/14/19	6/13/19	4/29/19		11/10/19	9/26/19	01/12/20	11/28/19	05/17/20	04/02/20
Moreno Valley	9/1/18	1/29/19	12/15/18		6/28/19	5/14/19	09/24/19	08/10/19	03/18/20	02/02/20
Murrieta	complete	10/12/18	9/12/18		3/11/19	2/9/19	05/14/19		09/20/19	
Perris	7/17/18	2/12/19	12/29/18		7/12/19	5/28/19	08/22/19	07/08/19	11/13/19	09/29/19
San Jacinto	7/17/18	2/12/19	12/29/18		7/12/19	5/28/19	07/30/19	06/15/19	09/04/19	07/21/19
Temecula	12/10/18	5/9/19	3/25/19		10/6/19	8/22/19	12/18/19	11/03/19	05/13/20	03/29/20
Wildomar	9/4/18	4/2/19	2/16/19		8/30/19	7/16/19	09/13/19	07/30/19	10/11/19	08/27/19

1. SCE transition start: Initiation of streetlight inventory and inspection process and final verification of streetlight systems. Completed by SCE's third-party contractor.
2. SCE transition closing: SCE has indicated they can transition between 2,000 to 4,000 lights per month. As such, the table above estimated closing dates using two scenarios. Scenario #1 illustrates a conservative approach where SCE can audit the jurisdiction's poles in 5 months and Scenario #2 illustrates an expedited approach where SCE can audit the jurisdiction's poles in 3½ months.
3. City approval & LED fixture selection & delivery: Estimated timeframe for city review of streetlight audit & submittal of payment for streetlight purchase to SCE, and for LED fixture selection, manufacture and delivery.
4. Retrofit start: Estimated LED retrofit start date. Retrofit start date will be based on Footnote #2 audit approach.
5. Retrofit end: Estimated LED retrofit end date. Two Scenarios are shown with WRCOG's O&M vendor, Siemens, providing a 3,000 poles per month retrofit and 1,000 poles per month retrofit scenario(s). SCE rebate / incentive applications will be submitted in phases during the whole retrofit process.

Streetlight Transition Update: In late September 2018, Murrieta became the first City within Western Riverside County to fully acquire its approximately 6,400 lights from SCE. Shortly thereafter, the City installed a streetlight test bed consisting of 15 GE LED fixtures and evaluated them during the month of October 2018 to determine the final selection of fixture models. Additionally, the City and WRCOG hosted small tours of the Murrieta test bed for City staff and other jurisdictions to evaluate and possibly make a similar selection. In late 2018, the City made its selection and placed an order for LED fixtures, which are expected to arrive in early January 2019. The City of Murrieta will be the first of the 11 participating jurisdictions to start the retrofit of their streetlights by the end of January with the remaining 10 jurisdictions expected to follow in early 2019.

Incentive / Rebate Update: Through the Regional Streetlight Program, WRCOG also supports member jurisdictions when they apply for rebates from SCE as they look to retrofit the streetlights with qualified LEDs. SCE provides incentives to jurisdictions in the form of a rebate check for implementing qualified energy efficiency projects throughout their facilities that successfully reduce energy consumption and utility costs.

In late 2017, SCE made the determination to grandfather the 2015 express incentives for WRCOG jurisdictions participating in streetlight acquisition. Although the incentives continue to change for other customers in SCE's service territory, participating jurisdictions are grandfathered by SCE and will not be affected. Given that SCE has grandfathered jurisdictions participating in the Regional Streetlight Program, participating jurisdictions will receive, on average, a rebate amount 26% higher than current incentives for jurisdictions outside the Regional Streetlight Program.

The incentive process determines rebates on a dollar-per-fixture amount. Once the jurisdiction has selected its qualified LED fixtures, it can simply multiply the rebate-per-fixture by the number of fixtures to be purchased to get an approximate total rebate amount. The table below identifies the dollar-per-fixture rebates offered by SCE.

Measure Name	Rebate \$* (2015)
Up to 28 Watt Street Light LED replacing 50 Watt High Pressure Sodium	\$90
29 to 43 Watt Street Light LED replacing 70 Watt High Pressure Sodium	\$98
44 to 54 Watt Street Light LED replacing 100 Watt High Pressure Sodium	\$114
55 to 90 Watt Street Light LED replacing 150 Watt High Pressure Sodium	\$132
91 to 130 Watt Street Light LED replacing 200 Watt High Pressure Sodium	\$140
131 to 190 Watt Street Light LED replacing 250 Watt High Pressure Sodium	\$212
191 to 222 Watt Street Light LED replacing 310 Watt High Pressure Sodium	\$264
223 to 260 Watt Street Light LED replacing 400 Watt High Pressure Sodium	\$208

*Rebate per fixture amounts are subject to change by Southern California Edison (SCE).

Prior Action:

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

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2018/2019 Budget in the Energy Department.

Attachment:

None.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Western Riverside Energy Partnership Activities Update

Contact: Anthony Segura, Staff Analyst, asegura@wrcog.us, (951) 405-6733

Date: January 17, 2019

The purpose of this item is to provide information on the development of a Regional Energy Network (REN), an update on the 2019 SoCalGas Partnership Contract, and results from the 2018 LED Holiday Light Exchange and Energy Efficiency Kit-Giveaway.

Requested Action:

1. Recommend that the Executive Committee authorize the Executive Director to execute the Third Contract Amendment with Southern California Gas Company to jointly deliver the 2013-2014 Western Riverside Energy Efficiency Partnership Program, including the continuation of the Western Riverside Energy Partnership, through year 2019, substantially as to form.

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

Evolution of Local Government Partnerships & Development of Regional Energy Network

Local Government Partnerships Background: Local Government Partnerships (LGPs) were approved by the California Public Utilities Commission (CPUC) in 2009 and allow Investor Owned Utilities (IOUs) to work with local governments on the implementation of LGPs. Through this model, LGPs were developed to focus on three objectives: 1) retrofitting local government buildings; 2) promoting utility core programs; and 3) supporting qualified energy efficiency activities included in the Energy Efficiency Strategic Plan.

WREP is a LGP formed in 2010 and is administered by WRCOG to achieve these three objectives. WREP works closely with WRCOG's member agencies, SCE, and SoCal Gas to provide project support and community outreach through a number of energy efficiency initiatives. There are currently more than 40 LGPs in the state which are facing three immediate challenges that could affect the continuity of their status and ongoing support of energy efficiency projects / outreach they provide to their members. These challenges include:

1. Decreases in funding: IOUs are decreasing the funding that LGPs will be receiving; this will start to take effect in January 2019. For LGPs performing work in the territories of Pacific Gas & Electric (PG&E), SoCal Gas, and SCE, there has been an average decrease in funding of 31%.
2. IOUs bidding out Energy Efficiency Programs: IOUs will be exporting approximately 60% of their Energy Efficiency Portfolio / Programs and will bid them out to third party providers to take over the role that LGPs currently have as partners with the IOUs. The reason for this export of programs is that IOUs believe that

there are other resources to make its energy efficiency programs more effective. In doing so, the IOUs are looking at distributing a Request for Proposal (RFP) to identify a potential contractor that can better assist with meeting their goals. The RFP is expected to be released in February 2019 and a selected contractor will begin conducting work in 2020.

3. **Eliminating Strategic Planning:** IOUs will stop offering Strategic Plan funding as of January 2019. The reasoning behind this approach is that there is no quantifiable way to calculate or identify the effectiveness of energy efficiency with these programs. Programs that have been funded through this source include Benchmarking services and Online Permitting Systems.

Regional Energy Network (REN) might be the next evolution: A potential solution WRCOG has been examining to address these challenges is to work with San Bernardino Council of Governments (SBCOG) and Coachella Valley Association of Governments (CVAG) (which implement its own individual LGPs) to develop and implement a Regional Energy. The result would be that the REN would cover both Riverside and San Bernardino Counties.

Over the past several months, WRCOG staff has been communicating with staff from both CVAG and SBCOG to discuss the possibility of developing a REN to cover both Riverside and San Bernardino counties.

The following provides a brief overview of RENs in the state.

What is the difference between a REN and a LGP? RENs differ from LGPs from the fact that the CPUC sought for the RENs to address the following three operational areas:

1. RENs should undertake programs that the IOUs cannot or do not intend to do.
2. RENs should target hard to reach areas.
3. RENs should design programs that have the potential to be scaled to larger geographic areas.

In addition to these focus areas, the CPUC also directed RENs to address the areas of Workforce Education & Training (WE&T), Technology development, and Water – Energy Nexus.

Where are there RENs and what do they accomplish? To date, there are three active RENs which includes SoCal REN (administered by the County of Los Angeles), BAYREN (administered by the Association of Bay Area Governments (ABAG)), and 3CREN (administered by Santa Barbara, San Luis Obispo, and Ventura Counties). These three REN implementers work cohesively with their respective IOUs and administer the following programs for their regions:

1. Residential & Commercial Energy Efficiency Installation Programs
2. Workshops & Trainings
3. Financing Mechanisms for Energy Efficiency Projects
4. Working with 3rd party providers for either municipal / business energy efficiency support

Why do RENs exist? The goal of each REN is to implement and administer energy efficiency programs the current IOUs cannot or do not have the available resources to implement within each service territory. As directed by the CPUC, RENs look to fill the gap that IOUs cannot reach. For RENs, the term “filling the gap” means areas that are hard to reach or low-income communities.

What are the benefits of a REN? RENs focus on opportunities to grow and educate in the field of energy efficiency by providing programs that benefit communities considered to be low income or that do not have a high penetration rate by IOU providers. Furthermore, RENs have more access to funding to implement regional programs offered to various members involved within RENs than what current LGPs have within their funding cycle.

What does the funding look like for the existing RENs? The table below compares the 2019 WREP budget to the total amount of funding that each REN will be looking to utilize for 2019. More specifically, the flow of

money is different between a REN and an LPG. In an LPG, the IOUs approved the budget and reimburse. In a REN, the money is sent directly from the CPUC in advance.

2019 Energy Program Funding	
Program	Funding Allocation
SoCal REN	\$ 21,800,800
BAYREN	\$ 24,702,000
3C REN	\$ 5,964,400
WREP	\$ 216,000

On November 14, 2018, the Administration & Finance Committee meeting took the following actions:

1. Recommended that the Executive Committee authorize the Executive Director to develop a joint cooperative agreement among CVAG, SBCOG, and WRCOG to move forward with the coordination and development of a REN between all three entities.
2. Recommended that Executive Committee direct the Executive Director to release a Request for Proposals for feasibility and implementation of a REN that would be used to identify a consultant to assist all three COGs for the development of a Business Plan and Implementation Plan.

On December 3, 2018, the WRCOG Executive Committee, authorized staff to continue working with both CVAG and SBCOG to develop a joint cooperative agreement and release a Request for Proposal to identify a consultant to assist all three entities with development / implementation of a REN of a not to exceed amount of \$150,000 (\$50,000 per COG). Staff is finalizing the RFP and anticipates it will be released in January 2019.

2018 LED Holiday Light Exchange and Energy Efficiency Kit Giveaway

This past 2018 holiday season, the WREP hosted its 5th Annual LED Holiday LED Light Exchange and Energy Efficiency Kit Giveaway. Residents within Western Riverside County were provided with the opportunity to swap out their old, incandescent holiday Christmas lights for new, LED efficient lights. Additionally, residents also received an Energy efficiency kit provided on behalf of SoCal Gas that contained a low flow showerhead and three faucet aerators.

The Cities of Calimesa, Canyon Lake, Eastvale, Perris, and Temecula all participated in the Program. Over 500 holiday lights were provided to more than 200 residential homes in Western Riverside County. WREP also provided over 60 energy efficiency kits to interested residents as well.



WRCOG staff pictured above at Cities of Calimesa (Left) and Canyon Lake (right) events

The Program originated in 2014 and allows residents within SCE territory to exchange their old incandescent holiday lights for new, energy efficient LEDs. SoCal Gas joined the Program in 2016 to promote their energy efficiency kits to their customers. To date, staff has attended 25 holiday community events, exchanged over 2,800 holiday lights, and provided 200 energy efficiency starter kits. This equates to benefits provided to over

1,400 households within Western Riverside County.

SoCal Gas 3rd Amendment to the Western Riverside Energy Partnership

In 2013, WRCOG entered into an agreement with SoCalGas to partner with both SCE and WRCOG to be the lead agencies in the WREP Program. Through this agreement, SoCal Gas joined the Partnership and provided a budget to provide programmatic services to enrolled members to assist with energy efficiency projects, strategic planning, and educating the community on sustainability / utility customer programs.

This 3rd Amendment (Attachment 1) establishes the budget for the 2019 calendar year and will be used to assist the members enrolled in the Program with their goals for energy efficiency. The allocated budget for 2019 is a not to exceed amount of \$108,400 (*\$117,700 total with incentives included*). This budget will be used to assist WREP members with project identification / project support, community outreach, and other gas-related initiatives such as facility analyses.

Prior Actions:

December 3, 2018: The Executive Committee directed the Executive Director to execute the Ninth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program, including the continuation of the Western Riverside Energy Leader Partnership, through year 2019, substantially as to form.

November 14, 2018: The Administration & Finance Committee recommended that the Executive Committee 1) authorize the Executive Director to develop a joint cooperation agreement between CVAG, SBCOG, and WRCOG; and 2) direct the Executive Director to release a Request for Proposals for feasibility & implementation of a Regional Energy Network.

Fiscal Impact:

Activities for the WREP Partnership are included in the Agency's adopted Fiscal Year 2018/2019 Budget in the Energy Department.

Attachment:

1. SoCal Gas 3rd Amendment to WREP Partnership.

Item 6.F

Western Riverside Energy
Partnership Activities Update

Attachment 1

SoCal Gas 3rd Amendment to WREP
Partnership

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THIRD AMENDMENT

THIS THIRD AMENDMENT (“THIRD AMENDMENT”) TO THE AGREEMENT TO DELIVER THE 2013-2014 WESTERN RIVERSIDE ENERGY EFFICIENCY PARTNERSHIP PROGRAM dated January 1, 2013, as such has been amended from time to time (the “Agreement”) is effective as of January 1, 2019 (the “Third Amendment Effective Date”) by and between SOUTHERN CALIFORNIA GAS COMPANY (“SCG”) AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS. Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. SCG may be referred to individually herein as the “Utility” or collectively as the “Utilities”. The Utilities and Western Riverside Council of Governments may be referred to herein individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into that certain Agreement to Jointly Deliver the 2013-2014 Western Riverside Energy Efficiency Partnership Program effective as of January 1, 2013 as amended by that certain First Amendment effective as of January 1, 2013 and that certain Second Amendment effective as of January 1, 2016.

WHEREAS, on October 28, 2015 the California Public Utilities Commission (“Commission”) issued Decision D.15-10-028 approving the continuation of the Energy Efficiency Partnership Programs including continuation of the Program for 2016 and beyond; and

WHEREAS, the Parties desire to further amend the Agreement as necessary to provide an authorized budget for the 2019 Program and to update the Agreement as required to reflect the extended 2019 Program cycle under the terms and conditions set forth in the Agreement, except as otherwise provided in this Third Amendment.

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

1. To the extent applicable, any reference in the Agreement, as amended, to the “2013-2014 Program” shall also hereby include the 2019 Program.

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

11. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES

Unless this Agreement is terminated pursuant to Section 25 below, or unless otherwise agreed to by the Parties or so ordered by the Commission, the Parties shall complete all Program Administrative activities (as defined in the PIP) and all reporting requirements by no later than March 31, 2020, and all Direct Implementation and Marketing & Outreach activities by no later than December 31, 2019.

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

12. FINAL INVOICES

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

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

25.1 Term. This Agreement shall be effective as of the Effective Date. Subject to Section 37, the Agreement shall continue in effect until March 31, 2020 unless otherwise terminated in accordance with the provisions of Section 25.2 or 30 below.

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

26. WRITTEN NOTICES

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

WRCOG:

Western Riverside Council of Governments
Tyler Masters, Staff Analyst
3390 University Avenue, Suite 450
Riverside, CA 92501 - 3315

SCG:

Southern California Gas Company
Ana Aceves, Program Manager
555 W. 5th Street, ML GT20B4
Los Angeles, CA 90013

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

6. Exhibit B (Southern California Gas Company GOALS & WESTERN RIVERSIDE ENERGY EFFICIENCY PARTNERSHIP BUDGET) of the Agreement is hereby deleted in its entirety and replaced with the version of Exhibit B (Southern California Gas Company 2019 GOALS & PARTNER BUDGET FOR Western Riverside Energy Partnership) attached to this Third Amendment, which attached version is incorporated herein by reference and made a part of the Agreement.

7. This Third Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.
8. From and after the Third Amendment Effective Date, any reference to the Agreement contained in any notice, request, certificate or other instrument, document or agreement shall be deemed to mean the Agreement, as amended by any prior amendments to the Agreement, and this Third Amendment. In the event of any conflict between the Agreement, as amended, and this Third Amendment, this Third Amendment shall prevail. All remaining provisions of the Agreement shall remain unchanged and in full force and effect. Each party is fully responsible for ensuring that the person signing this Third Amendment on that party's behalf has the requisite legal authority to do so.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

WRCOG:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS:

By: _____

Name: Rick Bishop

Title: Executive Director

Date: _____

SOCALGAS:

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

Name: Sharon Tomkins

Title: Vice President, Customer Solutions and Strategy

Date: _____

EXHIBIT B

**WRCOG and SOUTHERN CALIFORNIA GAS COMPANY PARTNERSHIP
2019 PROGRAM BUDGET and ENERGY SAVINGS GOALS**

Total Authorized 2019 Budget		
Budget Category	2013-2018	2019
<i>Administrative</i>	\$75,000	\$10,000
<i>Marketing</i>	\$78,000	\$10,400
<i>Direct Implementation</i>	\$660,000	\$88,000
<i>Incentive¹</i>	\$37,200	\$9,300
TOTAL	\$850,200	\$117,700

2019 Energy Savings Goals (Gross Therms)	
2013 – 2018	37,200 Therms
2019	6,200 Therms
TOTAL	43,400 Therms

¹ Incentive is part of SCG Core Program's Incentive Budget. The incentive level is \$1.50 per therm for calculated measures or 80% of the equipment costs, whichever is the lesser of the two. Incentives for deemed measures are in accordance with the incentive levels for the applicable SCG Core Programs.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: TUMF Program Activities Update

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

Date: January 17, 2019

The purpose of this item is to provide an update on TUMF revenue and the TUMF collection policy revision approved in fall 2018.

Requested Action:

1. Receive and file.

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

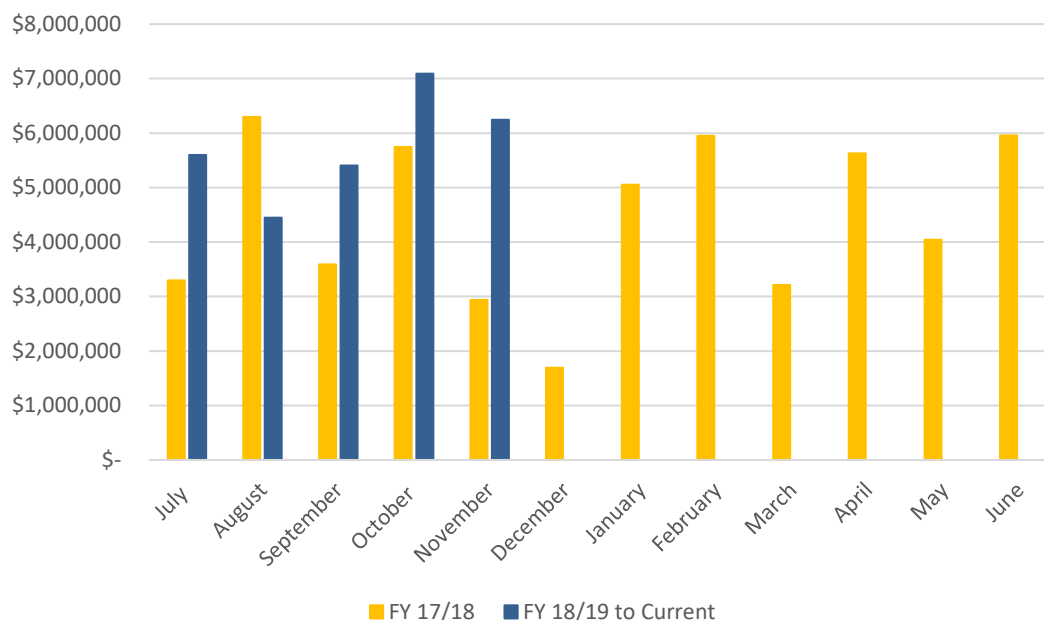
TUMF Zone Revenue

For the first five months of TUMF collections for Fiscal Year (FY) 2018/2019 total revenue has been approximately \$29M. Except for August 2018, collections each month of FY 2018/2019 have been higher than the corresponding month in FY 2017/2018, as shown in the graph below, and collections during this period are approximately \$7M higher than collections during the first five months of FY 2017/2018. Six agencies have collected more money in the first five months of FY 2018/2019 than in the entirety of FY 2017/2018.

The Northwest and Central Zones have collected approximately 70% of the total revenue during FY 2018/2019 to date. By land use, single-family residential collections have been the most significant, followed by industrial collections.

Each TUMF dollar collected is split between the Zone from which it was collected; RCTC, RTA, and RCA. As outlined in the TUMF Nexus Study, 45.7% of each TUMF dollar collected is returned directly to the Zone from which it was generated. It is important to note that the total collections discussed above and shown in the graph below reflect total collections prior to the TUMF zone dollar split.

TUMF Revenue - All Zones



TUMF Calculation and Collection Policy Revision

In October 2018, the Executive Committee approved an update to the TUMF calculation and collection process to allow an option for member agencies to shift the responsibility for TUMF calculation and collection to WRCOG. The option to delegate TUMF calculation and collection to WRCOG will only become effective for a member agency with action by the elected body of the agency to approve the TUMF Ordinance Amendment. Fourteen member agencies, representing approximately 70% of all TUMF collections, have indicated to WRCOG their intention to shift responsibility for fee calculation and collection to WRCOG and have presented or are planning to present the amended TUMF Ordinance for approval. The Cities of Lake Elsinore and Perris and the County of Riverside have indicated that they will not be opting-in to the process at this time. Member agencies that have not officially communicated their preference to WRCOG are encouraged to do so as soon as possible. For the agencies that have not provided a formal response, the current TUMF collection process will be maintained. The following table provides an update for each TUMF Program participating agency:

Agency	Opt Out / In	1st Ordinance Reading	Estimated Effective Date
County of Riverside	Out	N/A	N/A
Northwest Zone			
Corona	In	12/10/2018	3/1/2019
Eastvale	In	11/14/2018	2/1/2019
Jurupa Valley	In	Early 2019	Spring / Summer 2019
March JPA	In	Early 2019	Spring / Summer 2019
Norco	In	12/19/2018	3/1/2019
Riverside	In	Early 2019	Spring / Summer 2019
Southwest Zone			
Canyon Lake	No official correspondence		
Lake Elsinore	Out	N/A	N/A
Murrieta	In	12/18/2018	3/1/2019
Temecula	In	1/8/2019	4/1/2019

Agency	Opt Out / In	1st Ordinance Reading	Estimated Effective Date
Wildomar	In	Early 2019	Spring / Summer 2019
Central Zone			
Menifee	In	Early 2019	Spring / Summer 2019
Moreno Valley	In	Early 2019	Spring / Summer 2019
Perris	Out	N/A	N/A
Pass Zone			
Banning	<i>No official correspondence</i>		
Beaumont	<i>No official correspondence</i>		
Calimesa	In	1/22/2019	Spring / Summer 2019
Hemet / San Jacinto Zone			
Hemet	In	Early 2019	Spring / Summer 2019
San Jacinto	In	Early 2019	Spring / Summer 2019

For member agencies that have delegated fee calculation and collection to WRCOG, and have approved the TUMF Ordinance Amendment, the fee assessments will be provided electronically, and collection will occur remotely via wire transfer or in-person by check at the WRCOG offices. Once payment has been completed, WRCOG staff will forward a receipt of payment to the appropriate member agency staff and the developer.

Annual reporting requirements for member agencies that delegate fee calculation and collection responsibility to WRCOG will be significantly reduced and will only entail submitting a list of building permits issued for the year to ensure that calculation worksheets have been submitted for each project. There will be no fiscal component to the annual review. Additionally, the refund process will be simplified for these agencies, as WRCOG will be able to issue refunds directly to developers, if needed. Developers will also be able to bring fee disputes directly to WRCOG, reducing member agency staff time.

TUMF Calculation and Collection Process Next Steps

WRCOG staff are meeting with staff from each member agency that has elected to have WRCOG take responsibility for TUMF fee calculation and collection prior to taking this responsibility to explain in further detail the new process and address any questions member agency staff may have. Staff are also available to attend City Council meetings or answer questions as the member agency approves the amended TUMF Ordinance. WRCOG calculation and collection of TUMF for these member agencies will commence on the first of the month after TUMF Ordinance Amendment becomes effective. These member agencies are required to continue with the current TUMF reporting processes until this effective date.

For member agencies that have elected to maintain the status quo, WRCOG staff will be reaching out with a refresher on the requirements of the TUMF remittance reporting process. In particular, WRCOG staff will be requesting building permits, or other similar documentation, for all non-residential permits and requiring that all projects are reported, even for projects that are exempt or receive credit and do not pay any TUMF. Staff are available to meet with member agency staff to answer questions and ensure that member agency staff understand all requirements.

Transportation Implementation Program (TIP) Updates

WRCOG regularly convenes Zone Committee meetings to develop TIPs, which allocate funding to specific projects in the subregion based on projected revenue for each Zone. Projected revenue is calculated for each TIP based on the average collections from the Zone for the past three fiscal years and adjusted to account for

the TUMF dollar split described above. Once a project is on the TIP, funding is provided to member agencies on a reimbursement basis as the project progresses.

The Northwest Zone 2019 TIP was recently approved, and staff will be reaching out to member agency staff to ensure that agreements are in place to allow for reimbursement of funds allocated on the TIP. The Central and Pass Zone TIPs have been approved by staff within each respective zone and need to be approved by the elected officials from these Zones prior to going to WRCOG's Executive Committee for approval. Staff is in the process of convening the elected officials from the Central and Pass Zones to review their respective TIPs. Staff is working with member agency staff from the Hemet / San Jacinto and Southwest Zones to identify project funding requests.

WRCOG has made approximately \$21M in reimbursement payments to member agencies during the first six months of FY 2018/2019. Staff encourages member agencies to submit reimbursement requests as projects progress, generally in increments of no less than approximately \$10,000.

Prior Action:

January 7, 2019: The Executive Committee approved the proposed revisions to the TUMF Administrative Plan.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2018/2019 Budget under the Transportation Department.

Attachment:

None.



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: International City / County Management Association Activities Update

Contact: AJ Wilson, California Senior Advisor, ajwcm@aol.com, (760) 723-8623

Date: January 17, 2019

The purpose of this item is to provide the Committee with an update of International City / County Management Association (ICMA) activities.

Requested Action:

1. Receive and file.

ICMA

Western Regional Conference: To offer greater opportunities for managers and their assistants, ICMA is offering to hold regional conferences in each ICMA region. The West Coast Region's conference will be held in Reno, Nevada, March 20 – 22, 2019. Register online at <https://icma.org/>. A special offer allows you to bring any number of staff with the main reservation for \$100.00 registration fee.

League of California Cities

League of California Cities City Managers Department: The annual conference of the City Managers Department will be held February 13 – 15, 2019, at the Intercontinental Hotel in San Diego.

The sessions have been moved to this facility to accommodate more attendees given the problem in recent years of City Managers unable to register because it was sold out. To further ensure that all City Managers and Assistant City Managers can attend, a preregistration period for Managers only will open two weeks in advance of the open registration. There are still openings for registration and a backup hotel can be booked on the League's website when you register online at <https://www.cacities.org/Education-Events/City-Managers-Department-Meeting>.

Senior Advisor Support

As your Senior Advisor, Mr. Wilson is available for personal discussions, resource identification, and general briefings for your employees who may be ICMA members or MMASC members. Please contact Mr. Wilson at (714) 323-9116 or ajwcm@aol.com.

Prior Action:

October 18, 2018: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Approval of Technical Advisory Committee 2019 Meeting Schedule

Contact: Janis Leonard, Administrative Services Manager, jleonard@wrcog.us, (951) 405-6702

Date: January 17, 2019

The purpose of this item is to provide and obtain approval of the Technical Advisory Committee meeting schedule for 2019.

Requested Action:

1. Approve the Schedule of Technical Advisory Committee meetings for 2019.
-

Attached are the proposed meeting dates for the 2019 Technical Advisory Committee (TAC) meetings. All TAC meeting dates are proposed for the third Thursday of the month, with the exception of being dark during the months of June and December.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Schedule of Technical Advisory Committee meetings for 2019.

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Item 6.I

Technical Advisory Committee 2019 Meeting Schedule

Attachment 1

Schedule of Technical Advisory Committee meetings for 2019

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS SCHEDULE OF MEETINGS FOR 2019

WRCOG Standing Committees	Day	Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Technical Advisory Committee	3rd Thurs.	9:30 a.m.	17	21	21	18	16	DARK	18	15	19	17	21	DARK

Agendas are available at www.wrcog.us approximately seven (7) days prior to the meeting. This schedule is subject to change by action of the committees.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: PACE Programs Activities Update

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

Date: January 17, 2019

The purpose of this item is to provide an update on consideration of authorizing a new Commercial PACE Provider and to seek authorization to continue examining the feasibility of and potentially pursuing legislation to support utilization of financing PACE on new residential construction.

Requested Action:

1. Consider the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and was expanded in 2014 (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG currently offers CaliforniaFIRST and PACE Funding as additional PACE Providers under the WRCOG's Residential PACE Program; and Greenworks, CleanFund, and Ygrene as additional PACE Providers under the WRCOG Commercial PACE Program.

Request from Lord Capital to operate under WRCOG Commercial Umbrella

WRCOG was approached by Lord Capital to operate under the WRCOG Statewide Commercial PACE umbrella. On October 11, 2018, WRCOG staff conducted a site visit and received a presentation on Lord Capital's PACE Program development and operations.

Highlights of the site visit include the following:

- Lord Capital has experience in a wide range of asset classes with a broad expanse of banking and capital markets expertise including: PACE financing, Operations, Municipal Finance, Capital Markets, Commercial Loan Origination and Underwriting, and Government Relations.
- Lord Capital has taken responsibility for over \$86 billion of assets.
- Its team provides a mix of loan origination, structured finance, and commercial credit expertise.
- Lord Capital currently operates in 11 states and WRCOG's Statewide Program would be the only Issuer it plans to work with in California.

On December 3, 2018, the PACE Ad Hoc Committee received a presentation from Lord Capital and recommended proceeding to the Administration & Finance Committee for approval.

What are the next steps? On January 9, 2018, the Administration & Finance Committee supported the recommendation from the PACE Ad Hoc Committee to recommend that the WRCOG Executive Committee authorize the Executive Director to move forward with Lord Capital. If approved by the Executive Committee, staff would then collaborate with Lord Capital to finalize policies, documents, and procedures to authorize Lord Capital to operate statewide once the Executive Committee has approved their Administration Agreements and Program Documents.

What are the next steps for the member agencies? Member jurisdictions will always retain the right to include or exclude additional PACE providers who are not participating under the WRCOG umbrella.

If the Executive Committee's action is to adopt Lord Capital as an additional provider, the Program will automatically be able to operate in each member jurisdiction, unless a jurisdiction acts to prohibit its inclusion. If a jurisdiction desires NOT to include Lord Capital as an additional provider, it must adopt a resolution to opt-out of the Program. WRCOG will continue to provide outreach with the adoption of each additional PACE Program and provide each member jurisdiction with the opt-out resolution if requested.

Continued Exploration of Utilizing PACE Financing for New Residential Construction Update

On January 9, 2018, the Administration & Finance Committee received an update regarding staff's initiative to include PACE financing for new residential construction.

As way of background, on October 10, 2018, the Administration & Finance Committee received a report on the recent decision by the California Energy Commission (CEC) to require photovoltaic solar panel systems, smart home energy systems, and electric vehicle-ready wiring on all new homes beginning in 2020. Staff believes that PACE financing has the potential to become a viable tool for the development community as it strives to comply with these new requirements by adding a mezzanine financing option for developers, similar to Commercial PACE new construction, to finance the additional improvements required under the new 2020 building standards.

With New Construction standards for Commercial PACE, the provider works with developers or commercial builders looking to utilize PACE as part of the overall 'capital stack' of financing options. If the developer voluntarily chooses to use PACE, the amount financed can only go towards those eligible improvements that have been authorized by WRCOG. The same approach would be replicated under new legislation for Residential PACE. Additionally, the issue of transference from property owner to property owner is being addressed by proposing to automatically subordinate the PACE lien on the property tax roll from the traditional placement above the senior mortgage to a position below it. Staff believes this adjustment will alleviate concerns raised by the Realtor community as well as the Federal Housing Authority.

On December 9, 2018, staff met with members of the CEC and representatives from the PACE industry to discuss the current state of affairs for PACE and the role PACE plays in achieving the State's greenhouse gas emissions reduction and energy efficiency goals, as outlined in SB 350. Legislation allowing PACE for new construction was also discussed and was supported by CEC staff in attendance. Additionally, WRCOG staff has met with staff from various State Assembly and Senate representatives to discuss the possibility of sponsoring legislation that would allow PACE in this role in 2019. Finally, WRCOG staff has previously met with representatives from the California Building Industry Association and there appears to be general support for the concept of allowing PACE on new residential construction beginning in 2020.

The next step in this process is to engage with a legislative advocate to help draft a proposed bill and actively work with State lawmakers to find an author and develop the broad coalition of support needed to pass the bill. As such, staff received authority by the Administration & Finance Committee to expend up to \$75,000 on legislative advocacy services. Staff has been working with WRCOG General Counsel, Best Best & Krieger, to draft a preliminary version of the bill to share with legislators so that the effort to build support can begin. The deadline to request a bill be drafted by the Legislative Counsel's Office in Sacramento in January 25, 2019, and the deadline to introduce a bill for consideration of the Assembly and Senate is February 19, 2019.

Prior Action:

January 9, 2019: The Administration & Finance Committee approved the recommendation from the PACE Ad Hoc Committee recommending that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Approval of Revised Purchasing and Procurement Policy

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 406-6720

Date: January 17, 2019

The purpose of this item is to seek approval of a revised Purchasing and Procurement Policy.

Requested Action:

1. Recommend that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.

Background

In October 2005, the Executive Committee adopted Resolution Number 10-06 approving the WRCOG Purchasing and Procurement Policy. The purpose of the Policy is to assure purchases are accomplished in a manner providing the greatest value at the minimum cost to the public. The Policy provides uniform procedures for acquiring materials, supplies and equipment. Since adoption in 2005, the Policy has not been updated.

Current Issue

In an effort to expand Environmental Program funding opportunities, WRCOG staff has been researching grants through the Department of Resources, Recycling and Recovery (CalRecycle). In order for WRCOG to be eligible to apply for any funding opportunity through CalRecycle, the Policy needs to be updated to incorporate certain environmentally friendly purchasing policies. Some of these updates include encouraging reduction of waste to landfills, avoiding consumption of single-use products, purchasing goods and services that are durable, reusable, refillable, and have extended longevity, and periodically evaluating the success of the Policy's implementation.

The proposed Policy changes are included in this report as Attachment 2 and largely incorporate the existing purchasing and procurement practices currently used at WRCOG. Staff is requesting the Administration & Finance Committee recommend to the Executive Committee to adopt Resolution 19-01, updating the WRCOG Purchasing and Procurement Policy.

Prior Action:

January 9, 2019: The Administration & Finance Committee recommended that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.

Fiscal Impact:

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

Attachments:

1. WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.
2. Policy Number 2019-01: Purchasing and Procurement Policy, red-lined version.

Item 6.K

Approval of Revised Purchasing and
Procurement Policy

Attachment 1

WRCOG Resolution Number 19-01;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Adopting a
Revised Purchasing and
Procurement Policy

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RESOLUTION NUMBER 19-01

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ADOPTING A REVISED PURCHASING AND PROCUREMENT POLICY

WHEREAS, California Government Code section 54201 et seq. requires all local public agencies to adopt policies and procedures, including bidding regulations, that govern the purchase of materials, supplies and equipment by local public agencies; and

WHEREAS, the Western Riverside Council of Governments ("WRCOG") is a joint powers authority consisting of the County of Riverside, 18 cities situated in Western Riverside County, the Eastern Municipal Water District, the Western Municipal Water District, and the Morongo Band of Mission Indians; and

WHEREAS, pursuant to Section 2.4.2 of the Joint Powers Agreement of WRCOG ("Agreement"), the WRCOG Executive Committee ("Committee") is authorized to exercise the powers of the Agreement between session of the General Assembly; and

WHEREAS, the Purchasing and Procurement Policy has not been updated since its initial adoption in October 2005; and

WHEREAS, the Committee desires to adopt specific policies and procedures that will improve the efficiency of WRCOG's purchasing and bidding processes; and

WHEREAS, the revised Policy provides uniform procedures for acquiring materials, supplies, and equipment while being considerate of the environment and associated costs; and

WHEREAS, the adoption of this revised Policy is in the best interests of WRCOG.

NOW, THEREFORE, the Executive Committee of the Western Riverside Council of Governments does hereby RESOLVE as follows:

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

Section 1. The Committee does hereby approve and adopt the proposed revised Purchasing and Procurement Policy, a copy of which is attached as Exhibit "A".

Section 2. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on February 4, 2019.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

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

Exhibit “A”

Revised Purchasing and Procurement Policy

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Item 6.K

Approval of Revised Purchasing and
Procurement Policy

Attachment 2

Policy Number 2019-01: Purchasing
and Procurement Policy, red-lined
version

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

POLICY NUMBER 2019-01

PURCHASING AND PROCUREMENT POLICY

1.0 INTRODUCTION

1.1 Purpose.

To assure purchases are accomplished in a manner providing the greatest value at the minimum cost to the public, in an effort to protect the local environment, this Policy provides uniform procedures for acquiring materials, supplies, and equipment while being considerate of the environmental associated costs. All purchases of materials, equipment, or supplies to be paid by the Western Riverside Council of Governments ("WRCOG") must adhere to the methods, authority, and dollar limits of this Policy outlined below, except for contracts entered into prior to the effective date of this Policy.

1.2 Scope and Intent.

The authorizations set forth in this section are controlling throughout the entirety of this document and shall be held to be controlling when not specifically referenced. This Policy is adopted in efforts to:

- A. Protect the environment.
- B. Reduce unnecessary landfill waste and pollution through ecologically sound practices.
- C. Purchase goods and services that minimize negative environmental impacts for WRCOG and the community.
- D. Prioritize the purchasing and usage of recyclable products, which includes agricultural-based materials that are unbleached, leadfree, chlorine-free, mercury free, sustainably harvested wood, and environmentally conservative.

1.3 Responsibilities of the Executive Director.

The Executive Director or designee is responsible for: (i) procurement of materials, supplies, and equipment; (ii) administration of this ~~policy~~Policy; and (iii) ~~ensure~~ensuring the lowest reasonable cost that provides the maximum benefit to WRCOG, with efforts to minimize negative environmental costs.

2.0 GENERAL PURCHASE PROVISIONS

2.1 Purchase Orders, Contracts, and Invoices.

A. Purchase Order and Contract Approval. In general, purchases for WRCOG are processed by generating a purchase order. Significant material, supply, and equipment purchases usually require the execution of a contract in addition to a purchase order.

B. Invoice Approval. Prior to the payment of invoices or other demands for payment, the Executive Director or designee shall review and approve, as appropriate, all invoices with all related documentation to ensure the proper and accurate disbursement of WRCOG funds.

C. Split Orders. Under no circumstances shall any individual split orders or otherwise alter the process of purchasing materials, supplies, or equipment so as to circumvent the limits or provisions contained in this Policy.

2.2 Emergency Purchases.

In case of emergency, as reasonably determined by the Executive Director, the Executive Director may secure in the open market, at the lowest obtainable price, supplies, materials, or equipment required regardless of the amount of the expenditure.

During an emergency, the Executive Director may purchase supplies, materials, or equipment after it has been determined that the purchase constitutes an emergency purchase intended to prevent or mitigate the occurrence of one or more of the above referenced events. The Executive Director shall notify the Executive Committee Chairperson, if available, immediately after the decision to make an emergency purchase has been made.

2.3 Check Preparation.

All checks of any amount shall bear the signature of at least two of the following: the Executive Director, the ~~Controller~~Chief Financial Officer, or the Executive Committee Chairperson.

2.4 Exceptions to the Purchasing Policy Requirements; Waiver.

The provisions and limitations contained in this Policy do not apply to the payment for public utility service and accordingly the Executive Director or designee is authorized to disburse funds for these items in the appropriate amounts. The Executive Director may waive any of the requirements of this Policy other than the requirements of Section 2.3, provided such a waiver serves the best interests of WRCOG and does not violate any local, state, or federal law.

3.0 **CONTRACTS FOR MATERIALS, SUPPLIES, AND EQUIPMENT**

3.1 Purchases less than \$5,000.

Purchases of materials, supplies, and equipment having a total estimated value of less than \$5,000 may be made without formal or informal competitive bidding or competitive quotes. However, a reasonable effort is to be made at all times to ensure the most favorable terms for WRCOG in the procurement of all such materials, supplies, and equipment.

3.2 Purchases of \$5,000 to \$10,000.

Purchases of materials, supplies, and equipment having an estimated value of \$5,000 to \$10,000 may be made in the open market based on a minimum of three (3) verbal quotes obtained via telephone or in person. Purchases described in this section may be made with less than three (3) verbal quotes if reasonable efforts to obtain three (3) or more verbal quotes have failed to produce the required number of responsive quotes. In any event, a reasonable

effort is to be made at all times to insure the most favorable terms for WRCOG in the procurement of all such materials, supplies, and equipment.

3.3 Purchases over \$10,000.

Purchases of materials, supplies, and equipment having an estimated value of more than \$10,000 may be made in the open market based on a minimum of three (3) competitive written quotes. Purchases described in this section may be made with less than three (3) competitive quotes if reasonable efforts to obtain three (3) or more written quotes have failed to produce the required number of responsive quotes. The competitive written quote process is further described as follows:

A. Notice Inviting Competitive Quotes. Requests for competitive quotes shall be solicited by written requests mailed, faxed, or e-mailed to prospective vendors. This notice inviting competitive quotes shall contain a clear and concise description of the desired materials, supplies, and equipment. The notice inviting competitive quotes shall also include a deadline for the submission of responsive quotes.

B. Record of Competitive Quotes. A written record of the responses from all vendors contacted shall be maintained with the respective purchase request. If appropriate, signed and dated telephone conversation records shall suffice for vendors that respond only by telephone.

C. Award of Competitive Quotes. Awards of purchases made under this section shall be to the lowest responsible vendor that complies with the specifications contained in the notice inviting competitive quotes. Awards made to vendors that did not provide the lowest cost shall be accompanied by written documentation explaining the reason or reasons for the award.

D. Exceptions. The Executive Director shall have the authority to waive the requirements of this section in the following circumstances provided that the reasons for such a waiver are documented as part of the purchasing process:

- (i) The acquisition of materials, supplies and equipment in which WRCOG did not receive at least three quotes.
- (ii) The acquisition of materials, supplies and equipment when it is in the best interest of WRCOG to purchase name brand or sole source materials, supplies, or equipment, as determined by the Executive Director.
Materials, supplies and equipment shall be considered obtainable from only one vendor when only one vendor offers it for sale, lease, or rental, or when only one vendor is able to provide the materials, supplies or equipment within the time frame and/or under the terms and conditions which reasonably meet the needs of WRCOG. Sole source purchases are appropriate when there is no suitable substitute for the desired materials, supplies and equipment.
- (iii) An emergency in accordance with procedures of Section 2.2 herein.

4.0 ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES

4.1 General.

In efforts to implement green initiatives, as requested by the California Department of Resources Recycling and Recovery (CalRecycle), WRCOG is tasked to implement the Policy efforts recognized herein. WRCOG will respect the following terms in current and future program purchases and any correlated responsibilities, as applicable.

- 4.1.1 Institute practices that expand current efforts to encourage reuse, recycling, and mitigate landfill waste to the best capacity fiscally available.
- 4.1.2 Purchase office supplies, toner cartridges, furniture, equipment, automotive parts, and other basic necessities that are remanufactured, refurbished, or are otherwise reusable, so long as they maintain equivalent quality to their non-renewable counterparts.
- 4.1.3 Purchase goods and services that are durable, reusable, refillable, and have extended longevity, when applicable.
- 4.1.4 Avoid the purchasing and consumption of single-use and disposable products unless no alternative is available.
- 4.1.5 Request the elimination of unnecessary packaging from vendors, and maintain that packaging is reused, recycled, or returned.
- 4.1.6 Specify preferences for packaging and materials that are reusable, recyclable, compostable, or returnable, when applicable.
- 4.1.7 Encourage the reuse, return, or safe disposal of electronic equipment once WRCOG finds it necessary to replace or discard them, when possible.
- 4.1.8 When renewing out of date materials including, but not limited to, signage, pamphlets, program equipment, business cards, and printed materials, maintain their safe disposal or recycling in efforts to reduce landfill waste.
- 4.1.9 When printing or copying documents, default to dual sided / duplex printing to reduce the use and purchase of paper.
- 4.1.10 Attempt to source paper from sustainably-harvested forests or utilize recycling paper from green manufacturers.

4.2 Energy.

- 4.2.1 Purchase energy-efficient equipment with the most up-to-date technological functions, which includes high efficiency space heating and cooling.
- 4.2.2 Replace interior lighting fixtures with energy-efficient equipment such as Light Emitting Diodes (LED) lightbulbs and motion sensor light switches.
- 4.2.3 Purchase U.S. EPA Energy-Star certified products when available; otherwise, use products that are within the upper 25% of efficiency standards, as required by the Federal Energy Management Program.

4.2.4 Set sleep modes on all electronics – computers, copiers, fax machines, printers, and laptops – so as to reduce the use of energy by 70% in comparison to full-power modes.

4.2.5 Maintain current and upcoming energy programs, particularly the Regional Streetlight Program and the Western Riverside Energy Partnership (WREP), to utilize the most updated technology available and affordable, so as to achieve short- and long-term energy saving goals.

4.2.6 Utilize all current energy programs and partnerships for the Agency itself, maximizing the usage of clean, renewable energy and mitigating unnecessary utilities costs.

4.3 Environment and Recycling.

4.3.1 Purchase paper and paper products that are responsibly sourced and easily recyclable.

4.3.2 Utilize minimally polluting, alternative fuel vehicles when applicable and available, and purchase future Agency vehicles to be of any variety to include, but not limited to, compressed natural gas, bio-based fuels, hybrids, electric, and fuel cells.

4.3.3 Purchase compostable, biodegradable, or recyclable plastic products in preference over other single-use and landfilling products.

4.3.4 Use products with minimal levels of volatile organic compounds, formaldehyde, and halogenated organic flame retardants in relation to the purchasing of any building materials and furniture, with preference to those with high recycled or recyclable content.

4.3.5 When working with oil and oil-related projects, maintain that all involved materials, including sponges, drain containers, kits, and canisters, among other items, are reusable.

4.3.6 Maintain community programs that pertain to recycling, environmental protection, and waste reduction to utilize updated ecological technology and reusable / recyclable materials.

4.3.7 Utilize janitorial supplies or request cleaning services to use Green Seal and EcoLogo™ certification standards to mitigate hazardous cleaning waste.

5.0 RESPONSIBILITIES

5.1 General.

5.1.1 The health and safety of workers and citizens is of utmost importance and takes precedence over all other practices. Nevertheless, WRCOG recognizes its duty to act in a fiscally responsible, as well as a timely, manner.

5.1.2 Nothing contained in this Policy shall be construed as requiring a department, purchases, or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, risk the health or safety of workers and citizens, or are not readily available at a reasonable price in a reasonable period of time.

5.1.3 Nothing contained in this Policy shall be construed as requiring WRCOG, department, purchaser, or contractor to take any action that conflicts with local, state or federal requirements.

5.1.4 WRCOG has made significant investments in developing a successful recycling system and recognizes that recycled content products are essential to continuing viability of that recycling system and for the foundation of an environmentally sound production system. Therefore, to the greatest extent practicable, recycled content shall be included in products that also meet other specifications, such as chlorine free or bio-based.

5.1.5 Utilize Measure D Funds, Waste Import Mitigation Funds, or Recycled Product Procurement Funds, to support and implement the Policy to the extent allowable and eligible.

5.2 Implementation.

5.2.1 The Executive Director shall implement this policy in coordination with other appropriate WRCOG staff.

5.2.2 Require successful bidders to certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and post-consumer materials in their products, even when such percentages are zero.

5.2.3 Upon request, buyers making the selection from competitive bids shall be able to provide justification for product choices that do not meet the environmentally preferable purchasing criteria in this Policy.

5.2.4 Encourage vendors, contractors, and grantees to comply with applicable sections of this Policy for products and services provided to WRCOG.

5.3 Program Evaluation.

5.3.1 The Energy and Environmental Department shall periodically evaluate the success of this Policy's implementation and report to the Executive Director of WRCOG.

6.0 DEFINITIONS

6.1 Defining Environmentally Preferable Products.

When determining whether a product is environmentally preferable, the following standards should be considered:

- i. Bio-based
- ii. Biodegradable
- iii. Carcinogen-free
- iv. Bio accumulative toxic (PBT)-free
- v. Chlorofluorocarbon (CFC)-free
- vi. Heavy metal (lead, mercury, cadmium) free
- vii. Low volatile organic compound (VOC) content
- viii. Made from renewable materials
- ix. Compostable
- x. Low toxicity
- xi. Recycled content
- xii. Reusable
- xiii. Reduced packaging
- xiv. Refurbished
- xv. Reduced greenhouse gas emission
- xvi. Energy, resource, and water efficient

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Report from the League of California Cities

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

Date: January 17, 2019

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

Requested Action:

1. Receive and file.

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

Prior Action:

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

Fiscal Impact:

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

Attachment:

1. Governor Gavin Newsom Releases 2019-20 State Budget – Local Government Time Stamps of Interest.

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Item 7.A

Report from the League of California
Cities

Attachment 1

Governor Gavin Newsom Releases
2019-20 State Budget – Local
Government Time Stamps of Interest

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Governor Gavin Newsom Releases 2019-20 State Budget Local Government Time Stamps of Interest

Link to video: [2019-20 State Budget](#)

Housing. Mentions incentive/performance based housing funding, revamp RHNA process, give HCD community development “more teeth”, SB1 funding tied to housing funding, moderate income housing program, low and moderate income housing tax credit, utilize EIFDs. Mentions cities of Truckee, San Diego and La Verne, eliminate 55% voter threshold, streamlining construction, prevailing wage, tiny homes, impact fees are out of control, redevelopment, homelessness and emergency shelters with CEQA waiver: [34:20–40:53](#).

LA, San Jose, Oakland leased land cheaply from CalTrans to address the issue of homelessness: [41:05–41:46](#)

Enhanced POST funding: [46:50–47:32](#)

Funding for retail theft: [47:32–47:41](#)

Safe Drinking Water funding assistance for small communities: [49:44–50:08](#)

Mentions SB 1 Funds, housing bonds: [51:43](#)

“I was a Mayor/Supervisor”: [58:54–59:26](#)

Call with the Big 11 Mayors/homelessness/housing/funding: [1:02:45–1:04:36](#)

Holding regions accountable for housing density around transit corridors: [1:11:00–11:12:47](#)

Cities and counties hit by fires: [1:13:10–1:14:30](#)

Redevelopment: [1:19:30–1:20:30](#)

His goals as Mayor to end chronic homelessness: [1:23:08–1:23:57](#)

Housing and SB 1 Funding: [1:33:23–1:34:41](#)

Regional perspective: [1:39:15–1:39:52](#)

Cannabis and local control (LOCC mention): [1:44:15–1:45:45](#)

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program Update

Contact: Darcy Kuenzi, Government Affairs Officer, Riverside County Flood Control and Water Conservation District, dkuenzi@rivco.org, (951) 955-1200

Date: January 17, 2019

The purpose of this item is to provide a presentation from the Watershed Protection Division of the Riverside County Flood Control and Water Conservation District regarding the status of National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Programs within the Santa Ana Region of Riverside County.

Requested Action:

1. Receive and file.

Background

The cities and County of Riverside, as well as the Riverside County Flood Control and Water Conservation District and Coachella Valley Water District (Permittees), are jointly regulated by NPDES MS4 Permits issued by the Santa Ana, Colorado and San Diego Regional Water Quality Control Boards. These permits, issued pursuant to the federal Clean Water Act, are designed to protect local lakes, rivers and streams from pollution (such as sediment, oils, grease, fertilizers, animal and human waste, trash and dissolved metals) associated with urban land use. The NPDES MS4 Permits specifically regulate discharges of storm water and non-storm water (e.g. irrigation runoff) from the storm drain system owned and operated by the Permittees. The NPDES MS4 Permits require Permittees to take action to regulate business and new developments, as well as residential areas and Permittee facilities (e.g. maintenance yards, parks, etc.) so as to minimize the potential for pollutants to be mobilized by runoff and conveyed through the storm drain system to local lakes, rivers and streams. Enhanced programs are required to address waterbodies that may be impaired by pollutants in urban runoff.

Discussion

The Santa Ana NPDES MS4 Permit requires City Managers for Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Norco, Perris, Riverside and San Jacinto, as well as the County Executive Officer to meet at least twice annually to discuss Santa Ana NPDES MS4 compliance programs. These meetings are integrated into the WRCOG Technical Advisory Committee meetings for the convenience of the City Managers and Executive Officer. This agenda item will convene the first meeting for Fiscal Year 2018-2019. Each City Manager, or their designated alternate, must attend at least one of two meetings.

The Presentation will address:

- 1) The status of Canyon Lake & the Middle Santa Ana River as well as Current Program Development;

- 2) The status of other NPDES MS4 Permit program elements, including the status of the three MS4 Permits in the County;
- 3) Regulatory Audit Activity;
- 4) Public Education Strategic Plan;
- 5) Details on Trash Management Regulations; and
- 6) Status of the Unfunded Mandates Test Claims.

Prior Action:

March 15, 2018: The Technical Advisory Committee received report.

Fiscal Impact:

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

Attachment:

1. Stormwater Permits Program Update PowerPoint.

Item 7.B

Santa Ana Municipal Separate Storm
Sewer System (MS4) Permit
Compliance Program Update

Attachment 1

Stormwater Permits Program Update
PowerPoint

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RIVERSIDE COUNTY WATERSHED PROTECTION



Stormwater Permits Program Update

January 17, 2019

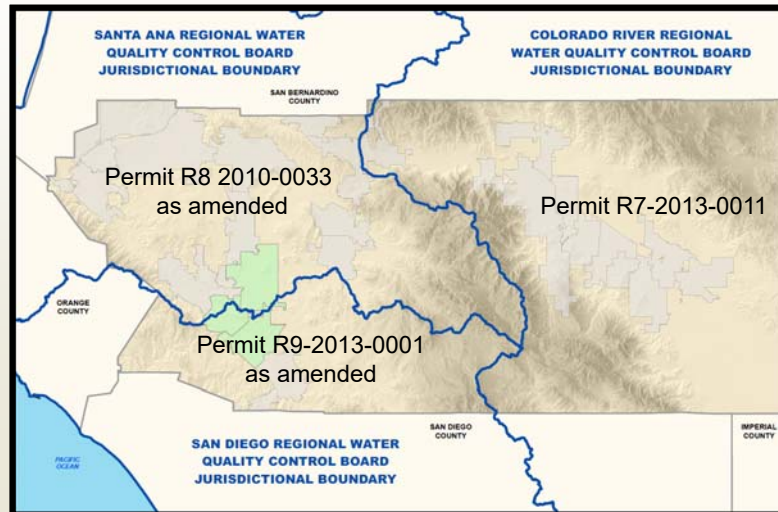
Darcy Kuenzi
Government Affairs Officer, Watershed Protection Division
Riverside County Flood Control
and Water Conservation District

2 Outline



- NPDES Permits
 - Countywide Water Quality Programs
 - Waterbody Specific Programs
 - Permit Status
- Regulatory Audit Activity
- Regulations For Trash Management
- Unfunded Mandates Claims
- Recent Tentative Court Decision
- Holy Fire Update
- Questions

3 Regional Board Boundaries in Riverside County



4 Countywide Programs – Source Control



Code Enforcement



Municipal Housekeeping



New Development Controls



Education/Outreach



Infrastructure Maintenance



Business Inspection Programs

5

Water Body Specific Programs



Lake Elsinore/Canyon Lake

Excessive Nutrients

- Lake Elsinore—Aeration System
- Canyon Lake Alum Treatment twice a year
- TMDL Revision



Santa Ana River

Excessive bacterial indicators

- Evaluating bacterial sources
- Dry weather diversion
- Homeless encampment intervention



Santa Margarita River/Lagoon

Excessive Nutrients

- WQIP is Conditionally Approved

6

Current Program Development



Alternative Compliance For New Development Project Controls

- WRCOG funded/led initiative
- Creation of stormwater credit trading program to enable off-site compliance in-lieu of on-site mitigation for project proponents
- Awaiting opportunity to present and gather feedback from the San Diego Regional Board on development of Program
 - Will meet with stakeholders in the Southwest Region in the near future to discuss how to proceed with presentation

7

Current Program Development



Public Education Strategic Plan for Riverside County Permittees

- Goals:
 - Comply with the educational requirements of the NPDES MS4 permits
 - Foster a community wide commitment to clean water
 - Show a demonstrable impact in residents' behavior toward reducing their dry-weather runoff
 - Establish a working group with water agencies and vector control agencies
 - Publicize the selected tactic through the individual jurisdiction's promotional avenues including social media, during in-person community events, at City Hall, etc.
 - Engage residents to reduce littering
 - Form partnerships with related organizations.
 - Select an audience type (litter bugs vs influencers) to focus on for implementation.

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Permit Status



- Santa Ana MS4 Permit – Expired January 29, 2015 (Administrative extension)
 - Santa Ana Regional Board planning to proceed with a regional permit (Tri-County)—within the next year
 - Key Issues:
 - Tri-County Regional Permit
 - Watershed Planning requirement
 - Bacteria TMDL update
 - Homeless encampments

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Permit Status



- Regional MS4 Permit (Santa Margarita) – Expired June 27, 2018
 - Application For Next Permit (Report Of Waste Discharge) – Submittal on 1/7/18
 - Planning on bringing the new regional permit before the Regional Board in late summer 2019
- Whitewater River MS4 Permit – Expired June 19, 2018
 - Application For Next Permit (Report Of Waste Discharge) – Submittal on 12/22/17
 - Permit Renewal is anticipated in early 2019

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Regulatory Audit Activity



- Cities of Perris and Jurupa Valley
 - Selected to be audited by the SA Regional Board
- Middle Santa Ana River Permittees
 - Bacteria Indicators Program (Comprehensive Bacteria Reduction Program) – 3/22/2018
 - Draft CBRP Audit Report Released by the SA Regional Board in August 2018
 - No Notices of Violation or Administrative Fines

11

Trash Management Regulations



- Applies to all surface water of the State
 - Prohibits the discharge of trash to surface waters of the State
- Two compliance track alternatives:
 - From what is gathered, all Permittees elected Track 1 except for the City of Riverside
- Compliance schedule: 10 years and 10% installation per year
 - Implementation shall begin with the new permits for each watershed
- What's next
 - SAR Track 2 Permittees need to submit their implementation plan by November 30, 2018
 - SMR—need to submit a jurisdictional map and time schedule by December 3, 2018 (Track 1) and the District needs to complete a system-wide trash assessment by December 3, 2018
 - WWR Permittees need to submit updated jurisdictional maps to their Regional Board by December 1, 2018



12

Unfunded Mandates Claims



A "Test claim" means the first claim filed with the Commission alleging that a particular statute or executive order imposes costs mandated by the state.

- Nineteen Pending Test Claims (9/6/18) At Commission On State Mandates: 16 are MS4 Permit Claims.
- 11-TC-03 – R9-2010-0016 (County Of Riverside, RCFC&WCD, Murrieta, Temecula and Wildomar) scheduled for 3/22/19.
- 10-TC-07 – R8-2010-0033 (County Of Riverside, RCFC&WCD, Beaumont, Corona, Hemet, LE, Moreno Valley, Perris and San Jacinto) scheduled for 5/24/19
- 09-TC-03 – R8-2009-0030 (Orange County) 11/30/18

13

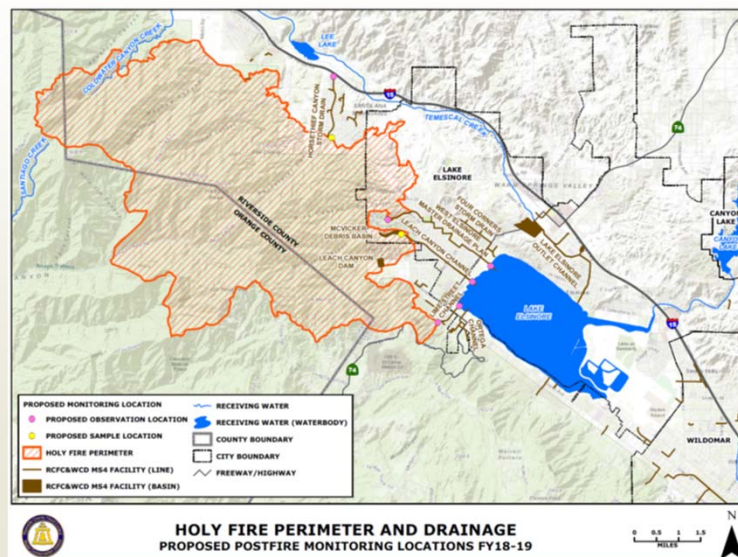
Recent Tentative Court Decision



- OC Superior Court Judge issued a tentative decision in the cases of City of Duarte v State Water Board and the City of Gardena vs State Water Board challenging the LA MS4 Permit
 - Judge Sanders ruled that the LA Regional Board violated CA Water Code section 13241 by not analyzing the costs of permit compliance when it adopted the 2012 LA MS4 Permit
- Potential implications
 - Permit re-issuance in San Diego and Santa Ana regions may be delayed

14

Holy Fire Update



15



Questions?



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Public Service Fellowship Activities Update

Contact: Andrea Howard, Program Manager, ahoward@wrcog.us, (951) 405-6752

Date: January 17, 2019

The purpose of this item is to consider modifications to the Fellowship Program regarding Program eligibility, placement, sustainability, and logistics and to provide an update on the third cohort of the WRCOG Public Service Fellowship Program.

Requested Action:

1. Recommend that the Executive Committee direct staff to implement the following changes to the Fellowship Program: 1) recruit fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school in, or are from the region and meet other minimum qualifications, 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year, and 5) admit Fellows to serve in either a part-time or full-time capacity.

In partnership with higher education institutions, WRCOG developed and launched a Public Service Fellowship Program in 2016, which provides current students and recent graduates from local universities with career opportunities within local governments and agencies in a way that is mutually beneficial to both the Fellow and the Agency.

Background

WRCOG's Public Service Fellowship Program was established in 2016 and is currently operating its third round. The goal of this Program is to retain local students to fulfill the subregion's needs for a robust public-sector workforce and to combat the problem of "brain drain" that Riverside County experiences when local students graduate and then leave the region to seek full-time employment elsewhere. Currently, the Program recruits students from three partner schools: the University of California, Riverside (UCR) and California Baptist University (CBU), and as of 2018, California State University of San Bernardino (CSUSB). The Fellowship Program aims to engage UCR, CBU, and CSUSB students and alumni, in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight including maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, reviewing applications, conducting interviews, recommending local government agency placements, and coordinating payment of Fellowship stipends. The partner universities are responsible for soliciting interest from students, assisting with the review of applications and prospective Fellow interviews, and communicating regularly with Fellows. In addition, WRCOG and the universities provide ongoing training to Fellows on career readiness and other theoretical topics during monthly Program workshops to support their hands-on work experience. A representative from each university serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows, handle HR-related

issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

Preparations for Fellowship Round IV

Recent discussions with members of the Administration & Finance Committee and other stakeholders have revealed an interest in exploring modifications to the Fellowship Program. At its October 18, 2018, meeting, the Technical Advisory Committee (TAC), was asked for volunteers to serve on an Ad Hoc Committee to advise WRCOG on potential Program modifications and vet major recommendations. The TAC members who volunteered include members from the Cities of Beaumont, Lake Elsinore, Moreno Valley, Murrieta, Temecula, and the Eastern Municipal Water District.

Recommendations from the TAC will be presented to the Executive Committee for consideration in February. As soon as all Program changes are finalized, the Round IV application materials will be released, launching the recruitment effort for the next cohort of Fellows. Staff expects to begin interviewing qualified candidates in April and begin making Fellowship placement recommendations in May 2019.

Ad Hoc Committee Recommendations

The TAC Ad Hoc Committee met via conference call on Thursday, November 15, 2018, and provided feedback on logistics for the next round of the Program. The slides from that meeting, detailing the potential changes discussed, are provided as Attachment 1. The Ad Hoc Committee's recommendations are summarized below.

Eligibility: Recent discussions with participating host agencies have revealed an interest in expanding the Program to additional universities that have strong academic programs in land use planning, civil engineering and internet technologies (IT), among others. In addition, WRCOG has received recommendations to expand eligibility to candidates that either live or work in the subregion and still meet other eligibility requirements (including having a bachelor's degree). WRCOG would still continue to work with CBU, UCR, and CSUSB to garner interest among students. However, students from other universities and candidates living or working in the subregion that meet all other eligibility requirements would be allowed to participate in the Program.

Ad Hoc Committee Recommendations:

- Recruit Fellows through additional Universities, including all local Universities and some within the broader Southern California region, such as Cal Poly Pomona and UC Irvine.
- Expand eligibility to include all individuals who live or work in the subregion or are from the subregion and meet all other minimum eligibility requirements.
- Establish a minimum 3.0 grade point average (GPA) threshold for all applicants, giving priority to candidates with a 3.5 GPA and above.

Fellow Host Sites: WRCOG currently places Fellows in member agency offices, which include 18 cities, 2 water districts, the Morongo Band of Mission Indians, and the Riverside County Board of Supervisors. Non-member public agencies and private sector partners have expressed interest in hosting a Fellow. If approved, WRCOG would require non-member agencies such as the Riverside County Transportation Commission (RCTC) and private sector agencies such as Best Best & Krieger to participate in the Program and contribute the full Fellow stipend plus a 10% administrative fee. The benefit of including private sector partners would be to expand the number of placement options, without impacting the Program budget, and provide additional experience types, while still encouraging emerging professionals to stay within the region.

Ad Hoc Committee Recommendations:

- Continue to only place Fellows in WRCOG member agencies for the upcoming round, but consider placing Fellows in non-member public agencies, such as RCTC, in the future, provided those agencies contribute the full cost of the Fellow.
- The Ad Hoc Committee did not come to consensus on whether Fellows should be placed in any private sector agencies, such as Best Best & Krieger.

Program Sustainability: Recognizing the Program's limited long-term, internal funding options, staff presented potential options to increase Program sustainability, including the possibility of requiring member agencies to contribute a 50% match towards their Fellow annual stipend and encouraging member agencies to direct WRCOG to allocate any unused BEYOND funds to cover the Fellowship match. Historically, WRCOG has fully funded the Fellowship Program for up to 25 Fellows per year with Agency carryover revenues.

Ad Hoc Committee Recommendations:

- Alternate Fellow placements so members receive a Fellow every-other year, thereby extending the longevity of remaining Program funds.
- Direct unused BEYOND funds towards the Fellowship Program when the time comes to reallocate those funds – this item will be considered through the Fiscal Year 2019/2020 budget process.
- The Ad Hoc Committee did not come to a consensus on the topic of whether to institute a host match, recognizing that while Program sustainability is critical, there was a concern that a match requirement might preclude smaller agencies from being able to participate. It may be necessary to revisit this idea in the future if the budget becomes further constrained.

Additional Considerations

Following the meeting of the Ad Hoc Committee, staff continued to explore options to increase the quality and reliability of applicants and sustainability of the Program. In addition to the challenge of attracting a large pool of qualified applicants to hire at the commencement of the current Fellowship Round, multiple Fellows were hired into full-time positions elsewhere, causing them to leave the Program well in advance of the completion date. Recognizing this retention issue, WRCOG conducted a survey of remaining Round III Fellows. The survey revealed that all current Fellows are currently seeking additional employment opportunities for one or more of the following reasons: job security, to increase work experience, and/or to supplement income. Based on this feedback from Fellows, staff proposes an additional Program change which aims to reduce the number of instances in which Fellows seek additional employment and are able to more fully concentrate on their duties as Fellows.

Staff Recommendation:

- Change the Program structure to welcome both “part-time” and “full-time” Fellows to accommodate Fellows who are available to work up to 40 hours a week.
 - Under this scenario, students currently enrolled in an academic program would be admitted on a part-time basis, working 20 hours per week at their host agency over nine months (as current practice).
 - Recent graduates would be admitted as full-time Fellows, working a total of 40 hours per week, split between two agencies over nine months.

WRCOG has verified with Legal Counsel (BB&K) that, because of nuances in employment law, the staff recommendation, which calls for full-time Fellows to split their time between two agencies, would allow for compliance with CalPERS regulations, without triggering a need for Fellows to participate in the System. Under this scenario, talented students with the capacity to work full-time would be allowed to do so, enabling them to focus entirely on their Fellow duties; while continuing students would not be precluded from participating in the Program. Allowing exceptional candidates to work in two agencies at a full-time capacity, would help address previous challenges with attracting high-caliber Fellows who are seeking full-time employment hours.

Current Fellowship Round (Round III) Update

In early 2018, staff released applications for prospective Fellows and for member jurisdictions interested in hosting a Fellow for the 2018/2019 cycle. Despite an extended recruitment, fewer applications were received compared to past years, resulting in a final approved candidate pool of just 15 Fellows, compared to 19 unique member agency requests. Staff prioritized placements in agencies which did not receive a Fellow in one or both previous Program rounds, and goodness of fit between the Fellow and the agency. Ultimately, 14 new

Fellow candidates were placed in member agencies, in addition to one continuing Round II Fellow, who was placed mid-year in the City of Eastvale and will continue her service through Round III. Since the launch of the current Round, two Fellows have left the Program to fully commit to employment positions. The Fellow originally placed in the City of Jurupa Valley has left the Program and is now employed with the City of Eastvale in a communications capacity. The Fellow originally placed in the City of Corona is also no longer participating in the Fellowship and is instead employed by the Greater Riverside Chamber of Commerce.

There are now 13 Fellows in the current cohort, scheduled to complete the Program in March 2019. Staff has been recently meeting with all Fellows' supervisors to check in on the performance of their Fellow and seek improvement recommendations for the Program. In addition, staff has also been meeting with Fellows to obtain feedback from participants to gauge program satisfaction.

All Fellows are currently working on a broad array of projects ranging from legislative analysis to marketing and public relations. In the November 2018 and January 2019 editions of the eCommuncators, WRCOG shared an in-depth look at two current Fellows and their work at Eastern Municipal Water District and the City of Lake Elsinore; these features are provided as Attachment 2.

Prior Actions:

November 15, 2018: The Fellowship Ad Hoc Committee discussed and made a series of recommendations.

November 11, 2018: The Administration & Finance Committee received and filed.

October 18, 2018: The Technical Advisory Committee designated five Committee members to serve on an Ad Hoc Planning Committee for the fourth round of the Fellowship Program.

October 11, 2017: The Executive Committee approved the allocation of \$300,000 from Agency carryover funds for the remainder of the Public Service Fellowship Program, Round II, and an additional \$400,000 to fund a third round of the Program to begin January 2018.

Fiscal Impact:

Activities for the Fellowship Program are included in the Agency's adopted FY 2018/2019 Budget.

Attachments:

1. November Ad Hoc Committee Meeting Slides.
2. Fellow Features.

Item 7.C

Public Service Fellowship Program Activities Update

Attachment 1

Fellow Features

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Round III Fellow Feature



Alma Ramirez, a Round III WRCOG Fellow who served at Eastern Municipal Water District (EMWD), had the opportunity to take part in the State Water Project Tour hosted by Metropolitan Water District of Southern California.

Alma experienced firsthand the history behind the State Water Project by visiting the Oroville Dam, which provides drinking and irrigation water to Central and Southern California, and the Banks Pumping Plant, which is the starting point for the California Aqueduct. According to Alma, “the Fellowship Program has paved the way for my career in public service. I have gotten the chance to grow my network and learn about water policy on a broader spectrum through opportunities that do not come across very often.”



Ani Dhurva, a Round III Fellow, is completing his Fellowship at the City of Lake Elsinore. Ani is a graduate from the University of California, Riverside (UCR) with a bachelor's degree in Public Policy and is continuing his studies at UCR towards a Master of Public Policy. In his time at the City, Ani has helped develop a regional funding proposal and updated the City's Municipal codes, applying the knowledge learned in the classroom to his time in the Fellowship. Altogether, the Program has prepared Ani for a future career in Public Service by providing unique and meaningful experiences working as he learns how municipalities operate and make decisions.

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Item 7.C

Public Service Fellowship Program
Activities Update

Attachment 2

November Ad Hoc Committee
Meeting Slides

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Fellowship Ad Hoc Committee Meeting



Fellowship Ad Hoc Committee
November 15, 2018

Cynthia Mejia
WRCOG

1

Fellowship Program Background

- Launched in 2016
- Partnership between WRCOG, UCR, CBU and CSUSB
- Goal:
 - Retain local talent and drive emerging professionals to public agency professions
- Status:
 - Round 3 in Progress – 15 Fellows Placed
 - Round 4 in Planning Stage
- Agency cost per Fellow: \$16,500



Fellowship Ad Hoc Committee
November 15, 2018

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Alumni Survey: Educational Background

- Highest Educational Attainment from Fellows
 - 80% Bachelor's
 - 20% Master's
- Academic Program Completed
 - 46% Other (Art, sustainability studies, economics, English, sociology, public health, public admin)
 - 33% Public Policy
 - 20% Political Science
 - 6.6% Environmental Science
 - 6.6% Public Relations
 - 0% Business



Fellowship Ad Hoc Committee
November 15, 2018

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Alumni Survey: Where are Alumni Fellows?

- 42.8% Working in the Public Sector in Western Riverside County
- 21% Working in the Private Sector in Western Riverside County
- 21% Working outside of Western Riverside County, but in the public sector
- 14% Working outside of Western Riverside county, but in the private sector
- 7% unemployed
- *Based on responses of 15 former Fellows



Fellowship Ad Hoc Committee
November 15, 2018

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TAC Survey

- Strengths of the Program
 - Provides talent to agencies at no cost. Win-win situation
 - High caliber of students with interest in public service
 - Candidates provide immediate value to jurisdiction; fresh set of eyes and different perspective
- Potential Program Improvements
 - Onboarding and application approval process
 - Have specialists, e.g. city clerks, finance or contract administrators provide an overview of general principles (i.e. what is a bid, a contract, etc.
 - Provide a more clear picture of different needs of cities in the program
 - Branch out to other disciplines to capture students in technical programs like engineering
- Percentage of Fellows Hired Upon Completion with Host Agency: 11%



Fellowship Ad Hoc Committee
November 15, 2018

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2018 Fellow Application and Placement Process

- Member agency requests Fellow
- Students apply for the program
- University partners conduct initial interview of students from their institutions
 - University's Forward Strong Candidate Applications to WRCOG
 - Strong Fellow candidates interview with WRCOG staff
- WRCOG staff make final Fellow selections based on:
 - Application
 - Interview
 - Fit with member agency requests
- WRCOG makes placement recommendations
- WRCOG sends member agency one or two candidates to interview
- Fellow candidates are either confirmed or recommended to another member agency



Fellowship Ad Hoc Committee
November 15, 2018

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Potential Program Updates



Fellowship Ad Hoc Committee
November 15, 2018

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Adjustment Opportunity #1: University Partnerships

- Consideration
 - Should WRCOG remove the requirement for applicants to attend one of the 3 universities thereby allowing candidates that either live or work within the subregion opportunity to apply?
- Current Practice
 - WRCOG partners with UCR, CBU, and CSUSB to garner interest from students and vet candidate applications
 - Attending one of those universities is a requirement of the Program



Fellowship Ad Hoc Committee
November 15, 2018

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Justification of Adjustment #1: University Partnerships

- Member agencies continue to express a need for Fellows with technical backgrounds
 - Planning
 - Engineering
 - IT
- Current university partners lack graduate or formal programs in those areas



Fellowship Ad Hoc Committee
November 15, 2018

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Adjustment Opportunity #2: Program Eligibility

- Considerations
 - Should WRCOG enact a minimum GPA threshold? If so, what would be a good minimum?
 - Should WRCOG require that “recent graduates” have graduated within the last 2 years?
- Current Practice
 - Application stipulates that candidates will be evaluated on academic standing (year and GPA)



Fellowship Ad Hoc Committee
November 15, 2018

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Justification of Adjustment #2: Program Eligibility

- Traditionally, universities have sent applications in batches based on GPA
- There is no minimum GPA requirement
- Gives us flexibility if in case there is a strong candidate with a low GPA
 - Is GPA a deal breaker?



Fellowship Ad Hoc Committee
November 15, 2018

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Adjustment Opportunity #3: Placement Jurisdictions

- Considerations
 - Should WRCOG open the program to private sector entities (i.e. BBK, grant writing consultants, RTA, RCTC, etc.)?
- Current Practice
 - Member agencies
 - 18 cities
 - 2 water districts
 - Morongo Band of Mission Indians
 - Board of Supervisors or County Executive Office



Fellowship Ad Hoc Committee
November 15, 2018

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Justification of Adjustment #3: Placement Jurisdictions

- We oftentimes have strong candidates that want to work in the legal field or a non profit entity
 - If placed, they usually perform well through the program, but they may just consider going off to another type of employment or graduate school and not stay local
 - Does that outcome defeat the purpose of the program?
 - We would require private sector or non member agencies to contribute the full amount of Fellowship stipend (\$15,000 plus 10% administrative fee)
 - Many of those non member agencies currently work with WRCOG member agencies through services (i.e. legal, transit, regional planning, etc.)
 - Fellows placed there would still learn about the role of local governments
 - Most Fellows are not hired full time upon completion of Program due to budgetary constraints



Fellowship Ad Hoc Committee
November 15, 2018

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Adjustment Opportunity #4: Program Sustainability

- Considerations
 - Should WRCOG
 1. Require member agencies to provide a 50% match to contribute towards Fellow placement (about \$7,500/FY)
 2. Encourage member agencies to direct WRCOG to allocate any unused BEYOND funds to cover the Fellowship match
 3. Look for private sector partners to sponsor Fellow(s)
- Current Process
 - WRCOG fully funds the Fellowship Program for up to 25 Fellows per year with Agency Carryover Revenues



Fellowship Ad Hoc Committee
November 15, 2018

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Justification of Adjustment #4: Program Sustainability

- WRCOG facing decreasing annual revenues
- Agency carryover funds are scarce



Fellowship Ad Hoc Committee
November 15, 2018

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Next Steps: Continued Planning Efforts for Round IV

- Staff meeting one-on-one with Round III Fellows' supervisors to gauge program satisfaction
 - Recommendations to-date include:
 - Supervisor orientation prior to Fellow placement
 - More training on local government standard documents and procedures for Fellows
 - Resolutions
 - Municipal Code
 - Departmental Assignments
 - Brown Act
 - Contracts
- Round IV promotional period scheduled to begin in January 2019



Fellowship Ad Hoc Committee
November 15, 2018

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Thank you!



Fellowship Ad Hoc Committee
November 15, 2018

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Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Update on the Development of a Sustainability Indicators Report

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcoq.us, (951) 405-6710

Date: January 17, 2019

The purpose of this item is to provide an update of the Sustainability Framework Indicators Report being undertaken by WRCOG.

Requested Action:

1. Receive and file.

WRCOG's Economic Development and Sustainability Framework was developed in 2012 and was the first step in a collaborative regional effort to build a more sustainable region. The Framework established a work plan by which WRCOG can seek funding to implement projects and programs that support the Framework's vision. It also looked into the potential role in sustainability that WRCOG may play for the subregion. WRCOG wants to ensure that the Agency does not duplicate existing efforts underway among its members but help fill in gaps not met by current programs and policies that are in place in Western Riverside County. The WRCOG Planning Directors' Committee discussed and provided input at their December 2018 meeting.

Economic Development and Sustainability Framework

In 2012, WRCOG completed work on the *Economic Development and Sustainability Framework*, which was intended to serve the following four broad objectives:

1. Provide a starting point for dialogue about sustainability and its importance to the region.
2. Provide a vision for a sustainable Western Riverside County and establish goals to inform and guide regional collaboration.
3. Define and prioritize short-term actions that WRCOG can pursue.
4. Define initial indicators, benchmarks, and targets by which WRCOG can measure the effectiveness of efforts to create a more sustainable subregion.

The Framework can be found on the WRCOG website at
<http://www.wrcoq.coq.ca.us/DocumentCenter/View/189/Sustainability-Framework-PDF>.

The Framework identified six key areas related to the Region, including:

- | | |
|-------------------------|---------------------------|
| 1. Economic Development | 4. Health |
| 2. Education | 5. Water |
| 3. Transportation | 6. Energy and Environment |

Sustainability Indicator Refinement

An initial list of over 50 sustainability indicators was established in the 2012 Framework document and WRCOG has found that regular tracking and updating of this list is difficult for a variety of reasons. These included:

- Data sources for many indicators were not easily accessible, regularly updated, or geographically appropriate
- Regular updating of over 50 indicators requires substantial staff time and is likely not sustainable
- Some indicators, while useful and relevant to sustainability, were narrowly focused on specific issues and not broadly indicative of regional sustainability
- Others that were relevant required more nuanced analysis to adequately illuminate regional trends

Refinement Approach

In order to keep the Framework relevant, WRCOG tasked AECOM to assist with refining / updating the indicators list based on its experience. The original 50 indicators were first reviewed to identify those categories that were still good candidates to be carried over and would lend themselves to potential initiatives that could be undertaken by individual member agencies or perhaps at a larger geographic level. Additional indicators were identified through a review of other regional indicator reports. The existing and potential indicators were then evaluated to determine their relevancy to regional sustainability and the quality and accessibility of data. The combined list was then paired down to a total of approximately 40 preferred and potential sustainability indicators that were reviewed and ultimately paired down to 14 indicators (note that two indicators in the Economic Development topic area have multiple indicator components).

Some key considerations that were used to refine the list of indicators from 50 to the recommended 14 include:

- Is the indicator commonly referenced by key stakeholders and policy makers?
- Does the indicator reflect broadly on key issues affecting the region such as water and energy use, transportation, employment, and education?
- Is the indicator one that is commonly tracked across comparable regions?
- Is data available for the indicator at a regional or Countywide level?
- Is data readily available for the indicator through a direct download or published source?
- Is the data related to the indicator regularly updated?
- Is there historical data for the indicator that would document trends?

Key indicators recommended for further evaluation were:

Economic Development

- Job Growth
 - Total job growth
 - Ratio of employed residents versus total jobs
- Household income (adjusted for inflation)
- Educational Attainment
 - Percent of residents with college degrees
 - Percent of high school graduates meeting UC / CSU requirements
- Transit Ridership
 - RTA Ridership
 - Metrolink Ridership

Health

- Health Care Facilities
- Park acreage
- Air Quality

- Bicycle / pedestrian collisions
- Violent crime

Environment & Energy

- Vehicle miles traveled
- Water usage
- Usage of alternative energy sources
- Land conservation
 - Agricultural land preserved
 - Acres of habitat conserved per the MSHCP

A table providing additional information on the indicators and the latest data is provided as Attachment 1. Staff anticipates that this information will be shared with WRCOG Committees following this presentation.

Once finalized, this information will be summarized by staff in a brief report and distributed via WRCOG's website and other distribution channels. Staff also anticipates that this information will be presented at upcoming events and conferences to document how the region is performing in regards to these key items.

Prior Action:

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

Fiscal Impact:

The allocation of funding for the Economic Development and Sustainability Framework Indicators Update has been allocated in WRCOG's Local Transportation Fund and is reflected in the Agency's Fiscal Year 2018/2019 Budget.

Attachment:

1. Recommended Refined Sustainability Indicators.

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Item 7.D

Update on the Development of a
Sustainability Indicators Report

Attachment 1

Recommended Refined
Sustainability Indicators

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Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
1	Economic Development	Economy	Total and Priority Sector Job Growth	Track job growth over time	Job growth averaged over 13,500 per year in WRCOG 2010 - 2015 at a 3.4% annual rate. Priority sector jobs grew faster at a 4.7% annual rate, approximately 3,600 jobs per year with Transportation and Warehousing accounting for 82% of priority sector growth
			Residents Employed in Job Sector Versus Jobs in Each Sector in WRCOG	Improve the ratio of WRCOG jobs per employed resident in key job sectors	Between 2010 and 2015 the total number of jobs per each 10 working residents increased slightly from 7.9 to 8 for all employment sectors. For base sectors it improved from 6.6 to 7 jobs per each 10 residents employed in those sectors, primarily driven by strong job growth in the Transportation and Warehousing sector and strong growth in the number of residents working in that sector

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
			% of Employed Residents Working Outside of WRCOG	Reduce the proportion of residents commuting outside the region to work	Statistically insignificant change since 2010. 61% - 62% of WRCOG employed residents work outside of the region from 2010 - 2015
2	Economic Development	Economy	In real terms inflation adjusted Median Household Income for WRCOG region and by city	Track and support household income growth	In real terms inflation adjusted median household incomes for the WRCOG region and many of the individual cities have fallen since 2012
3	Economic Development	Education	Educational Attainment	Track and compare WRCOG educational attainment to LA, Orange, and San Bernardino counties	WRCOG has a lower rate of its population with advanced degrees (bachelors or graduate) than the 3 County region
		Education	Graduates Meeting UC/CSU Requirements	Continual Improvement and surpass statewide average	Riverside County fell 2% short of the state average in 2016-2017 (49.9% versus 47.9%). Numbers vary widely by member agency jurisdictions. See Indicator Workbook tab for more information

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
4	Economic Development	Transportation	Riverside Transit Agency Ridership	Increase transit ridership (annual boardings)	Annual transit ridership declined in FY 17 and FY 16 but is still approximately 7% higher than 2011
	Economic Development	Transportation	Metrolink Ridership	Increase ridership (average weekday boardings)	Since 2016 when all existing stations were in service, total ridership dropped by 2%. Ridership has dropped at 4 of 5 stations with the highest historical ridership during the same period
5	Health	Access	Healthcare facilities per 1,000 residents	Increase ratio of healthcare facilities per 1,000 residents to meet/surpass California	Of the statewide average per 1,000 residents WRCOG has 59% as many hospital beds, 64% as many long-term beds, and 39% as many general clinics.
6	Health	Access	Acres of local parks per 1,000 residents	Track and seek to increase acres of parks per 1,000 residents	From 2010 to 2017 the acres of parks per 1,000 residents has decreased from 3.45 to 3.13

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
7	Health	Quality	Number of Days of Good/Moderate Air Quality	Increased 3-Year average of good/moderate air quality days	Average annual number of days of Good/Moderate Air Quality over three year rolling timeframes has improved by 4% - 5% since 2010 - 2012
8	Health	Safety	Bike/Ped Collisions per 1,000 Residents	Continuously reduce bike/ped collisions per 1,000 residents	Collisions per 1,000 residents have increased by .76 (50%) since 2010
9	Health	Safety	Reduction in Violent Crime	Continue to reduce violent crimes	2017 had the lowest amount of reported violent crimes in the covered 2010 to 2017 timeframe and has consistently been below state levels
10	Environment and Energy	Transportation	Per Capita VMT	Reduce per capita VMT	Per capita VMT in 2016 was less than in 2010
11	Environment and Energy	Water	Daily Water Usage per Resident	Track residential daily water conservation over time	Since 2013 daily water usage per resident has decreased in four of the five water districts that serve WRCOG residents

Recommended Sustainability Indicators					
Indicator #	Topics	Subtopics	Indicators	Target	Target Progress Detail
12	Environment and Energy	Energy	Grid Renewable Energy %	Meet RPS required % in most recent compliance period	SoCal Edison reached 25%, exceeding the 23% goal for the 2014 - 2016 compliance period, and is on track to meet 33% by 2020 goal
					Four of the five POU's met their 20% RPS goal for the 2011 - 2013 period, appear to be on track to meeting compliance period 2 goal of approximately 23.5%, and are on track to meet the 33% by 2020 goal
13	Environment and Energy	Conservation	Acres of Agricultural Land Conserved Under the Williamson Act	No established target. Track changes annually	32,220 acres conserved
14	Environment and Energy	Conservation	Acres of Habitat Land Conserved under Multiple Species Habitat Conservation Plan (MSHCP)	153,000 acres of habitat land conserved	39% of total target acres conserved

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