



Western Riverside Council of Governments Technical Advisory Committee

AGENDA

**Thursday, March 15, 2018
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 (Alex Diaz, Chairman)**
- 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 January 18, 2018, Technical Advisory Committee Meeting are Available for Consideration. P. 1

Requested Action: 1. Approve the Summary Minutes from the January 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 Ernie Reyna P. 9

Requested Action: 1. Receive and file.

- B. WRCOG Committees and Agency Activities Update Rick Bishop P. 15

Requested Action: 1. Receive and file.

- C. Western Community Energy Activities Update Barbara Spoonhour P. 31

Requested Action: 1. Receive and file.

- D. International City / County Management Association Activities Update AJ Wilson, California Senior Advisor P. 125

Requested Action: 1. Receive and file.

- E. Experience Regional Innovation Center Feasibility Analysis Update Andrea Howard P. 135

Requested Action: 1. Receive and file.

- F. PACE Programs Activities Update Casey Dailey P. 201

Requested Action: 1. Receive and file.

- G. Potential Full Consolidation of RCHCA Staff and Operations with WRCOG Rick Bishop P. 205

Requested Action: 1. Receive and file.

- H. Continued Membership of the Riverside County Superintendent of Schools on WRCOG *Rick Bishop* P. 221

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

7. REPORTS / DISCUSSION

- A. Alternative Compliance Program Activities Update *Christopher Tzeng, WRCOG* P. 227

Requested Action: 1. Receive and file.

- B. Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program Update *Edwin Quinonez, Riverside County Flood Control* P. 231

Requested Action: 1. Receive and file.

- C. Regional Streetlight Program Activities Update *Tyler Masters, WRCOG* P. 241

Requested Action: 1. Receive and file.

- D. Public Service Fellowship Activities Update *Cynthia Mejia, WRCOG* P. 245

Requested Action: 1. Receive and file.

- E. BEYOND Program Update and Project Spotlight – Cancer Treatment Task Force *Andrea Howard, WRCOG* P. 259

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, April 19, 2018, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

12. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:35 a.m. by Chair George Johnson at WRCOG's office, Citrus Conference Room.

2. ROLL CALL

Members present:

Aaron Palmer, City of Canyon Lake
Michele Nissen, City of Eastvale
Gary Thompson, City of Jurupa Valley
Grant Yates, City of Lake Elsinore
Armando Villa, City of Menifee (9:44 a.m. arrival)
Kim Summers, City of Murrieta
Andy Okoro, City of Norco
John Russo, City of Riverside
Aaron Adams, City of Temecula (9:54 a.m. arrival)
Gary Nordquist, City of Wildomar
George Johnson, County of Riverside (Chair)
Danielle Coats, Eastern Municipal Water District
Craig Miller, Western Municipal Water District
Floyd Velasquez, Morongo Band of Mission Indians

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Community Choice Aggregation
Chris Gray, Director of Transportation
Casey Dailey, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Crystal Adams, Program Manager
Christopher Tzeng, Program Manager
Daniel Ramirez-Cornejo, Senior Analyst
Cherish Latchman, Staff Analyst
Lupe Lotman, Staff Analyst
Dolores Sanchez Badillo, Staff Analyst
Jairo Sandoval, Staff Analyst
Anthony Segura, Staff Analyst
Amber Bolden, Intern
Suzy Nelson, Administrative Assistant
Janis Leonard, Administrative Services Manager

Guests present:

Moises Lopez, City of Riverside
Betsy Lowrey, City of Temecula
Araceli Ruiz, County of Riverside, District 1
Bryan Martinez, Eastern Municipal Water District
Daniel Wong, South Coasts Air Quality Management District

3. PLEDGE OF ALLEGIANCE

Gary Thompson, City of Jurupa Valley, 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 October 19, 2017, Technical Advisory Committee Meeting are Available for Consideration.

Action: 1. *Approved Summary Minutes from the October 19, 2017, Technical Advisory Committee meeting.*

(Jurupa Valley / Riverside) 12 yes; 0 no; 0 abstention. Item 5.A was approved by a unanimous vote of those members present. The Cities of Banning, Beaumont, Calimesa, Corona, Hemet, Menifee, Moreno Valley, Perris, San Jacinto, and Temecula, and the March JPA were not present.

B. Summary Minutes from the August 17, 2017, Technical Advisory Committee Meeting are Available for Consideration.

Action: 1. *Approved Summary Minutes from the August 17, 2017, Technical Advisory Committee meeting.*

(Eastvale / Riverside) 12 yes; 0 no; 0 abstention. Item 5.B was approved by a unanimous vote of those members present. The Cities of Banning, Beaumont, Calimesa, Corona, Hemet, Menifee, Moreno Valley, Perris, San Jacinto, and Temecula, and the March JPA were not present.

6. CONSENT CALENDAR *(Riverside / Jurupa Valley) 12 yes; 0 no; 0 abstention. Items 6.A through 6.L were approved by a unanimous vote of those members present. The Cities of Banning, Beaumont, Calimesa, Corona, Hemet, Moreno Valley, Perris, San Jacinto, and Temecula, and the March JPA were not present.*

A. Finance Department Activities Update

Action: 1. *Received and filed.*

B. Single Signature Authority Report

Action: 1. *Received and filed.*

C. Western Riverside Energy Partnership Activities Update

Action: 1. *Received and filed.*

D. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

E. Grant Writing Assistance Program

Action: 1. *Received and filed.*

F. Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Action: 1. *Received and filed.*

G. Christian Lomeli – Videography / Graphic Design Contract

Action: 1. *Recommended that the Executive Committee approve the Professional Services Agreement, substantially as to form, between the Western Riverside Council of Governments and Christian Lomeli, for graphic design and videography services for the Agency in an amount not to exceed \$16,000 for Fiscal Year 2017/2018.*

H. PFM Asset Management Contract

Action: 1. *Recommended that the Executive Committee approve the Professional Services Agreement between the Western Riverside Council of Governments and PFM Asset Management, LLC, for the management of WRCOG's investment portfolio and financial advisory services for the Agency in an amount not to exceed \$100,000 for Fiscal Year 2017/2018.*

I. Cajalco Road I-15 Interchange Memorandum of Understanding

Action: 1. *Recommended that the Executive Committee approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit / Reimbursement Agreement for the Cajalco Road / I-15 Interchange.*

J. Environmental Department Activities Update

Action: 1. *Received and filed.*

K. International City / County Management Association Activities Update

Action: 1. *Received and filed.*

L. Technical Advisory Committee 2018 Meeting Schedule

Action: 1. *Approved the Schedule of Technical Advisory Committee meetings for 2018.*

7. REPORTS / DISCUSSION

A. Western Riverside County Active Transportation Plan Activities Update

Christopher Gray reported that any Active Transportation Plan (ATP) is required to review collisions; bicycle and pedestrian collisions were reviewed. There is a lag between when the information is gathered and when it becomes publicly available. Within the subregion, there are approximately 300 pedestrian collisions and 300 bicycle involved collisions annually. The majority of individuals involved in a collision are between the ages of 10 and 19. Nearly half of all collisions are under the age of 18.

There are a high number pedestrian collisions on the Highway 74 corridor in the City of Hemet; clusters were also observed in downtown Corona, near the Galleria Mall in the City of Riverside, near the University of California, Riverside, and in the City of Moreno Valley.

Some of the same clusters were identified on Railroad Canyon Road in the City of Lake Elsinore, and the Cities of Hemet, Moreno Valley, and Riverside.

The Public Works Committee identified four high-priority regional facilities which connect jurisdictions and is not necessarily bike paths or sidewalks. Four rounds of comments and responses occurred. Staff have prepared perceptual plans; when a jurisdiction submits for a grant, this data can be attached to the grant application.

Two concurrent activities are a bicycle education workshop and three sessions of complete streets training.

Committee member Andy Norco asked where in the study data can be found on collisions with horses.

Mr. Gray responded that he will have to look into that.

Committee member Michele Nissen asked how we can obtain more recent data.

Mr. Gray responded that the state takes approximately two years to summarize the data.

Committee member Nissen recommended tying this in with the school programs since most collisions are with kids.

Mr. Gray responded that Riverside County Public Health has funding and an ongoing program which reviews specifically collisions at schools through the Safe Routes to School Program.

Committee member John Russo indicated that it seems there are more pedestrian fatalities than bicycle fatalities, yet it appears most funding is being steered to bicycles, bicycle lanes, and complete streets. Most accidents are in particular areas, so why spend a bunch of money on these long corridors instead of focusing on a pedestrian education program?

Mr. Gray responded that most accidents are near interchanges and local city streets, and jurisdictions have local control over that. The plan is to address regional facilities.

Committee member Grant Yates indicated that complete streets training on the front end would be very valuable. Long-range connectivity is very important.

Chair Johnson indicated that while this plan focuses on regional facilities, is local data available.

Mr. Gray responded that staff prepared city-wide summaries and shared this information with the Public Works Committee.

Chair Johnson added that schools do not work with the local jurisdiction when siting schools. The state architects are notorious for building schools that do not provide safe pedestrian access to and from those schools.

Mr. Gray indicated that staff can follow up on the pedestrian-focused study by San Bernardino County, and a Safe Routes to School Prioritization Study by the same.

Action: 1. *Received and filed.*

B. TUMF Program Ad Hoc Committee Activities Update

Christopher Gray reported that a comprehensive review of the TUMF Program has concluded. The Ad Hoc Committee met four times and determined administration of the Program should

stay housed with WRCOG that the types of TUMF-funded projects should be expanded, a prioritization process for Zones should be created, and the criteria used on how projects are added should be updated.

TUMF is not assessed on the first 3,000 square feet of a facility for retail use.

Staff hopes to create a more flexible set of criteria in which projects can be funded with TUMF. Any proposals would be vetted through the Public Works Committee.

Committee member Andy Okoro asked if there is an educational pamphlet jurisdictions can share with member of the public.

Mr. Gray responded that staff is in the final development process of a pamphlet. A consultant is reviewing all TUMF communiqué.

- Actions:**
1. *Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program.*
 2. *Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process.*
 3. *Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:*
 - a. *Expanding the types of projects that can be funded by TUMF, including active transportation projects.*
 - b. *Formalizing a process for each TUMF Zone to prioritize projects within the Zone.*
 - c. *Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.*

(Norco / Riverside) 11 yes; 0 no; 0 abstention. Item 7.B was approved by a unanimous vote of those members present. The Cities of Banning, Beaumont, Calimesa, Corona, Hemet, Moreno Valley, Perris, and San Jacinto, and the March JPA were not present. The Water Districts and the Morongo Band of Mission Indians do not vote on TUMF matters.

C. PACE Programs Activities Update

Crystal Adams reported that in 2017 over 30,000 projects have been completed and over \$773 million in funding has been provided.

Providers under WRCOG PACE Program include CaliforniaFirst, Spruce Finance, PACE Funding, Ygrene, and Greenworks Lending.

Baker Tilly recently completed an Operational Analysis of Renovate America. New providers will participate in the audit after one year of operation in WRCOG's PACE Program.

WRCOG's Consumer Protections Policy has been updated to reflect recently passed legislation.

Committee member Aaron Adams asked if other jurisdictions are still being aggressively approached by providers not under WRCOG's umbrella. The City of Temecula is hesitant in allowing providers not under the umbrella given the security of WRCOG's Consumer Protections Policy.

Several Committee members indicated that they have and feel the same way as Temecula.

Rick Bishop added that much of the new legislation is born out of WRCOG's Consumer Protections Policy.

Committee member Grant Yates asked if there is a new rule indicating that a homeowner must pay off their PACE lien before they can refinance or sell their home.

Mr. Bishop responded that approximately one year ago, the Federal Housing Administration issued a policy direction that it would provide loans to properties that had PACE liens attached to it. With the new Administration, it issued a statement reversing that decision.

Committee member Gary Thompson asked what will it take to reverse that decision so that the liens are secondary.

Mrs. Adams responded that it is a state statute, so it would require new legislation.

Action: 1. *Received and filed.*

D. Regional Streetlight Program Activities Update

Tyler Masters reported that a pilot demonstration area was implemented in the City of Hemet which included over 12 LED manufacturers and over 150 LED fixtures. Banc of America was selected as the loan provider for those jurisdictions interested in moving forward in buying their streetlights back from Southern California Edison. Siemens is the company selected to provide operations, maintenance, and retrofit of the poles.

Next steps include identifying fixtures to be retrofitted. A Request for Quotes was released in September 2017, and 11 proposals have been received. A Working Group is in the process of reviewing those proposals.

Committee member Michelle Nissen asked if there is a way to pay a lock-in fee on the interest rate.

Mr. Masters responded that staff continues to have conversations on that matter with Banc of America.

Actions: 1. *Received and filed.*

E. Western Riverside Energy Partnership Activities Update

Anthony Segura reported that the Western Riverside Energy Partnership (WREP) is a partnership comprised of WRCOG, Southern California Edison (SCE), Southern California Gas Company, and 14 WRCOG member jurisdictions.

There are four different tiers representing various thresholds of energy savings; Value, Silver, Gold, and Platinum. The subregion has saved just over 10 million kilo watt hours of energy.

WREP was recognized by the California Public Utilities Commission (CPUC) as ranking 6th out of 160 programs in California.

SCE's Direct Install Program provides no-cost energy consultations and installation of identified energy measures. In 2017, SCE allocated over \$2 million in funding for interior LED lighting.

The 2017 Holiday Light Exchange and Energy Efficiency Kit Giveaway provided LED holiday lights and low flow water efficiency kits to residents. Staff distributed more than 900 LED holiday lights, and over 80 efficiency kits.

For 2018, in partnership with the Regional Streetlights Program, WREP anticipates capturing and saving member jurisdictions between \$2 million and \$3 million in incentives for LED rebates.

Rick Bishop added that WREP came about as a result of direction by the Executive Committee. Several years ago through Edison and the CPUC, boundaries used for setting base-line rates changed. Before the change, cities in Western Riverside County were being charged the same energy rates as the coastal communities. This saved Western Riverside County residents \$15 million to \$20 million per year. WREP was created to make local municipalities leaders of energy efficiency, and is fully funded through SCE and SoCal Gas.

Action: 1. *Received and filed.*

F. Western Community Energy Activities Update

Barbara Spoonhour reported that Western Community Energy (WCE) is a hybrid between an Investor-Owned Utility (IOU) and a municipal utility. WCE would purchase energy and provide it to the residents through Southern California Edison's (SCE) transmission lines. Customers have the choice to either switch to WCE, or remain with SCE.

If WCE launches in mid-2018, in addition to 2019 numbers, it would experience a cumulative surplus of \$18.1 million. The WCE's Board would then decide if it wanted to put that back into additional rate savings for customers, or develop programs for its local residents.

For customers who leave SCE, the loss to SCE cannot be pushed to its remaining customers.

The California Public Utilities Commission (CPUC) recently released its Draft Resolution E-4907. Anyone who submitted an implementation agreement by December 8, 2017, the same day the Draft Resolution was released, was authorized to continue moving forward. Formal comments were due January 11, 2018. WRCOG submitted a comment letter. A reply to comments is due tomorrow. WRCOG will be responding to comments provided by the IOUs. This Draft Resolution delays WCE from servicing load until the year 2020.

The IOUs and Community Choice Aggregation Programs must participate in a Resource Adequacy Program to ensure they have one years' resources in advance. The CPUC is also requiring a timeline. If an Implementation Plan is submitted by February 1, 2018, the CCA can begin servicing customers in January 2019. If an Implementation Plan is submitted after February 1, 2018, the CCA cannot begin servicing customers until January 2020.

Staff has had positive discussions with SCE and the CPUC. WCE could potentially purchase what SCE has already purchased for the year.

An Ad Hoc Committee was formed to begin negotiations with SCE. WRCOG has been meeting with SCE for the past year and a half to keep them informed of where the WCE is in the process. Staff have been providing City Council presentations to its member jurisdictions.

Rick Bishop added that the near-term goal is to hope the CPUC does not follow through with its Draft Resolution. If WCE is authorized to launch, WRCOG will be seeking a core group of member jurisdictions to join and move forward.

Action: 1. *Received and filed.*

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that WRCOG is thrilled to be in its new office. John Russo, City of Riverside, was recognized by the Inland Empire Economic Partnership as an Outstanding Public Servant.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Aaron Adams introduced Betsy Lowrey from his office; additionally, conversations about a section of the I-15 that is not included in the Regional Transportation Plan continue to be held.

11. NEXT MEETING

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

12. ADJOURNMENT

The meeting of the Technical Advisory Committee adjourned at 11:00 a.m.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, ereyna@wrcog.us, (951) 405-6740

Date: March 15, 2018

The purpose of this item is to provide an update on the Fiscal Year (FY) 2018/2019 Agency budget development process, the 3rd Quarter budget amendment schedule for FY 2017/2018, and the Agency financial report summary through January 2018.

Requested Action:

1. Receive and File.

FY 2018/2019 Agency Budget Development Process

Staff has begun the process of creating the FY 2018/2019 Agency Budget; below is the schedule of presentations to the various Committees, including the General Assembly:

April 11, 2018:	Administration & Finance Committee (first review)
April 19, 2018:	Technical Advisory Committee (first review)
April 26, 2018:	Finance Directors Committee
May 7, 2018:	Executive Committee (first review)
May 9, 2018:	Administration & Finance Committee (<i>second review</i>)
May 17, 2018:	Technical Advisory Committee (<i>second review</i>)
June 4, 2018:	Executive Committee (<i>second review</i>)
June 21, 2018:	General Assembly (<i>action</i>)

3rd Quarter Budget Amendment

March 31, 2018, will mark the end of the third quarter of FY 2017/2018. The Administration & Finance Committee will receive an amendment report on April 11, 2018. It is anticipated the Technical Advisory Committee will consider the amendment report on April 19, 2018, and the Executive Committee will consider the report on May 7, 2018.

Financial Report Summary through January 2018

The Agency Financial Report summary through January 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:

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

Fiscal Impact:

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

Attachment:

1. Financial Report summary – January 2018.

Item 6.A

Finance Department Activities Update

Attachment 1

Financial Report summary – January 2018

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending January 31, 2018

	Approved 6/30/2018 Budget***	Thru 1/31/2018 Actual	Remaining 6/30/2018 Budget
Revenues			
General Assembly	300,000	18,800	281,200
WRCOG HERO Residential Revenue	816,771	607,061	209,710
CA HERO Residential Revenue	5,800,000	2,484,292	3,315,708
The Gas Company Partnership	50,000	6,521	43,479
SCE WREP Revenue	75,000	21,302	53,698
WRCOG HERO Residential Recording Revenue	182,775	115,445	67,330
CA HERO Residential Recording Revenue	1,000,000	411,070	588,930
CA First Residential Revenue	167,000	25,785	141,215
CA First Residential Recording Revenue	86,000	8,910	77,090
Other Misc Revenue	-	1,318	(1,318)
Solid Waste	117,100	48,892	68,208
Active Transportation Revenue	150,000	80,567	69,433
RIVTAM Revenue	25,000	25,000	-
Air Quality-Clean Cities	137,500	119,000	18,500
LTF	726,000	726,000	-
Commercial/Service - Admin Portion	101,097	45,141	55,956
Retail - Admin Portion	118,867	86,597	32,270
Industrial - Admin Portion	249,133	279,230	(30,097)
Residential/Multi/Single - Admin Portion	1,045,779	691,415	354,364
Multi-Family - Admin Portion	129,787	79,009	50,778
Commercial/Service - Non-Admin Portion	2,426,945	1,128,514	1,298,430
Retail - Non-Admin Portion	2,852,820	2,164,931	687,889
Industrial - Non-Admin Portion	5,979,195	6,980,745	(1,001,550)
Residential/Multi/Single - Non-Admin Portion	25,098,070	17,285,371	7,812,699
Multi-Family - Non-Admin Portion	3,114,890	1,975,227	1,139,663
Total Revenues	60,574,824	35,416,142	25,158,682
Expenditures			
Wages & Salaries	2,584,095	1,508,407	1,075,688
Fringe Benefits	739,956	482,256	257,700
Total Wages and Benefits	3,384,051	1,990,663	1,393,388
			-
Overhead Allocation	2,219,371	1,294,633	924,738
General Legal Services	597,394	512,289	85,105
Audit Fees	27,500	20,200	7,300
Bank Fees	29,000	32,863	(3,863)
Commissioners Per Diem	62,500	30,000	32,500
Office Lease	427,060	147,228	279,832
WRCOG Auto Fuel	750	320	430
WRCOG Auto Maintenance	100	29	71
Parking Validations	4,785	2,620	2,165
Event Support	109,600	61,594	48,006
General Supplies	25,976	14,449	11,527
Computer Supplies	11,076	6,652	4,424
Computer Software	23,126	22,100	1,026
Rent/Lease Equipment	35,100	17,473	17,627

Membership Dues	32,850	17,844	15,006
Subscriptions/Publications	5,500	279	5,221
Meeting Support/Services	18,273	5,972	12,301
Postage	4,285	3,830	455
Storage	11,000	7,800	3,200
Computer Hardware	2,643	1,692	951
Misc. Office Equipment	688	688	(0)
EV Charging Equipment	-	5,975	(5,975)
Communications-Regular	2,571	9,535	(6,964)
Communications-Long Distance	500	192	308
Communications-Cellular	12,961	7,603	5,358
Communications-Comp Sv	75,009	33,138	41,871
Communications-Web Site	6,600	7,208	(608)
Equipment Maintenance - General	10,000	5,737	4,263
Equipment Maintenance - Computers	25,600	11,662	13,938
Insurance - General/Business Liason	73,335	66,526	6,809
WRCOG Auto Insurance	1,570	3,457	(1,887)
PACE Recording Fees	1,354,775	695,073	659,702
Seminars/Conferences	26,250	9,722	16,529
General Assembly Expenditures	300,000	20,154	279,846
Travel - Mileage Reimbursement	24,950	12,711	12,239
Travel - Ground Transportation	8,350	2,159	6,191
Travel - Airfare	31,936	6,271	25,665
Lodging	17,319	6,410	10,909
Meals	10,700	3,509	7,191
Other Incidentals	10,123	8,007	2,116
Training	17,171	9,060	8,111
Supplies/Materials	65,492	281	65,211
Ads	51,571	40,525	11,046
Education Reimbursement	25,000	2,500	22,500
Consulting Labor	4,450,276	924,669	3,525,607
Consulting Expenses	96,466	4,443	92,023
TUMF Project Reimbursement	39,000,000	8,698,005	30,301,995
BEYOND Expenditures	2,052,917	470,214	1,582,703
Computer Equipment Purchases	43,704	14,608	29,096
Office Furniture Purchases	312,500	265,488	47,012
Total General Operations	61,587,358	13,545,394	48,041,964
Total Expenditures	64,971,409	15,536,057	49,435,352

***Includes 1st quarter budget amendments



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: March 15, 2018

The purpose of this item is to update the Technical Advisory Committee 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 summaries of actions and activities from recent WRCOG standing Committee meetings that have taken place since the February 2018 Executive Committee meeting.

Prior Action:

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

Fiscal Impact:

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

Attachments:

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

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Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG Committees Activities Matrix
(Action items only)

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<u>WRCOG Committees Activities Matrix (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:	2/5/18	2/14/18	Did not meet	Did not meet	2/8/18	Did not meet	2/21/18
Current Programs / Initiatives:							
Regional Streetlights Program	Received and filed.	n/a			Received and filed.		n/a
Property Assessed Clean Energy (PACE) Programs	1) Received WRCOG PACE Summary; 2) conducted a Public Hearing regarding the inclusion of the City of Milpitas and the Town of Truckee for the purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about, the Program; 3) Adopt WRCOG Resolution Number 03-18; 4) accepted the City of Pleasanton as an Associate Member; 5) adopted WRCOG Resolution Number 04-18; 6) approved the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and Statewide SAMAS Commercial Program Handbook; and 7) adopted the updated WRCOG PACE Consumer Protections Policy;	1) Recommend that the Executive Committee approve the 1st Amendment to Master Bond Purchase Agreement between WRCOG and Renovate America; 2) recommended that the Executive Committee approve the 2nd Amendment to the Professional Services Agreement between WRCOG and David Taussig & Associates; and 3) directed the WRCOG Executive Director to seek a legislative exemption from SB 2 on imposed fees for PACE real estate transactions.			n/a		n/a
Community Choice Aggregation (CCA) / Western Community Energy	Received and filed.	Received and filed.			n/a		n/a
TUMF	1) Approved the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) approved the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; and 3) approved the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.	n/a			Requested five volunteers to participate in interviews regarding the existing communications strategies WRCOG utilizes for the TUMF Program.		n/a
Fellowship	n/a	n/a			n/a		n/a
New Programs / Initiatives:							
EXPERIENCE	n/a	Received and filed.			n/a		n/a

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Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from recent
Committee meetings

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Western Riverside Council of Governments Executive Committee Meeting Recap February 5, 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](#).

PACE Programs Update

- The Executive Committee approved two new jurisdictions into the California HERO Program: Milpitas and Truckee, bringing the total number of participants to 392 (WRCOG and California HERO Programs).
- WRCOG updated its Consumer Protection Policies, to which all programs under the WRCOG PACE Umbrella must adhere, to incorporate additional protections for property owners who use PACE financing including: aligning the right to cancel with recently passed legislation, emphasizing enforcement of prohibited marketing practices by contractors, adding income based underwriting criteria, and prohibiting the compensation of contractors beyond the cost of a home improvement contract.

Update from the Riverside County Fair Housing Council

- Rose Mayes, Executive Director, Riverside County Fair Housing Council provided an overview on the activities her organization oversees, including a focus on the Mission Heritage Plaza affordable housing project, which is a \$35 million mixed use project in Riverside that will house the Council's office along with 72 residential units, a Civil Rights Institute, Diversity Center, and plaza.

WRCOG and SBCTA Awarded Transportation / Climate Adaptation Grant

- WRCOG submitted a successful Caltrans grant application, in partnership with San Bernardino County Transportation Authority (SBCTA), and will receive \$582,376 for four components:
 - o Establishment of a new "Inland Empire Regional Climate Collaborative;"
 - o Completion of city-level, climate related transportation hazards and evacuation maps;
 - o Creation of a climate resilient transportation infrastructure guidebook; and
 - o A regional climate adaptation and resiliency template general plan element, to help jurisdictions comply with recently passed legislation.

TUMF Update – Ad Hoc Committee recommendations

- The Committee approved recommendations from the TUMF Ad Hoc Committee that has been meeting since April 2017 to review a variety of topics related to TUMF, including the administration and management of the Program, Zone process, fee calculations, and the types of projects that can be funded.
- The Committee supported the following Ad Hoc recommendations, and acknowledged that any substantive changes to the TUMF Network criteria and Nexus Study process will return to the Committee in future meetings for further review and consideration:
 - o Maintain the current administration and management structure of the TUMF Program.
 - o Maintain the current structure of the TUMF Zone process.
 - o Have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:

- Expanding the types of projects that can be funded by TUMF, including active transportation projects.
- Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
- Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

League of Cities Update

- Erin Sasse provided updates on several bills including two which the League recommends local jurisdictions oppose: [SB 827](#) (Wiener) – Planning and zoning: transit-rich housing bonus; and [SB 623](#) (Monning) – Water quality: Safe and Affordable Drinking Water Fund.
- The League released a [report](#), Retirement System Sustainability Study and Findings, that confirms pension costs for cities are approaching unsustainable levels, and cities need more tools and options to ensure they are able to retain and attract public sector employees and continue to deliver high quality municipal services to residents.
- The next League of California Cities – Riverside Division dinner will be held on Monday, March 12 in Canyon Lake.



Western Riverside Council of Governments
Administration & Finance Committee Meeting Recap
February 14, 2018

Following is a summary of major items discussed at the February 14, 2018, Administration & Finance Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint Presentation, please click [here](#).

27th Annual General Assembly & Leadership preparations underway

- The 2018 General Assembly & Leadership Address is scheduled for Thursday, June 21 at the Morongo Casino, Resort & Spa.
- Based on feedback from Committee members, staff is working on securing Steve Forbes as the keynote speaker for the event, and once confirmed, will distribute additional information, invitations, and sponsorship information.

PACE Update – changes to Program fees

- The Committee recommended that the Executive Committee make several changes to WRCOG's PACE Programs to reflect recent legislation and increasing costs of operating PACE programs in California:
 - o The first change is related to the HERO Program Master Bond Purchase Agreement between WRCOG and Renovate America (the HERO Program PACE Provider). Currently, the HERO Program receives a 4.99% one-time administrative fee for Program Administration, and a portion (0.075%) of that fee goes to a bond reserve used to cover shortfalls to bond holders that result from property owners not paying their annual PACE assessments. WRCOG's Financial Advisor (Public Financial Management) determined that 0.075% of the one-time fee is not adequate to cover a high volume of delinquencies, so the bond reserve allocation needs to be increased to 0.25%, therefore raising the total one-time administrative fee to 5.17%.
 - o The second change is related to annual administrative fees (\$25 per PACE assessment) that covers the costs of placing the assessment onto the tax roll, which is done by WRCOG's HERO Program Partner David Taussig & Associates (DTA). WRCOG's Financial Advisor determined that this \$25 annual fee needs to be increased by \$15, bringing the total annual fee to \$40. \$10 of this increase will augment DTA's funding for placing assessments on the tax roll and \$5 will augment the Program's Administrative Account to ensure the Program could adequately service existing PACE assessments over the next 25-years, in the event of the Program's dissolution.
 - o The third change is related to Senate Bill 2, which became law in September 2017 and imposes fees of up to \$225 on real estate transactions. Despite WRCOG's understanding that this bill would not impact PACE related transactions, County Recorders Offices are now interpreting the law's implementation to apply to subject PACE assessments to these new fees. To make up for this increase, WRCOG PACE Program staff recommended increasing the current recording fee (the cost of recording a PACE assessment onto the property tax bill, paid by the homeowner) from \$75 per transaction to \$150 per transaction. Concurrently, staff will work with other issuers to see if there is interest in pursuing a legislative fix to exempt PACE from the provisions of SB 2.

Renovate America Fiscal Year 2015/2016 Operational Analysis

- Per WRCOG's PACE Consumer Protection Policies, WRCOG conducted an operational analysis of Renovate America, the HERO Program PACE Provider. Baker Tilly was the firm retained to conduct the analysis.

- There were a total of 114 testing requirements outlined in the Scope of Work, of which 61 were sample-based transaction testing and 53 were based on an evaluation of Renovate America's processes compared to the applicable Consumer Protection Policy. To demonstrate a thorough analysis, 5,274 individual transaction tests were performed across the 61 requirements. The results show that 99%, or 5,223 testing points met the requirements of the applicable Consumer Protection Policy.
- Baker Tilly made 7 observations in the transaction testing and 4 observations in the Program Process. WRCOG. It should be noted that during the reporting period, Renovate America made a number of enhancements which included additional scrutiny on contractor participation, enhanced confirmed terms calls with property owners, and ensuring the automated system developed to approve projects is accurate. Due to the changes, many of the observations have been addressed.

Western Community Energy Update

- Staff provided an updated on WRCOG's efforts to launch a Community Choice Aggregation (CCA) program for interested member jurisdictions, called Western Community Energy.
- Recent actions taken by the California Public Utilities Commission (CPUC), which regulates the existing CCAs in California and dictates the process for new CCAs to launch, have enabled Western Community Energy to move forward on schedule. Staff anticipates that CCA services could be available to customers in Western Riverside County by 2019.
- A primary component to consider when creating a CCA is the "exit fee" charged by the existing Investor Owned Utility, in our case Southern California Edison, on new CCA customers to cover Edison's costs of no longer procuring and selling power to many customers—because once a CCA launches, Edison will continue to provide energy transmission services but the CCA itself chooses and purchases its own energy sources.
- This exit fee, technically referred to as the Power Charge Indifference Adjustment (PCIA), has been conservatively factored into all of WRCOG's feasibility analysis for Western Community Energy, and will not impact the CCA's ability to provide competitive, locally-driven power choices for participating communities in Western Riverside County. WRCOG staff is continually working with Edison to determine the most efficient PCIA structure.



Western Riverside Council of Governments Public Works Committee Meeting Recap February 8, 2018

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

Regional Streetlight Program

- Tyler Masters, WRCOG Program Manager, provided an activities update on the Regional Streetlight Program. The Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison-owned and operated streetlights. In September 2017, WRCOG released a Request for Quotations solicit suppliers interested in providing WRCOG's member agencies with LED lights for the replacement of jurisdiction-owned streetlights.
- An Evaluation Committee was created to review the proposals received and analyze the lighting specifications. The Evaluation Committee will meet in February with the ultimate goal of providing a recommended selection for the WRCOG Committee structure to consider.
- For more information, please contact Tyler Masters at tmasters@wrcog.us.

TUMF Calculation Handbook

- Daniel Ramirez-Cornejo, WRCOG Senior Analyst, provided an update on the potential inclusion of a category to the TUMF Calculation Handbook for high-cube fulfillment centers. Staff received a number of requests to review this potential category and the Institute of Transportation Engineers have updated the trip generation manual to include a specific category for fulfillment centers/parcel hubs based on their different trip characteristics.
- The Public Works Committee directed staff to form a sub-committee to review the available data for fulfillment centers/parcel hubs and provide a recommendation for the Public Works Committee to consider.
- For more information, please contact Daniel Ramirez-Cornejo at dramirez-cornejo@wrcog.us.

TUMF Program Communications Review

- Sarah Brandenburg, Fehr & Peers, provided a presentation on the review of WRCOG's communication strategy for the TUMF Program. The goal of this exercise is to provide member agencies with the necessary information on the TUMF Program to effectively communicate with all stakeholders.
- Staff requested volunteers to participate in interviews regarding WRCOG's existing communications strategy for the TUMF Program. The Cities of Corona, Jurupa Valley, Murrieta, Temecula, and Wildomar volunteered to participate.
- For more information, please contact Christopher Gray at cgray@wrcog.us.

Local Agency Interest in Big Data

- Christopher Gray, WRCOG Director of Transportation, presented a Big Data request form to determine whether WRCOG should invest in further Big Data initiatives based on actual member agency requests.

- For more information, please contact Christopher Gray at cgray@wrcog.us.

Regional Transportation Prioritization Studies

- Sarah Brandenburg, Fehr & Peers, provided a presentation on an effort conducted by the Los Angeles County Metropolitan Transportation Authority (Metro) to prioritize transportation projects.
- The Los Angeles Mobility Matrix was developed to identify projects that would be funded by the recently approved sale tax measure, Measure M.
- The Los Angeles Mobility Matrix is one of three models staff reviewed for the Public Works Committee to consider for future TUMF Nexus Study updates.
- Staff will hold a workshop in the place of a Public Works Committee meeting in 2018 to review criteria for prioritizing projects in the TUMF Nexus Study and the Zone Transportation Improvement Programs.
- For more information, please contact Christopher Gray at cgray@wrcog.us.

Complete Streets Training

- WRCOG will hold a Complete Streets Training workshop for the Public Works Committee members on March 8, 2018, between 11:00am and 1:00pm at the WRCOG office (Citrus Tower, 3390 University Avenue, Suite 450, Riverside, CA, 92501).
- The training will be tailored to fit the needs of the WRCOG subregion and WRCOG will hold subsequent workshops in the future for agency staff and stakeholders.

GoMentum Station Field Visit

- WRCOG is planning a field visit to the GoMentum Station, a testing facility for autonomous and connected vehicle technology in Concord, California. The Contra Costa Transportation Authority and its partners use the GoMentum Station as a center for transportation research.
- The field visit is tentatively scheduled for April 20, 2018. WRCOG has secured spots for up to forty members of the WRCOG Committees. If interested in participating in this field visit, please contact Christopher Gray at cgray@wrcog.us.



Western Riverside Council of Governments Solid Waste Committee Meeting Recap February 21, 2018

Following is a summary of major items discussed at the February 21, 2018, Solid Waste Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint Presentation, please click [here](#).

Creative Outdoor Advertising

- Creative Outdoor Advertising (COA), a national company with a focus on municipal recycling programs, presented their program which increases pedestrian recycling and provides cities with a monthly revenue stream. COA installs and maintains the customized bins that are typically placed in parks and other municipal properties.
- For additional information, contact Marc Oosterholt at MarcO@CreativeOutdoor.com or at (866) 650-2828.

Waste Hauler Update

- CR&R Environmental Services provided an update on their Anaerobic Digester (AD), located at their facility in Perris. The regional waste hauler collects organic material such as grass clippings and food waste from residential and commercial customers and transports the material to the Organic Recovery Facility (ORF). The organic material is converted into two products: compost and biogas. The AD facility has a targeted goal of four phases until it is fully operational; phase two is almost complete.
- For additional information, contact CR&R Sustainability Coordinator, Ignacio Valdivia at ignaciov@crrmail.com.

Legislative Activities

- Staff tracks legislation relevant to the WRCOG 2018 Legislative Platform with regard to supporting the increase of markets for recyclable or compostable materials and funding for programs to reduce litter and illegal dumping. WRCOG supports legislation that implements Extended Producer Responsibility principles aimed at removing the cost burden for disposal of these products from local jurisdictions and agencies.
- Committee members received updates on three Assembly Bills and two Senate Bills that could improve jurisdictions' abilities to reach recycling goals and are primarily directed at schools and commercial businesses.
- Members shared current information on SB 1383, which became law in September 2016 ([SB 1383\(Lara\) Chapter 395, Statutes of 2016](#)), and established methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy.

- CalRecycle will hold a workshop on April 6, 2018, in the Schulman Auditorium at 1775 Dove Lane in Carlsbad to discuss the SB 1383 implementation process. WRCOG staff will attend this upcoming workshop and report back to the Solid Waste Committee.
- For additional information, contact Dolores Sanchez Badillo, Senior Analyst, at dbadillo@wrcog.us or at (951) 405-6735.

Electronic Annual Reports Update

- WRCOG completed 2016 CalRecycle Electronic Annual Reports for eleven member cities in 2017. Some cities, but not all, received a letter about stagnant numbers or inconsistent numbers from CalRecycle. In conversations with CalRecycle, staff learned the letters were sent to encourage cities to utilize more and better methods to increase recycling diversion, including additional planning and programs targeted at commercial businesses and multi-family housing complexes. The goal is to reach the State's mandated 75% diversion requirement.
- For additional information, contact Kyle Rodriguez, Staff Analyst, at krrodriguez@wrcog.us or (951) 405-6721.

CalRecycle Recovery Update and Review of Electronic Annual Reports

- CalRecycle's, Jill Larner, Supervisor, Senior Environmental Scientist, is the new contact for Western Riverside County in regard to the Electronic Annual Reports. Two new Local Assistance and Market Development (LAMD) staff will be in place soon. Ms. Larner provided an update on CalRecycle information to the Committee.
- Some cities in Southern California were selected for additional review in regard to their diversion status, and Ms. Larner covered ways cities can improve their diversion rates:
 - o Covered generators under the law need to be consistent from year to year. If fluctuations occur there needs to be reasonable explanations.
 - o In January 2019, the covered business generators under MCR and MORE will merge (four cubic yard per week of municipal solid waste). Jurisdictions need to track the covered generators who are not using a franchise hauler. The tonnage is not required but is helpful if can be provided.
 - o Education and outreach follow up are effective if consistent. Compliance should then increase year to year. Education and outreach can be done by the jurisdiction, franchise hauler, regional cooperatives, social media, PSA's, community presentations, property manager associations, city manager communications, personalized letters, business visits, etc.
 - o Noncompliant generators need to be directly contacted with jurisdiction letterhead. This bring integrity to the message and eliminates any perception that the franchise is simply trying to sell more of their services. If businesses are not signing up the jurisdiction needs to track the reasons why they are not signing up for recycling and organics services.
 - o In January 2017, CalRecycle's director sent a letter to all California jurisdictions stating that those that are not complying could be referred to CalRecycle's compliance unit at any time.
- For additional information, contact Dolores Sanchez Badillo, Senior Analyst, at dbadillo@wrcog.us or (951) 405-6735.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Western Community Energy Activities Update

Contact: Barbara Spoonhour, Director of Community Choice Aggregation Development,
bspoonhour@wrcog.us, (951) 405-6760

Date: March 15, 2018

The purpose of this item is to provide the Committee with 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. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing the formation of CCAs as a way to provide local control in rate-making, and potentially lower energy costs and/or provide a "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue a separate agency for the implementation of CCA for Western Riverside County.

IOU Petition for Modification to the Code of Conduct

On January 30, 2018, the Joint Utilities (IOUs), representing Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison (SCE), filed a petition (Attachment 2) to the California Public Utilities Commission (CPUC) for a modification to the Code of Conduct that would allow them to communicate with local governments and the media regarding CCAs. While the petition at face value seems reasonable (in that the IOUs would be able to answer direct questions regarding CCAs), a deeper examination indicates something far from that, with unknown implications that could allow the IOUs to unfairly influence a local government's decision regarding participation in a CCA.

Background on the Code of Conduct: Senate Bill 790 (Chaptered in 2012) required the CPUC to adopt a code of conduct, associated rules, and enforcement procedures, to govern the conduct of the IOUs treatment of Community Choice Aggregators, and established an expedited complaint procedure applicable to complaints filed by CCAs against such corporations. The rules and procedures are intended to provide CCAs with the opportunity to compete on a fair and equal basis with other load serving entities, and to prevent investor-owned electric utilities from using their position or market power to undermine the development or operation of aggregators. The Code of Conduct was also established to assist customers by enhancing their ability to make educated choices among authorized electric providers.

The Petition filed from the IOUs alleges that local governments are not being informed on the operating costs of a CCA and that the Power Charge Indifference Adjustment (PCIA), or Exit Fee, is not being clearly articulated to the local governments. In addition, SCE specifically calls out a number of cities that are in the

process of scheduling items to consider CCA participation, including the cities of Murrieta and Wildomar. WRCOG takes exception to the IOUs broad, unsupported allegation.

Regarding the PCIA, WRCOG is party to the CPUC Proceeding which is examining different models to ensure that customers that remain with the IOUs (bundled customers) are not negatively impacted by a CCA being formed. WRCOG has openly supported the need to ensure that bundled customers should not be burdened and staff continues to actively seek solutions (i.e., change in the PCIA methodology, updated indexes, etc.). In fact, WRCOG has been having recent conversations with SCE on how the impacts could be minimized. As staff has reported in the past, the Feasibility Study conducted for the subregion included a conservative (high) PCIA charge, which still showed a potential savings to customers.

Regarding the costs associated with implementation, staff has selected a team of consultants (The Energy Authority (TEA), Calpine Energy, EES Consulting, Public Financial Management, and Best, Best & Krieger) that will assist with the implementation of the CCA. In fact, TEA and Calpine Energy are providing a financial solution so that WCE's upfront implementation capital needs are significantly reduced; this includes all bonding requirements held by the CPUC and SCE, and allows WCE to develop a rate structure that could provide a savings to the subregion.

Staff continues to provide presentations and meet with its member jurisdictions to objectively present and discuss benefits and risks of CCA implementation

The benefits include:

- Local control over rate setting
- Customer choice in their energy supplier
- Customer choice in their energy mix (i.e., more renewables)
- Competitive / lower rates

The risks include:

- Potential regulatory changes
- Potential increased energy costs
- Potential decrease in the IOUs rates

The release of this Petition came right when some of our member jurisdictions are considering joining the CCA, the CPUC is dealing with the Exit Fees in an open proceeding, and the CPUC adopted a Resolution which to provide a strategy for dealing with short-term Resource Adequacy costs. Unfortunately, it seems to be creating additional confusion in the process; it would also stifle other aspiring CCA efforts throughout the state. Also, WRCOG, along with LACCE and DCE, are in negotiations with SCE to remedy some of these aforementioned issues.

Comments to the petition were due on March 1, 2018. WRCOG worked with LACCE and DCE to prepare comments that outlined that the IOUs presently have the ability to provide factual statements regarding CCAs; they also have the ability to lobby against CCAs using the CPUC guidelines.

California Public Utilities Commission Resolution E-4907 Update

On December 8, 2017, WRCOG staff received notification that the CPUC was scheduled to hear an item on Draft Resolution E-4907 at its January 11, 2018, meeting (later extended until February 8, 2018). The Resolution proposed an informal process of review of CCA Implementation Plans pursuant to the requirements and directives of Public Utilities Code Section 366.21 and Decision (D.) 05-12-041. This process of review will coordinate with the timeline of the mandatory forecast filings of the CPUC's Resource Adequacy (RA) Program to ensure that newly launched and expanding CCAs comply with RA requirements, as established by Section 380, before they serve customers. RA is a regulatory construct developed to ensure that there will be sufficient resources available to serve electric demand under all but the most extreme conditions. This stems from the Electricity Crisis of 2000 where the state determined that it was necessary to develop a system that would

prevent the kind of power shortages, extreme price spikes, and rolling blackouts that occurred during a turbulent period.

After receiving numerous comments on Draft Resolution E-4907, the CPUC staff released an Updated Resolution on February 2, 2018 (Attachment 1), which the CPUC Commission adopted on February 8, 2018.

The revised adopted Resolution provides a way for Western Community Energy to move forward with CCA formation through the submittal of a “waiver” to the CPUC for approval regarding the purchasing of RA from the Investor Owned Utility (IOU). However, there are some issues in the Resolution that still need clarification. Staff worked with Desert Community Energy (DCE), the emerging CCA comprised of jurisdictions in the Coachella Valley, to submit a letter to the CPUC regarding these issues; however, the Commission adopted the Resolution in its entirety, with no changes.

The following outlines the new waiver process and a timeline for the 2018 transition year as contained in the revised Draft Resolution.

1. **The New Waiver Process:** CCAs may request a waiver to begin service in new or expanded territory prior to January 1, 2019, so long as either:
 - a. the CCA and the IOU mutually agree on RA cost responsibility for 2018, and the CCA submits a Tier 1 Advice Letter 75 days ahead of the service date; or
 - b. the CCA and the IOU do not agree on RA cost responsibility for 2018, and the CCA submits a Tier 1 Advice Letter 75 days ahead of service date, and also files a motion in the RA proceeding seeking a determination on cost responsibility within 60 days of the Advice Letter submittal.
2. **Timeline for the 2018 Transition Year:** There are three categories in this transition:
 - a. Implementation plan submissions prior to December 8 are “not impacted”: Los Angeles County Clean Energy (LACCE), East Bay Clean Energy, Redwood Coast Energy Authority expansion to Ferndale, Monterey Bay Community Power, Pioneer Community Energy, City of Rancho Mirage, Valley Clean Energy Alliance, City of Solana Beach, City of San Jose, and the Marin Clean Energy expansion.
 - b. Submissions after December 8 will serve load no sooner than January 1, 2019, unless the waiver process is followed: Desert Community Energy, King City, Riverside County Unincorporated, Silicon Valley Clean Energy expansion, and the LACCE expansion.
 - c. Additional CCAs submissions on or before March 1, 2018, will serve load in January 1, 2019.

Power Charge Indifference Adjustment Update

As background, on June 29, 2017, the CPUCs opened a proceeding (R17-06-026, which WRCOG and CVAG are party to) to consider alternatives to the amount that CCA and Direct Access customers pay in order to keep remaining Investor Owned Utility customers financially unaffected by their departure, which is required by legislation. Legislation also requires that departing customers do not experience cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load. The PCIA is the mechanism to ensure that customers who remain with the utility do not end up taking on the long-term financial obligations the utility incurred on behalf of now-departed customers. Examples of such financial obligations include utility expenditures to build power plants and, more commonly, long-term power purchase contracts with independent power producers.

The Administrative Law Judge (ALJ) which is overseeing the Proceeding, recently revised the PCIA schedule, as follows:

Schedule for Track 2: Evaluation and Possible Modification of the PCIA Methodology				
Event	Original Schedule	Joint Parties' Request	Joint IOUs' Compromise	Revised Schedule
Utility production of ALJ-requested data template		2/22/18		3/2/18

Testimony served and submitted to Supporting Documents	3/12/18	4/16/18	3/26/18	4/2/18
Concurrent rebuttal testimony served	4/2/18	5/7/18	4/23/18	4/23/18
Evidentiary Hearings Commission Courtroom 505 Van Ness Avenue San Francisco, California	4/16/18	5/21/18	5/7/18	5/7/18
Hearings end	4/20/18	5/25/18	5/11/18	5/11/18
Concurrent opening briefs/ Request for final oral argument filed and served	5/11/18	6/15/18	6/1/18	6/1/18
Concurrent reply briefs	5/25/18	6/29/18	6/15/18	6/15/18
Proposed Decision mailed for comment	July, 2018	8/10/18	7/20/18	Late July, 2018

Jurisdictional Meetings

Staff continues to meet one-on-one with elected officials throughout the subregion to provide a high level overview of the Program. Once these meetings conclude, staff is requesting to provide presentations at either a Working Group, Study Session, and/or City Council meeting to gain comments from the community and to determine whether the Council wants to direct its staff to come back with an action.

- February 6, 2018, staff provided a presentation to the Beaumont City Council. Beaumont staff was directed to bring the item back at a future meeting for some type of action.
- February 14, 2018, staff provided a presentation to the Wildomar City Council
- February 27, 2018, staff provided a presentation to the Lake Elsinore City Council
- March 13, 2018, staff will provide a presentation to the Hemet City Council

Upcoming Events

Community Choice Energy Summit

April 24 – 26, 2018

Marriott San Diego La Jolla

Infocast is coordinating the 2018 Community Choice Energy Summit, which will take a deeper look into renewable power planning, procurement and financial strategies, initiatives for developing local energy resources and projects, and emerging advanced methods including customer analytics, energy portfolio risk management, and demand energy resources (DERs). This year also features a special session designed to provide executives from working CCAs, and Mayors, City Managers and Committee/Task Force Chairs from prospective CCAs, an opportunity to network and share insights, best practices and concerns, and a panel focused just on Southern California CCAs and municipalities.

For more information, please visit <http://infocastinc.com/event/community-choice-energy/>.

The Business of Local Energy Symposium

June 4 – 5, 2018

Sheraton Hotel, Sacramento

The Center for Climate Protection, along with the Local Government Commission (LGC) and the Local Government Sustainable Energy Coalition (LGSEC) are organizing the 3rd Business of Local Energy

Symposium. This year's theme, "Community Choice: Power with Purpose," which looks at accelerating CCA adoption, sharing best practices, and creating more benefits for communities. There will also be a pre-symposium workshop on the afternoon of June 4th on distributed energy resource (DER) projects that build local resiliency, provide unique customer services and contribute to local economic development.

For more information, please visit <https://climateprotection.org/business-local-energy-symposium-2018/>.

Prior Action:

January 10, 2018: The Administration & Finance Committee created an SCE negotiations Ad Hoc Committee to work through the Draft Resolution issues with Southern California Edison.

Fiscal Impact:

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

Attachments:

1. Updated Draft Resolution E-4907.
2. Joint Utilities Petition to Modify the Code of Conduct.

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Item 6.C

Western Community Energy
Activities Update

Attachment 1

Updated Draft Resolution E-4907

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R E S O L U T I O N

Resolution E-4907. Registration Process for Community Choice Aggregators.

PROPOSED OUTCOME:

- This resolution would publish and implement a registration process for Community Choice Aggregators.

SAFETY CONSIDERATIONS:

- There is no impact on safety.

ESTIMATED COST:

- Potential unquantifiable bundled ratepayer savings due to elimination of cost shifting of resource adequacy costs.

By the Commission's own initiative.

SUMMARY

The Commission through this Resolution proposes an informal process of review of Community Choice Aggregation (CCA) Implementation Plans pursuant to the requirements and directives of Public Utilities Code Section 366.2¹ and Decision (D.) 05-12-041. This process of review will coordinate with the timeline of the mandatory forecast filings of the Commission's Resource Adequacy program to ensure that newly launched and expanding CCAs comply with Resource Adequacy requirements, as established by Section 380, before they serve customers.

¹ All further references are to the Public Utilities Code unless otherwise specified.

This Resolution will require Community Choice Aggregators (CCAs) to submit to a process that includes a timeline for submission of Implementation Plans; a requirement to “meet and confer” between the CCA and the incumbent utility that can be triggered by either the CCA or the utility; a registration packet including a CCA’s service agreement and bond; and a Commission authorized date to begin service.

This resolution could delay the dates in which some CCAs serve customers but for a limited period of time in most circumstances no longer than one year and if a new or expanding CCA cannot comply with the new timelines the resolution creates a process where the CCA can still seek a waiver to serve customers within several months of approval of their implementation plans.

This Resolution, in part, is responsive to the directive of D.05-12-041 instructing the Executive Director to publish steps for the submission of Implementation Plans, and addresses the current rapid growth of CCA programs. The filing deadlines in this Resolution are intended to coordinate with the timeline for mandatory forecast filings in the Resource Adequacy program.

BACKGROUND

Overview of Community Choice Aggregation

In 2002 the State Legislature enacted Assembly Bill (AB) 117 (codified at Section 366.2), authorizing the creation of Community Choice Aggregators (CCAs). The Commission implemented the provisions of AB 117 in D.04-12-046, and D.05-12-041, among other Decisions.

D.05-12-041 directed the Executive Director to prepare and publish instructions for CCAs and utilities which would provide a forum for the CCA and the utility to understand the CCA’s implementation plans and to assure that the CCA is able to comply with utility tariffs. The instructions should include a timeline and descriptions of the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, and notice to CCAs of the appropriate Cost Responsibility Surcharge (CRS) and registration of CCAs.

After D.05-12-041, no CCA came into formation until 2010 with the launch of Marin Clean Energy. From 2010 to 2015, two CCAs launched serving approximately 135,000 customer accounts statewide. From 2016 to 2017, CCA formation accelerated and 12 more communities launched or submitted CCA Implementation Plans to the Commission. As a result of this rapid growth in CCAs, it is appropriate now to address the directives of D.05-12-041 to create and publish processes for CCA implementation and registration.

Overview of CCA Implementation Plan Requirements

Section 366.2 authorizes the aggregation of electric loads by CCAs and establishes the broad requirements for implementing a CCA program. Section 366.2 grants the Commission authority over CCA implementation, and includes directives on the policy requirements of CCA programs, necessary implementation documents, timing requirements and deadlines for CCA implementation.

Section 366.2(c)(8) establishes the authority of the Commission to designate a CCA's start date with consideration of the impact on the electrical corporation's annual procurement:

No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost recovery that must be paid by the customers of that proposed community choice aggregation program, and provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission.²

² Section 366.2(c)(8).

Policy Requirements for CCAs

Any CCA program must provide for universal access, reliability, equitable treatment of all classes of customers, and fulfill requirements established by state law or by the commission concerning aggregated service.³

Section 366.2(c)(4) states:

A community choice aggregator establishing electrical load aggregation shall prepare a statement of intent with the implementation plan. Any community choice load aggregation established pursuant to this section shall provide for the following:

- (A) Universal access.
- (B) Reliability.
- (C) Equitable treatment of all classes of customers.
- (D) Any requirements established by state law or by the commission concerning aggregated service, including those rules adopted by the commission pursuant to paragraph (3) of subdivision (b) of Section 8341 for the application of the greenhouse gases emission performance standard to community choice aggregators.

Additionally, the implementation of a CCA program “shall not result in a shifting of costs between the customers of the community choice aggregator and the bundled service customers of an electrical corporation.”⁴

Implementation Documents and Requirements

Section 366.2 requires that CCAs submit an Implementation Plan and a Statement of Intent to the Commission and sets forth seven elements that Implementation Plans, and any subsequent changes to implementation plans, must contain.⁵ Section 394.25(e) also requires that “an electric

³ Section 366.2(c)(4).

⁴ Section 366.2(a)(4).

⁵ Section 366.2(c)(3) requires that Implementation Plans and any subsequent changes to implementation plans must be considered and adopted at a duly noticed public hearing and

service provider or community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees” in the event of an involuntary return of CCA customers back to bundled service.⁶

Timing and Deadlines

The Public Utilities Code establishes requirements that direct the Commission how and when to respond to Implementation Plan filings. Within 10 days of an Implementation Plan filing, the Commission must notify the respective electrical cooperation of the filing.⁷ Additionally, within 90 days of the filing of an Implementation Plan, the commission must “certify that it has received the plan” as well as provide the CCA with its findings regarding cost recovery.⁸

must contain all the following: (A)An organizational structure of the program, its operations, and its funding.(B)Ratesetting and other costs to participants, (C)Provisions for disclosure and due process in setting rates and allocating costs among participants. (D)The methods for entering and terminating agreements with other entities. (E)The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures. (F)Termination of the program. (G)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.

⁶ Regarding the bond requirement in Section 394.25(e), in 2007 the Commission established in Resolution E-4133 an interim bond amount of \$100,000. Currently the Commission is examining the permanent CCA bond calculation methodology in R.03-10-003.

⁷ Section 366.2(c)(7) states:

Within 90 days after the community choice aggregator establishing load aggregation files its implementation plan, the commission shall certify that it has received the implementation plan, including any additional information necessary to determine a cost-recovery mechanism. After certification of receipt of the implementation plan and any additional information requested, the commission shall then provide the community choice aggregator with its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in subdivisions (d), (e), and (f).

⁸ Section 366.2(c)(7).

Finally, the CCA “shall register with the Commission, which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters.”⁹

Overview of CCA Resource Adequacy Requirements

As more CCAs launch, it is important to consider how a registration process interacts with a CCA’s compliance with its Resource Adequacy requirements.

All Load-Serving Entities (LSEs) are subject to Resource Adequacy (RA) requirements pursuant to Section 380. Section 380(k) defines LSEs to include CCAs. Additionally, D.05-12-041 in Conclusion of Law 19 states that “The utilities will not procure power on behalf of CCA customers as part of their resource adequacy planning.”

The Commission in D.04-10-035 adopted a protocol which required LSEs to submit load forecasts using their best estimates of future customers and their loads. The Commission established a preliminary load forecast submission timeline in D.05-10-042.¹⁰

There are two mandatory annual load forecast deadlines that an LSE must comply with in order to receive an annual RA obligation responsibility for the following year.¹¹ First, an LSE must file a preliminary load forecast by mid-April for the following calendar year. An LSE then must file a revised forecast in

⁹ Section 366.2(c)(15).

¹⁰ D.05-10-042, page 83.

¹¹ D.04-10-035 adopted a protocol whereby LSEs are required to submit load forecasts using their best estimates of future customers and their loads. D.05-10-042 at page 83 specified the preliminary load forecast submission timeline and set April 15 as the date for the submission of preliminary load forecasts. D.11-06-022 at page 38 modified the year-ahead forecast timeline to include optional revisions to be submitted by Aug. 19th of each year. D.17-06-027 ordered that the revised August forecast be mandatory.

August.¹² The August forecast was intended to refine and improve the accuracy of April forecast.¹³

The timeline of RA load forecast submissions has practical implications for newly forming CCAs and expanding CCAs. If an existing or pre-operational CCA does not submit an annual load forecast, they are not allocated a year-ahead RA obligation for the following year. In this scenario, the incumbent utility remains responsible for that load and procures RA for those customers, even if those customers are about to be served by a CCA. This scenario is most likely to occur if a CCA launches or expands service to customers (or additional customers in the case of an existing, yet expanding CCA) after the RA annual load forecast deadlines without filing an annual load forecast.

As a result, the utilities incur short-term power purchase costs for the customers of CCAs in their launch or expansion year. Utilities procuring for CCAs in their first launch or expansion year creates a cost shifting challenge. D.11-12-018 excluded power purchase transactions less than a year in term from the total portfolio calculation of the Power Charge Indifference Adjustment (PCIA). Consequently, Resource Adequacy contracts of over one year are captured by the PCIA, but Resource Adequacy contracts of less than one year are not captured by the PCIA. Therefore, such costs are borne by bundled customers, potentially resulting in millions of dollars annually of stranded costs and potentially in contravention of the indifference requirement of Section 366.2

Energy Division issued data requests to PG&E confirming the existence of stranded costs. Responses to these data requests were confidential because of the market-sensitive information they contain. The Commission does not rely on those responses in making the determinations made herein.

Public information illustrates the scale of load migration happening in the year-ahead RA program. Existing and new CCAs that were not a part of the year

¹² Although D.11-06-022 modified the year-ahead forecast timeline to include optional revisions to be submitted by Aug. 19th of each year, later D.17-06-027 (OP 7) ordered that the revised August forecast be mandatory. The exact date of the August deadline varies by year.

¹³ D.17-06-027, Finding of Fact 11.

ahead 2018 RA process but plan to serve load in 2018 would have been allocated a System Peak RA requirement of approximately 3,616 MW and a local RA requirement of approximately 1,793 MW. These year-ahead RA requirements were met by the utilities that currently serve these customers. Some of these costs are recovered by the PCIA, however, any contracts less than one year are not captured by the PCIA and are borne by remaining bundled customers. Due to the confidentiality of utility's market position, the proportion of those contracts that are less than one year cannot be disclosed publicly.

In addition, if the California Independent System Operator (CAISO) procures back-stop capacity through its capacity procurement mechanism (CPM), it appears based on the CAISO's tariff language these costs will be allocated only to those LSEs that exist at the time of the designation (annual designations would occur in December, before the compliance year). It is not yet clear if the PCIA addresses this potential cost-shifting issue.

DISCUSSION

D.05-12-041 ordered the Executive Director to develop and publish two distinct processes in Ordering Paragraphs (OP) 8 and 10 of that Decision.

D.05-12-041 Ordering Paragraph 8 Implementation

Ordering Paragraph 8 requires the Executive Director to develop and publish the steps of an informal process of review that provides a forum for the CCA and the utility to understand the CCA's Implementation Plans and assures that the CCA is able to comply with the utility's tariffs.

The goal of this "forum" is to "facilitate the smoother operation of the CCA where its policies, practices, and decisions may affect the utility and its customers."¹⁴ The operation and launch of a CCA program inherently requires logistical coordination between the utility and the CCA, and many CCA-utility partnerships must engage in these kinds of information-sharing discussions to facilitate smooth transitions to CCA service.

¹⁴ OP 8, D.05-12-041.

In order to comply with the directive of Ordering Paragraph 8, at the request of either the CCA or the utility, the parties must “meet and confer” as soon as reasonably practical. If the first attempts at resolution are not successful, the parties are required to meet in person. Should the parties be unable to reach consensus after the in-person meeting(s), either party may request that Energy Division assist by sponsoring a moderated in-person discussion between the parties. Such a request should come in the form of a request to the Director of Energy Division explaining the general nature of any unresolved issues regarding CCA compliance with utility tariffs. During the “meet and confer” parties shall discuss the contents of the CCA’s Implementation Plan and any relevant issues with compliance with utility tariffs.

D.05-12-041 Ordering Paragraph 10 Implementation

Ordering Paragraph 10 of D.05-12-041 requires the Executive Director to prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate Cost Responsibility Surcharges (CRS), and registration of CCAs.

Adopted Timeline for 2019 and Beyond

Appendices A and B of this Resolution include a timeline of the CCA registration process, including the timeline adopted by this Resolution.

The Prior Timeline in Appendix B reflects the current practice of CCA registration. The statutory deadlines in the Prior Timeline were established in Section 366.2. However, several milestones in the Registration process did not have deadlines defined by statute. These milestones are represented as “undefined” in the Prior Timeline. D.12-05.041 included an illustrative registration timeline based on statutory deadlines associated with CCA implementation.¹⁵

¹⁵ D.05-12-041, Attachment D.

The Adopted Timeline modifies the Prior Timeline and the Illustrative Timeline (proposed in D.05-12-041 Attachment D) in several respects. First, the Adopted Timeline includes a deadline by which Implementation Plans must be received in order for CCAs to serve new load beginning January 1 of the following year. The goal of this requirement is to assist the proposed CCA in securing the certification and registration within enough time to file its preliminary load forecast by mid-April in order to serve load the following calendar year.

Second, the Adopted Timeline includes the Meet-and-Confer option for the CCA and the utility to discuss how the CCA will conform its operations to the utility's tariff requirements. Third, the Adopted Timeline includes the deadlines for submission of CCA RA load forecasts in the year prior to a CCA beginning to serve load. Fourth, the Adopted Timeline includes a deadline by which the CCA must submit its Registration Packet and receive confirmation of registration.

In order to coordinate the launch of a new or expanding CCA with the RA requirements, the Implementation Plan and Statement of Intent must be submitted to the Commission on or before January 1 in order to serve load in the following year.¹⁶

These requirements are authorized by Section 366.2(c)(4), which requires a CCA to “provide for universal access, reliability, equitable treatment of all classes of customers, **and any requirements established by state law or by the commission concerning aggregated service.**”¹⁷ Additionally, Load-Serving Entities, including CCAs, must comply with RA requirements pursuant to Section 380(a). Current RA rules require all LSEs to file an annual load forecast if they plan to serve load in the following year. Additionally, Section 366.2(c)(8) also supports this action and compels the Commission to “designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission.”

¹⁶ For example, a new or expanding CCA intending to serve new load in 2020 must submit its Implementation Plan on or before January 1, 2019.

¹⁷ Section 366.2(c)(4), emphasis added.

Thus, in order to comply with the year-ahead RA process, Implementation Plans, including Implementation Plans of an existing CCA that expands its territory, must be received by January 1 in order to serve load in the following year

Adopted Timeline for Transition Year Only (2018)

a. CCAs that filed by December 8, 2017

Prior to the mailing of the draft of this Resolution on December 8, 2017, the following Implementation Plans were submitted to the Commission:

1. Los Angeles Community Choice Energy
2. East Bay Community Energy
3. Redwood Coast Energy Authority Expansion to the City of Ferndale
4. Monterey Bay Community Power
5. Pioneer Community Energy
6. City of Rancho Mirage
7. Valley Clean Energy Alliance
8. City of Solana Beach
9. City of San Jose
10. MCE's expansion to the unincorporated areas of Contra Costa County; the cities of Concord, Martinez, Oakley, Pinole, Pittsburg and San Ramon; and the towns of Danville and Moraga

Collectively these Implementation Plans represent approximately 3,600 MW of new CCA load for 2018. This resolution has no effect on these 10 Implementation Plans or expansions

b. CCAs that filed after December 8, 2017

Following the mailing date of this Resolution on December 8, 2017, the following Implementation Plans have been submitted to the Commission:

1. Desert Community Energy
2. King City
3. Riverside CCA
4. Silicon Valley Clean Energy's Expansion to Milpitas
5. Los Angeles Community Choice Energy's Expansion to serve an additional 21 cities

Collectively these additional Implementation Plans represent approximately 1700 MW of new CCA load that CCAs express a desire to serve in 2018. These five CCAs are impacted by the new timeline adopted in this resolution and may serve load no sooner than January 1, 2019, assuming all deadlines set forth below

are met, unless these CCAs apply for a waiver from this resolution to serve customers in 2018 as set forth in section (c) below.

Energy Division will complete an expedited review of the Implementation Plans submitted by the five CCAs above as well as any additional Implementation Plans and registration packages received on or before March 1, 2018. Energy Division will complete its review by April 13, 2018. CCAs certified by April 13, 2018 must submit their registration packets (including signed service agreements and bond) no later than April 20, 2018 so that those CCAs are certified and registered before the Resource Adequacy annual load forecast deadline in April 2018. This will allow these CCAs to serve load in 2019.

c. Waiver Process

Any new or expanding CCA may request a waiver from the timelines set forth in this resolution in order to begin service in that new or expanded territory prior to January 1, 2019. To request a waiver either:

- A. The CCA and utility in whose service territory the CCA intends to begin service shall jointly submit a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and CCA mutually agree (via payment, allocation of RA or a combination thereof) that they have addressed RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018.¹⁸ Notification of agreements must include what categories of RA for what periods are being satisfied; or,
- B. If no agreement is reached, the CCA shall file a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and the CCA are unable to reach agreement to address the RA

¹⁸ Any allocation of RA can be a portion of a contract, a group of contracts, a pro rata share of the portfolio, or a combination thereof in addition to other forms of payment not identified.

requirements and cost responsibility concerns raised by the intra-year load migration for 2018, and shall state that the CCA agrees to be bound by a future Commission determination in the RA proceeding (R.17-09-020) regarding cost responsibility for intra-year load migration, subject to appellate rights under the Commission's Rules. The CCA then shall file a motion in the RA proceeding seeking such a determination within 60 days of the submittal of the Advice Letter. Submittal of this Advice Letter allows the CCA to begin service in 75 days later and shifts RA responsibility from the utility to the CCA.

CCAs Forming in Small and Multi-Jurisdictional Utility Territories

Should a CCA form in a Small and Multi-Jurisdictional Utility (SMJU) territory, various procedural, cost-shifting, and other potential issues will be presented. Those issues are not being addressed in this Resolution, but the Commission expects to address these issues in an as yet determined forum.

Procedural Components for CCA Implementation Plans

Procedure for Submission and Certification of Receipt

This Resolution adopts a new deadline for submission of Implementation Plans. Implementation Plans will be submitted to the Director of the Energy Division both via email and a hard copy on or before January 1¹⁹ in order to serve load in the following year.²⁰ Within 90 days of receiving an Implementation Plan, the Energy Division will certify that the plan assuming it meets all requirements.

Notice to Customers

This Resolution adopts no changes for Notice to Customers. Implementation Plans shall include the timing of notices sent to utility customers who will be transitioned to CCA service.

Notice to Customers of the Appropriate Cost Responsibility Surcharge (CRS)

¹⁹ Except for 2018, where plans may be submitted by March 1, 2018.

²⁰ For 2018, Energy Division will certify plans by 4/13 if received by 3/1/18 as long as plans are reasonably complete and meet all requirements.

This Resolution adopts no changes for Notice to Customers of the Appropriate CRS. The current Cost Responsibility Surcharge (CRS) has three major components: the Department of Water Resources (DWR) Bond Charge, the Competitive Transition Charge, and the Power Charge Indifference Adjustment (PCIA).

CCAs shall include in their Implementation Plans how they will notify customers of the applicable CRS. The PCIA methodology is currently under reconsideration in R.17-06-026.

Registration of CCAs

This Resolution adopts two new deadlines for CCA registration. First, this Resolution requires that a CCA submit its registration packet to the CPUC within 90 days of filing its Implementation Plan. Second, this Resolution requires that if the Registration Packet is complete, the CPUC will confirm the CCA's registration within 120 days of the CCA submittal of its Implementation Plan assuming it meets all requirements.

To register, a CCA must submit its registration packet including a signed service agreement with the utility and a bond pursuant to Section 394.25 (e). The interim bond amount was set to \$100,000 in Resolution E-4133 (2007) and the amount of the bond is currently under consideration in R.03-10-003.

Once a bond has been submitted, Energy Division will issue a registration letter confirming completion of all registration requirements. After a potential or expanding CCA has fulfilled the above requirements, it may initiate service to its new customers no earlier than the service date authorized by this Resolution.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. The draft Resolution was mailed for Comments on December 8, 2017.

The deadline for comments was extended to January 11, 2018 and reply comments were allowed seven days later.

Over 60 comments and reply comments were received from the public, including numerous individual stakeholders as well as organizations. Of those comments, the majority opposed this resolution. The Joint Utilities (SDG&E, SCE and PG&E), TURN, ORA, and the Coalition of California Utility Employees generally supported Resolution E-4907, with some caveats. Comments primarily focused on the following topics: timing, policy effects, and due process.

Timing

Many comments expressed opposition to Draft Resolution E-4907 and urged the Commission to delay action on Resolution. Many comments stated that Commission consideration of the Resolution in January or February 2018 presented too short a time period for adequate review and analysis.

Resolution E-4907 was held from the January 11, 2018 Commission meeting and scheduled for the February 8, 2018 Commission meeting. The deadline for comments was extended from December 29, 2017 to January 11, 2018. Reply comments were accepted with a deadline of January 18, 2018. The Commission is satisfied that it has provided adequate time for comment and has the information that it needs to decide the issues presented by this resolution.

Policy Effects

Some opposing commenters cited the significant negative impact to nascent CCA programs and expanding CCAs for 2018 and for 2019. They asserted that Draft Resolution E-4907 places substantial and unnecessary burdens on newly forming CCAs. Numerous stakeholders stated that communities invested significant time and resources to launch CCA programs and that these communities would be unfairly harmed in delaying a CCA's service date. Delay of service to new load represents a delay in associated revenues and program benefits according to some commenters. Many asserted that the proposed timeline was arbitrary.

Although Resolution E-4907 may delay some CCAs' desired date to begin service, any such delay would be for a finite period and for the purpose of avoiding unlawful cost shifting. Section 366.2 (c) (8) requires:

No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost recovery that must be paid by the customers of that proposed community choice aggregation program, as provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, **taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission.** [emphasis added.]

Here, Resolution E-4907 designates the earliest possible effective date, taking into account the year-ahead requirements of the Resource Adequacy program in conjunction with our responsibility to avoid shifting costs onto bundled customers. Resource Adequacy is a key component of annual procurement planning and a responsibility of all Load-Serving Entities. The timeline requirements adopted by Resolution E-4907 are allowed by Section 366.2 (c) (8). Revisions to the resolution adjust compliance dates to ensure that the new provisions are consistent with the requirements of Section 366.2(c)(8) that the commission designate the earliest possible effective date for implementation of a community choice aggregation program.

Due Process

Numerous commenters assert that the resolution violates their due process rights. We disagree. The changes in the CCA timeline made by this resolution are an exercise of authority the Commission has had since 2002. Section 366.2(c)(8) establishes the authority of the Commission to designate a CCA's start date with consideration of the impact on the electrical corporation's annual procurement. The Commission could have set a start date/timeline for a CCA in a letter certifying its Implementation Plan. There is no substantive difference here, where the Commission is simply setting that start date/timeline for all CCAs.

Ordering Paragraph 10 of D.05-12-041, moreover, requires the Executive Director to "prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the

Implementation Plan, notice to customers, notice to CCAs of the appropriate CRS, and registration of CCAs.” This resolution effectuates that order. Commenters assert that there was no opportunity to be heard. We disagree. Comments on draft resolutions are normally afforded about 20 days to comment.²¹ Here, in response to requests from commenters, additional time was afforded for comments. In addition, reply comments, while not normally allowed, were allowed.

Finally, two additional changes were made in response to comments. First, the deadline to submit Implementation Plans in 2018 has been moved forward to March 1, 2018, allowing several additional CCAs to begin service in 2019. Second, CCAs that desire to serve in may request a waiver if they reach an agreement with the incumbent utility to resolve RA cost-shifting concerns. These changes provide greater flexibility to CCAs on the date they can begin service.

FINDINGS AND CONCLUSIONS

1. Ordering Paragraph 8 of D.05-12-041 requires that the Executive Director develop and publish the steps of an informal process of review that provides a forum for the CCA and the utility to understand the CCA’s implementation plans and assures the CCA is able to comply with utility tariffs.
2. Ordering Paragraph 8 of D.05-12-041 requires that the forum be mandatory at the request of either the utility or the CCA and where the request is presented in writing with a recitation of disputed items or areas of concern. The process shall implicate no approvals, either formal or informal, from the Commission. Utility tariffs shall describe the meet and confer process for resolving disputes over operational issues prior to initiation of services.
3. The Commission should develop and publish the steps of an informal process of review that provides a forum for CCAs and utilities as directed in Ordering Paragraph 8 of D.05-12-041.

²¹ Compare section 311(g)(1) with California Public Utilities Commission, Rules of Practice and Procedure (Rules), Rule 14.5.

4. Ordering Paragraph 10 of D.05-12-041 requires the Executive Director to prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate
5. The Commission should prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate Cost Responsibility Surcharge (CRS), and registration of CCAs. Cost Responsibility Surcharge (CRS), and registration of CCAs.
6. CCAs must comply with the Resource Adequacy requirements as set forth in Public Utilities Code Section 380 before beginning service.

THEREFORE IT IS ORDERED THAT:

1. Within 14 days of the effective date of this Resolution, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas and Electric Company (SDG&E), shall update their tariffs and submit Tier 2 Advice Letters with the adopted timeline and procedures listed in Appendix A.
2. Prospective or expanding Community Choice Aggregators who have not yet submitted an Implementation Plan as of December 8, 2017 shall file their Implementation Plans pursuant to the adopted timeline and procedures listed in Appendices A and B and fulfill the Resource Adequacy portion of Appendices A and B prior to initiating service to customers unless they receive a waiver from the Commission as described in Paragraph 3 below. This Resolution is not retroactive.

3. Any new or expanding CCA may request a waiver from the timelines set forth in this resolution in order to begin service prior to the deadlines in Appendices A and B. To request a waiver either:
 - A. The CCA and utility in whose service territory the CCA intends to begin service shall jointly submit a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and CCA mutually agree (via payment, allocation of RA or a combination thereof) that they have addressed RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018. Notification of agreements must include what categories of RA for what periods are being satisfied; or,
 - B. If no agreement is reached, the CCA shall file a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and the CCA are unable to reach agreement to address the RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018, and shall state that the CCA agrees to be bound by a future Commission determination in the RA proceeding (R.17-09-020) regarding cost responsibility for intra-year load migration, subject to appellate rights under the Commission's Rules. The CCA then shall file a motion in the RA proceeding seeking such a determination within 60 days of the submittal of the Advice Letter. Submittal of this Advice Letter allows the CCA to begin service in 75 days later and shifts RA responsibility from the utility to the CCA.
4. Commission staff will process Implementation Plans pursuant to the adopted timeline and procedures listed in Appendices A and B.
5. The Commission will revisit this process, if necessary, depending on the outcome of R.03-10-003 or successor proceedings.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on February 8, 2018; the following Commissioners voting favorably thereon:

TIMOTHY SULLIVAN
Executive Director

Appendix A: Adopted CCA Registration Timeline and Procedures

Date	Action
Day 1, Year 1 (On or before January 1 Year 1) ²²	(1) The prospective or expanding CCA submits its Implementation Plan to Energy Division and serves it on the R.03-10-003 Service List, on the R.16-02-007 Service List, and on the R.17-09-020 Service List, or successor proceedings.
Day 1 – 10, Year 1	(1) The CPUC notifies the Utility servicing the customers that are proposed for aggregation that an implementation plan initiating their CCA program has been filed.
Day 1 – 60, Year 1	(1) The CCA provides a draft customer notice to CPUC's Public advisor. (2) Within 15 days of receipt of the draft notice, the Public Advisor shall finalize that notice and send it to the CCA.
DAY 1 – 90, Year 1 ²³	(1) The CPUC sends a letter confirming that it has received the Implementation Plan and certifying that the CCA has satisfied the requirements of an Implementation Plan pursuant to Section 366.2(c) (3). This letter informs the CCA about the cost recovery mechanism as required by P.U. Code Section 366.2(c)(7). If and when the CPUC requests additional information from a CCA, the CCA shall respond to CPUC staff within 10 days, or notify the staff of a date when the information will be available. (2) The CPUC provides the CCA with its findings regarding any cost recovery that must be paid by customers of the CCA in order to prevent cost shifting. (P.U. Code Section 366.2 (c) (7).)

²² For Plans to be submitted in 2018 to serve load in 2019, this deadline is extended to March 1, 2018.

²³ For Plans submitted by March 1, 2018, CPUC will complete review by April 13, 2018.

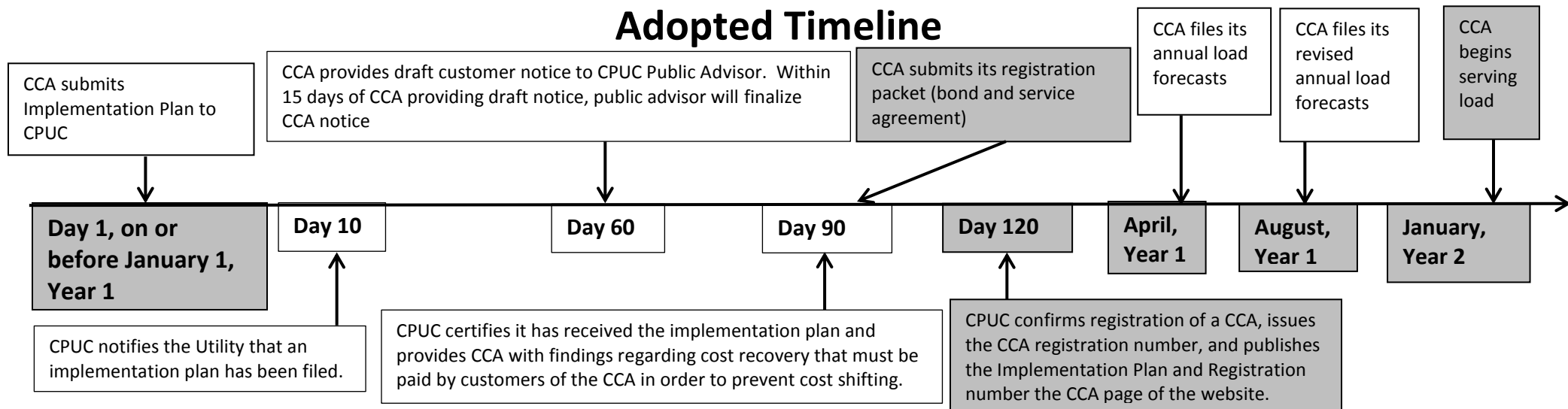
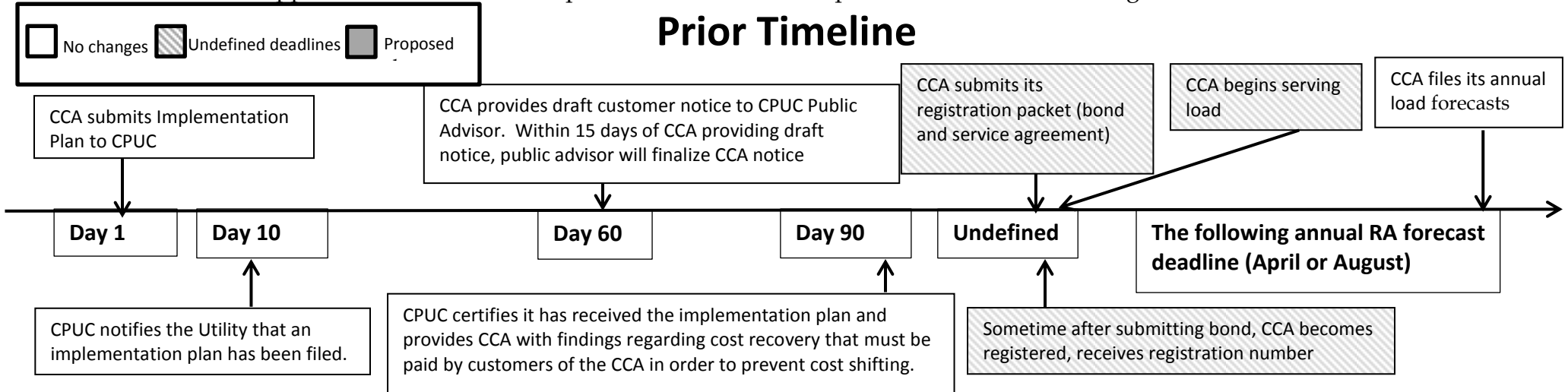
	(3) The CCA and the Utility should Meet-and-Confer regarding the CCA's ability to conform its operations to the Utility's tariff requirements.
DAY 1 – 90, Year 1²⁴	(1) The CCA submits its registration packet to the CPUC, including: - Signed service agreement with the utility, and - CCA interim bond of \$100,000 or as determined in R.03-10-003
Day 90 – 120, Year 1²⁵	(1) If the registration packet is complete, the CPUC confirms Registration as a CCA.
April, Year 1	(1) The CCA submits its year ahead Resource Adequacy forecast (P.U. Code Section 380)
August, Year 1	(1) The CCA submits its updated year-ahead RA forecast
October Year 1 (75 days before service commences)	(1) CCAs submit their Monthly load migration forecast for the Resource Adequacy program, filed about 75 days prior to the compliance month.
Within 60 days of the CCA's Commencement of Customer Automatic Enrollment	(1) The CCA shall send its first notice to the prospective customers describing the terms and conditions of the services being offered and the customer's opt-out opportunity prior to commencing its automatic enrollment. (P.U. Code Section 366.2 (c) (13) (A))
Within 30 days of the CCA's Commencement of Customer Automatic Enrollment	(1) The CCA shall send a second notice to the prospective customers describing the terms and conditions of the services being offered and the customer's opt-out opportunity prior to commencing its automatic enrollment. (P.U. Code Section 366.2 (c) (13) (A)) (2) Once notified of a CCA program, the Utility shall transfer all applicable accounts to the new supplier within a 30-day period from the date of the close of their normally scheduled monthly metering and billing process. (P.U. Code Section 366.2 (c) (16))
January 1, Year 2	(1) CCA begins service.
Following the CCA's Automatic Customer Enrollment	(1) The CCA shall inform participating customers for no less than two consecutive billing cycles that: a. They have been automatically enrolled into the CCA program and that each customer has the right to opt out of the CCA program without penalty. (P.U. Code Section 366.2 (c) (13)(A)(i).)

²⁴ For 2018, the bond and signed service agreement must be submitted by April 20, 2018.

²⁵ For 2018, the CPUC will confirm registration by April 27, 2018.

	b. Terms and conditions of the services being offered. (P.U. Code Section 366.2 (c) (13)(A)(ii).)
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Appendix B: Schematic Comparison of Prior and Adopted Timelines for CCA Registration Process



Item 6.C

Western Community Energy
Activities Update

Attachment 2

Joint Utilities Petition to Modify the
Code of Conduct

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Pursuant to
Senate Bill No. 790 to Consider and Adopt a
Code of Conduct, Rules and Enforcement
Procedures Governing the Conduct of
Electrical Corporations Relative to the
Consideration, Formation and Implementation
of Community Choice Aggregation Programs.

Rulemaking 12-02-009
(Filed February 16, 2012)

**PETITION FOR MODIFICATION OF DECISION 12-12-036 OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39-E),
SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) AND
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January 30, 2018

**PETITION FOR MODIFICATION OF DECISION 12-12-036 OF PACIFIC GAS AND
ELECTRIC COMPANY (U 39-E), SAN DIEGO GAS & ELECTRIC COMPANY
(U 902-E) AND SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Pursuant to Senate Bill No. 790 to Consider and Adopt a Code of Conduct, Rules and Enforcement Procedures Governing the Conduct of Electrical Corporations Relative to the Consideration, Formation and Implementation of Community Choice Aggregation Programs.

Rulemaking 12-02-009
(Filed February 16, 2012)

**PETITION FOR MODIFICATION OF DECISION 12-12-036 OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39-E),
SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) AND
SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)**

Pursuant to Rule 16.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Pacific Gas and Electric Company (“PG&E”), San Diego Gas & Electric Company (“SDG&E”), and Southern California Edison Company (“SCE”) (each a “utility” and collectively, the “Joint Utilities”) respectfully submit this Petition for Modification of Decision (“D.”) 12-12-036

I.

EXECUTIVE SUMMARY

The Joint Utilities ask the Commission to allow electrical corporations (“utilities”) to communicate with local governments regarding Community Choice Aggregators or Aggregation (“CCAs”). In D.12-12-036, the Commission adopted a Code of Conduct that imposes substantial restrictions on such communications, which the Code classifies as “lobbying.” Modifying these restrictions would advance the public interest, would be consistent with California law, and is

necessary to ensure that the Code complies with the United States Constitution. For these same reasons, the Joint Utilities also request that the Commission confirm that the Code of Conduct does not restrict the Joint Utilities' right to communicate with the press—newspapers, television stations, and radio stations—regarding CCAs.¹

The Joint Utilities' goal in filing this petition is not to prevent CCA formation. To the contrary, the Joint Utilities support customers' right to choose CCAs, as long as bundled service customers are not allocated costs that should be borne by CCA customers. Accordingly, in this petition, the Joint Utilities do not seek any changes to the Code of Conduct's "marketing" provisions, which restrict their ability to communicate with customers "regarding the [utility's] and community choice aggregators' energy supply services and rates."² Instead, this petition concerns only communications with local governments and the press.

Modifying the Code of Conduct's lobbying restrictions is in the public interest. Utility customers are not well served if localities make uninformed decisions because they have been able to hear only from certain constituencies. Without complete information regarding CCA formation and operation, localities may adopt or implement CCA programs without a full understanding of the benefits, risks, and costs of their decisions. This could result in unintended negative consequences for utility customers served by the CCA, as well as for bundled service customers who may face additional costs as a result of a CCA program's flaws or the return of customers to bundled service. In both cases, the Joint Utilities' customers would be negatively affected.³

¹ This petition does not seek any change the Code's marketing restrictions on a utility's ability to communicate with customers through paid advertising. *See* Code of Conduct Rule 1(a).

² The Joint Utilities do not believe that the Code's "marketing" restrictions, by their terms, prohibit utilities from communicating with customers or correcting misleading statements about the utilities' *own* services and rates (so long as such communications do not reference CCA services and rates). But to the extent the Code is interpreted otherwise, it would raise significant free speech concerns.

³ CCA customers are also utility customers because they continue to receive transmission, distribution, and other services from a utility.

Allowing the Joint Utilities to communicate with local governments regarding CCA programs is particularly important with respect to localities' decisions to form or join CCAs. CCA formation involves numerous complex issues, including Commission-approved tariff rules that govern utility services to CCAs, the rules and obligations governing procurement by load serving entities in California (including CCAs), resource planning, long-term planning assumptions (e.g., forecasting market conditions and resource costs), rate-setting issues (such as the status of default time-of-use (TOU) rate implementation for residential customers), cost recovery, the operation of departing load charges such as the Power Charge Indifference Adjustment ("PCIA") or its successor, and the need for adequate financial security requirements for involuntary returns of CCA customers to utility service.

It appears, however, that localities in SCE's and SDG&E's service areas are not always receiving the necessary information, and in some instances have received information that is incomplete, inaccurate, and potentially misleading. Indeed, some local public officials have expressed frustration to the Joint Utilities about their inability to more fully comment on the benefits and costs of proposed CCA programs.⁴ Absent access to information from the utility, local governments' primary source of information is often external advisory firms that potentially anticipate having a role in implementing the CCA entity after the feasibility study.

Allowing the Joint Utilities to communicate with local governments in connection with their deliberations on CCA formation will promote informed decision-making by these governments and mitigate the risk of unanticipated costs and outcomes that customers may incur resulting from CCA formations based on incomplete or inaccurate information.

The PG&E-area situation is somewhat different. PG&E already serves over 1.1 million CCA customers today, and by January 2019, approximately half of PG&E's electric customers will likely be served by CCAs. Accordingly, as compared to the SCE-area and SDG&E-area, PG&E has less of a need to discuss CCA-related issues with communities that are deciding

⁴ See, e.g., Declaration of J. Christopher Thompson ¶ 8.

whether to adopt CCA programs. Nevertheless, PG&E is interested in discussing CCA-related issues with local government officials of the communities it serves even after CCAs begin service.

The Code of Conduct's restrictions on CCA-related communications between the Joint Utilities and local government officials appear to be an outlier. Although some states impose certain limits on marketing to CCA customers, the Joint Utilities are not aware of any jurisdiction that restricts a utility from communicating with local government officials regarding CCAs.

The Commission also should confirm that the Code of Conduct does not restrict the Joint Utilities' right to communicate with the press regarding CCA-related issues. The Code currently does not directly address such communications, but the Joint Utilities are concerned that some may allege that communications with the press could be deemed to constitute prohibited "lobbying" or "marketing." Just as local governments will benefit from receiving information from utilities regarding the issues surrounding CCA formation and operation, so too will the press for its communications with the public at large. Preventing the Joint Utilities from commenting on or providing the press with the Joint Utilities' perspective on these issues is not in the public interest because it would result in these discussions being informed only by certain constituencies and by incomplete information.

In addition, the Commission should grant the relief requested in this petition to avoid a violation of the Joint Utilities' First Amendment rights to communicate on a matter of public concern and to be free of content-based restrictions on their speech. The restrictions on lobbying also violate the Joint Utilities' right to communicate with local government representatives.

The relief requested in this petition is consistent with California law, which does not require the Commission to retain the Code of Conduct's lobbying restrictions or restrict the Joint Utilities' communications with the press. California Public Utilities Code § 707, the statute that requires the Commission to adopt a Code of Conduct, directs the Commission to "[e]nsure that an electrical corporation does not *market* against a community choice aggregation program,

except through an independent marketing division.”⁵ Section 707 does not mention lobbying communications with local government officials, or communications with the press.

Because many local governments in the Joint Utilities’ service areas are currently considering CCA programs, the Commission should act promptly on this petition so that the Joint Utilities can communicate with these governments in a timely manner and so that local government officials will have access to as much information as possible to help them make informed decisions on issues that impact CCA formation and operation. Accordingly, the Joint Utilities respectfully request that the Commission decide this petition by June 1, 2018, in accordance with the Proposed Schedule described in Part IV, below.

II.

BACKGROUND

Public Utilities Code § 707 (a) directs the Commission to adopt a “code of conduct” to “govern the conduct of the electrical corporations relative to the consideration, formation, and implementation of community choice aggregation programs.” As relevant here, this code of conduct must:

Ensure that an electrical corporation does not market against a community choice aggregation program, except through an independent marketing division that is funded exclusively by the electrical corporation’s shareholders and that is functionally and physically separate from the electrical corporation’s ratepayer-funded divisions.⁶

The code must also “limit” the independent marketing division’s “use of support services from the electrical corporation’s ratepayer-funded divisions”; require that this division be allocated any costs of any permissible support services from the “ratepayer-funded divisions on a

⁵ Cal. Pub. Util. Code § 707 (a) (emphasis added). All subsequent statutory references in this petition are to the California Public Utilities Code.

⁶ Cal. Pub. Util. Code § 707 (1).

fully allocated embedded cost basis”⁷; and require that this division not have access to competitively sensitive information.⁷

In D.12-12-036, the Commission adopted the Code of Conduct. Rule 2 of the Code states:

No electrical corporation shall market or lobby against a community choice aggregation program, except through an independent marketing division that is funded exclusively by the electrical corporation’s shareholders and that is functionally and physically separate from the electrical corporation’s ratepayer-funded divisions.⁸

Rule 2 largely tracks § 707(a) (1), except that it applies to both “market[ing]” and “lobby[ing],” while the statute mentions only “market[ing].” The Code of Conduct defines “lobby” as communicating “with public officials or the public or any portion of the public for the purpose of convincing a government agency not to participate in, or to withdraw from participation in, a [CCA] program.”⁹ Lobbying does not include the following:

- i) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to questions from a government agency or its representative.
- ii) Provision of information to potential Community Choice Aggregators related to Community Choice Aggregation program formation rules and processes.¹⁰

The Code of Conduct defines “[m]arket” to mean “communicate with customers . . . regarding the electrical corporation’s and community choice aggregators’ energy supply services and rates.”¹¹ Marketing does not include the following:

- i) Communications provided by the electrical corporation throughout all of its service territory to its retail electricity customers that do not reference community choice aggregation programs.

⁷ § 707(a) (2)-(3). As an alternative, section 707 also allows the Commission “to require that any marketing against a community choice aggregation plan shall be conducted by an affiliate of the electrical corporation . . . subject to affiliate transaction rules to be developed by the Commission.” § 707(c). The Commission has not taken any actions pursuant to this provision.

⁸ Code of Conduct Rule 2.

⁹ Code of Conduct Rule 1(b).

¹⁰ *Id.*

¹¹ Code of Conduct Rule 1(a).

ii) Communications that are part of a specific program that is authorized or approved by the California Public Utilities Commission (CPUC), . . . renewable energy rebate, or tariffed programs

iii) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to the questions of individual customers.¹²

The Code of Conduct also imposes various restrictions on any independent marketing division that is created by a utility to conduct marketing and lobbying in compliance with Rule 2. The independent marketing division shall not have access to a utility’s “competitively sensitive information.” Nor may the division access the utility’s “market analysis reports or any other types of proprietary or non-publicly available reports, including but not limited to market, forecast, planning or strategic reports.”¹³ Apart from shared support services, utility employees may not be employed by the independent marketing division¹⁴ and may not speak on behalf of the independent marketing division.¹⁵

The formation of an independent marketing division also is subject to other significant restrictions. The independent marketing division must be physically separated from the utility.¹⁶ The independent marketing division may not share equipment, services, and systems (including information technology systems) with the utility, except as necessary to perform corporate support services.¹⁷ Transfers of employees between the utility and the independent marketing division are restricted and subject to a transfer fee.¹⁸

The utility and the independent marketing division are subject to audits for compliance with the rules.¹⁹ And the Code also provides an expedited complaint procedure that generally

¹² *Id.*

¹³ Code of Conduct Rules 5, 8.

¹⁴ Code of Conduct Rule 15.

¹⁵ Code of Conduct Rule 9.

¹⁶ Code of Conduct Rules 2, 11.

¹⁷ Code of Conduct Rule 11.

¹⁸ Code of Conduct Rule 16.

¹⁹ Code of Conduct Rule 23.

requires any complaints filed against utilities by CCAs to be resolved in no more than 180 days.²⁰

The combined effect of these restrictions is to discourage the utility from communicating to localities, unless specifically asked, crucial information—including information about market structure and challenges, impacts of future market conditions, rate-setting and cost recovery issues, and rules and policies applicable to CCAs—that is understood by utility employees who are subject-matter experts on these issues but who cannot speak for (and are restricted from transferring relevant information to) an independent marketing division.

III.

JUSTIFICATION FOR PETITION FOR MODIFICATION

The Commission has broad authority to “amend any order or decision made by it” at “any time, upon notice to the parties[] and with opportunity to be heard.”²¹ In compliance with Rule 16.4 (b) of the Commission’s Rules of Practice and Procedure, Section A, below, proposes the specific wording to carry out the Joint Utilities’ requested modifications to the Code of Conduct.

Sections B, C, D, and E, below, provide a concise justification for the requested relief. Section B explains why § 707 does not require the Commission to restrict the Joint Utilities’ communications with local governments or the press. Section C explains why the requested modifications to the Code of Conduct would improve local governments’ access to information regarding CCA programs and promote more informed decision-making, which would be in customers’ interest. Section D explains why allowing the Joint Utilities to communicate with the press regarding CCA-related issues is in the public interest. Section E explains why the relief requested in this petition is necessary to comply with the First Amendment.

²⁰ Code of Conduct Rule 24.

²¹ §1708; *see also* D.12-04-012 at 3 (“Pursuant to [§ 1708], the Commission has broad authority to modify decisions after notice to parties to the prior proceeding.”)

Finally, in compliance with Rule 16.4 (d), Section F explains why this “petition could not have been presented within one year of the effective date of” D.12-12-036.

A. Description of the Requested Modifications

1. Modifying the Code of Conduct’s Lobbying Restrictions

The Joint Utilities request that the Commission eliminate the restrictions on lobbying from the Code of Conduct. Consistent with Rule 16.4 (b), Exhibit A to this Petition shows the requested modifications to the Code of Conduct in the form of a markup to the existing Code. As a result of these modifications, a utility’s communications with local government officials regarding CCA-related issues would be treated on the same footing as a utility’s communications with this Commission regarding CCA-related issues; on the same footing as a utility’s communications with local government officials regarding any other issue or concern; and on the same footing as CCA consultants’ communications with local government officials about CCA formation.

If the Commission declines to eliminate the restrictions on lobbying in their entirety, SCE and PG&E submit that the Commission should at a minimum narrow these restrictions to allow utilities to share useful and timely information with localities. SCE and PG&E ask the Commission to clarify that the lobbying restrictions encompass only express advocacy against CCA programs. Such a clarification would provide at least incremental certainty that the Joint Utilities can communicate important information to local governments without running the risk that they will later be deemed to have had the “purpose” of dissuading CCA participation. SDG&E does not believe that this narrowing solves the constitutional problems with the Commission’s lobbying restrictions and does not support this approach.

No specific changes to the language of the Code are necessary in order for the Commission to clarify that the Code’s lobbying restrictions apply only to express advocacy. Rather, the Commission could simply issue a decision containing the following language or its

equivalent: “An electrical corporation shall not be deemed to have the purpose of convincing a government agency not to participate in, or to withdraw from participation in, a Community Choice Aggregation program unless the electrical corporation expressly advocates against participation in such a program.”

While no change to the wording of the Code is necessary to address utility communications with the press, the Joint Utilities ask the Commission to issue a decision that confirms that such communications are not restricted. The Joint Utilities propose that the Commission use the following language: “Nothing in the Code of Conduct is intended to restrict an electrical corporation’s right to communicate with the press, including newspapers, television stations, and radio stations.”

B. Section 707 Does Not Require the Commission to Restrict the Joint Utilities’ Communications with Local Governments or the Press

Section 707(a) requires the Commission to “[e]nsure that an electrical corporation does not *market* against a community choice aggregation program, except through an independent marketing division.”²² Section 707(a) does not mention lobbying or communications with local government officials. Accordingly, § 707(a) neither instructs nor requires the Commission to adopt any rules regarding an electrical corporation’s communications with local government officials. Nor does § 707(a) mention communications with the press.

No other provision of § 707 prevents the Commission from granting the requested modification to the Code’s lobbying provisions or confirming that the Code does not apply to communications with the press. Section 707(a) (5) states that the Commission may adopt any rules it finds “necessary or advisable to protect a ratepayer’s right to be free from forced speech.” But this provision does not mandate the adoption of any specific rules regarding communications with local government officials or the press. In particular, it does not mandate that the

²² § 707(a) (emphasis added).

Commission require that any communications with local government officials or the press be conducted solely through an independent marketing division. And in any event, as further described in Section E, below, a utility's communications with local government officials or the press would not infringe upon a "ratepayer's right to be free from forced speech," and the Code of Conduct's existing restriction on utility lobbying is not necessary to prevent any such infringement.

In addition, in § 707(a) (4)(B) the Legislature expressed its "intent" that the Code of Conduct "include, in whole or in part, the rules approved by the commission in D.97-12-088 and D.08-06-016." Again, this provision does not mandate the adoption of any specific rules regarding communications with local government officials or the press. Indeed, the Legislature expressly provided that this provision "does not limit the authority of the commission . . . to modify any rule adopted in those decisions."²³ Nor do the Decisions referenced by the Legislature impose any requirement that an electrical corporation conduct all communications with local government officials or the press through an independent marketing division or affiliate.²⁴

Because § 707 does not require the Commission to allow utilities to communicate with local government officials or the press only through an independent marketing division or affiliate, the Joint Utilities' request that the Commission exempt communications with local

²³ § 707(a) (4)(C).

²⁴ In D.97-12-088 the Commission adopted standards of conduct governing relationships between utilities and their affiliates. These standards of conduct limit a utility's ability to share certain services and engage in certain transactions with an affiliate, but they do not restrict a utility's ability to engage in lobbying activities or communicate with the press. *See* D.97-12-088, Appendix A. In D.08-06-016, the Commission adopted a settlement between a CCA, the San Joaquin Valley Power Authority ("SJVPA"), and PG&E. The settlement required both parties to limit themselves to truthful marketing and lobbying, and required functional separation of PG&E's marketing division, but it did not require PG&E to engage in lobbying or communications with the press solely through this marketing division. D.08-06-016 at 5-7. Indeed, the settlement expressly did not prevent PG&E "from timely communicating with the city and county governments participating in SJVPA's CCA program." *Id.* at 6.

government officials or the press from the scope of the Code of Conduct is permissible under § 707.

C. Modifying “Lobbying” in the Code of Conduct Will Inform Local-Government Decision-Making

1. Local governments do not always have complete information about CCA programs

Many localities in California have recently considered or are currently considering taking on electrical power procurement obligations through a CCA program, including the cities of Long Beach, Huntington Beach, Laguna Beach, Palmdale, Murrieta, Wildomar, and Desert Hot Springs, in SCE’s service area. The County of Los Angeles and cities of Rolling Hills Estates and South Pasadena are in the process of implementing Los Angeles Community Choice Energy (LACCE), and are inviting other localities to consider joining LACCE.²⁵

A CCA formation decision involves important complex questions, including whether the CCA can deliver lower cost and/or greener power over time, operate independent of system planning requirements and existing utility commitments, and what risks the CCA and its sponsoring locality must undertake in attempting to do so. Among these complex issues are the following:

- Procurement:

CCAs will be required to deliver a significant amount of the energy required by the Renewables Portfolio Standard (“RPS”) from long-term contracts (i.e., contracts with terms of ten year or longer) to comply with Senate Bill (SB) 350.²⁶ CCAs also have to meet Local and

²⁵ LACCE submitted a supplemental implementation plan on December 29, 2017, to add 21 jurisdictions: Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and County of Ventura.

²⁶ See § 399.13(b).

Flex Resource Adequacy (“RA”) requirements, which may become more challenging (particularly for Local) as additional load serving entities are created and enter the market seeking to purchase a limited amount of Local and Flex RA supply. Utility personnel can identify questions and issues that localities should raise with their CCA consultants in order to ensure that they have a broad understanding of the benefits and risks associated with long-term resource procurement and Resource Adequacy requirements.

For example, some of the feasibility studies presented to localities by consultants do not appear to address risks associated with the need to enter into long-term supply contracts, such as credit and collateral requirements, or the ability of the CCA to recover above-market costs of long-term contracts from customers that depart CCA service for other procurement options.²⁷ Some studies mention the need to enter into long-term supply contracts only in passing; others mention that the CCA can and should enter into such contracts for a term, but do not address the risk to the CCA associated with changes in market conditions or credit requirements.²⁸

- Resource Mix:

Utilities have contracted resources that provide important reliability services to the electric grid, such as Local Capacity Requirements and New Generation resources. The current electric grid cannot be reliably and safely operated with only RPS and short-term spot resources. Local government officials should have a full understanding of the need for integration services, ancillary services, voltage and short circuit duty, black start, and energy supply for hours in which renewables generation is insufficient, which will create additional system costs for localities that only consider the purchase cost of renewables and short-term spot markets in their CCA formation decisions.²⁹

²⁷ Declaration of Colin E. Cushnie ¶ 8.

²⁸ *Id.*

²⁹ Declaration of Colin E. Cushnie ¶ 9.

The Joint Utilities have observed a number of representations that CCAs will be greener than utilities.³⁰ This representation may be incomplete if it is not also explained that the utilities will also have portfolios that exceed 50% RPS consistent with the requirements of SB 350.³¹

- Projected Cost Savings:

Projected cost savings from CCA formation are often based on a comparison of the utility's generation rate, which is based on a portfolio of resources contracted over time, to current market prices. Based on current market conditions, such comparisons will show lower potential direct costs for the CCA as compared to the utility's legacy portfolio costs. But these comparisons should also account for the fact that, in order to ensure that the utility's remaining bundled service customers are indifferent to CCA formation—as is required by California law—the PCIA (or successor charge) will need to account for the difference between legacy costs and current market costs.³² This topic is discussed in further detail below.³³ Additionally, such comparisons should also reflect that utilities will be purchasing in the same market environment as a newly formed CCA and all other CCAs, and therefore it is not reasonable to expect a meaningful cost difference for new procurement.

- Customer Migration:

Local government officials also may not fully understand the potential migration of customers and the impact of such migration on their ability to recover costs, or the rules regarding the return of customers to the utility's procurement service. In addition, § 394.25(e) requires CCAs to post a bond or demonstrate sufficient insurance to cover the costs resulting from an involuntary return of customers to bundled service. The consultants' feasibility studies

³⁰ Declaration of Colin E. Cushnie ¶ 9.

³¹ § 399.15(b)(2)(B). Additionally, some utilities have large hydroelectric resources that do not produce GHG emissions, but which are not included in RPS-eligible energy procurement results.

³² See § 366.2(a)(4), (c)(5).

³³ See pp. 18-21, below (discussing the Cost Responsibility Surcharge).

that SCE has reviewed generally do not address—or address only in passing—potential changes to the bond requirement and the impact of these changes on the locality and the CCA.³⁴

- Cost Responsibility Surcharge:

A CCA’s customers must pay a Cost Responsibility Surcharge (“CRS”) sufficient to ensure that the utility’s remaining customers are indifferent to the departure of the customers who will be served by the CCA.³⁵ The current CRS is established through a Commission-adopted methodology, and is recovered through the PCIA and the CTC rates.³⁶ The Commission recently opened a docket to consider modifications to the current methodology for calculating the CRS in order to more accurately implement this statutory directive.³⁷

It is critically important that localities accurately and completely understand this statutory requirement and its implications for CCA customers. To the extent there is currently an opportunity for a CCA to underprice a utility’s generation rate, that difference may be due in whole or in part to the PCIA’s failure to capture accurately the difference between market prices and the cost of the utility’s legacy generation portfolio. When the Commission addresses that issue in its Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the PCIA (Rulemaking (R.)17-06-026), the CCA’s opportunity to underprice the utility’s generation rate may change.

Localities apparently are not being fully informed on these issues. In its recent comments in R.17-06-026, The Utility Reform Network (“TURN”) noted:

Many municipalities and Joint Powers Authorities are currently considering whether to pursue CCA formation. Unfortunately, local public officials may not be aware of the possible impact of changes to the PCIA on the total costs of service to be offered by a new CCA. Given the Code of Conduct prohibition on marketing or lobbying by an IOU, local governments are forced to rely almost exclusively on the representations of CCA proponents when attempting to

³⁴ Declaration of Colin E. Cushnie ¶ 7.

³⁵ See § 366.2(c)(5), (d)-(i) (AB 117); D.05-12-041 at 23-25.

³⁶ The CTC rates recover competition transition costs. See § 367.

³⁷ See Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment, R.17-06-026 (July 10, 2017).

understand the role of the PCIA in assessing the competitiveness of alternative service that may be offered to their businesses and residents.³⁸

In addition, some consultant reports have told localities to expect a declining PCIA, which is inconsistent with their simultaneous predictions of declining market prices.³⁹ Because the PCIA is calculated to recover the above market costs of a fixed vintaged portfolio,⁴⁰ the PCIA generally varies inversely to current market prices. In a declining market price environment, the PCIA will increase as the difference between market value and the cost of the above-market, long-term commitments in the vintaged portfolio(s) applicable to the CCA customers increases. However, at least one consultant report SCE has reviewed suggests that a CCA could obtain savings through lower market energy prices, but fails to note that lower market prices would typically correspond with a higher PCIA for the CCA's customers (and other departing load).⁴¹

The relationship between current market prices and the PCIA can be complicated, and it is important that utilities be allowed to engage officials of localities considering CCA formation to discuss these issues to allow for more informed decision-making.

All of the foregoing examples, and other important issues relating to CCA formation, operation, and procurement, involve core aspects of the utility business that directly affect utility customers.

³⁸ Comments of The Utility Reform Network on the Order Instituting Rulemaking, R.17-06-026 (July 31, 2017).

³⁹ Declaration of Colin E. Cushnie ¶ 6.

⁴⁰ Pursuant to D.08-09-012, departing load customers are only responsible for the above-market costs of the resources that were procured on their behalf. As such, customers are subject to a "vintaged" PCIA rate that corresponds with the "vintaged portfolio" that was procured prior to their departure. See D.08-09-012, at 4 n. 8.

⁴¹ Declaration of Colin E. Cushnie ¶ 6.

2. Eliminating the Code of Conduct’s “lobbying” restrictions would allow the Joint Utilities to provide local governments with information relevant to their decisions about CCA programs

The Joint Utilities have significant expertise regarding many of the issues relevant to CCA programs and would like to share that information with local governments. For example, the Joint Utilities could explain the bond requirement to local governments and explain how the Commission’s actions could affect that requirement. Similarly, by providing local governments with specific comments on a feasibility analysis conducted by a consultant, the Joint Utilities could identify inaccuracies, inconsistent or flawed assumptions, or unidentified risks. And the Joint Utilities could provide local governments guidance on how the PCIA is calculated, how changes in market prices affect the PCIA, and how the utilities’ proposals and Commission’s actions could affect the PCIA.

By considering the information provided by the Joint Utilities—along with all the information provided by consultants and others—local governments will be in a better position to critically and carefully evaluate their assumptions and models regarding CCA programs and to assess the benefits and risks of any particular option. The Joint Utilities’ communications with local governments about CCA-related issues would benefit potential CCA customers and remaining bundled service customers. Local governments can be more fully informed with utility engagement in their deliberations on CCA programs, and use that knowledge to construct their CCA programs in a manner intended to increase the likelihood of success. More informed decision-making should reduce the risk that a CCA program fails or elects to terminate service to all or a substantial portion of its customers. A failing CCA program creates a high risk of cost-shifting to bundled service customers under the current, inadequate interim CCA bond requirement because bundled service customers may be forced to subsidize the reentry costs of the CCA customers who are involuntarily returned to a utility’s procurement service.

The Joint Utilities have restricted their communications with local government officials because of the broad sweep of the Code of Conduct's restrictions on lobbying and the risk that any communications with such officials regarding CCA formation may be deemed to violate the Code. Initially, the Code of Conduct defines "lobby" as communication "for the purpose of convincing a government agency not to participate in, or to withdraw from participation in, a community choice aggregation program."⁴² The Joint Utilities' goal in providing information to localities is not to persuade localities not to form CCAs; rather, the Joint Utilities' goal is to ensure that localities have relevant information the utility can provide. But to the extent the Joint Utilities provide information that describes the risks associated with a CCA program, the Joint Utilities run the risk under the Code that a party will claim that the true motivation was to convince the locality not to participate in the program. Given the difficulty associated with proving state of mind, any communication regarding CCA programs is, as a practical matter, fraught with peril.

This is not a hypothetical concern. Even where the Joint Utilities have engaged in speech that is plainly permissible under the Code, certain CCA proponents have complained to the Commission about such speech and have requested that the Commission initiate burdensome and expensive investigations and audits. Recently, California Choice Energy Authority ("CCEA"), submitted a letter (attached as Exhibit B) to the Commission accusing SCE of violating the Code of Conduct by communicating with community leaders and others regarding certain issues pending before this Commission. Specifically, SCE communicated with these leaders to encourage them to support SCE's efforts to reform the PCIA in the pending rulemaking before the Commission.⁴³ Nothing in the Code of Conduct prohibits such communications, which were made to draw attention to a current regulatory issue and encourage participation in the Commission's pending rulemaking. Nevertheless, CCEA requested that the Commission initiate

⁴² Code of Conduct Rule 1(b).

⁴³ See generally R.17-06-026.

an “audit” and “thorough review” of SCE’s speech, suggesting that it might violate the “letter” or “spirit” of the Code. Even meritless complaints can create a chilling effect on protected utility speech.

As a result of the risk of being accused of violating the Code, the Joint Utilities have self-censored their communication to localities regarding CCA programs based on their legitimate concern that these communications might be deemed a violation of the Code of Conduct.

For example, SCE has not answered certain CCA-related questions from local government officials due to the risk that an answer could be alleged to violate the Code’s lobbying restrictions.⁴⁴ Similarly, SCE has generally been unable to comment on the substance of the CCA feasibility studies submitted to local governments because of the risk that any comments might be alleged to run afoul of the Code.⁴⁵ As a result, SCE employees have not told local government officials about information that was inaccurate or incomplete that these officials were provided or were considering.⁴⁶ Some localities have expressed to SCE that they would like more information and the perspective of the utility on CCA formation, including specific feedback on the feasibility studies that localities receive from CCA consultants.⁴⁷

The two express exceptions to the definition of “lobby” in the Code of Conduct do not ameliorate the risk utilities face when communicating with local government officials regarding CCA-related issues because they do not provide adequate safe harbors from the chilling effect of the Code’s “lobbying” restriction. The first exception to the definition of “lobby” is limited to providing “factual answers about utility programs or tariffs” in response to “questions from a government agency.”⁴⁸ This exception is of limited use because local governments may not ask a utility for its comments for numerous reasons, including because they are not aware that they have received incomplete or inaccurate information or that the utility could provide useful

⁴⁴ Declaration of J. Christopher Thompson ¶ 8.

⁴⁵ *Id.*; Declaration of Colin E. Cushnie ¶ 10.

⁴⁶ Declaration of J. Christopher Thompson ¶ 8; Declaration of Colin E. Cushnie ¶ 10.

⁴⁷ Declaration of J. Christopher Thompson ¶ 8.

⁴⁸ Code of Conduct Rule 1(b)(i).

information. In addition, even in response to a question, the Joint Utilities are limited to providing information regarding “utility programs or tariffs.” And the Code of Conduct also does not provide any guidance on what would constitute a “factual answer” that could qualify for this exception as opposed to a non-factual opinion that would not qualify.

Similarly, the information that may be provided under the second exception to the definition of “lobby” is limited in scope: a utility may provide information regarding “[CCA] formation rules and processes.”⁴⁹ Accordingly, this exception does not create a safe harbor that would allow the Joint Utilities to provide local officials with a more complete set of information relevant to decisions regarding CCA programs.

Finally, the Code’s exemption for communications by an independent marketing division does not avoid the Code’s significant burden on the Joint Utilities’ communications with local government officials. The Joint Utilities would need to endure the burdens associated with an independent marketing division or an affiliate in order to communicate with local governments, even though the risk that the Joint Utilities would be seeking to address is a customer-related risk, and not a shareholder risk.⁵⁰ Nor are these burdens minor. To the contrary, an independent marketing division would create significant financial and logistical burdens. To speak to local officials, a utility would have to create the division, hire additional employees for the division, and maintain and operate additional office space. The utility would also have to comply with the extensive regulations that apply to independent marketing divisions and affiliates.

And even if the utility were to attempt to create an independent marketing division or affiliate, it would still obtain only a limited ability to communicate with local government officials. Utility employees with the most knowledge and understanding of issues related to

⁴⁹ Code of Conduct Rule 1(b)(ii).

⁵⁰ CCA formation creates opportunities and risks for the customers that take service from the new CCA, and introduces re-entry and cost allocation risk for remaining bundled service customers. Generally, the Joint Utilities do not have cost recovery risk for their approved contract resources, and therefore can focus on providing important information to help local governments make more informed CCA-related decisions.

CCAs and energy procurement contracts would remain unable to speak to local government officials or provide relevant information to the independent marketing division or affiliate.

3. Modifying the Code of Conduct’s lobbying restrictions would still promote the dissemination of useful information to local governments

In light of the benefits of allowing utilities to communicate with local governments regarding CCA programs, and taking into account the constitutional concerns raised by the Code’s lobbying restrictions, the Commission should eliminate the Code’s lobbying restrictions in their entirety.

Absent a complete elimination of the lobbying restrictions, SCE and PG&E (but not SDG&E) submit that the Commission should clarify that these restrictions apply only to *express advocacy* against CCA programs. As noted above, the Joint Utilities are concerned that the Code’s lobbying restrictions turn on whether a communication is “for the purpose of convincing” a local government not to participate in a CCA program. A purpose-based test is inherently fraught with peril because of the subjectivity of such a test and the difficulty in discerning an entity’s state of mind. Even where communications are factually accurate and helpful to the local government, a party could claim that the utility’s true motivation was to convince the locality not to participate in a CCA program. Clarifying that the Code applies only to express advocacy would incrementally lessen this risk while still preventing a utility from advocating against CCA formation.⁵¹

⁵¹ See e.g., *Buckley v. Valeo*, 424 U.S. 1, 77 (1976) (narrowly construing a statute that applied to expenditures of money for the purpose of influencing the nomination or election of candidates for federal office to apply only to “expenditures for communications that expressly advocate the election or defeat of a clearly identified candidate”); also *Yamada v. Snipes*, 786 F.3d 1182, 1188 (9th Cir. 2015) (narrowly construing a similar state campaign finance statute to apply only to “communications or activities that constitute express advocacy or its functional equivalent”); also *Wisconsin Right To Life, Inc. v. Barland*, 751 F.3d 804, 833 (7th Cir. 2014) (narrowly interpreting a similar statute to apply only to “express advocacy” for or against a candidate).

D. Utility Communications with the Press Regarding CCA Issues Are in the Public Interest

The Code of Conduct does not prohibit the Joint Utilities from communicating with the press regarding CCA-related issues. There is no express provision in the Code that addresses such communications.⁵² Nor would such communications fall within the Code’s definition of “market” or “lobby.” The definition of “market” covers only direct communications with customers, such as “letters, delivery of printed materials, phone calls, spoken word, emails, and advertising,” not communications with the press.⁵³ The definition of “lobby” is similarly limited to communications with the “public” or with “public officials,” and is also limited to communications that have the purpose of “convincing a government agency not to participate in, or to withdraw from participation in, a [CCA] program.”⁵⁴ A communication with the press cannot reasonably be construed as “lobbying,” regardless of its content or purpose. Moreover, given the serious free speech issues at stake, the Code should not be construed to limit communications with the press absent an unmistakably clear statement to that effect, which does not exist.

Nevertheless, the Joint Utilities are concerned that they could be accused of violating the Code of Conduct by communicating with the press regarding CCA-related issues. Given the Code of Conduct’s expedited enforcement procedure, burdensome audit rules, and penalty provisions, the Joint Utilities seek confirmation that communications with the press are not covered by the Code of Conduct.

Allowing the Joint Utilities to communicate with the press regarding CCA-related issues is in the public interest. As noted above, CCA-related issues, particularly concerning formation,

⁵² While nothing in the Code prohibits communications with the press, the Code’s marketing restrictions do restrict a utility’s ability to communicate with customers through paid advertising. *See* Code of Conduct Rule 1(a). This petition does not seek any change to that provision of the Code.

⁵³ Code of Conduct Rule 1(a).

⁵⁴ Code of Conduct Rule 1(b).

procurement, and the PCIA are complex. These issues are also currently matters of significant public concern, and they are being examined and debated by the Legislature, before the Commission, and in local communities. The Joint Utilities can help inform this debate with their perspective, which is based on decades of experience in California's energy markets, and by providing more complete information regarding these issues. By contrast, to the extent the Joint Utilities are unable to communicate with the press, the public debate on CCA-related issues may be informed by the unchallenged views of only some constituencies.

E. The Requested Relief Is Necessary to Comply with the First Amendment⁵⁵

1. The Code of Conduct is subject to “strict scrutiny” under the First Amendment

The Free Speech clause of the First Amendment to the United States Constitution, as incorporated against the states by the Fourteenth Amendment, “guarantee[s] that no State shall abridge the freedom of speech.”⁵⁶ Because the Supreme Court has “rejected the argument” that a speaker’s “status as a regulated utility company lessens its right to be free from state regulation that burdens its speech,” the Joint Utilities are entitled to the full protection of the First Amendment.⁵⁷

⁵⁵ To the Joint Utilities’ knowledge, the Commission has not previously considered whether the Code’s restrictions on lobbying or similar restrictions are consistent with the First Amendment. As noted in footnote 21, above, in D.08-06-016, the Commission adopted a settlement between SJVPA and PG&E. Although that settlement did address lobbying activities, it was primarily aimed at PG&E’s marketing activities. The settlement did not require PG&E to engage in lobbying solely through an independent marketing division. D.08-06-016 at 5-7. And the settlement expressly did not prevent PG&E “from timely communicating with the city and county governments participating in SJVPA’s CCA program.” *Id.* at 6.

⁵⁶ *Consolidated Edison Co. of N.Y. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 530, 534 (1980) (internal quotation marks and alterations omitted).

⁵⁷ *Pacific Gas & Elec. Co. v. Pub. Utilities Comm’n of California* (“PG&E I”), 475 U.S. 1, 17 n. 14 (1986) (plurality opinion); see *Consolidated Edison*, 447 U.S. at 534 n.1; *Pacific Gas & Elec. Co. v. Pub. Utilities Comm’n* (“PG&E II”), 85 Cal. App. 4th 86, 93 (2000).

Although the Code of Conduct permits lobbying and other speech by a utility's independent marketing division, it is nonetheless subject to scrutiny under the First Amendment because it burdens the Joint Utilities' ability to speak—"[i]t is of no moment that the [Code] does not impose a complete prohibition" on speech.⁵⁸ Financial, logistical, or administrative burdens on speech are all sufficient to trigger First Amendment scrutiny.⁵⁹

In *Citizens United*, for example, the Supreme Court struck down certain campaign finance laws applicable to corporations as inconsistent with the First Amendment "notwithstanding the fact that a PAC [(a Political Action Committee)] created by a corporation can still speak."⁶⁰ The Supreme Court noted that the financial and logistical burdens associated with PACs would burden a corporation's speech because PACs are "expensive to administer and subject to extensive regulations."⁶¹ Like the campaign finance restrictions at issue in *Citizens United*, the Code of Conduct burdens the Joint Utilities' ability to communicate. Not unlike PACs, independent marketing divisions and affiliates create financial and logistical burdens. As noted above, to speak to local officials a utility would have to create the division, hire additional employees for the division, lease additional office space, and comply with the extensive regulations that apply to such divisions, or address the burdens associated with affiliates. These burdens are especially acute given that the utility's goal is to improve the quality of CCA-related decisions on behalf of all utility customers, including CCA customers.

Not only is the Code of Conduct subject to scrutiny under the First Amendment, it is subject to "strict scrutiny"—the most searching standard of review available—because it regulates speech based on its content. "Content-based laws—those that target speech based on

⁵⁸ *United States v. Playboy Entm't Grp.*, 529 U.S. 803, 812 (2000).

⁵⁹ See *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 324 (2010); see, e.g., *Watchtower Bible & Tract Soc'y of N.Y., Inc. v. Village of Stratton*, 536 U.S. 150, 154 (2002) (requirement that canvassers obtain a permit was subject to First Amendment scrutiny, even though the permit was free and issued routinely); *Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.*, 502 U.S. 105, 115 (1991) (requirement that publisher of book deposit money due to author in escrow account under certain conditions).

⁶⁰ *Citizens United*, 558 U.S. at 337.

⁶¹ *Id.*

its communicative content—are presumptively unconstitutional and may be justified only if the government proves that they are narrowly tailored to serve compelling state interests.”⁶²

A regulation is “content based” if it “applies to particular speech because of the topic discussed or the idea or message expressed.”⁶³

The Commission’s Code of Conduct is unquestionably a content-based restriction on the Joint Utilities’ communications. Because the Code applies only to communications that “lobby against a community choice aggregation program,” it applies “different restrictions” based on the “topic discussed . . . or message expressed.”⁶⁴ Communications lobbying for or against non-CCA-related issues are not subject to the Code. Nor are non-lobbying communications and non-marketing communications subject to the Code.

In addition, the Code of Conduct is subject to strict scrutiny for a second reason: it restricts the Joint Utilities’ ability to communicate regarding a matter of public concern. “[S]peech on matters of public concern is at the heart of the First Amendment’s protection.”⁶⁵ “The First Amendment reflects a profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open.”⁶⁶ In *Consolidated Edison*, for example, a public utility’s bill inserts that discussed topics of public concern, such as “the benefits of nuclear power,” were accorded full protection under the First Amendment and a regulation prohibiting them was subject to strict scrutiny.⁶⁷ Similarly, a court would accord full protection under the First Amendment to speech regarding the benefits, costs, and risks of CCA programs.

⁶² *Reed v. Town of Gilbert*, 135 S. Ct. 2218, 2226 (2015).

⁶³ *Id.* at 2227.

⁶⁴ *Id.*

⁶⁵ *Snyder v. Phelps*, 562 U.S. 443, 451-52 (2011) (citation, internal quotation marks and alterations omitted).

⁶⁶ *Id.* at 452 (citation and internal quotation marks omitted).

⁶⁷ *See Consolidated Edison*, 447 U.S. at 532, 535, 540-41 (internal quotation marks omitted).

Because the Code of Conduct is subject to strict scrutiny, it can be upheld only if it is “narrowly tailored to serve compelling state interests.”⁶⁸ As discussed below, the Code does not survive this demanding test.

Finally, as relevant to the Joint Utilities’ communications with local government officials, the First Amendment protects not only speech, but also the right to “petition the Government for a redress of grievances.” As the Supreme Court has described it, lobbying the government is a “fully protected” right under the First Amendment.⁶⁹ The Supreme Court has explained that providing “information upon which government must act” is protected petitioning activity.⁷⁰ Accordingly, the Joint Utilities’ communications with local government officials are protected not only by the Free Speech clause of the First Amendment, but also by the Right to Petition clause.

2. The Code of Conduct is not narrowly tailored to serve a compelling government interest

As discussed above, the Code of Conduct cannot be upheld unless it is narrowly tailored to serve a compelling government interest.⁷¹ At a minimum, for a regulation to meet this standard, “the curtailment of free speech must be actually necessary” to solve an “actual problem.”⁷² And the restriction must be the “least restrictive means to further” the government’s asserted interest.⁷³ In describing this “demanding standard,” the Supreme Court has explained

⁶⁸ *Reed*, 135 S. Ct. at 2226. Nor is the Code subject to a more relaxed level of scrutiny reserved for certain kinds of commercial speech. Commercial speech is speech that “does no more than propose a commercial transaction.” *Hunt v. City of Los Angeles*, 638 F.3d 703, 715 (9th Cir. 2011) (internal quotation marks omitted). The Joint Utilities’ speech does “more than propose a commercial transaction” because it is directed at government officers in their policy-making capacity. Instead of proposing a transaction with the government, the Joint Utilities’ speech provides information relevant to a policy choice that affects the residents and businesses in the government’s jurisdiction.

⁶⁹ *F.T.C. v. Superior Court Trial Lawyers Ass’n* 493 U.S. 411, 426 (1990).

⁷⁰ *Eastern R.R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 139 (1961).

⁷¹ *Reed*, 135 S. Ct. at 2226.

⁷² *Brown v. Entertainment Merchants Ass’n*, 564 U.S. 786, 799 (2011).

⁷³ *A.C.L.U. of Nevada v. City of Las Vegas*, 466 F.3d 784, 792 (9th Cir. 2006) (internal quotation marks omitted); *Sable Communications of California, Inc. v. FCC.*, 492 U.S. 115, 126 (1989).

that it is “rare that a regulation restricting speech because of its content will ever be permissible.”⁷⁴

The Commission has noted that the Code of Conduct is designed to prevent utilities from using their “structural advantages” to influence decisions regarding CCA adoption.⁷⁵ These structural advantages are purported to be: (1) the “inherent market power” that utilities have, including, (2) their “well-developed relationship with customers in their service territories,” (3) their “name recognition,” and (4) their “access to competitive customer information.”⁷⁶ According to the Commission, by limiting utility marketing and lobbying activities the Code of Conduct will provide CCAs “with the opportunity to compete on a fair and equal basis” with investor-owned electric utilities.⁷⁷

The “structural advantages” identified by the Commission appear to relate solely to speech between utilities and their customers. A utility’s alleged market power might give it certain marketing advantages, but those advantages – if they exist at all – would potentially affect its communications with customers, not its speech to government officials or the press.⁷⁸ Similarly, even assuming that a utility’s “well-developed relationship” with customers or its “name recognition” would give it an advantage in influencing customers selecting between the utility and a CCA, that consideration does not justify restricting its communications with government officials or the press. Although access to customer information may allow a utility to better target its messages to customers, the Commission did not identify how this information would unduly affect the utility’s communications with local government officials or the press.

Indeed, many local governments have significant resources and market power of their own. For example, in addition to its regulatory powers, Los Angeles County manages a budget

⁷⁴ *Brown*, 564 U.S. at 799 (internal quotation marks omitted).

⁷⁵ D.12-12-036, at 8-9, 37.

⁷⁶ *Id.* (internal quotation marks omitted).

⁷⁷ *Id.*

⁷⁸ While local governments are, of course, customers of the utility, communications regarding CCA formation are directed to governments in their capacity as policymakers for their residents and businesses.

of \$25.44 billion.⁷⁹ By contrast, Edison International, the parent holding company of SCE, had total revenues of \$11.69 billion.⁸⁰ Even assuming that the Joint Utilities have certain structural advantages, it is unclear how these advantages could overwhelm a local government's independent decision-making abilities.

In any event, neutralizing the Joint Utilities' "structural advantages" is not a cognizable interest that can justify restrictions on the Joint Utilities' speech. The Supreme Court has squarely rejected the notion that government has a compelling interest in "leveling the playing field" in the context of free speech.⁸¹ As the Court has explained, "[t]he concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment."⁸²

The Commission has also justified the Code of Conduct on the basis that "[i]t is reasonable and consistent with [§ 707] to require that marketing or lobbying against CCAs is supported by shareholder funds, not ratepayer funds."⁸³ This statement appears to be a reference to § 707(a)(5), which instructs the Commission to adopt any rules it determines to be necessary or advisable to "protect a ratepayer's right to be free from forced speech."

But utility communications with local government officials or the press would not constitute forced speech for two reasons. First, "[t]he United States Constitution protects individual rights only from *government* action, not from *private* action."⁸⁴ For purposes of constitutional analysis, government-regulated utilities like the Joint Utilities are generally treated

⁷⁹ <http://budget.lacounty.gov/#!/year/default>.

⁸⁰ Edison International and Southern California Edison, 2016 Annual Report at 1, *available at* <https://www.edison.com/content/dam/eix/documents/> <https://www.edison.com/content/dam/eix/documents/investors/corporate-governance/2016-annual-report.pdf>.

⁸¹ *See Arizona Free Enter. Club's Freedom Club PAC v. Bennett*, 564 U.S. 721, 749 (2011) (internal quotation marks omitted).

⁸² *Citizens United*, 558 U.S. at 350 (internal quotation marks and citation omitted).

⁸³ D.12-12-036 at 39.

⁸⁴ *Single Moms, Inc. v. Montana Power Co.*, 331 F.3d 743, 746 (9th Cir. 2003).

as private actors, not government actors.⁸⁵ Accordingly, the United States Court of Appeals for the Ninth Circuit has held that an electric and natural gas utility did not violate customers' First Amendment rights by lobbying for deregulation.⁸⁶

Second, even if the Joint Utilities' speech were assumed to be state action, expenditures of money for speech that is "germane" to a utility's mission would not infringe on a customer's right to be free from forced speech.⁸⁷ "Expenditures are 'germane' to an organization's purpose where they 'are necessarily or reasonably incurred for the purpose' of the organization."⁸⁸ Communicating with local governments or the press on CCA-related issues is germane to a utility's organizational mission. Such communications mitigate the risk of cost-shifting to a utility's remaining bundled service customers, may involve questions about how to maintain the reliability of the statewide grid, and promote understanding of the relationship between the CCA and the utility. Additionally, CCA customers continue to receive their electric distribution services from the utility, including metering and billing. As such, CCA formation and operations involve operating concerns of the utility, and communicating regarding such concerns is therefore germane to the utility's mission. Indeed, issues regarding the procurement of electricity, including costs, supply mix, resource adequacy, and the like go to the very heart of what utilities do for their customers. It is difficult to imagine any topic more "germane" to the mission of a utility.

In any event, the Code of Conduct's restrictions go well beyond regulating the source of funding for CCA-related speech. In particular, the Code's burdensome regulations regarding the use of information, employees, and facilities are not narrowly tailored to address any potential concern regarding the source of funding for CCA-related speech.

⁸⁵ See *id.*; *Jackson v. Metro. Edison Co.*, 419 U.S. 345, 350-51 (1974).

⁸⁶ See *Single Moms*, 331 F.3d at 746.

⁸⁷ *Braintree Elec. Light Dep't v. F.E.R.C.*, 550 F.3d 6, 14 (D.C. Cir. 2008); see also *Keller v. State Bar of California*, 496 U.S. 1, 14 (1990).

⁸⁸ *Braintree Elec. Light Dep't*, 550 F.3d at 14.

F. This Petition for Modification Could Not Have Been Presented Within One Year of the Effective Date of D.12-12-036

This Petition for Modification is being filed more than one year after the effective date of D.12-12-036. But this post-one-year filing is justified by significant changed circumstances. When D.12-12-036 was adopted, relatively few localities were considering CCA formation.⁸⁹ Now, five years later, dozens of localities have recently considered or are considering adopting CCA programs. As localities have begun to consider this option, the Joint Utilities have become aware that localities may not be receiving complete or accurate information regarding CCA formation. These changed circumstances have convinced the Joint Utilities that they should communicate with local governments to ensure that they have more complete and accurate information relevant to their decisions on CCA formation and operations. But, at the same time, the Joint Utilities have come to understand that, as a practical matter, the Code of Conduct effectively prohibits them from providing such information to local government officials.⁹⁰

Moreover, the Code of Conduct was the Commission's first attempt to craft a comprehensive set of rules to satisfy § 707. When first adopted, these rules were untested and their impact uncertain. Indeed, the Commission phrased its understanding of the impact of these rules in tentative terms: "[W]e *believe* that such a Code of Conduct *should* benefit customers by preserving their ability to make educated choices among authorized electric providers."⁹¹ It is only natural that, over time, the effect of the Code of Conduct would become more certain and additional clarification or refinement would become necessary.⁹²

As shown above, this petition's proposed refinements to the Code of Conduct are both narrow and necessary.

⁸⁹ Declaration of Colin E. Cushnie ¶ 4; Declaration of J. Christopher Thompson ¶ 3.

⁹⁰ Declaration of Colin E. Cushnie ¶¶ 4-10.

⁹¹ D.12-12-036 at 6 (emphasis added).

⁹² Additionally, it has recently become clear that the effects of the PCIA will become increasingly problematic as departing load increases, and that the Commission will need to address the current PCIA methodology, which it is currently doing in R.17-06-026.

IV.

PROPOSED SCHEDULE

Many localities in the Joint Utilities' service areas are currently in the process of considering forming or joining CCAs, including Long Beach, Huntington Beach, Laguna Beach, Palmdale, Murrieta, Wildomar, and Desert Hot Springs, in SCE's service area; and Solana Beach in SDG&E's service area.⁹³ To ensure they have an opportunity to communicate with these localities before they make a final decision, the Joint Utilities respectfully request that the Commission take prompt action on this petition and set the following schedule:

- **Responses to Petition Due:** March 1, 2018.⁹⁴
- **The Joint Utilities' Reply Due:** March 12, 2018, if permission to file a reply is granted.⁹⁵
- **Proposed Decision Issued:** June 1, 2018.

As required by Rule 16.4 (c) of the Commission's Rules of Practice and Procedure, the Joint Utilities have served this petition on all parties to R.12-02-009, the proceeding that resulted in D.12-12-036. The Joint Utilities have also served all parties to R.03-10-003 and R.17-06-026.

⁹³ Declaration of J. Christopher Thompson ¶ 4.

⁹⁴ Thirty days from the filing of this Petition, as required by Rule 16.4 (f) of the Commission's Rules of Practice and Procedure.

⁹⁵ Ten days from the date Responses to this Petition are due, as set forth in Rule 16.4 (g) of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

JANET S. COMBS
FADIA RAFEEDIE KHOURY
HENRY WEISSMANN
KURUVILLA J. OLASA

/s/ Janet S. Combs

By: Janet S. Combs

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

STACY VAN GOOR
E. GREGORY BARNES

/s/ Stacy Van Goor

By: Stacy Van Goor

Attorneys for
SAN DIEGO GAS & ELECTRIC COMPANY

RANDALL J. LITTENEKER

/s/ Randall J. Litteneker

By: Randall J. Litteneker

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: January 30, 2018

EXHIBIT A

Proposed Revisions to D.12-12-036

PROPOSED REVISIONS TO D.12-12-036

8.1 Rules of Conduct for Electrical Corporations Relative to Community Choice

Aggregation Programs

- 1) The following definitions apply for the purposes of these rules:
 - a) “Market” means communicate with customers, whether in oral, electronic, or written form, including but not limited to letters, delivery of printed materials, phone calls, spoken word, emails, and advertising (including on the Internet, radio, and television), regarding the electrical corporation’s and community choice aggregators’ energy supply services and rates. Marketing under this definition does not include the following:
 - i) Communications provided by the electrical corporation throughout all of its service territory to its retail electricity customers that do not reference community choice aggregation programs.
 - ii) Communications that are part of a specific program that is authorized or approved by the California Public Utilities Commission (CPUC), including but not limited to customer energy efficiency, demand response, SmartMeter™, and renewable energy rebate, or tariffed programs such as the California Solar Initiative and other similar CPUC-approved or authorized programs. (See Decision (D.) 08-06-016, Appendix A.
 - iii) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to the questions of individual customers.
 - ~~b) “Lobby” means to communicate whether in oral, electronic, or written form, including but not limited to letters, delivery of printed materials, phone calls, spoken word, emails, and advertising (including on the Internet, radio, and television), with public officials or the public or any portion of the public for the purpose of convincing a government agency not to participate in, or to withdraw from participation in, a community choice aggregation program.~~

~~(Cf. D.08-06-016, Appendix A.)¹ Lobbying under this definition does not include~~

- ~~i) Provision of factual answers about utility programs or tariffs, including but not limited to rate analyses, in answer to questions from a government agency or its representative.~~
- ii) Provision of information to potential Community Choice Aggregators related to Community Choice Aggregation program formation rules and processes.

- e) b) "Promotional or political advertising" means promotional or political advertising as defined in 16 U.S.C. Sec. 2625(h).
- d) c) "Competitively sensitive information" means non-public information and data specific to a utility customer which the utility acquired or developed in the course of its provision of utility services. This includes, without limitation, information about which customers have or have not chosen to opt out of community choice aggregation service. (See D.97-12-088, App. A, Part I.D.)

2) No electrical corporation shall market ~~or lobby~~ against a community choice aggregation program, except through an independent marketing division that is funded exclusively by the electrical corporation's shareholders and that is functionally and physically separate from the electrical corporation's ratepayer-funded divisions.² (See Pub. Util. Code § 707(a)(1).)

- 3) [No Change]
- 4) [No Change]
- 5) [No Change]
- 6) [No Change]
- 7) [No Change]
- 8) [No Change]

¹ The language from D.08-06-016, Appendix A has been modified to cover the conduct of electrical corporations relative to consideration and formation of community choice aggregation programs, as required by Cal. Pub. Util. Code § 707(a). All statutory references are to the California Public Utilities Code unless otherwise stated.

² In the case of a holding company that owns two or more regulated utility entities (e.g., Sempra Energy), one regulated utility cannot market ~~or lobby~~ against a CCA in the service area of the other utility, except as provided for in this paragraph (e.g., through an independent marketing division funded exclusively by shareholders and separate from ratepayer-funded divisions).

- 9) [No Change]
- 10) [No Change]
- 11) [No Change]
- 12) [No Change]
- 13) As a general principle, an electrical corporation may share with its independent marketing division joint corporate oversight, governance, support systems and support personnel; provided that support personnel shall not include any persons who are themselves involved in marketing ~~or lobbying~~. Any shared support shall be priced, reported and conducted in accordance with applicable Commission pricing and reporting requirements. As a general principle, such joint utilization shall not allow or provide a means for the transfer of competitively sensitive information from the electrical corporation to the independent marketing division, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of the independent marketing division. (See D.97-12-088, App. A, Part V.E.)
- 14) [No Change]
- 15) [No Change]
- 16) [No Change]
- 17) [No Change]
- 18) [No Change]
- 19) [No Change]
- 20) [No Change]
- 21) No later than March 31, 2013, each electrical corporation that intends to market ~~or lobby~~ against a CCA shall submit a compliance plan demonstrating to the Commission that there are adequate procedures in place that will preclude the sharing of information with its independent marketing division that is prohibited by these rules, and is in all other ways in compliance with these rules. The electrical corporation shall submit its compliance plan as a Tier 1 advice letter to the Commission's Energy Division and serve it on the parties to this proceeding. The electrical corporation's compliance plan shall be in effect between the submission and Commission disposition of the advice letter.
 - a) An electrical corporation shall submit a revised compliance plan thereafter by Tier 2 advice letter served on all parties to this

proceeding whenever there is a proposed change in the compliance plan for any reason. Energy Division may reject the Tier 2 advice letter and require resubmission as a Tier 3 advice letter if Energy Division believes the change requires an additional level of review.

- b) An electrical corporation that does not intend to ~~lobby or~~ market against any community choice aggregation program shall file a Tier 1 advice letter no later than March 31, 2013, stating that it does not intend to engage in any such ~~lobbying or~~ marketing.
 - (i) If such an electrical corporation thereafter decides that it wishes to ~~lobby or~~ market against any community choice aggregation program, it shall not do so until it has filed and received approval of a compliance plan as described above, with its compliance plan filed as a Tier 2 advice letter with Energy Division. (See D.97-12-088, App. A, Part VI.A.)
 - c) Any CCA alleging that an electrical corporation has 1) violated the terms of its filed compliance plan or 2) has engaged in ~~lobbying and/or~~ marketing after filing an advice letter stating that it does not intend to conduct such activities, may file a complaint under the expedited complaint procedure authorized in § 366.2(c)(11).
- 22) [No Change]

8.2 Rules Regarding Enforcement Procedures

[No Change]

EXHIBIT B

Copy of CCEA's September 25, 2017 Letter



R. Rex Parris Chair
Marvin E. Crist Vice Chair
Ken Mann Authority Member
Angela E. Underwood-Jacobs Authority Member
Raj Malhi Authority Member
Mark B. Bozigian Executive Director

September 25, 2017

Assigned Commissioner Michael Picker
Assigned Commissioner Carla Peterman

Dear Commissioners Picker and Peterman:

I am writing to you in your respective roles as assigned commissioners over two rulemaking proceedings involving issues central to Community Choice Aggregation (CCA) programs. This letter briefly describes recent actions by Southern California Edison Company (SCE) raising questions that should be examined openly before the California Public Utilities Commission (CPUC), since the questions involve industry-related rules pertaining to all CCA programs. I am also copying other CPUC commissioners and the service lists in the two rulemaking proceedings.

I serve as Executive Director for the California Choice Energy Authority (CCEA). CCEA is a joint powers authority among several cities in southern California. CCEA was formed for the purpose of providing support services for cities considering CCA programs. Under the model established by CCEA, individual cities maintain the role of Community Choice Aggregators, ensuring local control and governance, with CCEA providing various back-office, regulatory and procurement services.

SCE has initiated a formal campaign, known as *Equitable Energy Choice for Californians* (EECC Coalition), to lobby the CPUC on matters affecting CCA programs, principally the Power Charge Indifference Adjustment (PCIA). SCE's government affairs representatives are actively communicating with local government and community leaders, urging these leaders to support regulatory reform needed to address the rise of CCA programs. In certain situations, SCE is communicating with local government officials who will be making decisions on CCA programs. I have attached sample documents. The primary message in this round of lobbying is that "the rise in California customers served by Community Choice Aggregators" has created problems with cost allocation mechanisms – problems that jeopardize "California's progress in meeting [] clean energy and environmental goals" that were "kick-started" by SCE and the other utilities. SCE's communications and its efforts are problematic on several levels, and emblematic of key concerns.

First and foremost, SCE's communications and its lobbying efforts appear to be funded exclusively by SCE's ratepayers, including customers receiving or expected to receive service from Community Choice Aggregators. In similar contexts, SCE has stated that its regulatory and government affairs costs are allocated predominantly (84%) to the distribution function. Since CCA customers pay distribution rates, SCE's allocation methodology results in CCA customers paying for SCE's lobbying activities. This is problematic, and raises broader questions on the appropriateness of using SCE's resources and attributes (including SCE's name-recognition) for lobbying and competition-related activities. The California Legislature expressed similar

concerns about the utilities' use of their "*inherent market power* derived from, among other things, name recognition among customers, longstanding relationships with customers, . . . and the potential to cross-subsidize competitive generation services." (Senate Bill 790 [2011]; Sec. 2(c).) CCEA urges the CPUC in the context of its two rulemaking proceedings to broadly examine cost-allocation issues and the appropriateness of CCA customers funding SCE's activities and attributes that principally benefit competitive generation services, including SCE's lobbying and regulatory campaigns.

Second, although SCE's communications are squarely aimed at CCA programs and implicate a host of lobbying issues, the communications appear to be unrestricted and lacking in regulatory oversight. If not violative of the *letter* of the CCA Code of Conduct, these activities appear to implicate the *spirit* of the code. Adopted in CPUC Decision (D.)12-12-036, the CCA Code of Conduct sets forth requirements for utility actions vis-à-vis CCA programs. For utility communications that are considered marketing or lobbying in nature, funding should be exclusively provided by the utility's shareholders, and the utility would additionally need to form an independent division and be subject to further regulatory oversight. Even *non*-marketing utilities, however, are subject to audit requirements. If nothing else, SCE's actions with respect to the EECC Coalition warrant particular scrutiny as part of a formal audit. In light of SCE's role in the EECC Coalition and the model that could be set for future CCA-related lobbying by other utilities, CCEA specifically requests that the SCE's audit under D.12-12-036 be initiated immediately, and that the scope of the audit include a thorough review of SCE's involvement in the EECC Coalition. (See D.12-12-036; Ordering Paragraph 4.)

Thank you in advance for your consideration of these matters, and your ongoing efforts to ensure that the utilities' inherent market power does not unfairly thwart the development of CCA programs.

Respectfully,

/s/ Mark Bozigian

Mark Bozigian
Executive Director
CALIFORNIA CHOICE ENERGY AUTHORITY

Attachments: Sample SCE and EEUC Coalition lobbying material
 (See also <http://equitablechoice.com>)

Copy: CPUC Commissioner Martha Guzman Aceves
 CPUC Commissioner Liane Randolph
 CPUC Commissioner Clifford Rechtschaffen
 Service Lists: R.17-07-026 and R.03-10-003

----- Forwarded message -----

From: Salvador Ramirez <Salvador.Ramirez@sce.com<mailto:Salvador.Ramirez@sce.com>>

Date: Tue, Sep 19, 2017 at 12:25 PM

Subject: Equitable Energy Choice for Californians (EECC)

To: [REDACTED] g>>

Dear [REDACTED],

It was great speaking with you last night. Specifically, I'm following up on the discussion we had regarding the CPUC Proceeding on the Power Charge Indifference Adjustment (PCIA), and to obtain your organizations support.

This is an energy issue that will likely be of interest to you and your organization. If no changes are made to current regulations, hundreds of thousands of electricity customers could end up paying extra in their monthly bills for clean energy contracts and other power that was purchased for other customers. The CPUC recognizes that the current cost-allocation mechanism isn't working so they have opened up a formal proceeding.

We have formed a coalition called Equitable Energy Choice for Californians (EECC) to engage at the CPUC and in other efforts to ensure cost equity among all customers. The attached fact sheet provides additional information on the PCIA. We are approaching you and other organizations to alert you to the issue and encourage you to support the coalition.

If you are in support of joining the EECC coalition please fill out the attached EECC Coalition Sign-up Form and return it to Salvador.Ramirez@sce.com<mailto:Salvador.Ramirez@sce.com>.

Attached is the current list of the organization who have signed on to the Equitable Energy Choice for Californians (EECC) coalition. Please share with other organizations you believe may be interested in joining this list.

Thank you for your continual support. Should you have any questions feel free to call me at (626) 320-9845<tel:(626)%20320-9845>.

Sincerely,

Sal Ramirez
Government Affairs Manager
Local Public Affairs and Government Affairs
Phone: 626-320-9845<tel:(626)%20320-9845>
1000 Potrero Grande Drive, Monterey Park, CA 91755

[REDACTED]

Fact Sheet

Tell the CPUC you believe all energy consumers should share equitably in the cost of investments in clean energy and other resources

California is a leader in clean energy and environmental climate change goals. We are on track to meet our mandated goal of 50% renewable energy by 2030, thanks to the leadership of our state's elected officials and regulators, and in large part to the long-term investments in renewable energy made by customers of the state's investor-owned utilities. These investments helped kick-start renewable energy technologies to make them far more affordable and accessible today than when the legislature first mandated utilities purchase increasing amounts of clean energy.

However, the way people buy energy is changing and more customers are buying power from sources other than their utility. If we are to continue California's progress in meeting our clean energy and environmental goals, we must ensure that all customers continue to contribute equitably in the costs of clean energy and other resources purchased on their behalf.

Current law requires that no customer be required to pay for power purchased for other customers. However, the mechanism established to protect customers is not working. As a result, some are paying more than they should. To address this problem, the CPUC recently opened a formal proceeding to review the mechanism often referred to as the Power Charge Indifference Adjustment or PCIA.

As part of this announcement, the CPUC acknowledged that:

- "Investor-owned utilities and Community Choice Aggregators both have stated that the current cost allocation is inequitable."
- "The rise in California customers served by Community Choice Aggregators makes the cost allocation more important to customer bills."
- "...stakeholders have identified cost allocation issues as the most urgent topic in electric retail choice in California."

Urge the CPUC to create rules that ensure all customers equitably share in the cost of clean power

The CPUC needs to hear from diverse constituencies that want to preserve customer choice, while ensuring all customers equitably contribute to meeting our renewable energy and climate action goals. Please consider signing on to the attached letter so we can tell the CPUC:

Current laws to protect customers from paying for power investments made on behalf of others are not working.

- It has been estimated that some customers who now receive power through an alternative energy provider may on average only pay roughly 65% of the cost of clean energy that was purchased on their behalf.
- As a result, some customers who do not use an alternative energy provider could end up paying roughly \$150 extra per year to pay for power purchased for others.
- This is not sustainable. In all cases, as more alternative energy providers form, there are going to be fewer remaining utility customers left paying an increasing cost for power purchased for others.

The CPUC must establish rules to ensure all customers share equitably in the costs of renewable and other energy.

- To ensure that the move to more customer choice is both sustainable and equitable, the CPUC must reform the current mechanism, including the PCIA, to ensure all customers share equitably in the costs of the long-term investments in renewable and other resources that were purchased on their behalf when they were a utility customer.
- That means all customers – whether they move to an alternative power provider or stay with the utility – will share equitably for past purchases made on their behalf, and no customer shall be left paying for power purchased for others.
- We all benefit from the clean energy investments that have been made to improve our air quality and environment, so no customers should be forced to pay more than their fair share.

EXHIBIT C
Supporting Declarations

**Declaration of Colin E. Cushnie In Support Of The Joint Utilities' Petition For
Modification Of Decision 12-12-036**

1. I, Colin E. Cushnie, make this declaration to state new and changed facts in support of the Joint Utilities' Petition for Modification of Decision (D.) 12-12-036. The statements in this declaration are true and correct to the best of my knowledge.

2. I am currently Vice President, Energy Procurement & Management at Southern California Edison Company (SCE). My responsibilities include overseeing SCE's wholesale energy contracting and management activities and wholesale energy market operations. Before my current position, I was Director of Portfolio Planning & Analysis in SCE's Power Supply Unit. In that position, my responsibilities included energy portfolio analysis and risk assessment and demand and price forecasting. I have also served as Director of Regulatory Affairs for SCE and, in that capacity, I represented SCE before the California Public Utilities Commission on energy procurement and market design issues.

3. Based on my decades of experience at SCE, I am very familiar with energy procurement, long-term energy contracts, demand and price forecasting, resource planning, the Commission's Resource Adequacy rules, the Renewables Portfolio Standard, and other procurement compliance obligations. I believe that my expertise on these topics and the expertise of other subject matter experts on my team at SCE on these and other topics could be helpful to localities in SCE's service area considering the costs and benefits of, and procurement and other obligations associated with, forming a Community Choice Aggregator ("CCA"), or considering the feasibility of implementing a CCA program.

4. My team and I are aware of the significant increase over approximately the last eighteen months in localities' interest in CCA programs as compared to five years ago, when D. 12-12-036 was adopted. At least some of this interest appears to be spurred by consulting firms

that are in the business of providing localities with analyses, reports, or feasibility studies that promote the benefits of CCA programs.

5. In my experience, the information received by local governments from consultants or from other sources regarding the costs and benefits of CCAs is not always accurate or complete.

6. In some cases, local governments receive inaccurate or incomplete information regarding the Power Charge Indifference Adjustment (“PCIA”) or other departing load customer obligations. I have reviewed reports in which consultants have told localities to expect both the PCIA and market prices for energy to decline over time. But this is unlikely because the PCIA generally varies inversely with market prices. Similarly, at least one report suggested that a CCA could obtain savings through lower market costs, but failed to note that lower market costs would lead to higher PCIA charges. In addition, some reports assume a locked-in PCIA rate, assume the Commission will stabilize the PCIA rate, or do not mention the fact that the Commission could modify the PCIA in response to arguments made by SCE and others that the PCIA does not adequately ensure indifference for bundled service customers.

7. My team and I have also reviewed reports or analyses that do not address the re-entry bond or insurance requirements that apply to CCAs pursuant to Public Utilities Code Section 394.25(e). The Commission currently requires CCAs to pay an interim bond amount, but the Commission in Rulemaking 03-10-003 is currently evaluating how to implement the requirements of Section 394.25(e). A change in the interim bond requirement could affect the cost of forming a CCA, but many of the feasibility reports I have reviewed do not discuss this issue, at all.

8. Some of the feasibility studies that I have reviewed do not disclose that CCAs will need to enter into long-term contracts to comply with the Renewables Portfolio Standard pursuant to Senate Bill 350 (2015), and some do not consider the price differential between “brown” and renewable power in estimating savings for the CCA. Other reports mention the need to enter into long-term contracts, but do not address the financial risks associated doing so. Some studies do not address the credit requirements for entering into long-term contracts.

9. I have also reviewed reports that state that CCAs will be “greener” than investor owned utilities, but that do not provide additional context for this claim. Some CCAs may ultimately achieve lower greenhouse gas emissions on a MWh-served basis, but these reports often compare what a CCA could achieve in the long term with what the investor owned utility has achieved today. They do not account for the fact that utilities will also increase their relative use of renewables over time to comply with the Renewables Portfolio Standard. And many studies that I have reviewed do not consider some of the other costs associated with renewable energy, including for integration services, ancillary services, voltage and shortage circuit duty, black start, and energy supply for hours in which renewables generation is insufficient. Nor do many of these studies address the obligations that CCAs have, or should expect to have, with respect to supporting the Commission’s Integrated Resource Planning (IRP) process.

10. Although I have seen inaccuracies and omissions in the information received by local governments, my team and I have generally not affirmatively approached local governments to discuss these concerns, or provided comments or additional information to local governments even though some local government officials have sought our views on certain issues or feasibility studies, due to the concern that any such communications could be deemed to violate the Code of Conduct established by D. 12-12-036.

11. Because CCA formation has considerable financial implications, and will impact resource development and grid operations, it is important that knowledgeable SCE personnel have more ability to communicate with local government officials as part of their CCA formation deliberations.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 24, 2018, at Rosemead, California.


COLIN E. CUSHNIE

**Declaration of J. Christopher Thompson In Support Of The Joint Utilities' Petition For
Modification Of Decision 12-12-036**

1. I, J. Christopher Thompson, make this declaration to state new and changed facts in support of the Joint Utilities' Petition for Modification of Decision (D.) 12-12-036. The statements in this declaration are true and correct to the best of my knowledge.

2. I am currently Vice President, Local Public Affairs for Southern California Edison Company ("SCE"). My responsibilities include staying apprised of developments at the local government level in SCE's service area that could impact SCE's operations or customers and, where appropriate, communicating with local government officials regarding these developments. Based on my work at SCE, I am aware that certain local governments in SCE's service area are considering or have recently considered forming or joining a Community Choice Aggregator ("CCA").

3. I am informed by my team and believe that in 2012, when D.12-12-036 was adopted by the California Public Utilities Commission, there was a comparatively lower level of interest in CCA formation.

4. Today, there appears to be a significantly greater interest in CCA formation or adoption. Many localities in California, including in SCE's service area, are considering whether to form or join CCAs. These localities include the cities of Long Beach, Huntington Beach, Laguna Beach, Palmdale, Murrieta, Wildomar, and Desert Hot Springs, in SCE's service area.

5. Recently, SCE's Local Public Affairs staff have observed a growing cottage industry of consultants and advisors advocating in favor of CCAs. I am informed that, in some cases, the information presented to local governments by these consultants is not accurate or complete.

6. When a locality is considering an issue that could significantly affect SCE's customers or its operations, SCE will often proactively engage with the locality to provide local government officials with information and resources, including access to subject-matter experts from SCE. But, with respect to CCA formation or adoption, the Code of Conduct adopted by D.12-12-036 has curtailed SCE's ability to provide local governments with information regarding the costs and benefits of CCA programs or to correct inaccurate or incomplete information provided to local governments.

7. Because of the breadth of the Code of Conduct and the risk that any communications with local governments regarding CCA issues could be alleged to violate the Code, SCE has limited its communications with local governments regarding CCA formation or adoption. As a result of the Code of Conduct, SCE has instructed its Local Public Affairs staff to avoid providing information on the veracity of a prospective CCA's or CCA consultant's representations about the CCA's services, its rates, and its feasibility.

8. SCE has limited its communications with local governments regarding CCA formation or adoption even when local government officials have asked SCE for additional information. For example, when one local government official asked SCE how a CCA could procure energy at cheaper rates than SCE, my staff declined to respond to avoid any perceived violation of the Code. Similarly, when officials from one locality asked my staff questions regarding the benefits of adopting a CCA, we did not comment and, instead, directed the officials to speak to the prospective CCA. That locality also invited SCE to present at a meeting at which the prospective CCA planned to present, but SCE declined this invitation to avoid being accused of a Code of Conduct violation. And when one city manager asked SCE detailed questions regarding CCA energy procurement and whether a CCA could offer power at a lower cost than

SCE, SCE declined to answer the city manager's questions. Some local government officials have asked SCE for its views on CCA consultants' representations, or for comments on CCA feasibility studies, but SCE has declined or limited the scope of its responses because of the Code of Conduct. Several local government officials have expressed concerns to my team regarding the limitations on SCE's ability to communicate with them about CCA adoption. Others have stated that they would like SCE to share its views on CCAs.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 26, 2018, at Rosemead, California.


J. CHRISTOPHER THOMPSON

**Declaration of Mitch Mitchell In Support of Petition for Modification of
Decision 12-12-036 Of Pacific Gas and Electric Company (U 39-E), San
Diego Gas & Electric Company (U 902-E) and Southern California Edison
Company (U 338-E)**

1. I, Eugene "Mitch" Mitchell, make this declaration to state new and changed facts in support of the above-referenced Petition for Modification. The statements in this declaration are true and correct to the best of my knowledge.

2. I am currently Vice President, State Governmental Affairs and External Affairs for San Diego Gas & Electric ("SDG&E") and Southern California Gas Company ("SoCalGas"). I am responsible for state governmental affairs for both companies and I oversee all external affairs activities for SDG&E. Based on my work at SDG&E, I am aware that certain local governments in SDG&E's service area are considering or have recently considered forming or joining a Community Choice Aggregator ("CCA").

3. I am informed by my team and am aware that many localities in California, including in SDG&E's service area, are considering or have recently considered whether to join or form CCAs. These localities include the City of San Diego, County of San Diego, City of Del Mar, City of Chula Vista, and City of Encinitas. The City of Solana Beach has submitted a formation plan to the Commission.

4. Increasingly since 2015, city, county, and state representatives have communicated to SDG&E asking for information to help inform their decision on whether to adopt or join a local CCA. For example, in September 2017, the San Diego Associations of Government ("SANDAG") contacted SDG&E's Public Affairs team requesting to discuss 100% renewable energy goals. In October 2017, the San Diego County Taxpayers Association contacted SDG&E Public Affairs requesting to discuss "renewable energy options" and the city's

Climate Action Plan. These examples reflect a broader local government sentiment of wanting to hear about issues that also bear on CCAs matters.

5. There have been discussions like these in which members of SDG&E's Public Affairs team declined to speak to avoid any perceived violation of the Code of Conduct adopted in D.12-12-036 ("Code of Conduct").

6. Local media sources have also implicated SDG&E in their discussions of CCAs, largely advocating for adoption of CCAs. In some cases, the information disseminated through these media sources is not accurate or complete.

7. When the local press comments about or discusses SDG&E, SDG&E has provided information to correct or complete the messaging and avoid the spread of misinformation. But SDG&E has not talked broadly about CCA issues to the press, even when asked by reporters about issues relating to CCA. SDG&E does not believe that correcting misstatements made by the media is within the scope of the Code of Conduct, but out of an abundance of caution, has self-regulated its communications with the press to the detriment of the public's understanding of the topic.

8. Third, there have been instances where local government could substantively benefit from the insight and input of the utility, but SDG&E has been prevented from providing information out of cautious regard for the Code of Conduct. When a locality is considering an issue that could significantly affect SDG&E's customers or its operations, SDG&E would normally engage with the locality to provide local government officials with information and resources, including access to subject-matter experts from SDG&E. But, with respect to CCA formation or adoption, the Code of Conduct has curtailed SDG&E's ability to provide local

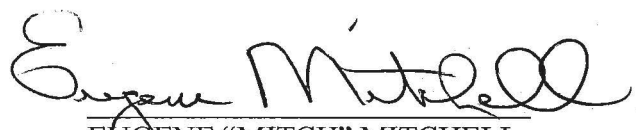
governments with information regarding the costs and benefits of CCA programs or to correct inaccurate or incomplete information provided to local governments.

9. For example, the City of San Diego prepared a CCA feasibility study in July 2017. SDG&E determined internally on review that the study contained questionable assumptions and relied on poorly chosen sources. To avoid alleged violations of the Code of Conduct, SDG&E did not bring these study flaws to the attention of the City.

10. The utility's insights would be substantively valuable to local governments' assessments of CCA-related issues and to the benefit of ratepayers. SDG&E has been constrained as to its perspective and insights because of the Code of Conduct. The Code of Conduct has also caused SDG&E to forgo rectifying misinformation spread through various media.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 25, 2018, at San Diego, California.


EUGENE "MITCH" MITCHELL



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: March 15, 2018

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

Requested Action:

1. Receive and file.

ICMA

Manager Career Support: There has been an ongoing effort in ICMA to expand the support services available to members of the organization. Attached is a report which reflects those efforts (Attachment 1).

Annual Conference: ICMA will introduce new regional conferences as an opportunity for Managers and Assistants to participate in a program closer to home. This year's West Coast Regional Conference will be held May 2 – 4, 2018, at the Skamania Lodge in Stevenson, Washington, held in conjunction with a regular meeting of the Northwest Managers from the states of Oregon and Washington, and will offer a relaxed atmosphere with a modestly sized attendance.

League of California Cities

League of California Cities City Managers Department: Pension Reform – The annual meeting of the City Managers Department of the League of California Cities was held in Newport Beach on January 31, 2018, through February 2, 2018. A major point of emphasis was Pension Reform with representatives of the professional staff of PERS, along with the Director of the California Department of Finance, providing a presentation. There was also the release of the results of a survey of California cities (approximately 200 responded). It reaffirms the difficult financial picture facing California Cities with the planned reduction in annual investment return from 7.5% to 7% over the next 5 years. And finally, PERS has reduced the amortizing schedule from 30 years to 20 years.

One of the encouraging revelations was the apparent determination of Governor Brown to further address the fiscal crisis facing cities recognizing that the fiscal burden for cities is 200% of that facing the State of California. The Governor personally prepared a brief for the California Supreme Court seeking to have the so-called California Rule relaxed in situations where continuation of the level of benefits for Classic Employees would threaten the stability of the pension system in a city. The League of California Cities is also having a brief prepared in support of the elimination of the California Rule.

City Managers Department Annual Work Program: The Executive Committee of the City Managers Department met on January 31, 2018. A major focus of the meeting was updates on the implementation of the

2017-2018 Work Plan. A copy of the Work Plan is attached for your information (Attachment 2).

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 19, 2017: The WRCOG Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachments:

1. ICMA Career Guides.
2. City Managers Department Work Plan.

Item 6.D

International City / County
Management Association Activities
Update

Attachment 1

ICMA Career Guides

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Career Guides

ICMA's **Career Stage Guide** (icma.org/careerstages) offers local government professionals a leadership and professional development roadmap of valuable educational opportunities. Below, find a description and links to ICMA's career guides.

- **Acting Manager's Handbook** (icma.org/actingmgr) is a guidebook to help the acting manager make the most of a sometimes-unexpected opportunity. (Member Resource)
- **Breaking into Local Government** (icma.org/breakingintolg) will help career-changers enter the local government sector. Cases include private sector, military, and other government sectors.
- **Career Compass** (icma.org/careercompass) is a monthly column from ICMA focused on career issues for local government professional staff, and appears the ICMA Newsletter and online.
- **Careers in Local Government Management** (icma.org/careersinlg) is an introduction to local government as a career, what city/town/county management is, what managers do, and tips on what education, skills, and job opportunities exist in the profession.
- **First Time Administrator's Handbook** (icma.org/newmanager) covers items that should be considered before an interview, during an interview, before accepting a position, and before starting a new position. (Member Resource)
- **Job Hunting Handbook** (icma.org/jobhandbook) is a resource from mapping out your job search to negotiating compensation. (Member Resource)
- **Making It Work: The Essentials of Council-Manager Relations** (icma.org/councilrelations) provides the competencies needed to build a relationship that is based on mutual respect, understanding of roles, and open communication.
- **Management Internships: A Guidebook for Local Governments** (icma.org/internships) will help local government managers and MPA programs work together to create meaningful internship experiences.
- **Manager Evaluations Handbook** (icma.org/evaluation) is a template for new or tenured manager to assist elected officials in designing an effective evaluation tool. (Member Resource)
- **Model Employment Agreement** (icma.org/employmentagreement) is a template for administrators of municipal governments for use in crafting the terms of hiring and employment. (Member Resource)
- **Preparing for an Interview** (icma.org/interviewguide) offers helpful hints once you've passed the resume screening and have been called in for a discussion.
- **Preparing the Next Generation Case Studies** (icma.org/nextgencases) highlights programs being used by local governments who believe it is their responsibility to mentor young and mid-career professionals. (Member Resource)
- **Recruitment Guidelines for Selecting a Local Government Administrator** (icma.org/recruitmentguidelines) presents guidelines to help local governments and executive search firms conduct a successful recruitment to select a local government administrator/chief administrative officer.

Explore more career resources at <https://icma.org/career-resources-overview>

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Item 6.D

International City / County
Management Association Activities
Update

Attachment 2

City Managers Department Work
Plan

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1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

City Managers Department 2017-18 Work Plan

- 1. Push for Reasonable and Sustainable Pension Reform** (*Bruce Channing, Laguna Hills; Anton Dahlerbruch, Board Member; Kurt Wilson, President-elect; Eric Figueroa, At-Large*)
 - i. Through meaningful reform, develop plans that have long-term sustainable costs resulting from changes to benefit formulas for all members.
 - ii. Advocate for more contract flexibility for contracting cities.
 - iii. Seek clarification on several interpretations of PEPRA that may be harmful to city operations.
 - iv. Enact reforms that still allow retirees to still perform some limited services essential to cities with a need.
 - v. Developing a communication plan for city managers and elected officials.
- 2. Support California's City Managers** (*Mark Alexander, CM La Canada Flintridge; Valerie Barone, CM Concord; Matt Bronson, CM Grover Beach; Teri Killgore, ICM Vallejo; Peter Castro, ATCM Indian Wells*)
 - Continue to promote and implement strategies outlined in the "Challenges and Strategies: Maximizing Success for City and County Managers in California"
 - i. Continue and expand presentations at League and affiliate conferences
 - ii. Support and expand the reach of pilot projects:
 1. "Joys and Challenges" segments at Area Group manager meetings
 2. "Buddy System" to welcome and assist new City Managers
 3. Development of a "Peer Team" to provide outreach to managers in distress.
 4. Development of "talking points" (in conjunction with ILG or other groups) six times per year on issues of importance for elected officials that specifically focus on the Council-Manager relationship. Talking points would be provided to all regional managers and shared at league division outings.
 - Highlight and promote educational and motivational opportunities for Managers

- Continue to integrate efforts of Cal-ICMA and CCMF to make sure they are complimentary and promote such efforts.
3. **Motivate, Celebrate and Challenge Department Members** (*Reeva Feldman, VP/CCMF Rep*)
 - i. Provide regular communications to members of the department through a monthly email message.
 - ii. Challenge Managers to represent the profession and their communities well with commitment, focus and passion. Develop a program that encourages Managers to “check-in” with others if encouragement or correction is needed prior to there being a professional issue.
 4. **Continue Building on Our Relationship with the League Executive Director, Senior Staff, and the Board of Directors** (*Jim Lewis, President; and Kurt Wilson, President-elect, Anton Dahlerbruch, Board Member*)
 - Continued commitment to support the Board's goals.
 - Create an efficient ways for representatives to report to the Department.
 5. **Establish a working group of City Managers and League staff to enhance Outreach Efforts of California Cities that Successfully Results in Policies Promoting Local Control and the Long-term Sustainability of Cities** (*Pat West, CM Long Beach; Eric Figueroa, At-Large; Debra Garcia, MSD Pismo Beach; Jorge Garcia, ATCM Santa Ana, mmcdave Mullinax, Regional Representative*)

2017-2018 Department Officers

President –	<i>Jim Lewis, City Manager, Pismo Beach</i>
President Elect –	<i>Kurt Wilson, City Manager, Stockton</i>
Vice President –	<i>Reva Feldman, City Manager, Malibu</i>
Immediate Past President –	<i>Dan Keen, City Manager, Vallejo</i>
Department Director* –	<i>Tony Dahlerbruch, City Manager, Palos Verdes Estates</i>

At-Large Representatives

Southern CA under 100,000 Population – *Mark Alexander, City Manager, La Canada Flintridge*

Southern CA over 100,000 Population – *Pat West, City Manager, Long Beach*

Northern CA under 100,000 Population – *Eric Figueroa, Asst. City Manager, San Ramon*

Northern CA over 100,000 Population – *Valerie Barone, City Manager, Concord*

Terms are for one year, ending in September, except the director and at-large representatives, who serve two-year terms.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Experience Regional Innovation Center Feasibility Analysis Update

Contact: Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751

Date: March 15, 2018

The purpose of this item is to provide an update on the Feasibility Analysis of a potential innovation center, Experience, which would provide a host of community resources, promote sustainable practices, and showcase the assets and capabilities of the subregion.

Requested Action:

1. Receive and file.

Background

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

In 2016, staff introduced the concept of Experience, envisioned as a vibrant regional center with a variety of visitor attractions that could also serve as a sustainability demonstration center, innovation hub, business incubator, and more. The aim of Experience is to showcase the assets and capabilities of inland southern California while serving community needs and advancing the Framework goal areas. Experience would be designed to draw audiences for a variety of purposes by including such elements as an education center, community farm, water efficient garden, walking loop, amphitheater, farm-to-fork café, and other public assets. Once at Experience, visitors would be exposed to best practices in water and energy, emerging technology, employment prospects, and more. Experience would borrow inspiration from similar concepts from across the globe including, but not limited to:

- Los Angeles Cleantech Incubator (LACI) – Los Angeles, CA
- The Frontier Project – Rancho Cucamonga, CA
- Southern California Edison Energy Education Center – Irwindale, CA
- Alegria Farms – Irvine, CA

Feasibility Analysis

On October 2, 2017, the Executive Committee authorized staff to enter into a contract not to exceed \$249,823, with PlaceWorks consultants to perform a comprehensive Feasibility Analysis of the Experience concept. The Analysis scope includes thorough research of relevant models, a demand analysis for the center and program elements, analysis of up-to four potential sites, analysis of governance options and partnership opportunities,

financial analysis, and a final Feasibility Analysis with recommendation(s). Additionally, the Analysis would review potential funding partners and mechanisms to ensure a viable implementation plan for Experience, should it be feasible.

Staff and consultants held an internal kick-off meeting on October 16, 2017, to discuss the goals and visions, as well as potential sites to include in the Analysis, and the formation of an advisory Steering Committee. The Steering Committee is scheduled to convene six times during the course of the Analysis to weigh in on the process and findings through July 2018, when the Analysis is scheduled to conclude. The Steering Committee is composed of members from the Executive Committee, who volunteered to serve in this role, in response to an email solicitation to all members. Additionally, staff invited a variety of stakeholders, including member agency staff, utility partners, and university representatives, to participate on the Steering Committee.

Steering Committee Meeting #1

On Monday, January 22, 2018, the Steering Committee convened its first meeting. The meeting began with an introduction to the Experience concept and review of some of the relevant models for an idea of the variety of programming features others have instituted in the areas of education, community services, research, and economic development. Attendees then engaged in a discussion of the goals for Experience, building from the list staff and consultants drafted at the kick-off meeting. Meeting notes and presentation slides are provided as Attachment 1.

Steering Committee Meeting #2

The second Experience Steering Committee convened on Monday, February 26, 2018, in Rancho Cucamonga. Three presenters from regional models shared their experiences from the Lyle Center at Cal Poly Pomona, the Los Angeles Cleantech Incubator, and the Cucamonga Valley Water District's Frontier Project. Attendees asked the presenters questions to identify relevant lessons to apply to Experience. Meeting notes and presentation slides are included as Attachment 2.

Steering Committee Meeting Schedule

The Steering Committee will convene next on March 19, 2018, to discuss collaborative opportunities with the region's educational partners, refine the mission of Experience, and select the program elements to be included in the analysis. The list below summarizes the topics and provides dates for each of the remaining Steering Committee meetings.

March 19, 2018:	Meeting #3, Selection of Program Elements for Analysis
May 21, 2018:	Meeting #4, Site assessment and demand analysis
June 18, 2018:	Meeting #5, Alternative governance, operations, and partnerships
July 23, 2018:	Meeting #6, Final recommendations

Staff will provide regular updates to WRCOG Committees for the duration of the Analysis.

Prior Action:

February 14, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Steering Committee Meeting #1 Notes and Presentation Slides.
2. Steering Committee Meeting #2 Notes and Presentation Slides.

Item 6.E

Experience Regional Innovation
Center Feasibility Analysis Update

Attachment 1

Steering Committee Meeting #1
Notes and Presentation Slides

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Feasibility Study for EXPERIENCE - A Regional Innovation Center

Steering Committee Meeting #1 Summary
January 22, 2018 | 11:00 AM - 1:00 PM

Project Contact: Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751

Steering Committee:

Executive Committee Members: Debbie Franklin, City of Banning; Adam Rush, City of Eastvale; Laura Roughton, City of Jurupa Valley; Kelly Seyarto, City of Murrieta; Rusty Bailey, City of Riverside; Kevin Bash, City of Norco; Dr. White, Riverside County Superintendent of Schools

Member Agency Staff: Grace Williams, City of Perris; Lea Deesing, City of Riverside; Sherry Shimoshock, City of Riverside; Matt Peters, City of Temecula; Jolene Walsh, Eastern Municipal Water District (EMWD); Danielle Coates, EMWD; Melanie EMWD

Regional Stakeholders: Joanna Chang, Southern California Edison; Jeff Lawler, Southern California Gas Company (SoCalGas); Ana Aceves, SoCalGas; Alexandra Orozco, University of California, Riverside (UCR); Nicole Davis, UCR

Staff and Consultants: Rick Bishop, WRCOG; Jennifer Ward, WRCOG; Tyler Masters, WRCOG; Andrea Howard, WRCOG; Cynthia Mejia, WRCOG; Amber Bolden, WRCOG; Huyen Bui, WRCOG; Alexa Washburn, National CORE; Karen Gulley, PlaceWorks; Scott Ashlock, PlaceWorks; Eric Carbonnier, HMC Architects

Experience - Origin and Current Ideas:

In 2010, WRCOG adopted the Sustainability Framework, which recognized six interrelated goal areas for achieving a high quality of life and regional economic growth: transportation, water and waste water, energy and environment, economic development, health, and education. The concept of Experience is a physical manifestation of the Framework that would contain various elements that advance the Framework Goals.

To achieve this goal, WRCOG envisions that Experience would draw audiences for a variety of purposes by including such elements as an education center, community farm, water efficient garden, walking loop, amphitheater, farm-to-fork café, and other public assets. Once at Experience, visitors would be exposed to best practices in water and energy, emerging technology, employment prospects, and more.



Purpose of this Study - Future Path for EXPERIENCE:

On October 2, 2017, WRCOG's Executive Committee approved a contract with PlaceWorks consultants to perform a Feasibility Analysis (the Analysis). The Analysis will explore the viability of bringing Experience to Western Riverside County. The analysis will begin with a review of relevant models to identify the program elements that would be desired for Experience. PlaceWorks will perform an opportunity and constraints analysis of the potential host sites and develop a demand analysis for the center and develop a set of options for the potential governance structure. Finally, the analysis components will be assessed together to determine overall feasibility.

Role of the Steering Committee:

The Steering Committee will provide valuable insights and feedback at each step of the Analysis. The meetings have been strategically scheduled to coincide with major milestones, and participants will be encouraged to provide valuable information to shape the direction and conclusion of the Analysis.

Timeline:

The Analysis will span ten months, beginning in October 2017 and concluding in July 2018. The full timeline is listed in the Meeting 1 Presentation slides.

Background on Other Relevant Models:

PlaceWorks presented several relevant models, providing a spectrum of ideas for potential elements to include in the Experience analysis, from examples across the County. These relevant models are listed in the Table of Relevant Models. Three of the models were also featured in a short compilation video played during the meeting, which can be viewed [here](#).

Goal Setting by the Committee:

Initial working goals for Experience were shared with the Committee as a starting point for discussion. Over the course of an hour, members provided a variety of ideas and desires for what EXPERIENCE could be and how it could function. Below are the Initial Working Goals with comments incorporated, followed by a summary of the additional goals born from the discussion.

Initial Working Goals: EXPERIENCE should...

1. Benefit all WRCOG organizations and the communities served
2. Be tied to WRCOG's mission
3. Support WRCOG's Economic Development and Sustainability Framework
4. Not resemble a monument, but a place that engages, educates and motivates people
5. Be relevant to what's important to the region – a sustained public benefit
6. Be financially feasible from construction to operations and maintenance overtime
7. Have a high-level of performance for program elements and the facilities, which should be tracked and evaluated
8. Provide multiple reasons to visit through a wide variety of cohesive activities that result in returning visitors
9. Be innovative, cutting-edge, and provide a rotation of forward-thinking displays, events, and activities
10. Incorporate best practices for water and energy efficiency, sustainable building design, and business strategy
11. Empower the community to adopt techniques/take action

12. Provide visitors with a unique experience that encapsulates the region
13. Be embraced by both the public and private sector – encouraging partnerships and collaboration

Committee Discussion: EXPERIENCE should...

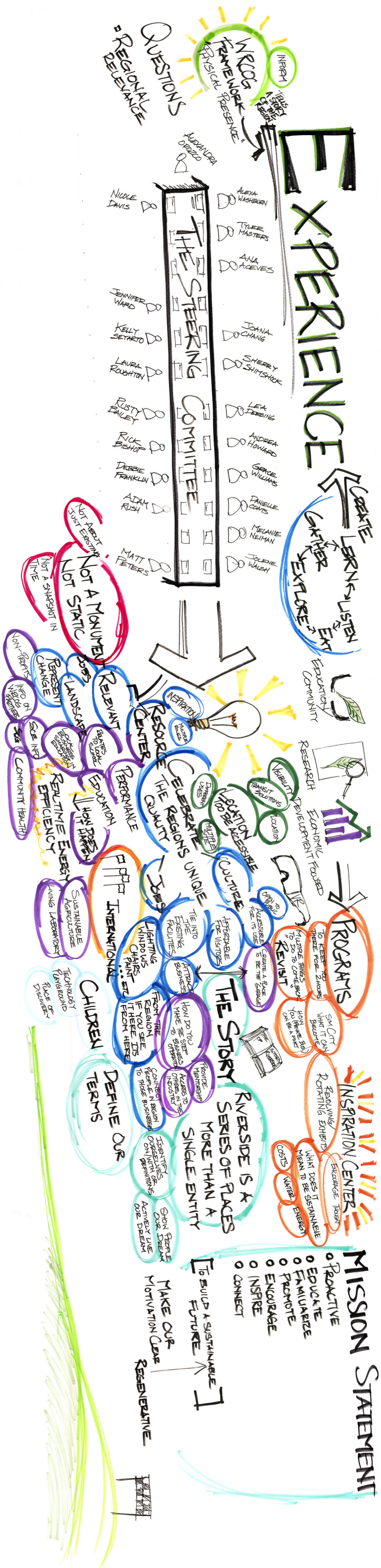
1. Provide economic development opportunities for individuals and businesses
 - Prepare people for jobs in the subregion
 - Be attractive to businesses (to locate there or partner with)
 - Be a central place to access information/resources (for companies considering moving to Riverside or for start-up companies)
2. Not be a Monument
 - It should not just showcase what WRCOG has done
 - It must be relevant over time
 - The building design should reflect the energy/resource conserving technologies and tell a story (function over form)
3. Be accessible by all modes of transportation (e.g., car, bus, train, pedestrians, cyclists) and all segments of the population (low income, rural/urban, non-English speaking, multiple ages, etc.)
4. Tell the story of Western Riverside County by showcasing the region's current assets/successes. This should also include promoting the vision for Western Riverside County through visual simulations or other techniques.
 - Showcase uniqueness of region (what it has to offer) and tap into international opportunities to showcase (sister-cities)
 - Include futuristic "look" at trends Riverside County will likely experience, how these trends may change the region, and how we can prepare
 - Incorporate museum features w/revolving exhibits – see Catalina Island
 - Include space for each jurisdiction/partner to have exhibit
 - Promote region – every nook should tell a story
 - Showcase best practices that the region wants to see happen w/ new development
 - Paint the story of sustainability in Riverside County – for new businesses
 - Have a way to bring in new partners
 - Share success stories – WRCOG and others, showcase start-ups
 - Riverside County is a series of PLACES – tie them together with the EXPERIENCE concept
5. Compliment UC Riverside and Cal Poly Pomona sustainability and regenerative studies research (agricultural living labs, solar/micro grids)
6. Be accessible to everyone in the community – be affordable and open to the public
7. Accommodate large and small audiences
8. Provide interactive educational opportunities for all ages
 - Tactile
 - Education for children
 - SoCalGas – see demo in Downey: education on kitchen technology
 - "Inspiration center" – youth (tech playground), improve on Discovery Science Center model
 - Experience Water, Experience Health, Experience Education, etc. – based on Framework plan, could be located throughout

- See Discovery Cube – Sylmar
- 9. Serve as a centralized resource and information center for the region
 - Central place for accessing information – utility rebates, info on WRCOG partners, non-profit groups, community health, start-up companies, resource center
 - Include liaison services – permitting, accounting, legal

Committee Input on the Mission for EXPERIENCE:

Following a thorough discussion of goals, attendees were introduced to four mission statements from relevant models to initiate a first discussion on establishing a mission for Experience. Below is a summary of the discussion.

1. To build a regenerative future, EXPERIENCE must:
 - Be Proactive
 - Educate
 - Familiarize
 - Promote
 - Encourage
 - Inspire
 - Connect
2. Make our motivation clear





Feasibility Study for EXPERIENCE – A Regional Innovation Center

Steering Committee Meeting #1

January 22, 2018

Today's Agenda

- Introductions
- EXPERIENCE – Origin and Current Ideas
- Purpose of this Study – Future Path for EXPERIENCE
- Role of the Steering Committee
- Timeline
- Background on Other Relevant Models
- Goal Setting by the Committee



Costal Roots Farm, Encinitas



The Springs Preserve, Las Vegas

Introductions

- WRCOG Staff
 - Rick Bishop
 - Jennifer Ward
 - Chris Gray
 - Andrea Howard
- Team Collaborators
 - Alexa Washburn, National Core
 - Karen Gullely, PlaceWorks
 - Scott Ashlock, PlaceWorks
 - Eric Carbonnier, HMC Architects
 - Eera Babbtiwale, HMC Architects



Introductions

- Steering Committee Members
- WRCOG Executive Committee
- Invited Guests/Advisors

Yesterday: Sustainability Framework



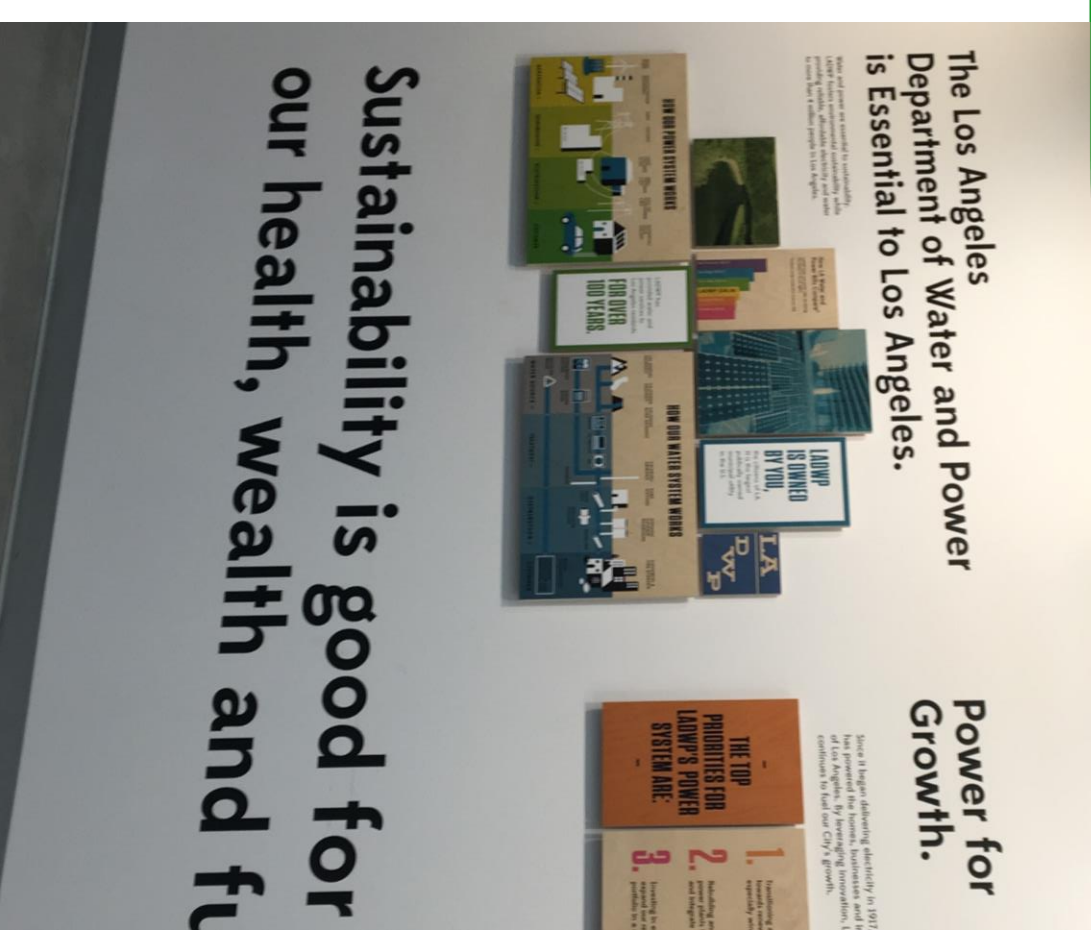
Today: The “EXPERIENCE” Concept

A Regional Innovation Center



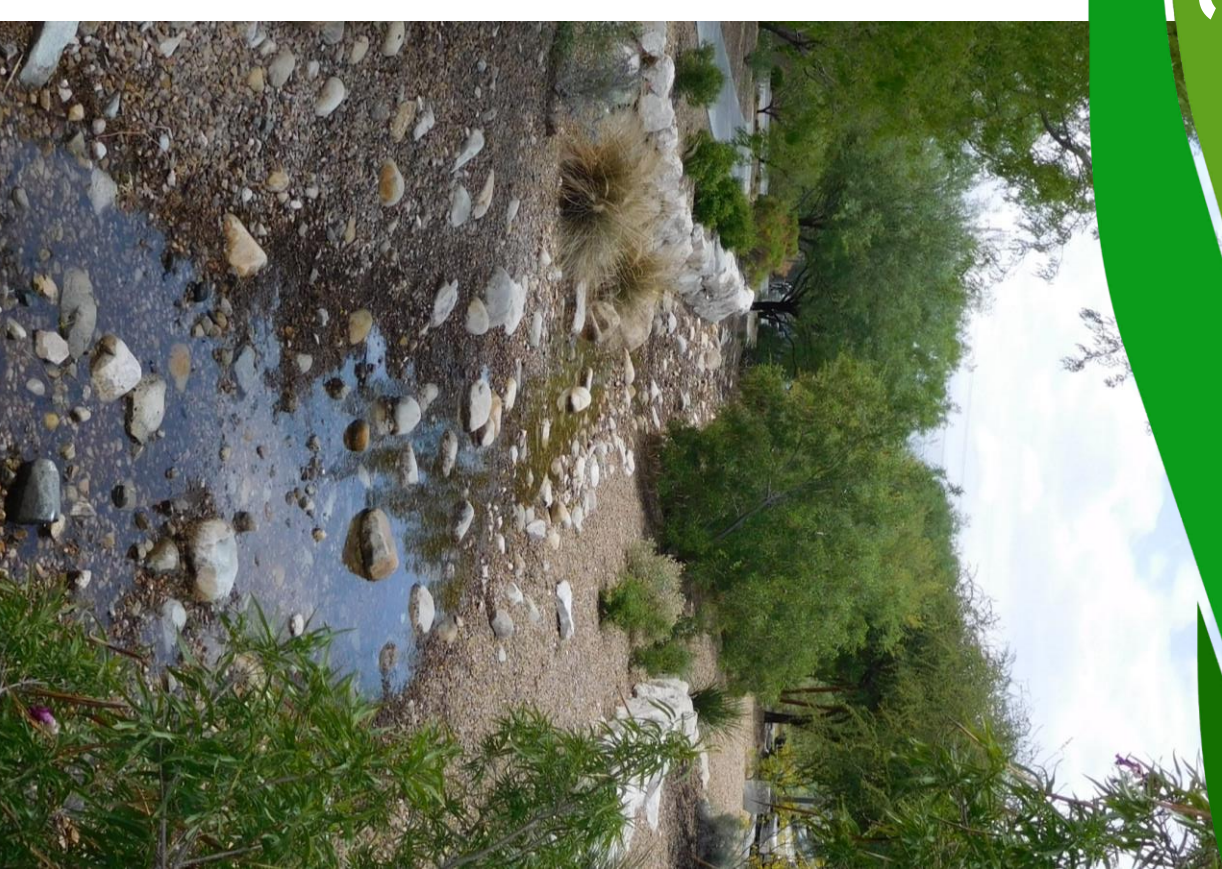
Purpose of the Study

- Define mission/goals of EXPERIENCE
- Conceptually define program and building elements
- Evaluate feasibility based on four alternative sites
- Identify potential financing and partnership arrangements



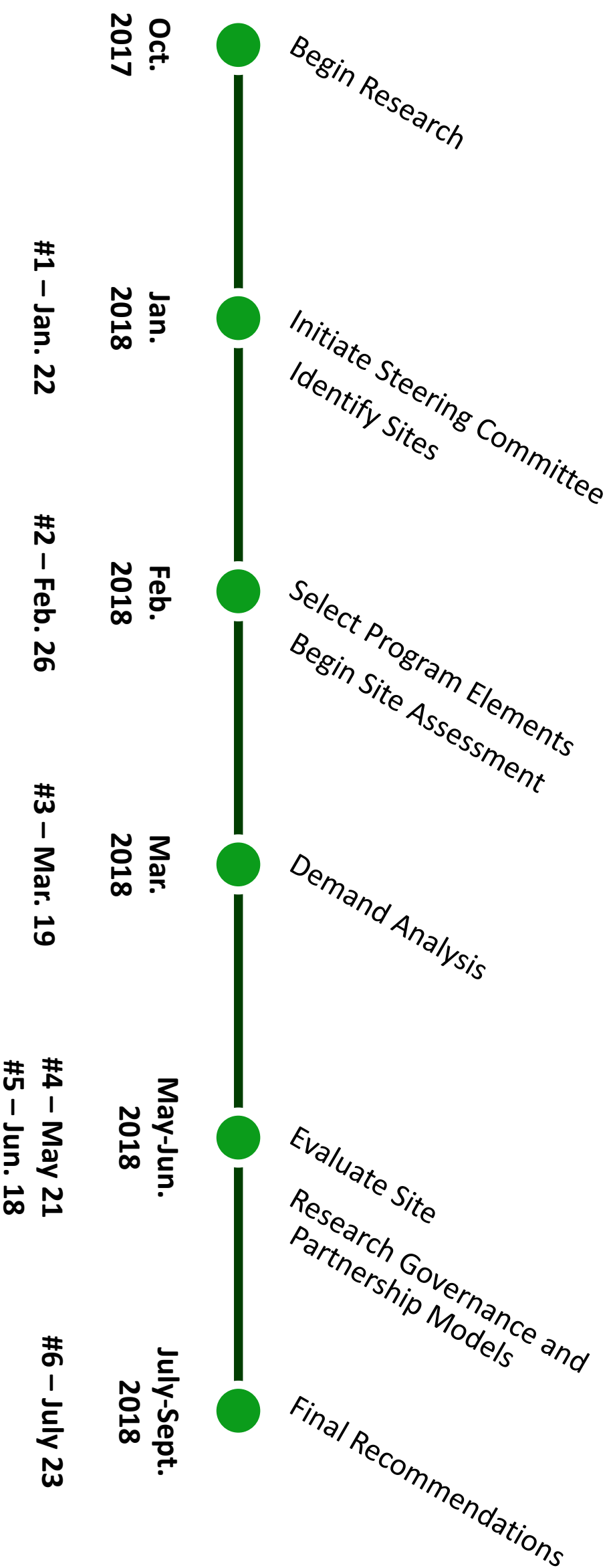
Role of the Steering Committee

- Provide input, ideas, and feedback to team
- Meeting #1 – Learn about other “centers” and establish goals for EXPERIENCE
- Meeting #2 – Q&A with other operators
- Meeting #3 – Select program elements to evaluate
- Meeting #4 – Site assessment and demand analysis
- Meeting #5 – Alternative governance, operations, and partnerships
- Meeting #6 – Final recommendations



The Springs Preserve – Creek Restoration

Schedule



Note: #1 represents Steering Committee Meeting

Relevant Models

- Identified examples (refer to spreadsheet handout)
- Others to consider? Other information to gather?
- Examples are grouped by purpose:



Educational/Community Serving



Research

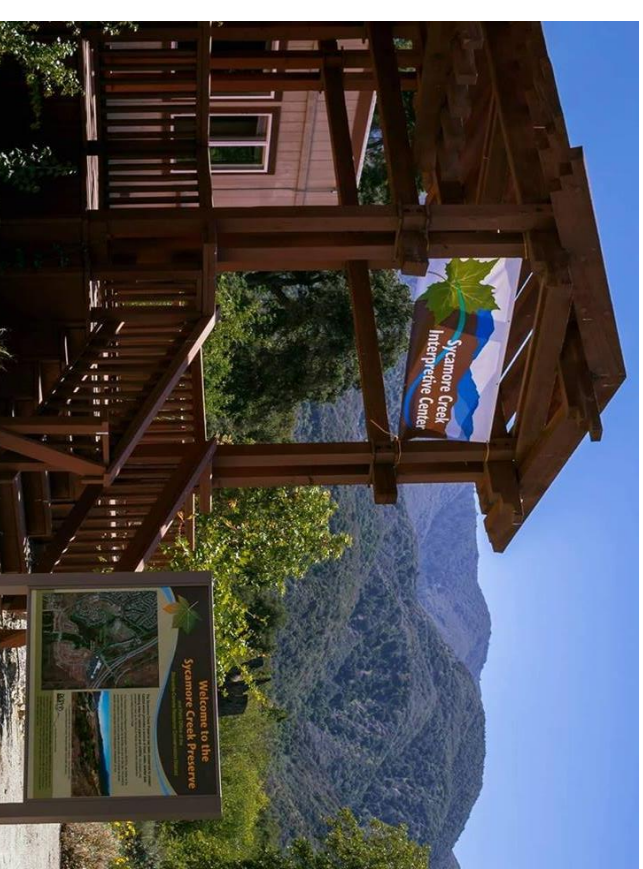


Economic Development Focused

- Overview of programs



The Springs Preserve – Children's garden



Sycamore Creek Interpretive Center, Temescal Valley

Educational/Community Serving Models

The Frontier Project, Rancho Cucamonga – Demonstration of water and energy conservation



Riverbed Farm, Anaheim – Hydroponics demonstration, food banks



Alliance Center, Denver – Space to convene and connect organizations and community leaders



Energy Education Center, Irwindale – classes, workshops for public

Educational/Community Serving Models

***Quail Hill, Irvine –
Children's garden***



***Quail Hill –
Interpretive trail***



***The Springs
Preserve – Farm
to table dining***



***Sycamore Creek
Interpretive Center – Youth
science exploration***



Research Models

*The Lyle Center for
Regenerative Studies, Cal Poly
Pomona – green roof cooling
research*



*The Lyle Center –
Passive heating
and cooling
research*



*Alegria Fresh
Farm - Vertical
farming research*



Economic Development Models

**Net Zero Plus
Electrical Training
Institute, Los
Angeles – High
Tech Building
demonstrations
and training**



**Portland
Incubator
Experiment –
Co-working
space for start-
ups**



**David Brower
Center, Berkeley –
Hosts 30 non-
profit
organizations re
environmental
challenges**



**Los Angeles
Cleantech
Incubator (LACI) –
Accelerates the
commercialization
of clean
technologies and
the success of start-
up businesses**

Video

Steering Committee Discussion

- Input on Initial Working Goals
- Develop Working Mission Statement

Riverbed Farm Mission: *To empower and educate the community on using responsible agricultural methods.*

Lyle Center: *To convene diverse groups committed to catalyzing pro-environmental change by matching technology with need.*

Riverside-Corona Resource Conservation District Mission: *To encourage residents to practice natural resource stewardship at home, work, and community.*

Portland Incubator Mission: *To serve as a curated co-working space, a community event space, a startup accelerator, a flashpoint for corporate innovation, and a home-away-from-home for startup types.*

Next Meeting

- February 26, 2018 @ The Frontier Project
- Q&A with representatives from: The Lyle Center, The Frontier Project, and the Los Angeles Cleantech Incubator (LACI)
- Tour of Frontier Project following the meeting



The Lyle Center for Regenerative Studies, Cal Poly Pomona



La Kretz LACI Innovation Campus, Los Angeles

Item 6.E

Experience Regional Innovation
Center Feasibility Analysis Update

Attachment 2

Steering Committee Meeting #2
Notes and Presentation Slides

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Project Contact: Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751

Steering Committee:

Executive Committee Members: Debbie Franklin, City of Banning; Adam Rush, City of Eastvale; Laura Roughton, City of Jurupa Valley; Kelly Seyarto, City of Murrieta; Rusty Bailey, City of Riverside; Kevin Bash, City of Norco; Ron Sullivan, Eastern Municipal Water District; Dr. White, Riverside County Superintendent of Schools

Member Agency Staff: Clara Miramontes, City of Perris; Grace Williams, City of Perris; Lea Deesing, City of Riverside; Sherry Shimoshock, City of Riverside; Luke Watson, City of Temecula; Matt Peters, City of Temecula; Jolene Walsh, Eastern Municipal Water District (EMWD); Danielle Coates, EMWD; Melanie EMWD

Regional Stakeholders: Joanna Chang, Southern California Edison; Jeff Lawler, Southern California Gas Company (SoCalGas); Ana Aceves, SoCalGas; Jennifer Vaughn, SoCalGas; Alexandra Orozco, University of California, Riverside (UCR); Nicole Davis, UCR

Staff and Consultants: Rick Bishop, WRCOG; Jennifer Ward, WRCOG; Andrea Howard, WRCOG; Huyen Bui, WRCOG; Alexa Washburn, National CORE; Karen Gulley, PlaceWorks; Eric Carbonnier, HMC Architects

Advisors: Dr. Kyle Brown, Lyle Center for Regenerative Studies; Mike Swords, Los Angeles Cleantech Incubator (LACI); Kristeen Farlow, Frontier Project

Experience – Concept and Origin:

WRCOG envisions that Experience would draw audiences for a variety of purposes by including such elements as an education center, community farm, water efficient garden, walking loop, amphitheater, farm-to-fork café, and other public assets. Once at Experience, visitors would be exposed to best practices in water and energy, emerging technology, employment prospects, and more.

In 2010, WRCOG adopted the Sustainability Framework, which recognized six interrelated goal areas for achieving a high quality of life and regional economic growth: transportation, water and waste water, energy and environment,



economic development, health, and education. Experience would be a physical space to explore and grow the subregion's work to advance the Framework Goals.

Purpose of this Study - Future Path for Experience:

On October 2, 2017, WRCOG's Executive Committee approved a contract with PlaceWorks consultants to perform a Feasibility Analysis (the Analysis). The Analysis will explore the viability of bringing Experience to Western Riverside County, by refining the projects goals and conducting a review of relevant models to identify the program elements that would be desired for Experience, performing an opportunities and constraints analysis of the potential host sites, developing a demand analysis for the center and a set of options for the potential governance structure, and finally, assessing the analysis components together to determine overall feasibility.

Role of the Steering Committee:

The Steering Committee will provide valuable insights and feedback at each step of the Analysis. The meetings have been strategically scheduled to coincide with major milestones, and participants will be encouraged to provide valuable information to shape the direction and conclusion of the Analysis.

Timeline:

The Analysis will span ten months, beginning in October 2017 and concluding in July 2018. The full timeline is listed in the Meeting 1 Presentation slides.

Meeting #1 Review:

The Steering Committee met for the first time on January 22, 2017. At the meeting, attendees received a thorough introduction to the Experience concept; learned of relevant models across the globe, from which Experience could draw inspiration and knowledge; discussed goals for Experience. Among the goals discussed, attendees expressed that Experience should be synergistic with WRCOG and the surrounding community (including k-12 education, colleges and universities, and businesses); Experience should provide region-wide economic and social benefits, and spur economic growth, especially by fostering economic opportunity; and Experience should tell the story of Western Riverside County—what the subregion has to offer and where it is going. Finally, the Committee initiated a discussion to draft the Mission for Experience.

Model Site Representative Presentations:

Representatives from three Southern California models: the Lyle Center for Regenerative Studies at Cal Poly Pomona, the Los Angeles Cleantech Incubator (LACI), and the Cucamonga Valley Water District's Frontier Project, presented an overview of their programs and fielded questions from attendees regarding logistics and operations.

These models provided a good sampling of the diversity that exists among these centers. The Lyle Center was an early example of sustainable development and living, modeling practices which later informed the LEED certification process. It is built on a 16-acre campus at Cal Poly Pomona and is an affiliate of the University, designed with the mission to make a "collective impact toward a sustainable future." The Lyle Center meets its goals largely through student and faculty

driven work to provide education and demonstrations, perform research, and conduct community outreach. The Center receives approximately 57% of the \$550,000 annual operating expense from State allocation, and the remaining 43% from grants, endowment, and individual donations.

LACI is an entrepreneurial incubator located at the cutting-edge, 60,000 square foot La Kretz Innovation Campus, owned by Los Angeles Department of Water and Power (LADWP). LACI is an independent nonprofit born out of a Public Private Partnership with the City of LA and LADWP. It operates under the mission to create an inclusive green economy for the City and LA region. Since 2011, LACI has served more than 70 start-ups, created more than 2,000 jobs, generated \$214 M in revenue and generated \$335 M in economic benefit for the City.

The Frontier Project was developed out of a need for the CVWD for more office space and a desire to create an additional space to demonstrate water efficient best practices to the community by creating a regional destination. Opened in 2009, the 14,000 square foot building has office space, a technology gallery, conference space, demonstration kitchen, green roof, landscape demonstration, and is LEED Platinum. The Frontier project hosts regular meetings and events and is home to the Water Works Association.

Of particular note, the speakers provided these insights:

- Given the chance to change the course of development for the Lyle Center, Dr. Brown reported that he would give greater focus to areas where a significant impact could be made. . In recent years they have shifted their focus on working with the community, particularly Pomona Unified.
- Dr. Brown also noted the challenges of being a part of the university: 1) grants received have to flow through various departments which adds an additional layer or bureaucracy; and 2) they struggle to be entrepreneurial.
- Representatives from both LACI and the Frontier project reported that their event and meeting spaces, and LACI's co-working space cannot accommodate the demand they see in terms of physical size. They recommended capacity somewhere between 300 – 400 people.
- Mr. Swords shared that while the La Kretz Innovation Campus is a significant asset, the majority of the entrepreneurs they host report that the greatest benefit of working with LACI is the opportunity to work with the Executives in Residence. Additionally, Mike shared that prior to the opening of La Kretz, LACI operated as an incubator for four years and was named the #3 incubator in the world according to University Business Incubators, emphasizing that the programming drove the success of LACI.
- Mr. Swords also noted that the success of LACI was in part a function of strategic partnerships with the Mayor's Office, County Office, LA Department of Water & Power (LADWP), State of California, Federal Government, Port of Los Angeles, Metro, Metropolitan Water District (MWD), Southern California Edison (SCE), Financial institutions (JP Morgan, Wells Fargo), and Universities (UCLA, USC, Caltech, Cal State Northridge), JPL, Los Angeles County Economic Development Corporation (LAEDC), LA Chamber of Commerce, LA Business Council (LABC), and Industry partners.
- In contrast, Ms. Farlow shared that the Frontier Project struggled to meet its funding targets because it did not have a clearly defined mission and purpose at its onset, while it set-out to be an educational resource, that was not specific and compelling enough to attract supporters.

- Representative from each Center noted staff size: The Lyle Center has a staff of 3 not including faculty, LACI 30, and Frontier 1. This is relevant in relationship to regional impact and Center success.
- All three speakers acknowledged the challenge of any building or grounds staying relevant in terms of the demonstration technology being displayed. The advice from LACI was to have a broader mission, such as inventing and building hardware which by definition adapts overtime. Dr. Brown noted that the Lyle Center was built on the principles of regeneration, not on solutions, and therefore is more timeless.

The meeting slides, including speaker slides, are included as an attachment to this summary.



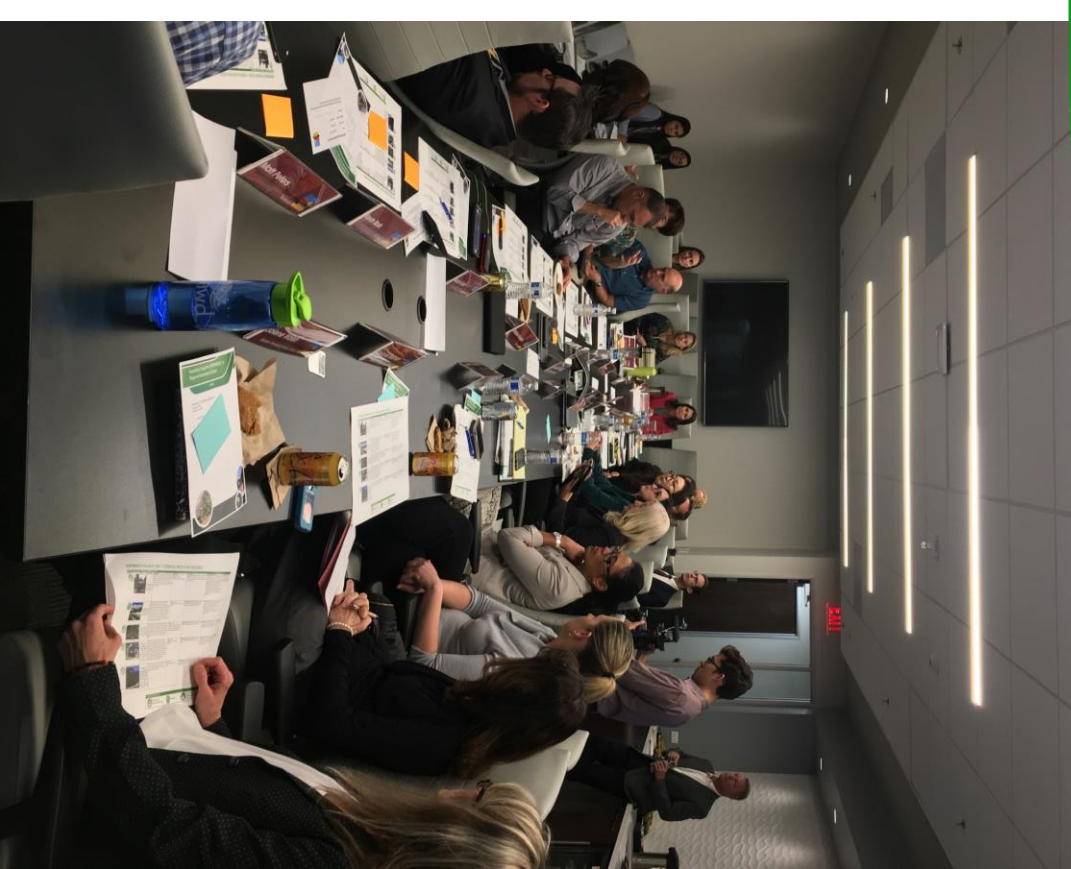
Feasibility Study for EXPERIENCE – A Regional Innovation Center

Steering Committee Meeting #2

February 26, 2018

Today's Agenda

- Introduction to EXPERIENCE
- Speaker Presentations and Q&A
 - Dr. Brown - Lyle Center
 - Mike Swords - LACI
 - Kristeen Farlow - Frontier
- Open Forum
- Concluding Remarks
- Frontier Project Tour



EXPERIENCE Steering Committee Meeting #1

Yesterday: Sustainability Framework



Today: The “EXPERIENCE” Concept

A Regional Innovation Center



Purpose of the Study

- Define mission/goals of EXPERIENCE
- Conceptually define program and building elements
- Evaluate feasibility based on four alternative sites
- Identify potential financing and partnership arrangements

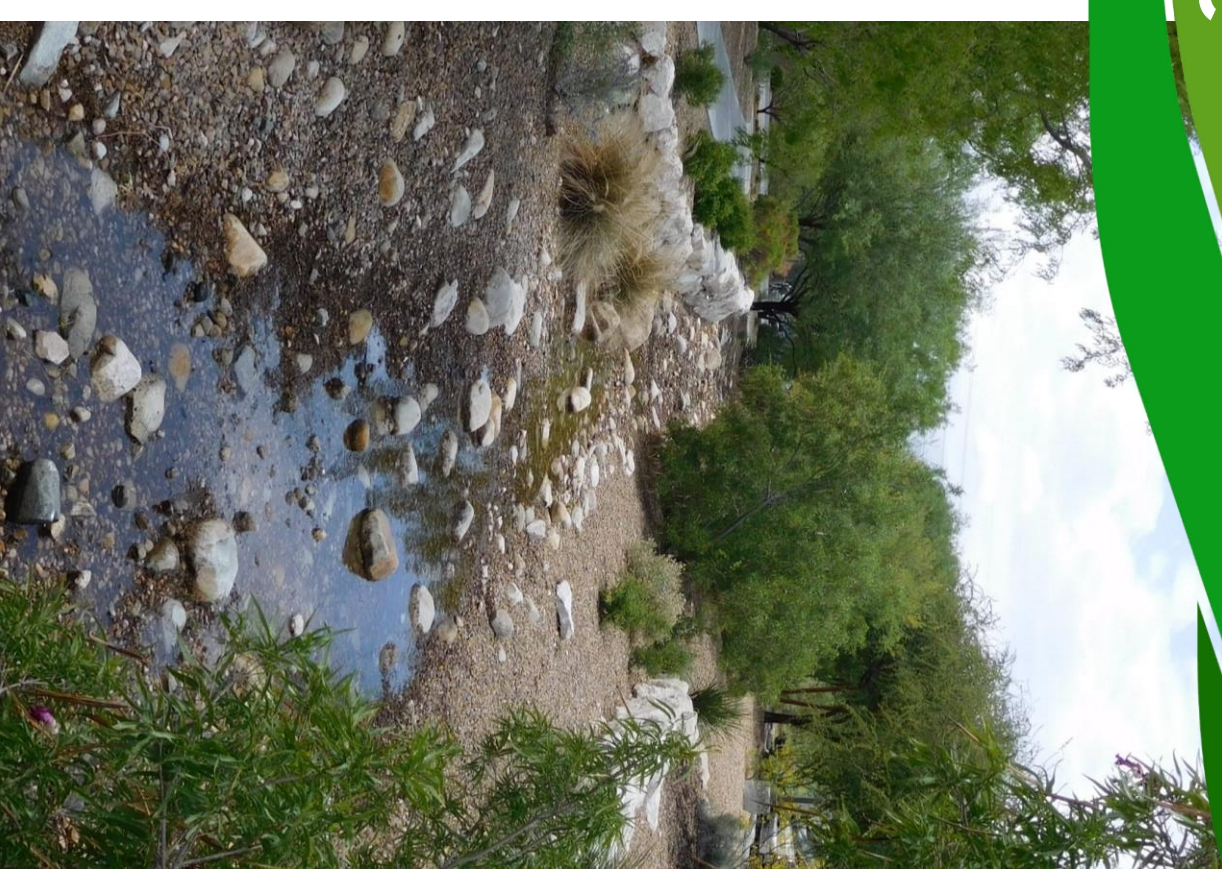
The Los Angeles Department of Water and Power is Essential to Los Angeles.

Power for Growth.

Sustainability is good for our health, wealth and fu

Role of the Steering Committee

- Provide input, ideas, and feedback to team
- Meeting #1 – Learn about other “centers” and establish goals for EXPERIENCE
- Meeting #2 – Q&A with other operators
- Meeting #3 – Select program elements to evaluate
- Meeting #4 – Site assessment and demand analysis
- Meeting #5 – Alternative governance, operations, and partnerships
- Meeting #6 – Final recommendations



The Springs Preserve – Creek Restoration

EXPERIENCE IS THE MEETING



Speaker Presentations and Q&A



Lyle Center for
Regenerative Studies



Los Angeles Cleantech
Incubator (LACI)



Frontier Project

Kyle D. Brown, Ph.D., ASLA

Lyle Center for Regenerative Studies





A Collective Impact Toward a Sustainable Future Since 1994



Pillars of Lyle Center Mission



Education



Research



Demonstration



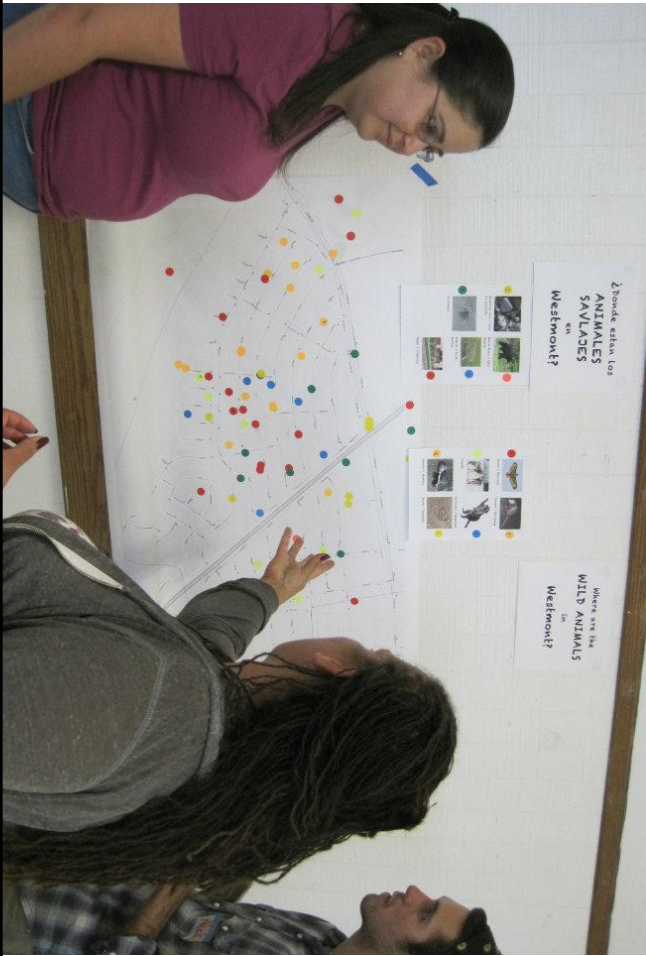
Outreach









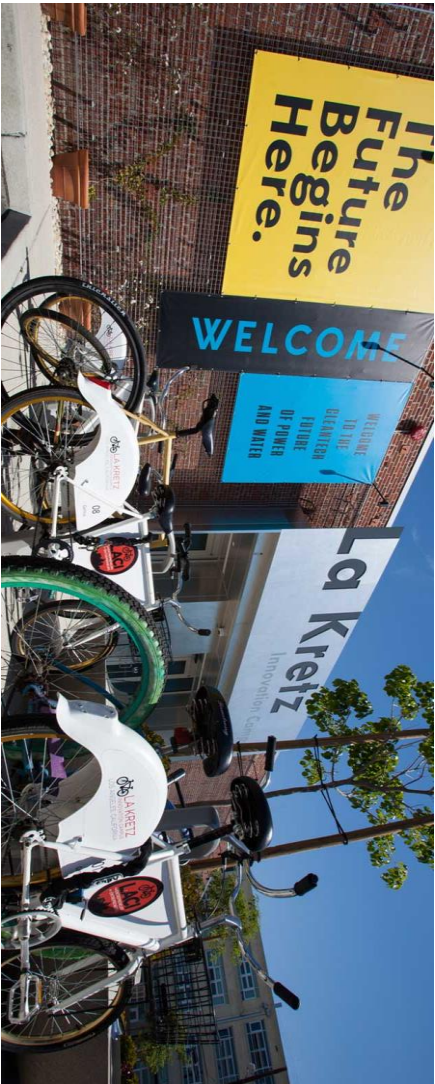




A Collective Impact Toward a Sustainable Future Since 1994



Mike Swords, VP Government Relations Los Angeles Cleantech Incubator (LACI)





OUR MISSION

LACI is creating an inclusive, green economy

OUR STRATEGY

UNLOCKING INNOVATION



TRANSFORMING MARKETS



ENHANCING COMMUNITY





OUR PRIORITY AREAS

MOBILITY & GOODS MOVEMENT



CLEAN ENERGY SMART GRID



SMART CITIES



TO POSITIVELY IMPACT LA'S...

GHG EMISSIONS



AIR QUALITY AND EQUITY



JOBS & ECONOMY





UNLOCKING INNOVATION

67

START UPS
SERVED BY LACI

207

PATENTS
FILED

1500

JOBS
CREATED

\$132M

INVESTED

\$214M

IN REVENUE

\$335M

IN ECONOMIC
VALUE

- PPP Founded by City of LA in October 2011
- City's primary objective: To revitalize industrial core through the creation of a cleantech cluster = "Cleantech Corridor"
- Independent non-profit, run by entrepreneurs, partnering w/LADWP and the City of Los Angeles
- La Kretz Innovation Campus: 60,000sf (30,000 for LACI + 30,000 for labs/demonstration space/prototyping space + LADWP owned

Key Stakeholders

- City of LA Mayor's Office
- LA Department of Water & Power (LADWP)
- UCLA, USC, Caltech, JPL, Cal State Northridge (CSUN)
- Los Angeles County Economic Development Corporation (LAEDC), LA Chamber of Commerce, LA Business Council (LABC)
- Los Angeles County
- State of California
- Federal Government
- Port of Los Angeles, Metro, Metropolitan Water District (MWD), Southern California Edison (SCE)
- Industry partners
- Financial institutions (JP Morgan, Wells Fargo)



Sources of Funding

- City funding
- State funding
- Federal funding
- Corporate sponsorship
- Contract for hire
- Philanthropy
- Events
- Tenant fees
- Equity stake in companies

Examples of Clean Technologies in the LACI Portfolio

- Energy efficiency
- Energy storage
- Home energy management
- Online solar marketplace
- Efficient lighting
- Advanced transportation
- Goods movement
- Water leak detection
- Electronic waste recycling
- Sustainable consumer goods
- Controlled environment agriculture



THE LA KRETZ INNOVATION CAMPUS

60,000 Sq. ft. – Incubator, Labs, Prototyping, Learning



La Kretz Innovation Campus

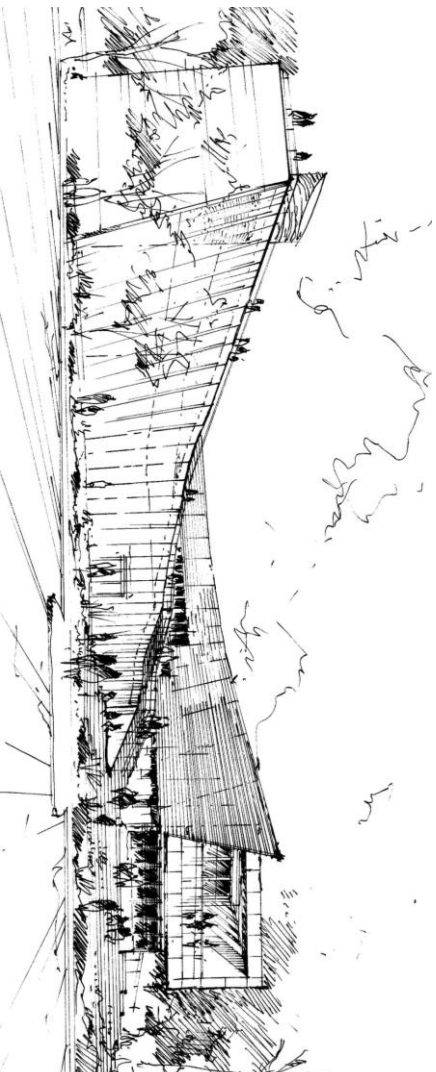
- 3.2 acre footprint
- 60,000sf under roof / 30,000sf for LACI
- LACI = 230 desks/100+ companies/organizations
- 3D print shop, water jet, robotics lab, wet lab, welding shop, electronics lab, energy efficiency lab
- Training center (40 & 32 person classrooms)
- Transportation hub
- Building will house a micro-grid/180KW solar farm, one of a kind, UV grey water system
- LADWP testing and certification lab
- Smart Home demonstration area

Partners

JPMORGAN CHASE & CO.



Kristeen Farlow, MPA - Communications & Outreach Manager Frontier Project



Frontier Project Background and History

- ▶ Regional growth provided opportunities for demonstration
 - ▶ Need for office space for staff
 - ▶ Desire to demonstrate water efficiency to the community
- ▶ Create a destination in the region
- ▶ Cucamonga Valley Water District established a non-profit foundation to lead the development

the Frontier Project

- ▶ Opened Nov. 7, 2009
- ▶ A 14,000 square foot building on a one-acre site
- ▶ Demonstration landscapes
- ▶ Office space, technology gallery, conference facilities, demonstration kitchen, green roof
- ▶ LEED® Platinum from U.S. Green Building Council



Educational Resource Center

- ▶ Meeting spot for regional training in water, electricity, and sustainable design.
- ▶ Connection to local colleges and universities.
- ▶ Connection to high school students.
- ▶ Landscape Demonstrations.
- ▶ Low-water use examples of appliances and fixtures.
- ▶ Residential trainings, special events, and tours.
- ▶ Over 10,000 visitors in the first year!



Ongoing programming

- ▶ Tours
- ▶ Annual Earth Day Celebration
- ▶ Monthly Southern California Edison Workshops
- ▶ Weekly American Water Works Association Workshops
- ▶ CVWD Workshops and Classes
- ▶ Other regional classes and trainings
- ▶ Corporate partners and sponsors



Open Forum



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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: March 15, 2018

The purpose of this item is to update the Committee on the WRCOG PACE Programs and origination fees adjustments via an updated Master Bond Purchase Agreement and the amendment to the Professional Service Agreement with David Taussig & Associates.

Requested Action:

1. Receive and File.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers CaliforniaFIRST, Greenworks, Spruce PACE, and PACE Funding as additional PACE Programs under the WRCOG PACE umbrella.

Overall PACE Program Update

The following table provides a summary of all residential projects that have been completed under the residential WRCOG PACE Programs through March 7, 2018:

PACE Program	Projects Completed	Total Project Value	Product Type Installed
WRCOG HERO	25,914	\$512,003,552	HVAC: 29.2%; Solar: 31.2%; Windows / Doors: 16.5%; Roofing: 4.9%; Landscape: 7.9%
California HERO	59,964	\$1,291,550,466	HVAC: 28.4%; Solar: 31.2%; Windows / Doors: 14.0%; Roofing: 12.1%; Landscape: 5.8%
CaliforniaFIRST	122	\$3,841,910	HVAC: 14.1%; Solar: 45.0%; Windows / Doors: 15.2%; Roofing: 12.5%; Landscape: 7.5%
PACE Funding	17	\$416,140	HVAC: 41.18%; Solar: 35.30%; Windows / Doors: 11.76%; Roofing: 5.88%; Landscape: 0.0%
Total:	86,017	\$1,807,812,039	

Currently, there are 375 jurisdictions outside the WRCOG and San Bernardino Council of Governments' subregions that have adopted Resolutions of Participation for the California HERO Program.

To date, the WRCOG HERO Program has approved over 41,000 applications for over \$1.8 billion. The following table provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California HERO Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	980 GWh
GHG Reductions – Annually	196,918 tons
Gallons Saved – Annually	524 Million
\$ Saved – Annually	\$101 Million
Projected Annual Economic Impact	\$3 Billion
Projected Annual Job Creation/Retention	16,216 Jobs

Bond Reserve Fund and Master Bond Purchase Agreement

On March 5, 2018, the Executive Committee approved the 1st Amendment to the Master Bond Purchase Agreement to increase the bond reserve allocation of the one-time administrative fee to 0.25% to ensure that the bond holders would remain whole in case of any high delinquency amounts and that WRCOG would not need to cover those potential amounts.

The Master Bond Purchase Agreement between WRCOG and Renovate America establishes the parameters around the purchasing of bonds by Renovate America or its designee. Previously, the HERO Program received revenue from a one-time assessment administrative fee on each project (similar to closing costs) of 4.99%. The one-time administrative fee supports Program administration and is split amongst the HERO Team, which includes Best & Krieger (BB&K), David Taussig & Associates (DTA), Public Financial Management (PFM), Renovate America, WRCOG, and the reserve for bond holders. This fee is what is utilized by WRCOG to staff Programs, with any remaining net revenues allocated by the Executive Committee to Agency reserves, to member jurisdictions for various projects, the Fellowship Program, and for other regional project development (such as the Streetlight Program and Community Choice Aggregation feasibility and implementation).

The bond reserve is held by Deutsche Bank, the Program Trustee, and is used to cover any shortfalls to the bond holder that results from a property owner not paying their annual assessment. Due to the total volume of HERO assessments put onto the tax roll on an annual basis, PFM, WRCOG's Financial Advisor, determined that the current bond reserve allocation (0.075%) was not adequate to cover a large amount of delinquencies, and that the bond reserves allocation needs to be increased to 0.25%. This change increases the 4.99% one-time administrative fee to 5.17%. For comparison, other PACE provider fees range from 4.99% to 6.4%. PFM conducts a regular review of the bond reserve and, throughout the life of the Program, the bond reserve allocation has been adjusted to provide sufficient coverage for the bond holders. Previously, any changes in the bond reserve or the administrative fee was covered by Renovate America. Due to the decrease in new assessments, Renovate America is no longer in a position to absorb an increase of 0.175%. In other terms, the increase in the Administrative Fee equates to an increase of \$36.00 to a homeowner with an average assessment of \$20,000.

Annual Administrative Fees

On March 5, 2018, the Executive Committee approved the 2nd amendment to the DTA Agreement and added \$15 to the annual Administrative Fee to increase the Administrative account that ensures the HERO Team has the ability to adequately service assessments over the next 25 years. This increase brings the total Annual Assessment Administrative Fee to \$40.

Currently, an Annual Assessment Administrative Fee of \$25 is collected with each PACE assessment payment and covers the costs for placing the assessment onto the tax roll each year by DTA, Deutsche Bank, and the

various counties. The Annual Assessment Administrative Fee is split between DTA, Deutsche Bank and the counties. During PFM's regular review of Program costs, it was determined that an increase of \$15 was needed: \$10 is needed to cover actual costs for DTA, and \$5 will be used to increase the Administrative account in order to prepare the annual assessment levy for HERO assessments (a 25-year obligation for some assessments) in a worst-case scenario where the HERO Program dissolved. Increasing the Administrative account by \$5 provides sufficient funds to ensure that BB&K, DTA, and the counties would be adequately covered.

SB 2 Impacts

On September 29, 2017, Senate Bill 2 (SB 2) was chaptered into law, creating a permanent source of funding for affordable housing by imposing fees of up to \$225 on certain real-estate transactions. When SB 2 was originally proposed, it was thought that PACE recordings would not be subject to the increased fees. However, as the law is currently being interpreted and applied by County Recorder Offices, PACE assessments are subject to the fees.

When a property owner enters into an assessment with WRCOG, the property owner pays the recording costs (as outlined in their financing documents). On March 6, 2018, WRCOG implemented an increase to the recording amount from \$75.00 to \$150.00 to address the additional costs imposed by SB 2, which is for recording the Notice of Assessment and Payment of Contractual Assessment Required.

Staff and the PACE Team believe there needs to be a legislative remedy that would exempt PACE assessments from the provisions of SB 2. WRCOG staff was directed by the Administration & Finance Committee to work with PACE Program interests and partners to pursue legislation that would exempt PACE-related real estate transactions from the provisions of SB 2. There are currently a couple of legislative bills that were introduced that may be a vehicle to have the PACE recording fees exempted from SB 2. Staff is working with its Providers, as well as legal counsel, to pursue these avenues.

Prior Actions:

March 5, 2018: The Executive Committee 1) received WRCOG PACE Program Summary; 2) supported the Administration & Finance Committee's recommendation to approve the 1st Amendment to the Master Bond Purchase Agreement between WRCOG and Renovate America to increase the bond reserve amount from 0.075% to 0.25%; 3) supported the Administration & Finance Committee's recommendation to approve the 2nd Amendment to the Professional Services Agreement between WRCOG and David Taussig & Associates to modify their compensation from \$10 to \$20 to cover their costs of doing business; 4) adopted WRCOG Resolution Number 06-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Postponing a Public Hearing for the City of Pleasanton; and 5) adopted amended WRCOG Resolution Number 03-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments confirming modification of the California HERO Program Report so as to expand the Program area within which contractual assessments may be offered.

February 14, 2018: The Administration & Finance Committee 1) recommended that the Executive Committee approve the 1st Amendment to Master Bond Purchase Agreement between WRCOG and Renovate America; 2) recommended that the Executive Committee approve the 2nd Amendment to the Professional Services Agreement between WRCOG and David Taussig & Associates; and 3) directed the WRCOG Executive Director to seek a legislative exemption from SB 2 on imposed fees for PACE real estate transactions.

Fiscal Impact:

The SB 2 and Administrative Fee increases are both pass-thru items to offset costs; however, the one-time Administrative Fee increase from 4.99% to 5.17% is to increase the amount allocated to the PACE

Administrative Fund, held by Deutsche Bank.

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Potential Full Consolidation of RCHCA Staff and Operations with WRCOG

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

Date: March 15, 2018

The purpose of this item is to provide an update on the status of the management services arrangement for the Riverside County Habitat Conservation Agency (RCHCA) between the County of Riverside and WRCOG and to request direction for staff to work with the County and the RCHCA Board of Directors toward a complete transition of RCHCA staff and full operation of RCHCA to WRCOG, and return with necessary documents and agreements for review and consideration by RCHCA, WRCOG, and the County of Riverside.

Requested Action:

1. Receive and file.

Background

The RCHCA was formed in 1990 under a Joint Powers Agreement (JPA) for the acquisition, administration, operation, and maintenance of land and facilities for ecosystem conservation and habitat reserves for the Stephens' Kangaroo Rat (SKR) and other listed, candidate-threatened, or endangered species.

The RCHCA JPA was formed pursuant to the government code of the State of California for joint exercise of powers common to public agencies. The JPA recognizes that RCHCA is a public agency separate from the parties or member agencies. The JPA sets forth numerous powers of RCHCA in carrying out its purposes, including the power to make and enter into contracts and to employ agency and employees. The JPA also allows the RCHCA Board of Directors to decide where the Agency is housed. In the early years, RCHCA was a program under WRCOG. In the late 1990s, RCHCA was placed under the County for departmental consolidation.

In November 2015, the Administration & Finance Committee and Executive Committee reviewed a proposal from RCHCA to transition management and administration of RCHCA to WRCOG. The RCHCA Executive Director was retiring and discussions centered on whether a transition could result in cost savings and reduced bureaucracy via "consolidation" and an institutional agreement among WRCOG, RCHCA, and the County. After consultation with WRCOG staff and legal counsel, the Executive Committee directed staff and legal counsel from all agencies to move ahead in preparing the necessary agreements to facilitate the transfer.

In December 2015, the Executive Committee and RCHCA's Board of Directors approved a five-year Agreement between WRCOG and RCHCA that transferred the duties of administration and management of RCHCA activities to WRCOG. Under the Agreement, WRCOG's Executive Director serves as the General Manager / Executive Director of RCHCA and general duties include administering, coordinating, and supervising the activities of RCHCA as set forth in RCHCA's JPA.

RCHCA employees are well versed in the day-to-day operations of the Agency. RCHCA management staff has continued operations of the Agency and have assisted in making the transition seamless and without difficulty.

The services provided by WRCOG for oversight of the administrative activities of RCHCA have proven to be successful. RCHCA has realized significant cost savings from implementation of the management services contract, essentially through the elimination of the RCHCA Executive Director position.

Discussion of Personnel and Operational Arrangement

RCHCA staff remain as County employees under the current Agreement with the County of Riverside for Human Resource services. This arrangement allowed time for the transfer to be evaluated and to ensure that the management services consolidation was efficient and successful. It also provided time for RCHCA staff to become familiar with WRCOG's organizational and operational practices.

With all of the success of this arrangement there are still practical inefficiencies that need attention. The Executive Director of WRCOG administers the administrative functions of the RCHCA; however, under the Agreement between the RCHCA and the County, RCHCA employees operate under two different administrations (WRCOG and the County). This dual arrangement has created some organizational challenges, particularly in the area of personnel.

Because RCHCA employees are County employees, it creates difficulty for the Executive Director, in that the Executive Director does not have authority over the County employees at the same level as occurs with WRCOG. As such, the Executive Director is required to obtain approval from the County Board of Supervisors for any personnel-related decisions pertaining to existing RCHCA employees. Work schedules can vary between the Agencies, and employees in the two different Agencies adhere to different personnel policies and procedures. One RCHCA employee is covered under a Memorandum of Understanding with the Labor International Union. New RCHCA hires have been hired as WRCOG employees, the result of which is that the RCHCA itself is staffed with employees from both WRCOG and the County.

WRCOG maintains its own financial and information technology systems; however, RCHCA's financial system is under the Auditor Controller of the County and is maintained separately. This is creating some unnecessary duplication of effort hinders WRCOG's ability to provide financial quality controls that it does for WRCOG, which runs counter to the goals of creating more efficiencies from the management services arrangement. In addition, the current arrangement creates unnecessary financial burdens on RCHCA because it has to reimburse other County departments for services that are duplicative. Finally, RCHCA staff do not receive County updates related to employee relations or policies because WRCOG is not under the County's email system.

Staff believes that complete consolidation of management activities and staffing will create a succinct Agency under one umbrella and address the issues raised above RCHCA staff are aware and fully supportive of the consolidation. RCHCA staff are aware that a consolidation under WRCOG would require employment separation from the County. RCHCA staff have also been informed of WRCOG's hiring practices and personnel policies. WRCOG will diligently review employment contracts with RCHCA staff and work to ensure that RCHCA staff are informed. WRCOG participates in the CalPERS retirement system so RCHCA employees would simply transfer their contributions without financial impact. WRCOG staff has also discussed the full consolidation with County staff and all are moving in the same direction.

Fiscal Impacts to WRCOG

RCHCA is financially stable and operates under a separate budget. RCHCA compensates WRCOG for all costs related to administration of the Agency, pursuant to the management services arrangement. Under a full consolidation, RCHCA will operate as a program under WRCOG. The structure will not create any additional financial burden on WRCOG, as RCHCA will continue to pay both its current budgeted expenditures, as well as future retirement costs such as pension and healthcare.

Future RCHCA budgets will include expenditure line items for both lease payments to WRCOG and overhead. The overhead will cover accounting costs to pay RCHCA's bills and employee payroll. Even after these payments to WRCOG, it is anticipated that RCHCA will have excess revenues each year of approximately \$300K, which will be transferred into their reserve fund. It is anticipated that the financial reserves for RCHCA

will double to approximately \$6M after 10 years.

Next Steps

The Executive Director met previously with representatives from the County to discuss the County's position on the possibility of amending the current agreement to provide more flexibility to the general language of the agreement. Both parties tentatively agreed that rather than amend the agreement it would be more feasible that RCHCA fully consolidate under WRCOG. The Executive Director will continue to meet with appropriate County staff to review draft documents and make sure that any full transition is seamless.

On March 14, staff will be seeking direction from the Administrative & Finance Committee to move forward and to continue to meet with WRCOG, RCHCA and County interests to develop the necessary documents to implement this proposal. The steps to initiate the consolidation are:

1. The Management Services Agreement between RCHCA and WRCOG will be amended to include employee staffing services and financial oversight. This amendment will require approval by the WRCOG Executive Committee and the RCHCA Board of Directors.
2. The Treasurer for RCHCA is the County Auditor Controller. RCHCA's JPA will be amended to assign a new Treasurer for RCHCA. This will require approval by RCHCA member agencies.
3. The RCHCA Chairperson will transmit correspondence to the County requesting termination of the staffing agreement between RCHCA and the County Department of Human Resources. No Board action is required.

Final agreements will be presented to the WRCOG Executive Committee and the RCHCA Board of Directors. The goal is to have the process completed and all agreements in place by July 1, 2018.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Management Services Agreement between WRCOG and RCHCA.

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Item 6.G

Potential Full Consolidation of
RCHCA Staff and Operations with
WRCOG

Attachment 1

Management Services Agreement
between WRCOG and RCHCA

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MANAGEMENT SERVICES AGREEMENT
BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND THE RIVERSIDE COUNTY HABITAT CONSERVATION AGENCY

This Management Services Agreement ("Agreement") is made and entered into by and between the Western Riverside Council of Governments ("WRCOG") and the Riverside County Habitat Conservation Agency ("RCHCA") and shall become effective upon the terms set forth herein. WRCOG and RCHCA are sometimes referred to in this Agreement individually as a "party," or collectively as "parties."

RECITALS

A. WHEREAS, WRCOG is a public agency formed by a Joint Powers Agreement ("WRCOG JPA") made and entered into on the 1st day of April 1991, pursuant to Government Code section 6500 et seq. and other pertinent provisions of law, by and between numerous cities located within Western Riverside County and the County of Riverside; and

B. WHEREAS, the purpose of the formation of WRCOG is, among other things, to provide an agency to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and regional basis through the establishment of an association of governments; and

C. WHEREAS, WRCOG now consists of the following member agencies: County of Riverside, City of Banning, City of Calimesa, City of Canyon Lake, City of Corona, City of Eastvale, City of Hemet, City of Jurupa Valley, City of Lake Elsinore, City of Menifee, City of Moreno Valley, City of Murrieta, City of Norco, City of Perris, City of Riverside, City of San Jacinto, City of Temecula, and City of Wildomar, and the following participating agencies: Eastern Municipal Water District, Western Municipal Water District, Riverside County Superintendent of Schools, and Morongo Band of Mission Indians; and

D. WHEREAS, under the WRCOG JPA, the functions of WRCOG include, among other things:

- 1 i. Serving as a forum for consideration, study and recommendations on area-
2 wide and regional problems; and
3 ii. Assembling information helpful in the consideration of problems peculiar to
4 Western Riverside County; and
5 iii. Exploring practical avenues for intergovernmental cooperation,
6 coordination and action in the interest of local public welfare and means of
7 improvements in the administration of governmental services.

8 E. WHEREAS, WRCOG has the power to make and enter into contracts under
9 Section 1.2.2 of the WRCOG JPA; and

10 F. WHEREAS, the RCHCA is a public agency formed by a Joint Powers Agreement
11 (“RCHCA JPA”) made and entered into on the 12th day of June 1990, pursuant to Government Code
12 section 6500 et seq. and other pertinent provisions of law, by and between the County of Riverside and
13 numerous cities located within Western Riverside County; and

14 G. WHEREAS, the purpose of the formation of RCHCA is to provide an agency for
15 the acquisition, administration, operation and maintenance of land and facilities for ecosystem
16 conservation and habitat reserves for the Stephens’ Kangaroo Rat in Western Riverside County; and

17 H. WHEREAS, RCHCA now consists of the County of Riverside and the following
18 member cities: City of Corona, City of Hemet, City of Lake Elsinore, City of Menifee, City of Moreno
19 Valley, City of Murrieta, City of Perris, City of Riverside, City of Temecula, and City of Wildomar; and

20 I. WHEREAS, Section 3.3 of the RCHCA JPA sets forth numerous powers of the
21 RCHCA in carrying out its purposes, including the power to make and enter into contracts and to employ
22 agents, consultants, attorneys and employees. Section 3.8.3 of the RCHCA JPA authorizes the RCHCA
23 through its Board of Directors (“Board”) to appoint a general manager (“General Manager”) and an
24 attorney. Under Section 3.8.3, the RCHCA Board may also contract with its member agencies for the use
25 of employees of the member agencies on mutually agreeable terms and conditions; and

26 J. WHEREAS, Section 3.8.4 of the RCHCA JPA sets forth certain powers and duties
27 of such General Manager or other employees of the RCHCA to whom the Board delegates authority.
28

1 K. WHEREAS, until recently, RCHCA contracted with the County of Riverside
2 (“County”) for a General Manager and other staff to the RCHCA to serve the purposes of the RCHCA;
3 and

4 L. WHEREAS, the RCHCA now desires to contract with WRCOG to provide a
5 General Manager to assist the RCHCA in its obligations to implement the Stephens’ Kangaroo Rat
6 Habitat Conservation Plan (“SKR HCP”) to ensure a regional perspective.

7
8 NOW, THEREFORE, the Parties agree as follows:

9 1. APPOINTMENT OF GENERAL MANAGER. The RCHCA hereby retains
10 WRCOG, acting through its Executive Director, to serve as the General Manager of the RCHCA to fulfill
11 the needs and requirements of the RCHCA, and WRCOG agrees to provide such services through such
12 personnel as may be required by the RCHCA, all upon the terms set forth below. The General Manager
13 shall serve at the direction and pleasure of the WRCOG Executive Committee. If the RCHCA Board has
14 concerns about the General Manager’s performance for RCHCA, the Chair and Vice-Chair of the
15 RCHCA Board shall bring such concerns to the WRCOG Chair.

16 2. DUTIES OF GENERAL MANAGER. The Executive Director of WRCOG, acting
17 either individually or through such personnel as he shall from time to time appoint or contract with, shall
18 act as and be the General Manager of the RCHCA and shall administer, coordinate, and supervise the
19 activities of the RCHCA as set forth in the RCHCA JPA, and shall act for the RCHCA in accomplishing
20 its purposes set forth in Section 3.2 of the RCHCA JPA. The Executive Director of WRCOG, acting
21 either individually or through such personnel as he shall from time to time appoint, shall have and
22 exercise all of those powers and responsibilities of the RCHCA enumerated in Section 3.3 of the RCHCA
23 JPA and of the General Manager enumerated in Section 3.8.4 of the RCHCA JPA.

24 3. OTHER PERSONNEL SERVICES. As of the signing of this Agreement, RCHCA
25 has a staff of four employees that are County of Riverside employees (hereinafter referred to as “RCHCA
26 Identified County Employees”). These RCHCA Identified County Employees include an Administrative
27 Services Officer, Natural Resources Manager and two RCHCA Open Space Habitat Technicians. The
28

1 RCHCA Identified County Employees in the Administrative Services Officer and Natural Resources
2 Manager job classifications are covered by the County's "Exempt Management, Management,
3 Confidential, and Other Unrepresented Employees' resolution ("Resolution") and the Open Space Habitat
4 Technicians are covered by the Memorandum of Understanding and side letters between the County and
5 Laborer's International Union of North America Local 777 ("LIUNA MOU"). These RCHCA Identified
6 County Employees shall remain employees of the County of Riverside with the County remaining as the
7 employer of record and shall work for RCHCA under a separate agreement with the County of Riverside.
8 The RCHCA Identified County Employees shall work day-to-day under the direction of the RCHCA
9 General Manager and the RCHCA General Manager shall administer, coordinate, and supervise the
10 activities of the RCHCA Identified County Employees consistent with applicable County policies and
11 regulations regarding employee conduct and with the terms of the Resolution and LIUNA MOU, as
12 applicable. The RCHCA General Manager shall have authority to handle all personnel matters including
13 but not limited to employee evaluations and disciplinary proceedings, consistent with the terms of the
14 Resolution and LIUNA MOU with support from the County's Human Resources Service Manager
15 assigned to RCHCA. The RCHCA General Manager shall not, however, have final authority over pay
16 practices including, but not limited to salary, salary adjustments, and salary increases. The RCHCA
17 General Manager may offer recommendations but all actions affecting salary shall comply with applicable
18 County policies and regulations and shall be approved by the County.

19 The General Manager may retain and appoint additional staff as may from time to time be
20 necessary or convenient to fulfill the needs of the RCHCA. Such additional staff may be retained as
21 WRCOG employees or, after consultation with the County, County employees. If such additional staff
22 are County employees, an amendment shall be required to the agreement for staffing and services between
23 the County and the RCHCA.

24 4. TERM; TERMINATION. This Agreement shall be effective for a five-year term
25 as of the date of the termination of the Second Amended and Restated Management Services Contract
26 between the RCHCA and the County of Riverside, dated August 15, 1999, and only upon execution by
27 both RCHCA and WRCOG. Once effective, this Agreement shall continue thereafter for successive five-
28

1 year terms without further action by the RCHCA Board or WRCOG, unless earlier terminated at any time
2 by either party giving the other party sixty (60) days prior written notice.

3 5. COMPENSATION. In consideration of WRCOG's Executive Director's
4 performance of the services of General Manager as set forth in Section 2 above, and in the event that the
5 General Manager retains and appoints additional staff as set forth in Section 3 above, the RCHCA shall
6 pay to WRCOG the sums specified in Exhibit "A" attached hereto and incorporated herein by reference.
7 Such sums shall be paid at the times and in the manner specified in Exhibit "A". In the event of the early
8 termination of this Agreement under Section 4 above, the RCHCA shall, with respect to fixed
9 compensation amounts such as personnel salaries and general overhead charges, pay WRCOG a pro rata
10 proportion of the monthly payment represented by the proportion of days of the payment month which
11 this Agreement remains in effect.

12 6. INDEMNIFICATION AND INSURANCE.

13 A. RCHCA shall defend, indemnify and hold the WRCOG, its officials, officers,
14 consultants, employees, volunteers and agents free and harmless from any and all claims, demands, causes
15 of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons,
16 including wrongful death, in any manner arising out of or in connection with this Agreement, including
17 without limitation the payment of all consequential damages and attorneys' fees and other related costs
18 and expenses, except for losses ultimately determined to be the result of the sole negligence or willful
19 misconduct of WRCOG. RCHCA shall defend, at RCHCA's own cost, expense and risk, any and all such
20 aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against
21 WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers in any manner
22 arising out of or in connection with this Agreement. RCHCA shall have the right to approve any and all
23 counsel retained pursuant to this section and RCHCA and WRCOG shall reasonably cooperate in all
24 aspects involving any defense made pursuant to this section. RCHCA shall pay and satisfy any judgment,
25 award or decree that may be rendered against WRCOG or its directors, officials, officers, consultants,
26 employees, agents or volunteers, in any such suit, action or other legal proceeding in any manner arising
27 out of or in connection with this Agreement. RCHCA shall reimburse WRCOG and its directors,
28

officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. RCHCA's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement.

B. During the term of the Agreement, RCHCA shall maintain Commercial General Liability Insurance with limits not less than \$5,000,000 per occurrence. The policies shall be endorsed to state that WRCOG, its directors, officials, officers and employees shall be covered as additional insured under such policy and that such policy shall be primary to any policies held by WRCOG.

7. ADMINISTRATION. The RCHCA Board, or designee, shall administer this Agreement on behalf of the RCHCA. The WRCOG Executive Committee shall administer this Agreement on behalf of the WRCOG.

8. ASSIGNMENT. This Agreement shall not be assigned by either party, in whole or in part, without the prior written consent of the other party.

9. NOTICE. A party giving notice as required in this Agreement shall provide for personal delivery of such notice or shall send such notice by United States mail, postage prepaid, to the agent and address of the other party as set forth below:

If to the RCHCA: Attn: RCHCA Board Chairman
4080 Lemon Street
3rd Floor
Riverside, CA 92501-3609
Phone: (951) 955-7983
Fax: (951) 787-7991

With a copy to: Attn: Tiffany North
Office of County Counsel
3960 Orange Street, Ste. 500

Riverside, CA 92501
Phone: (951) 955-6300
Fax: (951) 955-6363

If to the WRCOG: Attn: Executive Director
4080 Lemon Street
3rd Floor, MS 1032
Riverside, CA 92501-3609
Phone: (951) 955-7985
Fax: (951) 787-7991

With a copy to: Attn: Steven C. DeBaun
Best Best & Krieger, LLP
3390 University Avenue, 5th Floor
Riverside, CA 92502-1028
Phone: (951) 686-1450
Fax: (951) 686-3083

10. AMENDMENT; ENTIRE AGREEMENT. This Agreement represents the entire agreement between the parties with respect to personnel provided by WRCOG to the RCHCA. Any amendment or modification of the provisions of this Agreement must be in writing and signed by each of the parties hereto.

11. WAIVER. Any waiver by either party of a breach of any of the terms of this Agreement shall not be construed as a waiver of any succeeding breach of the same or other term of this Agreement.

12. SEVERABILITY. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

1 13. GOVERNING LAW AND VENUE. This Agreement and its construction and
2 interpretation as to validity, performance and breach shall be construed under the laws of the State of
3 California applicable to agreements both entered into and to be performed in California.

4 The provisions of the Government Claims Act (Government Code section 900 et seq.)
5 shall be applicable for any disputes under this Agreement.

6 Venue shall be within the County of Riverside for any legal or equitable action to enforce
7 the terms of this Agreement, to declare the rights of the parties under this Agreement, or for any action
8 which relates to this Agreement in any manner.

9 14. APPROVAL/COUNTERPARTS. This Agreement must be approved by the
10 RCHCA Board of Directors and WRCOG. Each party has had the opportunity to participate in drafting
11 and preparation of this Agreement. Any construction to be made in the Agreement of any of its terms or
12 provisions shall not be construed against any one party.

13 This Agreement may be executed in one or more counterparts, all of which together shall
14 constitute one and the same Agreement.

15 15. CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT.
16 WRCOG and RCHCA certify that the individuals signing below on behalf of the party has authority to
17 execute this Agreement on behalf of the party, and may legally bind the party to the terms and conditions
18 of this Agreement, and any attachments hereto.

19 IN WITNESS WHEREOF, the parties have executed this Agreement on the date or dates
20 indicated below.

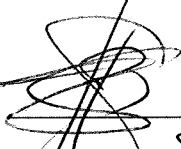
21 WESTERN RIVERSIDE COUNCIL OF
22 GOVERNMENTS

RIVERSIDE COUNTY HABITAT
CONSERVATION AGENCY

23 DATE: 12-7-15

DATE: 12/18/15

25 BY: Rick Bishop

BY: 

26 NAME: Rick Bishop

NAME: Steven Manos

EXHIBIT A

Compensation shall be paid to WRCOG by the RCHCA for the services provided under this agreement. These include:

1. The cost of the WRCOG Executive Director and other WRCOG staff while performing the services under this Agreement. Those costs shall include recapture overhead costs in the amount of the then current Indirect Cost Allocation Plan ("ICAP"), which will be updated annually. As of the date of this Agreement, WRCOG's ICAP rate is 100.45% which was calculated using audited figures from the 2014-2015 Fiscal Year.

2. The reimbursement of non-employee costs incurred by WRCOG while performing the services hereunder, which may include, but not be limited to, supplies, consultant services, equipment, board member stipends and board member and staff expense reimbursements. The reimbursement of these costs will be provided at the same rate charged to WRCOG.

WRCOG shall periodically, but no more frequently than monthly nor less frequently than semiannually, provide an invoice to the RCHCA itemizing charges for the billing period. The RCHCA shall provide prompt payment to WRCOG by means of Journal Vouchers transferring funds from the RCHCA to WRCOG.

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

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

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

Date: March 15, 2018

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

Requested Action:

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

Background

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

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

Prior Action:

December 5, 2016: The Executive Committee approved a one-year extension to the MOU between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.

Fiscal Impact:

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

Attachment:

1. Letter Extending MOU by Written Agreement.

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Item 6.H

Continued Membership of the
Riverside County Superintendent of
Schools on WRCOG

Attachment 1

Letter Extending MOU by Written
Agreement

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Western Riverside Council of Governments

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

December 5, 2016

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

Subject: Letter Extending MOU by Written Agreement

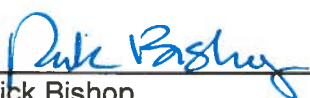
Dear Superintendent Young:

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

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

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

Sincerely,

By: 
Rick Bishop
Executive Director

Affirmed and Agreed:

RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS

By: 
Kenneth M. Young
Riverside County Superintendent of Schools

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Alternative Compliance Program Activities Update

Contact: Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6710

Date: March 15, 2018

The purpose of this item is to provide the Committee an update on the development of a proposed, voluntary Alternative Compliance Program (ACP). The ACP would create a voluntary opportunity for alternative compliance with updated Municipal Separate Stormwater Sewer System (MS4) permit requirements, which might otherwise be cost prohibitive for many developments. Funding for ACP activities are included in WRCOG's adopted Fiscal Year 2017/2018 Budget under the Transportation Department.

Requested Action:

1. Receive and file.

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

Update on WRCOG Efforts to Address Stormwater Requirements

In 2016, WRCOG convened a team of consultants and stormwater experts to study stormwater management issues in the subregion. Over the past year, WRCOG staff and its consultant team met regularly with a technical working group convened to explore the feasibility of developing an ACP. During these meetings, it was determined that:

- There is a high level of interest in an ACP for the WRCOG subregion by a variety of stakeholders.
- WRCOG is ideally suited to establish and administer a program, in partnership with other agencies such as Riverside County Flood Control and Water Conservation District and the various RWQCBs.
- An ACP is within the realm of WRCOG's current JPA.
- An ACP should be structured as a voluntary program, under which jurisdictions and property owners choose to participate in the regional program or address stormwater issues individually.
- WRCOG staff is approaching the ACP as an "Alternative Compliance Framework" for jurisdictions to consider. The Framework will give jurisdictions an approach to follow if they so choose to participate in an ACP.
- The focus should currently be on a Program within the San Diego RWQCB region (County of Riverside, Cities of Murrieta, Temecula, and Wildomar) because the San Diego RWQCB currently allows this type of program in its MS4 permit. More information below.
 - o The Santa Ana RWQCB MS4 permit has not been released.

WRCOG met with management from both RWQCBs – San Diego and Santa Ana – that cover the subregion. WRCOG discussed the potential ACP and gathered input on how best to move forward. Both RWQCBs supported the concept and encouraged WRCOG to include RWQCB staff as development of the ACP moves forward.

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

ACP Guidance Manual for San Diego RWQCB Region

The team is drafting an ACP Guidance Manual which will include information pertinent to ACP components, such as document recording, credit / deficit recording, collecting fee-in-lieu and annual fees, and assuring ongoing maintenance and compliance. The team will look into the ACP credit process – how the ACP will track, record, and/or sell credits, etc. WRCOG will reach out to member jurisdictions in the San Diego RWQCB region to request any potential projects currently planning or constructing to pilot a credit-generating exercise. This exercise will provide interested cities and stakeholders concrete examples of how an ACP will be executed. Staff will present results to the WRCOG Committee structure for information and approval, when necessary.

The Program does not change any processes that a development project must pursue through the Water Quality Management Plan (WQMP). Any project developed by an applicant or a public entity will still complete a WQMP and go through the review process required by the municipal jurisdiction and other permit agencies. The team is working to ensure there is no duplicative work if an applicant or public entity decides to participate in the Program. The team found there might be some overlap in required documents and engineering calculations, so the team provided suggested edits to both Riverside County Flood Control and Water Conservation District and the County of Riverside for inclusion in their comments on the WQMP process to the San Diego RWQCB.

Program Development in Santa Ana RWQCB Region

The team is now moving forward to examine potential options for implementing an ACP in the Santa Ana region. Tasks for this approach include:

- Program Project Identification
 - o Steps will include identifying potential project locations, developing technical parameters for storm water benefits, developing watershed opportunities and constraints, developing construction approach and cost impacts, identifying regulatory constraints and environmental approach, and, finally, determining top three project locations
- Program Development
 - o Steps will include developing Framework with benefits analysis, preparing summary report and collaborating with the Santa Ana RWQCB and resource agencies on pilot projects
- Program Implementation
 - o Steps will include developing implementation strategy with project partners (local agencies, regulatory agency, NGOs, stakeholders), designing development and environmental review, and developing finance plan for construction and operation & maintenance

The team will provide frequent updates to the WRCOG Committees on an as necessary basis so they are informed of ACP developments specific to this work, as a majority of WRCOG member agencies lie within the Santa Ana RWQCB area.

Prior Action:

September 15, 2016: The Technical Advisory Committee received and filed.

Fiscal Impact:

Activities for the Alternative Compliance Program are included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Transportation Department. At this time, WRCOG is not requesting that any member agency provide direct funding for this effort beyond any staff time currently allocated.

Attachment:

None.

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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: Edwin Quinonez, Chief, Watershed Protection Division, Riverside County Flood Control and Water Conservation District, eequinon@rivco.org, (951) 955-1273

Date: March 15, 2018

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 TAC meetings for the convenience of the City Managers and Executive Officer.

This agenda item will convene the first meeting for Fiscal Year 2017-2018. 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 and 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) Details on Trash Management Regulations; and
- 5) Status of the Unfunded Mandates Test Claims.

Prior Action:

October 19, 2017: 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

March 15, 2018

Edwin Quinonez, P.E.
Chief, Watershed Protection Division
Riverside County Flood Control
and Water Conservation District

Outline

- NPDES Permits
 - Municipal Stormwater Permits
 - Countywide Water Quality Programs
 - Waterbody Specific Programs
 - Permit Status
- Regulatory Audit Activity
- Regulations For Trash Management
- Unfunded Mandates Claims
- Questions



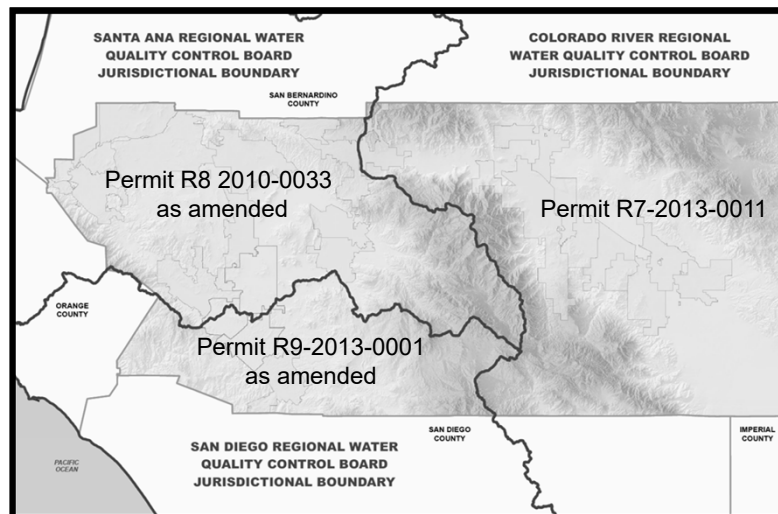
NPDES Permits



- The Clean Water Act prohibits the discharge of "pollutants" through a "point source" into a "water of the United States" unless authorized by a National Pollutant Discharge Elimination System (NPDES) permit.



Regional Board Boundaries in Riverside County



Countywide Programs – Source Control



Code Enforcement



Municipal Housekeeping



New Development Controls



Education/Outreach



Infrastructure Maintenance



Business Inspection Programs

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



Santa Margarita River/Lagoon *Excessive Nutrients*

- Alternative TMDL Workgroup
- WQIP Completion



Current Program Development



Alternative Compliance For Land Development

- WRCOG funded/led initiative
- Creation of stormwater credit trading program to enable off-site compliance in-lieu of on-site mitigation for project proponents
- Ongoing

Permit Status



- Santa Ana MS4 Permit – Expired January 29, 2015 (Administrative extension)
 - Delayed due to Unfunded Mandates claims
- Regional MS4 Permit (Santa Margarita) – Expires June 27, 2018
 - Application For Next Permit (Report Of Waste Discharge) – Submittal on 1/7/18
- Whitewater River MS4 Permit – Expires June 19, 2018
 - Application For Next Permit (Report Of Waste Discharge) – Submittal on 12/27/18



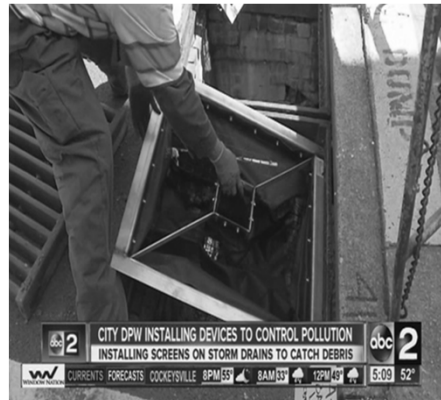
Regulatory Audit Activity

- Middle Santa Ana River Permittees
 - Bacteria Indicators Program (Comprehensive Bacteria Reduction Program) – 3/22/2018
- City of Beaumont
 - Industrial Facility Program – 3/27,29/2017
- City of Corona
 - New Development Program -11/15,16&17/2017
 - Homeless Response Evaluation – 12/19/2017
- City of Eastvale
 - Homeless Response Evaluation – 1/22/2018
- City of Riverside
 - New Development Program -9/19 & 20/2017
 - Homeless Response Evaluation – 1/31/2018
- City of Indian Wells
 - Pending



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:
- Compliance schedule: 10 years and 10% installation per year commencing in late 2018



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.

- Sixteen Pending Test Claims (12/13/17) At Commission On State Mandates: 14 are MS4 Permit Claims.
- 11-TC-03 – R9-2010-0016 (County Of Riverside, RCFC&WCD, Murrieta, Temecula and Wildomar) scheduled for 9/28/18.
- 10-TC-07 – R8-2010-0033 (County Of Riverside, RCFC&WCD, Beaumont, Corona, Hemet, LE, Moreno Valley, Perris and San Jacinto) scheduled for 3/22/19
- 09-TC-03 – R8-2009-0030 (Orange County) 3/23/18

Questions?





Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 405-6732

Date: March 15, 2018

The purpose of this item is to update the Committee on the Western Riverside County Streetlight acquisition process and to provide a recommendation for the Committee's consideration for LED fixture selection.

Requested Action:

1. Receive and file.

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

Background

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

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

Regional Streetlight Acquisition Update

11 jurisdictions (listed below) have moved forward and signed Purchase and Sales Agreements to acquire current SCE-owned streetlights within their jurisdictional boundaries. Collectively, these account for nearly 48,000 streetlights within Western Riverside County. Once each Agreement is signed by the jurisdiction, SCE will transmit the Agreement to the California Public Utilities Commission (CPUC) for review and approval.

In 2017, three jurisdictions' (Cities of Eastvale, Murrieta, and Temecula) Streetlight applications entered the CPUC's review process. The Cities of Eastvale (on 12/8/17) and Murrieta (on 10/10/17) received CPUC approval on their applications. The City of Temecula will receive their approval in the first or second quarter of

2018 (the City goes through a longer approval process because it has an acquisition cost of over \$5 million that requires a formal filing process within the CPUC).

In February and early March 2018, SCE filed the Cities of Hemet, Lake Elsinore, Moreno Valley, Perris, San Jacinto, Wildomar, and Jurupa Community Services District's (JCSD) streetlight applications for review at the CPUC.

Once the applications are approved, staff will coordinate with jurisdictional staff to initiate the next step of the Program, which includes approval of Program participation and the streetlight transition process from SCE and closing of the financing.

Acquisition process schedule: In early 2017, all 11 jurisdictions took action and approved of their Purchase and Sales Agreement for Streetlight acquisition. This agreement included the terms and acquisition price for the sale of the streetlights for each jurisdiction. In June 2017, SCE presented participating cities with a first, and only, amendment to its Purchase and Sales Agreements, which included two changes to the original agreement. The first is a minor change in the overall price of the streetlight systems to include the additional depreciation of the streetlight systems from the original 2015/2016 valuation. The second includes an increase in the transition cost, from \$30.00 per pole to \$32.15 per pole. The transition cost component of the Agreement includes the time and materials that SCE's contractor will take during the acquisition and transition process when converting a streetlight from SCE-ownership to jurisdictional-ownership. The Cities of Perris, San Jacinto, and Wildomar, and JCSD did not receive an amendment to their Purchase and Sales Agreement because the updated transition cost was already included in their Agreement.

The table below provides the status for each jurisdiction participating in the Program and is subject to change as SCE and CPUC progress through the approval processes. WRCOG staff will continue to update the progress as jurisdictions reach each milestone.

	City approves agreement to purchase streetlights	City approves amendment to PSA	SCE executes agreement	SCE sends to CPUC	CPUC approves streetlight transfer	City approves program participation
Eastvale	4/12/2017	7/25/17	✓	✓	12/8/2017	
Hemet	3/14/2017	9/11/2017	✓	✓	Est. Q2 2018	
JCSD	3/13/2017	N/A	✓	✓	Est. Q2 2018	
Lake Elsinore	1/24/2017	8/17/2017	✓	✓	Est. Q2 2018	
Menifee	2/15/2017	In process				
Moreno Valley	3/21/2017	10/16/17	✓	✓	Est. Q2 2018	
Murrieta	3/7/2017	7/11/17	✓	✓	9/29/2017	12/19/2017
Perris	3/28/2017	N/A	✓	✓	Est. Q2 2018	
San Jacinto	3/28/2017	N/A	✓	✓	Est. Q2 2018	12/19/2017
Temecula	2/28/2017	5/30/17	✓	✓	Est. Q2 2018	
Wildomar	3/8/2017	N/A	✓	✓	Est. Q2 2018	

Streetlight Request for Quotation (RFQ) – LED Fixture Selection

On September 21, 2017, WRCOG released an RFQ to solicit suppliers interested in providing WRCOG's member jurisdictions with LED lights for the replacement of jurisdiction-owned streetlights, which is a primary goal of the Program.

On December 21, 2017, the RFQ closed and WRCOG staff received proposals from 11 different lighting vendors. Staff formed an Evaluation Committee consisting of WRCOG's financial consultant (PFM), O&M contractor (Siemens), and interested jurisdictions involved in the Program.

On January 16, 2018, the Evaluation Committee met to review the proposed LED lighting fixtures and determine the best qualified fixture(s) for the subregion's street lighting needs. Staff provided an update on the findings from the Evaluation Committee at the January 18, 2018, Technical Advisory Committee meeting.

On February 26, 2018, the Evaluation Committee met again to review the results of the lighting analysis and to identify the preferred lighting fixture that will be implemented as part of the Program. The lighting analysis consisted of evaluating the wattage / energy efficiency output, cost comparison, and reference checks on the proposals. During the working group, jurisdictional staff presented to the following items be taken into account for selection:

1. Incentive / rebate potential – Jurisdictions would like to select a fixture that is Design Light Consortium (DLC) approved. As part of the rebate process, SCE will only provide rebates on lighting fixtures that are DLC qualified. This is the standard practice that is used for rebate processing.
2. Lighting analysis – Jurisdictions would like to select a fixture that is that does not emit too much light pollution or scatters the lighting into unnecessary coverage such as resident's yards.
3. Project cost – Jurisdictions would like to select a fixture that is the most energy efficient yet will continue to be cost effective for the region as a whole.

The Evaluation Committee narrowed down the selection to the top two proposers. Before a final recommendation is made, the Evaluation Committee requested WRCOG to compile comparative information of the two top proposals (pricing, wattage, light output, optics, warranty, and other key qualifications). Staff will report the final information to the Evaluation Committee and will seek a recommendation by March 7, 2018. Staff will present the findings and final recommendation by the Evaluation Committee to WRCOG's Administration & Finance Committee and Technical Advisory Committee in March; the final recommendation is anticipated to be considered by the Executive Committee in April 2018.

Prior Action:

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

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Public Service Fellowship Activities Update

Contact: Cynthia Mejia, Staff Analyst, cmejia@wrcog.us, (951) 405-6752

Date: March 15, 2018

The purpose of this item is to provide an update on the second and third rounds of the Public Service Fellowship.

Requested Action:

1. Receive and file.

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

Background

In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), California Baptist University (CBU), and, as of 2018, California State University, San Bernardino (CSUSB). The goal of the Program is to retain local students to fulfill the subregion's needs for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Program is geared towards students graduating from UCR, CBU and CSUSB to engage them 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, maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR, CBU, and CSUSB are responsible for soliciting interest from students, reviewing applications and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. They all also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support Fellows' hands-on work experience. A representative from each University serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

Program Update

Round I spanned from July 2016 through March 2017 and placed 17 Fellows in member agencies. To staff's knowledge to-date, nearly all alumni Fellows are gainfully employed, with at least eight working for public

agencies in Riverside County. Based on the widespread success of Round I and remaining funding, WRCOG launched a second round of the Fellowship Program from July 2017 to March 2018, with 19 Fellows (11 from UCR and eight from CBU) placed in WRCOG member jurisdictions.

Round II Fellows are now in the last month of the Program and are preparing to close out any work they have completed at their host agencies. As part of the regular monthly sessions hosted by WRCOG, Round II Fellows have undergone a resume and interviewing skills workshop and have also heard from several professionals in the local public sector to gain valuable tips for entering and/or excelling in the workforce. Several Fellows have already been hired by member agencies or are in the process of securing employment locally.

All TAC members and member agency staff who supervised and/or worked with WRCOG's Public Service Fellows are invited to attend a completion ceremony luncheon on Thursday, April 19, 2018 at 11:30 a.m. (immediately following the April TAC meeting), to be held at the Grier Pavilion, 7th Floor, Riverside City Hall.

Round III

Staff recently launched the application for the next round, which may be found on WRCOG's website under the Fellowship Program tab. Applications for the next round is due March 16, 2018. Staff has also sent member agencies an Interest Form where member agencies can specifically request a Fellow for the 2018-2019 Program year.

Below is a list of important dates for Round III of the Fellowship Program:

<u>January 20, 2018:</u>	Round III Fellowship Application goes live.
<u>March 16, 2018:</u>	Fellowship Applications due from potential candidates.
<u>March 30, 2018:</u>	Member Agency Interest Forms Due from host jurisdictions.
<u>April – May 2018:</u>	WRCOG and universities review applications.
<u>June 2018:</u>	Member agencies receive candidate applications, interview candidates and placements are finalized.
<u>July 2018 – March 2019:</u>	Fellows work in member agencies.

Prior Action:

<u>November 6, 2017:</u>	The Executive Committee 1) allocated \$300,000 from Agency carryover funds for the remainder of the Public Service Fellowship, Round II; and 2) allocated \$400,000 from Agency carryover funds for the continuation of the Public Service Fellowship, with Round III commencing in January 2018.
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Fiscal Impact:

Activities for the Fellowship Program are included in the Agency's adopted FY 2017/2018 Budget under the Government Relations Department.

Fiscal Impact:

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

Attachments:

1. Fellow Feature in March 2018 eCommunicator.
2. Member Agency Interest Form.

Item 7.D

Public Service Fellowship Activities
Update

Attachment 1

Fellow Feature in March 2018
eCommunicator

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Fellow Feature: Spotlight on County Supervisorial Fellows!



Left: Kianna Maldonado (far left) with County of Riverside, District 5 Supervisor Marion Ashley's staff.



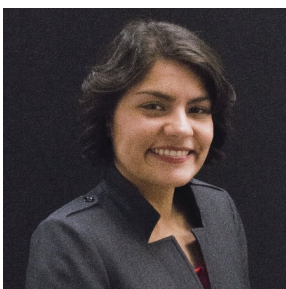
Right: Sarah Rodriguez with County of Riverside, District 3 Supervisor Chuck Washington.

The Public Service Fellowship Program, launched in 2016, aims to retain local talent to fulfill the subregion's needs for a strong public sector workforce and to combat the often-mentioned "brain drain" that occurs when local students graduate and then leave the region to seek full-time employment elsewhere. The Fellowship is made possible with the help of our educational partners, University of California, Riverside and California Baptist University - and starting in 2018, California State University, San Bernardino. The Program has been widely praised for cultivating exceptionally talented Fellow cohorts and addressing pressing needs in our member agencies to build capacity. In its pilot round, the Fellowship placed 14 Fellows in member agencies. Last year, the Program grew to include 19 Fellows. In its upcoming third round, the Fellowship will place up to 25 Fellows in WRCOG member agencies.

This month the WRCOG Public Service Fellowship is pleased to feature three Fellows working in County of Riverside Supervisor Offices: Chika Ojukwu (District One), Sarah Rodriguez (District Three), and Kianna Maldonado (District Five).



Chika Ojukwu (second from right) with County of Riverside, District 1 Supervisor Kevin Jeffries and his staff.



Sarah Rodriguez works with the Third Supervisorial District and assists with office functions, research, and local community events. She attributes her open-mindedness and enthusiasm for the office to her experience from the beginning stating, "This Fellowship has been the opportunity of a lifetime. I can't begin to put a value on the experience I have gained, the projects I have completed, and the friends I have made." Supervisor Chuck Washington expressed that, "This Program began with a great concept that flourished into a fantastic program. I can't image that we could have gotten anyone more exceptional for our team than Sarah."



Kianna Maldonado works with the Fifth Supervisorial District and assists County staff with event support, planning, and public relations. Her direct supervisor, Katrina Cline, expressed, "This is our first year with the WRCOG Fellowship Program. Our Fellow, Kianna, has learned perspective on legislation and local government. She has shown great potential, professionalism, enthusiasm and public relations." Kianna stated, "nothing has made me feel more prepared for a career in public service than working for Supervisor Marion Ashley's Office and his Fifth District team through the WRCOG Fellowship Program. I have learned how to adapt quickly to the fast-paced and changing environment of an elected official's office, while simultaneously understanding the detail, teamwork and the effort it takes to proudly and respectfully serve a growing community."



Chika Ojukwu works with the First Supervisorial District and focuses on legislative matters and research on homelessness. She also engages with local small businesses through grand openings and public outreach on behalf of Supervisor Kevin Jeffries. She recently reviewed the Fellowship with positive remarks expressing, "My fellowship has really provided an upfront and hands-on look into how things are achieved within the local government. I am thankful for the opportunity

to see how public policy affects the lives of the community.” Kerstin Justus, her supervisor, added, “Chika has been a very valuable addition to our office. We have treated her as a full staff member, assigning her policy research, and attending a variety of meetings on the Supervisor’s behalf, and working as part of the team on a number of special events. I think she would agree that this has been far beyond the stereotypical filing, copying, and letter opening experience so many interns and fellows encounter in other programs.”

[Contact Cynthia Mejia](#)

Partnership with SCE and SoCal Gas helps cities set example for achieving energy efficiency

The Western Riverside Energy Partnership (WREP) is comprised of Southern California Edison (SCE), Southern California Gas Company (SoCal Gas), WRCOG, and 14 member jurisdictions in Western Riverside County whose goal is to implement energy retrofits in municipal facilities and provide sustainable best practices to residents. WREP jurisdictions are taking the challenge seriously. Out of 166 energy programs in California, the California Public Utilities Commission (CPUC) ranked WREP as the sixth best partnership in the state for overall efficiency and cost-effectiveness. In 2017, the Cities of Canyon Lake, Norco, Perris, Temecula, and Wildomar were recognized by SCE and SoCal Gas for exemplary gains in becoming more energy efficient. In total, these five cities saved over 1.9 million kWh in municipal energy savings by implementing measures such as interior / exterior lighting, occupancy sensors, and energy efficient pumping upgrades in their municipally-owned facilities.



WREP closed 2017 with its successful 4th Annual Holiday Lights & Energy Efficiency Kit Giveaway Program, providing over 900 strings of LED holiday lights and 80 energy efficiency kits to over 450 households in Western Riverside County.

[Contact Anthony Segura](#)

Regional transportation fee helps road improvements keep pace with growth

The Transportation Uniform Mitigation Fee (TUMF) Program is a regional development impact fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Fees are paid from new development occurring in each of the subregion’s jurisdictions and are used to help keep drivers and the economy moving. Since the Program commenced in 2003, TUMF has

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Item 7.D

Public Service Fellowship Activities Update

Attachment 2

Member Agency Interest Form

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WRCOG Public Service Fellowship Program (2018-2019) Member Agency Interest Form

Please submit completed forms to cmejia@wrcog.us by March 30, 2018.

I. Program Overview

In February 2016, WRCOG launched a Public Service Fellowship Program in partnership with the University of California, Riverside (UCR) and California Baptist University (CBU) and in 2018 added California State San Bernardino (CSUSB) to the Program. The goal of this Program is to retain local students to fulfill the subregion's need for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students from UCR, CBU and CSUSB—to engage young professionals 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 operation and oversight, administering employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR, CBU and CSUSB are responsible for soliciting interest from students, reviewing applications and conducting interviews, and recommending local government and agency placements. WRCOG, UCR, CBU and CSUSB also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience. A representative from each university serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

II. Jurisdiction/Agency Information

Agency Name: _____
Contact Name: _____
Title: _____
Phone Number: _____
Email Address: _____
Address: _____

Are you able and willing to provide direct oversight of the Fellow in 2018/2019?

Yes: ____
No: ____

If no, who will be responsible for supervising the Fellow?

Name: _____
Title: _____
Email: _____
Phone: _____

III. Fellow Information

A. Select the preferred area of study/education background(s) you would like the Fellow to have (please check all that apply):

Public Policy: _____
Public Health: _____
Economics: _____
Engineering: _____
Urban Planning: _____
Environmental Science: _____
Other: _____

B. Preferred level of educational attainment of Fellow (please check one):

Bachelor's degree in process: _____
Bachelors' degree: _____
Master's degree in process: _____
Master's degree: _____

C. How many hours per week would the Fellow be needed?

Up to 15 hours/week: _____
Up to 30 hours/week: _____

D. Please list goals and activities your agency would like the Fellow to work on in 2018/2019:

1. _____
2. _____
3. _____
4. _____
5. _____

- E. Do you want to participate in the Fellow interview process or do you want the Fellowship Program Administrators to make a placement selection on your behalf? (please check one)

Participate in interview process: ____

Receive fellow placement: ____

Unsure at this time: ____

IV. Other Comments

Please leave any other comments or feedback on the Public Service Fellowship you would like WRCOG staff to be aware of prior to placing the Round III Fellows.

V. Interest Form Submission and Program Contact Information

Please submit interest forms to Cynthia Mejia at cmejia@wrcog.us by Friday, March 30, 2018.

For questions please contact:

Jennifer Ward
Director of Government Relations
WRCOG
(951) 405-6750
jward@wrcog.us

Cynthia Mejia
Staff Analyst
WRCOG
(951) 405-6752
cmejia@wrcog.us

(2018-2019) Round III Program Timeline:

January 20, 2018: Round III Fellowship Application Goes Live

March 16, 2018: Fellowship Applications Due from Potential Candidates

March 30, 2018: Member Agency Interest Forms Due from Host Jurisdictions

April – May: WRCOG and Universities review applications

June: Member agencies receive candidate applications, interview candidates and placements are finalized.

July- March: Confirmed Fellows work in member agencies.

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: BEYOND Program Update and Project Spotlight – Cancer Treatment Task Force

Contact: Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751

Date: March 15, 2018

The purpose of this item is to provide members of the Committee an update on the BEYOND Framework Fund Program and highlight the Round II funded Southwest Riverside County Regional Cancer Treatment Task Force project.

Requested Action:

1. Receive and file.

The BEYOND Framework Fund Program is designed to enable member agencies to develop and implement plans and programs aimed at improving quality of life in Western Riverside County by addressing the goal areas outlined in WRCOG's Economic Development and Sustainability Framework.

BEYOND Program Overview

Piloted in Fiscal Year (FY) 2015/2016, the BEYOND Framework Fund supports development and implementation of local projects aligned with the six goal areas outlined in WRCOG's Economic Development and Sustainability Framework: economy, health, education, energy & environment, water & waste water, and transportation. To date, the Executive Committee has allocated a total of \$4.1 million through two rounds of funding. Round I of BEYOND is funded through FY 2015/2016 Agency carryover funds, while Round II is funded through FY 2016/2017 Agency carryover funds.

BEYOND Round I Status: Round I provided \$1.8 million to member jurisdictions, allocated according to a population-based formula in a single funding stream. Thirty-two projects were funded under Round I and, as of this writing, twenty projects have been completed, nine projects have requested extensions, and three projects have been approved as multi-year efforts; the Water Task Force project, funded jointly by EMWD and WMWD, and one project each from the Cities of Riverside and Temecula, which are combining Round I and Round II funding for the same project. Attachment 1 includes a summary of each Round I project and identifies which projects are complete.

BEYOND Round II Status: Round II is operating three funding streams: 1) BEYOND Core, a central category of funding allocating \$2.05 million to WRCOG member agencies using a population-based formula; 2) BEYOND Team, a competitive fund for collaborative projects between multiple member agencies; and 3) BEYOND Health, a competitive fund for public health promoting projects. Through these three funding streams, Round II is funding 51 projects. Though Round II projects just kicked-off in early summer 2017, one project, the Regional Cancer Treatment Task Force Task Force Project, concluded in January 2018. A summary of each Round II project, noting which projects are complete, is provided as Attachment 2.

Regional Cancer Treatment Task Force Project

The Regional Cancer Treatment Task Force is a strategic effort, convened in 2016, to identify opportunities to support the region's cancer patients by reducing their need to travel outside of the area for treatment. The Task Force is comprised of staff from participating jurisdictions – the Cities of Lake Elsinore, Menifee, Murrieta, Temecula, and the County of Riverside – physicians, public health professionals, and community members. WRCOG's BEYOND Framework Fund is providing \$62,000 to support the Task Force through allocations made on behalf of the Cities of Lake Elsinore (\$10,000), Menifee (\$6,000), Murrieta (\$6,000), Temecula (\$20,000), and the County of Riverside, Third District (\$20,000).

The Task Force convened to explore the limitations to providing premier cancer treatment in the region and address these limitations through coalition building and strategic community planning. To organize the effort, the Task Force contracted with Health Assessment and Research for Communities (HARC), a nonprofit research organization, to facilitate meetings and Task Force logistics and conduct a robust community Cancer Care Needs Assessment.

HARC surveyed 600 cancer patients / survivors and their caregivers, and healthcare providers who work in cancer prevention or treatment, and the results of this Cancer Care Needs Assessment are available at <https://temeculaca.gov/DocumentCenter/Home/View/4547>. The 107-page document includes an analysis of all information collected and concludes with a series of recommendations, which include local hospitals forming cancer care centers and seeking accreditation; bringing more clinical trial opportunities to the region; working to attract, retain, and grow our own providers; communicating available resources to the community at large; and developing a foundation to defray patient costs. Attachment 3 provides a graphic overview of the Cancer Care Needs Assessment process and findings.

Over the past year, the Task Force convened bi-monthly meetings focusing on a variety of topics, ranging from legislative issues to recruiting talent and resources, and guiding the development, implementation, and analysis of the Cancer Care Needs Assessment. The Task Force developed next steps to address five primary problems identified by the Assessment, the problems and associated steps are summarized in Attachment 4.

On January 18, 2018, the Task Force convened what was scheduled to be its final meeting and elected to continue to hold regular meetings and continue working on the identified next steps. Amber Bolden, WRCOG's Public Service Fellow, served as the staff representative to the Task Force, and WRCOG staff will continue to work with the Task Force as their efforts progress, seek opportunities to provide assistance, and regularly provide updates to the WRCOG Committees.

Prior Actions:

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

February 14, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachments:

1. BEYOND Round I – Project Summaries.
2. BEYOND Round II – Project Summaries.
3. Cancer Care Needs Assessment Infographic.
4. Task Force Next Steps.

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BEYOND Program Update and
Project Spotlight – Cancer Treatment
Task Force

Attachment 1

BEYOND Round I – Project
Summaries

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City / Agency	Project Name	Framework Goal(s) Supported	Project Description
City of Banning	Park Facilities Improvements	Health	The City of Banning has been approved to leverage BEYOND money as matching funds to finance an expansion and facilities update of Lions Park. If no match is available, they have proposed using the funds for smaller park facilities updates. Status: Completed ✓
City of Calimesa	Clean Energy Vehicles for Calimesa	Energy & Environment	The City of Calimesa is utilizing BEYOND funding as a match with AQMD AB 2766 funds to replace two vehicles in the City's hybrid/electric fleet. Status: Completed ✓
City of Canyon Lake	Canyon Lake Water Monitoring	Water	The City of Canyon Lake is dedicating BEYOND funds to facilitate more frequent water testing of the Lake as necessitated by anticipated increases of run-off from El Nino storms. Status: Completed ✓
	Economic Development	Economic Dev.	The City of Canyon Lake is spurring economic development by posting monument signs, performing website maintenance, and completing land analysis for future development. Status: Completed ✓
City of Corona	Corona Innovation Center	Economic Dev., Energy & Environment	The City of Corona is utilizing BEYOND funds to support improvements to a previously underutilized facility for use as a business development center.
City of Eastvale	SRTS: Radar Display Signs	Health, Transportation	The City of Eastvale is utilizing BEYOND funds to support its Safe Routes to School campaign through the purchase and installation of 12 radar speed display signs. Status: Completed ✓
City of Hemet	Downtown Specific Plan	Economic Dev.	The City of Hemet is applying BEYOND funds, in conjunction with a SCAG planning grant, to support development of the City's updated Specific Plan and related documents.
City of Jurupa Valley	Farmer's Market	Health, Energy & Environment	The City of Jurupa Valley's Farmers' Market BEYOND project is utilizing funds to make requisite updates to the City's zoning code to allow for a Farmers' Market and will also support the establishment of the Farmer's Market. Status: Completed ✓
	Healthy Jurupa Valley Support	Health	The City of Jurupa Valley's Healthy Jurupa Valley BEYOND project funds are supporting the initiative's five action teams which work to promote and implement healthy living initiatives in the city. Status: Completed ✓
	Pedestrian and Bicycle Mobility Improvements	Health, Transportation	The City of Jurupa Valley's Pedestrian and Bicycle Mobility Improvements BEYOND project will dedicate funds to identify city arterials appropriate for walking and biking corridors. Funds will then be used to install appropriate signage and perform necessary walkway upgrades.
	Chamber of Commerce Partnership	Economic Dev.	The City of Jurupa Valley's Chamber of Commerce BEYOND project is supporting an initiative to build a partnership with the Chamber of Commerce and to develop educational programs that will promote the City's economic vitality. Status: Completed ✓

City / Agency	Project Name	Goal Area(s) Supported	Project Description
City of Lake Elsinore	Rosetta Canyon Park - Artificial Turf	Economic Dev., Health, Water	The City of Lake Elsinore is devoting BEYOND funds to finance a portion of the City's artificial turf installation at Rosetta Canyon Community Park which will include five softball/baseball fields, and one soccer/football field. Status: Completed ✓
City of Menifee	Citywide Branding Effort - An Economic Driver	Economic Dev.	The City of Menifee is dedicating BEYOND funds to support a two-stage economic development project beginning with a comprehensive evaluation of the City's economic environment, Stakeholder attitudes and perceptions, to inform the second stage development of a citywide branding effort.
City of Moreno Valley	Community Enhancement Program	Economic Dev. Water, Health, Transportation	The City of Moreno Valley is dividing funds between 12 initiatives including a water station installation, materials and supplies support for three Safe Routes to School events, the replacement of 38 computers at the employment resource center, and bike rack installations.
City of Murrieta	Murrieta Energy Efficiency Project	Energy & Environment	The City of Murrieta is utilizing BEYOND funds to finance energy improvement projects identified utilizing an energy audit under the direction of the Energy Network and the Western Riverside Energy Partnership (WREP). Status: Completed ✓
City of Norco	Two-Pronged Economic Development Marketing Strategy	Economic Dev.	The City of Norco is utilizing BEYOND funds to support a two-pronged branding effort highlighting Norco as a dynamic business, and friendly environment; and hospitable destination of choice focusing on equine and related attractions. Status: Completed ✓
City of Perris	Gateway Enhancement Signage Program	Economic Dev.	The City of Perris is dedicating a portion of the City's BEYOND allocation to support the Gateway Enhancement Signage program--an effort to overcome perception challenges faced by the city and to optimize economic opportunities by installing a series of entry, way finding, and branding signs throughout the City's gateway streets and places of interest. Status: Completed ✓
	Green City Farm Program	Health	The City of Perris is dedicating a portion of its BEYOND allocation to fund the Green City Farm project which will develop a Community Garden Demonstration Center exhibiting best practices in water-wise gardening, and healthy living opportunities. Status: Completed ✓
City of Riverside	Marketplace SPOT + TOD	Transportation , Health, Energy & Environment	The City of Riverside is using BEYOND monies to fund a SPOT+TOD project which is a community-based development plan and policy framework that will plan for a pedestrian bridge from Metrolink to downtown and development of the Metrolink area as a node of activity. Multi-Year Project

City / Agency	Project Name	Goal Area(s) Supported	Project Description
City of San Jacinto	Healthy San Jacinto	Health	The City of San Jacinto is leveraging BEYOND funding to meet a portion of its required match for its Strategic Growth Council Sustainable Communities Grant, which is funding the development of a comprehensive downtown specific plan. BEYOND funds will be specifically dedicated to the development of a Healthy San Jacinto Coalition which will mobilize community efforts around creating a healthy and sustainable community.
City of Temecula	Global Citizens Special needs Vocation Training (Teen Job Readiness)	Economic Dev., Energy & Environment, Education	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Global Citizens Teens with Special Needs program which provides jobs readiness training for adults with special needs. This project includes a comprehensive curriculum training participants for jobs in the viticulture and hospitality industries. Status: Completed ✓
	Emergency Management - Video Vignette	Health	The City of Temecula is requesting to dedicate a portion of its BEYOND allocation to support the production of a video vignette which will educate the public about best practices for local emergency preparedness efforts before, during, and after a catastrophic event. Status: Completed ✓
	TVE2 Stem and Youth Enrichment	Energy & Environment, Health, Water, Education	The City of Temecula is dedicating a portion of its BEYOND allocation to support the TVE2 Stem and Youth Enrichment Program. BEYOND funds are being used to purchase 25 computer stations for the Junior Women's STEM Program , Future Physician Leaders , and Youth Legal Program. Status: Completed ✓
	Grow Temecula Valley	Economic Dev. Health, Energy & Environment	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Grow Temecula Valley project's effort to promote buying local food and to highlight the region for tourists. Status: Completed ✓
	Sixth Street Sidewalk Improvements	Transportation Health	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Sixth Street Sidewalk Improvements project to regrade the sidewalks and install rolled curbs, promoting mobility for all abilities.
City of Wildomar	Website Improvements Project	Economic Dev.	The City of Wildomar is making improvements to the City website and updating its server to enhance the user interface for business owners and developers utilizing online permitting capabilities and optimized website capabilities.
RCOE	RCOE Foundation Scholars Program	Education	With BEYOND funds and an \$85,000 grant from SCE, the Riverside County Superintendent of Schools' RCOE Foundation awarded scholarships to "opportunity youth"/ at-risk students enrolled in RCOE programs such as Alternative Education, Court and Community Schools, County Foster Youth programs, and Riverside County Education Academy students. Student scholarships are anticipated to range between \$2,500 and \$5,000 per student. Status: Completed ✓

City / Agency	Project Name	Goal Area(s) Supported	Description
Riverside County	District Level Projects	-	The County is splitting Round I and II funding between Districts 1, 2, 3, and 5 for a total of \$72,164.08 each. These projects will be approved on a rolling basis and will be on the Round II project schedule.
	Riverside University Health System - Public Health: Healthy Development Checklist	Health	The County has allotted \$25,000 of its allocation to the Department of Public Health to support development of a “Healthy Development Checklist” that will serve as a tool for planners to make recommendations to improve County of Riverside’s residents’ health through community design. Status: Completed 
Eastern Municipal Water District	Diamond Valley Lake & Skinner Lake Trails	Water, Transportation, Health	Eastern Municipal Water District is engaging Fehr & Peers to develop up to five project description sheets and photo simulations for Diamond Valley Lake & Lake Skinner trails or related active transportation facilities which will describe proposed active transportation routes, route segments, or intersections. Multi-year project
Western Municipal Water District	Customer Handbook: Using Water Efficiently in the Landscape	Water	WMWD will dedicate funds to support the creation of a water wise Landscaping web-based handbook with engaging written content, photos, links, and embedded videos. WMWD anticipates water savings of 7,240 acre feet and greater per year. Status: Completed 
Morongo Band of Mission Indians	Dial-A-Ride Expansion	Transportation	The Morongo Band of Mission Indians is utilizing BEYOND funding to purchase an additional vehicle and fund a new full-time employee to operate an expanded Dial-A-Ride route to support transportation to jobs, medical services, education centers and other needs.
EMWD / WMWD	Water Task Force	Water	Eastern Municipal Water District and Western Municipal Water District have each dedicated a portion of their BEYOND allocation to fund the ongoing operation of the Water Task Force which may help to cover administrative costs, guest speaker expenses, marketing and meeting expenses. Multi-year project

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BEYOND Program Update and
Project Spotlight – Cancer Treatment
Task Force

Attachment 2

BEYOND Round II – Project
Summaries

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Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Banning	Lions Park Expansion	Health	The City of Banning is allocating BEYOND Round II Core funding and additional funding from BEYOND Health toward design and park improvements for Lions Park. The park is currently 9.12 acres consisting of 3 baseball fields, snack bar, and a playground. The City is working to expand the park to include an additional 7.46 acres, to be used for two multi-purpose fields. Round I funding was applied to a portion of the cost of the requisite CEQA analysis for the park. Additional funding is anticipated to come from the County EDA and the City's Park fund.
Calimesa	Creekside Park Fitness Facilities	Health	The City of Calimesa is allocating BEYOND Core and Health funding toward transforming Creekside Park into a Fitness Park by installing park grade fitness equipment stations. The installation will require relocation of existing fencing material to expand the park area; installation of rubberized safety surface around each fitness station; replacing existing benches, trash cans, and picnic tables to accommodate and encourage increased park usage.
Canyon Lake	Railroad Canyon Road Mobility Improvement Project	Transportation, Health	The City of Canyon Lake is allocating a portion of BEYOND funding toward the installation of pole-mounted radar speed signs. The project is in response to high auto speeds along Railroad Canyon Road, which connects to Lake Elsinore (west) and Menifee (east) where speed limits are both higher than Canyon Lake.
	Goetz Road Monument Project	Economic Development	The City of Canyon Lake is allocation BEYOND funding to branding and establishing its identity as a municipality amongst its neighboring cities. The City is utilizing a portion of BEYOND funds for a city monument at the entry point along Goetz Road, adjacent to Menifee's Audie Murphy Ranch residential development project.
	City Website	Economic Development	The City of Canyon Lake is allocating a portion of BEYOND funding to perform the annual website update to ensure the site continues to help inform, promote, and describe the City to website visitors.
Corona	Corona Innovation Center	Economic Development	The City of Corona is allocating BEYOND Core Round II funding to continue work on the BEYOND RI funded Corona Innovation Center. RII funds will support physical upgrades and ADA renovations to the economic development resource center.
	Corona Health Element	Health	The City of Corona is allocating BEYOND Core funding to add a Healthy Communities Component to their General Plan document. As part of the update, the city will be evaluating existing health conditions, constraints to improving health outcomes, and identifying opportunities to improve the overall health of the community.
Eastvale	Bus Shelters & Appurtenances	Transportation	The City of Eastvale is allocation BEYOND Core funding toward the installation of overhead bus shelters, benches, and/or a trash container at its more than 30 bus stops along Route 2 and Route 29.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Hemet	Pending	Pending	Pending
Jurupa Valley	JV Chamber of Commerce	Economic Development	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding to continue developing its partnership with the Jurupa Valley Chamber, focusing on business retention and small business development.
	Farmers Market	Energy and Environment, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding to support the continued operation and enhancement of the JV Farmers Market through market expansion and establishment of an ongoing marketing campaign.
	Marketing/Branding Program	Economic Development	The City of Jurupa Valley is utilizing a portion of its BEYOND Core funding to initiate a city-wide branding program to include development of a City brochure and other informational marketing.
	Radar Display Signs	Transportation, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core funding to install up to 6 solar powered radar speed signs to enhance safety awareness of motorists when approaching school zones.
	Rubidoux Walking Corridor	Transportation, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding and additional funding through BEYOND Health, for enhancements to the Rubidoux Walking Corridor, established through BEYOND RI funds. Funding will go toward construction of informational kiosks at each end of the corridor, enhancement of the Edible Path to School, and installation of murals.
Lake Elsinore	Healthy LE Program	Health	The City of Lake Elsinore is allocating a portion of its BEYOND Core funding to support the Healthy LE Program. A majority of funding will be directed to hiring a part-time Graduate Student intern to support program activities. Additional funds will go toward project materials and event programming.
	Fit-Trails Equipment	Health	The City of Lake Elsinore is allocating a portion of its BEYOND Core, plus additional BEYOND Health funding, to install fitness equipment stations at four parks throughout the city. The four parks were selected based on current activity and utilization levels, varied user types, disbursement of locations throughout the city, and existing walking path infrastructure.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Menifee	Communicating Menifee's Brand!	Economic Development	The City of Menifee is allocating a portion of its BEYOND Core Round II funding to build off of the RI Re-branding project to develop a marketing communication plan to include creating an independent economic development website and developing marketing materials.
	Menifee Homeless Taskforce	Economic Development, Health	The City of Menifee is allocating a portion of its BEYOND Core funding to the Southwest Homeless Alliance Coalition, specifically for creating and printing marketing materials associated with the Coalition.
Moreno Valley	Community Enhancement Program II	Health, Energy & Environment, Transportation	The City of Moreno Valley is utilizing BEYOND Core and Health funding for a multi-faceted project to promote active transportation, community engagement, and enhanced quality of life through ten tasks: (1) Community Cleanup Event, (2) Cyclocross Race, (3) Ride MoVal Community Bicycle Race, (4) 5K walk / Pet Adoption Fair Events, (5) Healthy Moreno Valley student campaign, (6) Juan Batista de Anza Trail raised crossing / SB821 Bicycle and Pedestrian Facilities from Bay Avenue to Cottonwood Street, (7) Mini-Round About Demonstration, (8) existing conditions Health Impact Assessment, (9) Community Health Element to General Plan, and (10) Exercise Equipment along Juan Bautista De Anza Trail.
Murrieta	Economic Development Site Selector Website	Economic Development	The City of Murrieta is utilizing a portion of BEYOND Core funds to develop a website in coordination with the Chamber of Commerce to provide comprehensive information to help new, expanding, and relocating businesses find the optimal location for success with the City of Murrieta. The website will utilize GIS software, real estate, demographic, workforce, and industry data to create this tool.
	HVAC Replacement at Murrieta Innovation Center	Energy and Environment	The City of Murrieta is utilizing a portion of BEYOND Core funds to replace 11 aging HVAC units and install new Title 24 compliant units. Round I funding had been programmed for this, but was reprogrammed for upgrades to the Police and Fire Department HVAC units.
Norco	Ensuring Safety Through Feedback Signs Status: Completed	Education, Health, Transportation	The City of Norco is utilizing BEYOND Core funding to purchase, install, and program 12-15 permanent speed feedback signs. Status: Completed 
	Party Parners	Health	The City of Norco is utilizing BEYOND Health funds to support the Party Parners Program which provides activities for developmentally disabled adults eighteen and over, including dancing, wii games, arts and crafts, and social events.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Perris	Well One	Health	With funding from BEYOND Core and Health, the City of Perris, in partnership with Loma Linda University Dental School, and Lake Perris SDA Church, are organizing a bi-monthly dental clinic to serve the community to be integrated into an existing community medical and mental health clinic. Perris residents are granted first priority for appointments, but walk-ins from all areas are welcome. Funds will buy equipment and supplies. The clinic will be largely staff by volunteers, including volunteer dental students and professors.
	Perris green City Farm/HealthyCommunity50	Health, Education, Energy & Environment	Perris was one of 50 awardees for the national HealthyCommunity50 Challenge, to compete to develop practical, evidence-based strategies to improve measurable health outcomes and promote health and wellness, equity and social interaction. Perris' strategy focuses on healthy food access and is seeking funding to expand its network of community gardens. Funds will focus on developing a goal of 31 gardens.
Riverside	The Marketplace TOD & Mobility Hub Specific Plan Update	Economic Development, Transportation	The City of Riverside is combining its Round I and Round II funding allocation for development of a Marketplace TOD & Mobility Hub Specific Plan in the area around the Downtown Metrolink Station. With BEYOND funds, the City will prepare a two phased plan to (1) develop a baseline infrastructure opportunities and constraints plan, and (2) create an implementable Mobility Hub Specific Plan. The City seeks to collaborate with RTA to plan for the area.
	Green Action Plan	Energy and Environment, Health	The City of Riverside is using BEYOND Health funding to further the City's Green Action Plan, which is a tool to strengthen the integration between healthy communities and resource conservation goals. With BEYOND funding, the City plans to strengthen cross-sectoral collaborations and integrate the plan with the Sustainability Tools for Assessing and Rating Communities (STAR) system.
San Jacinto	San Jacinto General Plan Update 2040	Economic Development	The City of San Jacinto is using BEYOND funds to offset City costs for the update of the City's General Plan. Included are updates to the City's existing 7 elements and will add elements for Economic Development, Air Quality, and Environmental Justice. The plan will also incorporate Sustainability and Community Design into all elements.
Temecula	Temecula Youth Project Construct	Economic Development, Education	The City of Temecula is utilizing a portion of its BEYOND Core funding to create the Temecula Youth Construct project which aims to bridge the gap between educational attainment and vocational skills and offer an avenue, for students who do not attend college, to gain skills that will allow them to be successful within the community.
	Emergency Management System	Health	The City of Temecula is utilizing a portion of its BEYOND Core funding to host a one-day regional Emergency Management Summit, for the purpose of convening regional first responders, emergency managers, elected officials, businesses, and the general public to discuss emergency preparedness for the region.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
	Intergenerational Horticulture Program	Education, Economic Development	The City of Temecula is utilizing a portion of its BEYOND Core funding to support the public-private partnership between the City and Our Nicholas Foundation which offers specialized vocational skill training for teens, adults, and seniors with special needs. Modeled after the RI BEYOND Funded Global Citizens Special Needs project, the Horticulture Program would be designed to teach basic skills that encompass cultivation of plants, vegetable gardening, landscaping, irrigation, and basic business practices for all ages with special needs from several communities in Western Riverside County.
	Bicycle Sharrows	Transportation, Health, Energy & Environment	The City of Temecula is utilizing a portion of its BEYOND Core funding to install 70 sharrows (or shared lane markings) divided between five areas surrounding schools in Temecula providing critical connections between local neighborhoods and schools as identified by the Trails and Bikeways Master Plan.
	Industry Sector Promotions/Site Visits & Surveys	Economic Development	The City of Temecula is utilizing a portion of its BEYOND Core funding to create marketing pieces/strategies specific to industry sectors that are growing in Temecula: craft brewing, high tech, advanced manufacturing, and specialty retail. Additionally, the City's Economic Development team will conduct in-depth site visits with existing businesses to better understand their operations and needs.
	Government Leadership Program for Youth (GLPY)	Education	The City of Temecula is utilizing a portion of its BEYOND Core funding to purchase equipment that will support the City's Government Leadership Program for Youth which facilitates interaction and communication between school districts, high school students and City staff in order to foster engagement.
	Sixth Street Sidewalk Improvements	Transportation, Health	The City of Temecula is utilizing a portion of its BEYOND Core funding to design and construct sidewalk improvements on the north side of Sixth Street, between Mercedes Street and the entrance to the Mary Philips Senior Center.
City of Wildomar	Signage Enhancement Program	Economic Development	The City of Wildomar will use a portion of its BEYOND Core funding to place new signage along roadways to be visible at city entry points and from freeways.
	Website Enhancement Part 2	Economic Development	The City of Wildomar will enhance the City website, funded through BEYOND Round I, by purchasing a business registration module.
County of Riverside Round I & II	District 1 Homeless Intervention and Mitigation Program	Health, Economy	District One will enter into a partnership with Path of Life to administer a homeless intervention program, providing support services that fill traditional funding gaps in rehousing individuals, including rental deposits, utility payments, and household supplies.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
	District 2 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of \$50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated \$72,164.08. The Third District has \$52,164 remaining, after allocating \$20,000 to the Cancer Taskforce.
	District 3 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of \$50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated \$72,164.08. The Third District has already allocated \$20,000 of BEYOND to the Regional Cancer Services Task Force.
	District 5 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of \$50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated \$72,164.08.
Riverside University Health Systems - Public Health	Healthy Community Strategies	Economic Development, Health	RUHS-PH is using \$25,000 from the Round II County BEYOND Core allocation to expand upon and support implementation of the Bi-County Healthy Development Checklist. The County will use additional funding through the BEYOND Health set aside to support the annual Healthy Living Extravaganza.
Eastern MWD	EMWD Sustainability Center Feasibility Study	Water, Energy & Environment, Health, Economic Development, Education	EMWD is utilizing BEYOND Core funding to perform a feasibility analysis of siting a Sustainability Center near its Perris office campus.
Western MWD	Water Use Efficiency Master Plan & Conservation Outreach Plan		WMWD is utilizing BEYOND funds to update the Water Use Efficiency Master Plan (Plan) that will guide new customer programs and outreach over the next five years.
Superintendent of Schools	Meta THINK	Education	The Riverside County Office of Education is utilizing BEYOND funding to partner with Meta THINK and local school districts to address chronic absenteeism by working with parents, communities, and school administrators. The Program's aim is to improve student success as chronic absence is a strong indicator of poor performance.
Morongo Band of Mission Indians	Morongo Dial-A-Ride Program	Transportation	The Morongo Band of Mission Indians is utilizing BEYOND Round II funding to support continued operation of the Dial-A-Ride program which was initiated with BEYOND Round I funding. The Program provides access within and from the Reservation to such destinations as employment, educational centers, and health care facilities.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Multiple: Cities of Lake Elsinore, Menifee, Murrieta, Temecula, and the County	Regional Cancer Services Task Force Status: Completed	Education, Economic Development	Several jurisdictions applied funding from their BEYOND Core allocations or applied competitively through BEYOND Health, to support development of a Regional Cancer Services Task Force. The Task Force hired a facilitator and perform a study to identify trends and regional needs in the area of Cancer services. Results of the assessment are intended to be used in planning for and attracting in-demand services to the region both to support health outcomes and economic development. BEYOND funding comes from Core and Health allocations. Status: Completed 
BEYOND Team: City of Perris, Eastern Municipal Water District	Healthy Community 50/Perris Green City Farm	Health, Energy & Environment	The City of Perris was one of 50 awardees for the national HealthyCommunity50 Challenge, competing to develop practical, evidence-based strategies to improve measurable health outcomes and promote health, wellness, equity, and social interaction. Perris' strategy focuses on healthy food access and is seeking funding to expand its network of community gardens. Team funds would support development of 10+ new gardens; the total goal is 31 gardens.
BEYOND Team: Cities of Lake Elsinore, Menifee, Murrieta, Wildomar, and Temecula	Regional Homeless Alliance (Southwest Cities)	Economic Development, Education, Health, Transportation, Energy & Environment	The goal of the Regional Homeless Alliance is to achieve functional zero homeless. BEYOND Team funds would support development of a more comprehensive regional program by building on the existing foundation with a focus on immediate needs: beds, outreach, housing options and coordination of services. Specific activities will include (1) development of a Community Asset Assessment and Roadmap to address future needs, (2) development of formal housing navigation process, and (3) development of a replicable, coordinated entry system through outreach, housing navigation and low barrier supportive services. Specific tasks include hiring a part-time homeless outreach coordinator and part-time housing navigator, management of five full-time units for rapid rehousing, and provision of emergency shelter for an average of three individuals/families per night.
BEYOND Team: Cities of Corona, Jurupa Valley and Lake Elsinore, and the County of Riverside	Western Riverside Homeless Alliance	Economic Development, Health, and Education	Western Riverside Homeless Collaborative' s (WRHC) main objective is to stabilize homeless people through the use of shelters, permanent housing, and assistance programs to reduce homelessness in the subregion. The WRHC aims to achieve this objective by adopting a comprehensive regional approach to programming, performing asset mapping, strategic capacity building, and coordinated placement and case management. Specific tasks to be completed include: (1) hiring Homeless Facilitators, (2) creating a subregional Leadership Committee, (3) performing Asset Mapping, (4) assembling a Law Enforcement Case Conferencing Team, (5) identifying faith-based and other access points for a Coordinated Entry System, (6) Responsible Compassion and love Your Neighbor Campaign, and (7) Performance Measurement.

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Attachment 3

Cancer Care Needs Assessment
Infographic

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Cancer Care

Community Health Needs Assessment



Southwest Riverside County



Background

Cancer is the second leading cause of death in the United States. Cancer screening, prevention, treatment, and recovery can be a lengthy and difficult process for both patients and their support system.

In an effort to reduce the burden on people suffering from cancer, communities in Southwest Riverside County joined together to form a Regional Cancer Treatment Task force to address the issue.

HARC, Inc., a nonprofit research organization, was hired in 2017 to assist with this work.

This infographic summarizes the results of a community health needs assessment that HARC conducted in summer/fall of 2017. The needs assessment targeted cancer patients, survivors, caregivers, and healthcare providers in Southwest Riverside County.

Mission

- Identify and promote existing cancer care resources within the region
- Identify and address any barriers to accessing those existing resources
- Identify and address any gaps in resources, including: the pipeline of care facilities and providers, prevention, diagnosis, treatment, and post-treatment.
- Create a plan to promote, foster, and maintain desired cancer care resources within the region

Funders



City of Lake
Elsinore

City of
Menifee

City of
Murrieta

City of
Temecula

County of
Riverside

IEHP

Method

HARC worked with the task force to develop two surveys:

Survey for cancer patients/survivors and their caregivers



Survey for healthcare professionals



Articles about the Task Force and the study were featured in Valley News. Newspaper advertisements recruiting participants were featured in the Riverside Press Enterprise and in the Valley News.



Task Force members helped to recruit participants by sending the online survey to their clients/patients, and by providing paper copies on location.



HARC also recruited participants via social media, including a Facebook ad campaign and many Twitter posts.

Participants

These sampling techniques resulted in 689 participants for the community survey and 93 for the provider survey. Those who were ineligible were removed. This resulted in 533 valid participants for the community survey and 44 participants for the provider survey.

385

cancer patients/survivors



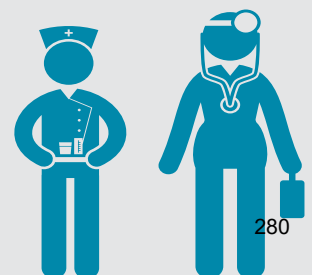
148

caregivers



44

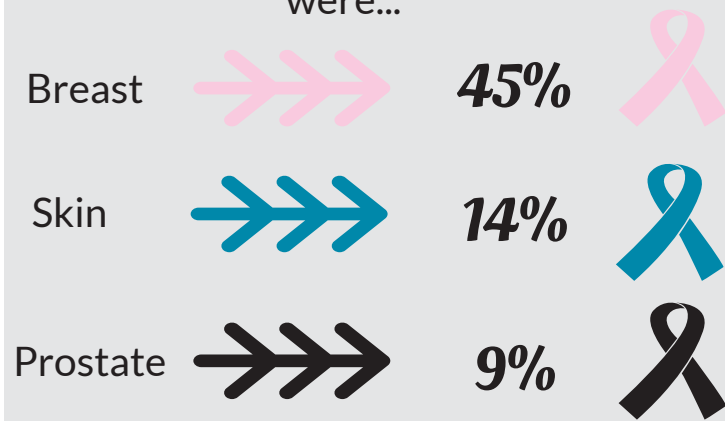
healthcare providers



Results

Cancer Patients/Survivors

The most common cancer diagnoses were...



A quarter of patients/survivors were misdiagnosed at first

25%



Over a third of patients/survivors delayed seeking care

36%



Caregivers

Most participating caregivers were either the only caregiver for the patient (24%) or the main caregiver (35%).



Most caregivers cared for a significant other (35%) or their parent (33%)

The most common type of responsibilities for caregivers included...

Emotional support

93%



Going to doctor

84%



Household chores

77%



Transportation

75%



Healthcare Professionals

Half of providers

50%

were nurses



On average, providers see

587

cancer patients per year



On the continuum of care, providers are engaged in...

34% screening

55% diagnosis

68% treatment

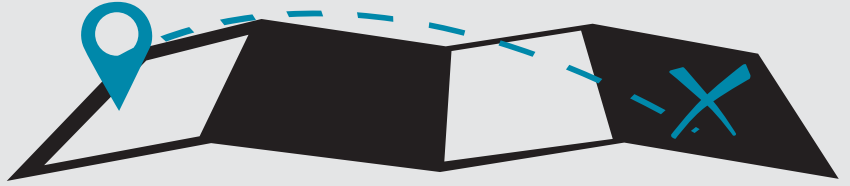
59% post-cancer care

Key Findings

About a quarter of cancer patients/survivors

26%

traveled 50 miles or more to get their treatment



Both patient/survivors and caregivers believe that the most critical cancer care issues in the region are lack of accredited cancer centers and a lack of specialized care.

Cancer patients/survivors

42%

Lack of accredited cancer centers

33%

Lack of specialized care

Caregivers

54%

Lack of accredited cancer centers

52%

Lack of specialized care

Cancer patients/survivors w

1 Finding community resources

32%



2 Paying for treatment

24%



3 Applying for benefits

24%



87% of providers refer patients outside of the area, usually due to...

Availability of clinical trials

69%

Rare type of cancer

47%

More therapeutic options available

47%



This infographic presents only a few findings from the full report. To access the full report, please contact the City of Temecula. If you have any questions about this study, or the content of this report, please contact HARC at staff@HARCdata.org

Item 7.E

BEYOND Program Update and
Project Spotlight – Cancer Treatment
Task Force

Attachment 4

Task Force Next Steps

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Problem 1: People are unaware of the existing resources

Solution 1: Raise awareness of local cancer resources

- Create a local resource guide and host on ACS website
- Create a resource map and host on ACS website
- Publish an annual magazine-style comprehensive cancer guide



Problem 2: There are not enough "prestigious" cancer care facilities in the region

Solution 2: Change perceptions

- Utilize the annual magazine-style comprehensive cancer guide to feature local providers' qualifications and the high-quality care available locally
- Hospitals pursue accreditation by the Commission on Cancer



Problem 3: There are not enough healthcare providers

Solution 3: Attract new providers

- Ensure local pay and benefits are competitive with competing regions
- Join Riverside County Medical Association (RCMA) and attend socials
- Hospitals pursue creating residency programs to "grow our own"
- Create an ad campaign (featuring billboards and/or short videos) to attract providers to the region by emphasizing high quality of life



Problem 4: Low-income patients require financial assistance

Solution 4: Create a funding program

- Design a treatment assistance program (TAP) to provide financial assistance for low-income cancer patients
- Fundraise the \$50,000 needed to launch the program
- Hire and train new staff, administer the program, and refer clients
- Serve on TAP Advisory Board and solicit funds to support TAP



Problem 5: There are environmental factors that increase the risk of cancer

Solution 5: Reduce environmental risks

- Be an active member of Riverside County's Healthy Cities Network
- Adopt a Health Element in General Plan; adopt a H.E.A.L. Resolution
- Encourage active transportation
- Create a skin cancer awareness campaign