



Western Riverside Council of Governments Technical Advisory Committee AGENDA

**Thursday, August 18, 2016
9:30 a.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
5th Floor, Conference Room C
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 WRCOG Technical Advisory Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

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

- 1. CALL TO ORDER (Gary Nordquist, Chair)**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the WRCOG 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. 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. | Summary Minutes from the July 21, 2016, WRCOG Technical Advisory Committee meeting are available for consideration. | P. 1 |
| | <u>Requested Action:</u> 1. Approve Summary Minutes from the July 21, 2016, WRCOG Technical Advisory Committee meeting. | |
| B. | WRCOG Environmental Department Activities Update <i>Dolores Sanchez Badillo</i> | P. 9 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| C. | WRCOG Finance Department Activities Update <i>Ernie Reyna</i> | P. 13 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| D. | WRCOG Financial Report Summary through June 2016 <i>Ernie Reyna</i> | P. 15 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| E. | HERO Program Activities Update <i>Barbara Spoonhour</i> | P. 21 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| F. | Western Riverside Energy Leader Partnership Update <i>Tyler Masters</i> | P. 33 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| G. | WRCOG Clean Cities Coalition Activities Update <i>Christopher Gray</i> | P. 45 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| H. | CEQA Cases in the WRCOG Subregion <i>Christopher Gray</i> | P. 47 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| I. | WRCOG Representation on the Environmental Leadership Institute Advisory Council <i>Rick Bishop</i> | P. 49 |
| | <u>Requested Action:</u> 1. Receive and file. | |
| J. | International City / County Management Association Activities Update <i>AJ Wilson, California Senior Advisor</i> | P. 57 |
| | <u>Requested Action:</u> 1. Receive and file. | |

6. REPORTS/DISCUSSION

- | | | |
|----|--|-------|
| A. | Report from the League of California Cities <i>Erin Sasse, League of California Cities</i> | P. 59 |
| | <u>Requested Action:</u> 1. Receive and file. | |

B. Administration of Additional Property Assessed Clean Energy Programs in the WRCOG subregion **Barbara Spoonhour, WRCOG** **P. 61**

Requested Action: 1. *Support the WRCOG Administration & Finance Committee's recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.*

C. Regional Streetlight Program Activities Update **Tyler Masters, WRCOG** **P. 65**

Requested Action: 1. *Recommend, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).*

D. WRCOG Transportation Department Activities Update **Christopher Gray, WRCOG** **P. 77**

Requested Action: 1. *Appoint two members of the WRCOG Technical Advisory Committee to serve on the Ad Hoc Committee to discuss potential options related to completion of the Nexus Study.*

E. Community Choice Aggregation Program Activities Update **Barbara Spoonhour, WRCOG** **P. 85**

Requested Action: 1. *Receive and file.*

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

8. ITEMS FOR FUTURE AGENDAS **Members**

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

9. GENERAL ANNOUNCEMENTS **Members**

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

10. NEXT MEETING: **The next WRCOG Technical Advisory Committee meeting is scheduled for Thursday, September 15, 2016, at 9:30 a.m., in the County of Riverside Administrative Center, 5th Floor, Conference Room C.**

11. ADJOURNMENT

Page Intentionally Left Blank

1. CALL TO ORDER

The meeting of the WRCOG Technical Advisory Committee was called to order at 9:32 a.m. by Vice-Chairman Gary Nordquist at the County of Riverside Administrative Center, 5th Floor, Conference Room C.

2. ROLL CALL

Members present:

Michael Rock, City of Banning (9:36 a.m. arrival; 11:05 a.m. departure)
Bonnie Johnson, City of Calimesa
Darrell Talbert, City of Corona
Joe Indrawan, City of Eastvale
Alex Meyerhoff, City of Hemet (11:05 a.m. departure)
Gary Thompson, City of Jurupa Valley
Jason Simpson, City of Lake Elsinore
Kim Summers, City of Murrieta
Andy Okoro, City of Norco
Sharon Paisley, City of San Jacinto
Greg Butler, City of Temecula
Gary Nordquist, City of Wildomar (Vice-Chairman)
George Johnson, County of Riverside
Danielle Coats, Eastern Municipal Water District
Michelle McKinney, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Jennifer Ward, Director of Government Relations
Christopher Gray, Director of Transportation
Tyler Masters, Program Manager
Andrew Ruiz, Program Manager
Crystal Adams, Staff Analyst
Dolores Badillo, Staff Analyst
Tomas Ocampo, Intern
Lupe Lotman, Executive Assistant
Janis Leonard, Executive Assistant

Guests present:

AJ Wilson, International City / County Management Association
Erin Sasse, League of California Cities
Christine Jamoralin, City of Eastvale / WRCOG Fellow
Ryan Cortez, City of Corona
Tom Mullen, Riverside County Information Technology (RCIT)
Steve Reneker, RCIT
Mathew Buck, California Apartment Association
Kadiz Salba, AT&T
Darcy Kuenzi, Riverside County Flood Control and Water Conservation District
Clint Lorimore, Building Industry Association

3. PLEDGE OF ALLEGIANCE

Jason Simpson, City of Lake Elsinore, led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. SELECTION OF WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR, VICE-CHAIR, AND 2ND VICE-CHAIR FOR FISCAL YEAR 2016/2017

Rick Bishop indicated that for the past several years, the leadership of this Committee has reflected that of the WRCOG Executive Committee. Last week, WRCOG's General Assembly appointed Councilmember Ben Benoit, City of Wildomar, as the Executive Committee Chair, Councilmember Debbie Franklin, City of Banning, as Vice-Chair, and Supervisor Chuck Washington, District 3, as the 2nd Vice-Chair. Having said that, there is nothing that indicates this Committee follow suit.

Action: 1. *Selected as Gary Nordquist, City of Wildomar, as Technical Advisory Committee Chair, Michael Rock, City of Banning, as Vice-Chair, and Jay Orr, County of Riverside, as 2nd Vice-Chair for Fiscal Year 2016/2017.*

M/S/A (Meyerhoff/Coats) 14-0-0; Item 5 was approved by a unanimous vote of those members present. The Cities of Banning, Canyon Lake, Menifee, Moreno Valley, Perris, and Riverside, the March Joint Powers Authority, and the Morongo Band of Mission Indians were not present.

6. CONSENT CALENDAR *M/S/A (Meyerhoff/Thompson) 15-0-0; Items 6.A – 6.K were approved by a unanimous vote of those members present. The Cities of Canyon Lake, Menifee, Moreno Valley, Perris, and Riverside, the March Joint Powers Authority, and the Morongo Band of Mission Indians were not present.*

A. Summary Minutes from the May 19, 2016, WRCOG Technical Advisory Committee meeting.

Action: 1. *Approved Summary Minutes from the May 19, 2016, WRCOG Technical Advisory Committee meeting.*

B. WRCOG Financial Report Summary through May 2016

Action: 1. *Received and filed.*

C. WRCOG Finance Department Activities Update

Action: 1. *Received and filed.*

D. WRCOG Environmental Department Activities Update

Action: 1. *Received and filed.*

E. Western Riverside Energy Leader Partnership Update

Action: 1. *Received and filed.*

F. Community Choice Aggregation Program Update

Action: 1. *Received and filed.*

G. International City / County Management Association Activities Update

Action: 1. *Received and filed.*

H. WRCOG Clean Cities Coalition Activities Update

Action: 1. *Received and filed.*

I. BEYOND Framework Fund Program

Action: 1. *Received and filed.*

J. WRCOG 4th Quarter Draft Budget Amendment for Fiscal Year 2015/2016

Action: 1. *Recommended that the WRCOG Executive Committee approve the WRCOG 4th Quarter Draft Budget Amendment for Fiscal Year 2015/2016.*

K. Single Signature Authority Report

Action: 1. *Received and filed.*

7. REPORTS/DISCUSSION

A. Report from the League of California Cities

Erin Sasse reported that the Legislature is still on summer recess and return August 1, 2016.

SB 817 (as amended, Roth. Local government finance: property tax revenue allocations: vehicle license fee adjustments) is currently in the Assembly Appropriations System File; the Governor is not expected to sign it.

The League is opposed to SB 1069 (as amended, Wieckowski. Land use: zoning), which restricts a local governmental agency's ability to impose requirements on "second units," which will be renamed to "accessory dwelling units."

AB 2299 (as amended, Bloom. Land use: housing: 2nd units) would require all local governments to adopt an ordinance allowing a second unit, and repeals the ability of local government to ban these second units. This restricts local control.

SB 1387 (as amended, De León. Nonvehicular air pollution: market-based incentive programs: South Coast Air Quality Management District board) would add three positions to the South Coast Air Quality Management Board.

Action: 1. *Received and file.*

B. County-wide Broadband Initiative

Steve Reneker reported that there are three broadband carriers within Riverside County; AT&T, Verizon, and Frontier. With regard to cable, providers include Time Warner and Charter, which are merging and will be the single cable provider throughout the County. There will be less competition, higher prices, and most likely lower customer service, because most of the investment is made in Los Angeles, Orange, and San Diego Counties.

CityLinkLA (www.citylinkla.org) is an effort in the City of Los Angeles to build a city-wide Wi-Fi and wireline broadband network. The City released a Request for Proposal, and three vendors Responded: Time Warner, AT&T and Ericsson. Since the responses came in, Google has

indicated plans to roll out a gigabit network throughout Los Angeles and AT&T intends to compete at similar speeds and prices.

The County of Riverside is looking to do something similar (fiber to the premise). There is interest in the market and available cash from fiber providers to implement an effort County-wide. High speed broadband is fiber to the home. The latest 5G networks and Wi-Fi are important but outside the scope of this effort. The County desires to provide quality, high speed, broadband internet service within the homes for \$70 or less per home, attract new companies to the area, and bridge the digital divide with a low cost or slower speed free service.

The County is trying to create this project to be net-neutral, and will not cost the cities anything to participate. The County would ask that cities create an expedited permitting process, and ordinances may have to be changed for some facilities, such as fiber huts. Given that some cities own and operate their own utilities, there are options which can be provided to fiber providers. Every 200 houses will require a fiber box of some sort and every 30,000 homes will require a fiber hut (12x20 foot structure).

This is a multi-jurisdictional approach. A draft checklist will be available in August 2016 which can be shared with communities outlining the design and strategy of the program. The goal is to meet with elected officials in each city to discuss and/or provide presentations. It is anticipated to release a Request for Proposal (RFP) by December 2016.

George Johnson indicated that this is an economic tool available to attract high tech businesses to Riverside County. Some builders are building fiber into the homes, and the homes are selling.

Greg Butler indicated that Verizon put fiber into most of the homes in the City of Temecula, but not the businesses. The City is looking to have high speed broadband for businesses.

Mr. Reneker responded that the RFP will include both residential and commercial high speed broadband.

Joe Indrawan asked if the goal is to select one provider, or multiple providers. Having too many providers could be problematic when it comes to building communities and having multiple fiber.

Mr. Reneker responded that the County will be divided into zones, so the RFP could be awarded to more than one provider. Micro-trenching will be included in the RFP for those communities which will allow it, for those areas which do not have aerial power.

Chairman Nordquist indicated that new development includes infrastructure for fiber, but the fiber is not actually being installed. Should something be added to the conditions of build out for standard conduit?

Mr. Reneker responded that the County would work with the Building Industry Association about developers integrating this infrastructure. It would be less expensive for the provider if the infrastructure is already there.

Christopher Gray indicated that the TUMF Program should explore requiring public works project to provide conduit.

Chairman Nordquist indicated that what the millenials will be looking for something different over the next 15 to 20 years than how things currently are. Working from home via computer is becoming more popular. This will also cause an effect on our future of transportation.

Action: 1. *Received and filed.*

C. HERO Program Activities Update

Crystal Adams reported energy and water savings numbers within the WRCOG subregion with Committee members.

At the last meeting of this Committee, members expressed interest in WRCOG pursuing allowing other Property Assessed Clean Energy (PACE) providers to operate under the WRCOG umbrella. WRCOG contacted all PACE providers within California, soliciting interest. WRCOG would remain as the bond issuer for other PACE Programs, would maintain Program oversight, and record all documents.

Four providers expressed interest; CaliforniaFirst, PACE Funding, Alliance NRG, and Spruce. Staff is having conversations with Ygrene to determine the need for WRCOG to start an SB 555 Program in order to allow Ygrene to operate under the WRCOG umbrella. An Ad Hoc Committee, comprised of elected officials, has been created to vet these providers. Staff will also be visiting the headquarters of these providers to ensure they have the operational capacity to run a PACE Program in the WRCOG subregion.

A Request for Proposal (RFP) has been released for a comprehensive operational and capacity review of the HERO Program implemented by Renovate America, and will cover Fiscal Year 2015/2016. Findings will be shared with this Committee.

The White House released an announcement on July 19, 2016, indicating that the Federal Housing Administration (FHA) announced clear guidance for FHA and Veterans Affairs (VA) on handling PACE assessments when homeowners sell or refinance their home. The guidance clarifies that PACE is a tax assessment that runs with the property and is not a loan product. This means that FHA and VA lending institutions will allow for PACE liens to transfer upon sale of a property.

The Federal Housing Finance Agency (FHFA) has not, however, changed its position. It is hopeful that the release of the FHA guidance will encourage the FHFA to release its own guidance comparable to that of the FHA.

Clint Lorimore asked if the White House announcement will be retroactive, or for new projects only.

Ms. Adams responded that it will be retroactive and apply to all PACE transactions throughout the nation.

Andy Okoro indicated that other PACE providers are stating that WRCOG's HERO Program does not address industrial or commercial property.

Ms. Adams responded that WRCOG has a very successful commercial HERO Program. Residential projects happen very quickly, whereas commercial projects require the appropriate signatory authorities from the building owner, which is not necessarily the business owner. It also requires lender consent, which can take up to a few months. Staff can highlight commercial projects at the next meeting.

Rick Bishop indicated that the FHFA guidance is embedded in its own documentation so that the lending ability authority goes into effect immediately. Several months ago, the FHA was made aware that the FHFA would be releasing guidance, and was waiting for that before it released its own, suggested perhaps that the FHFA would follow suit with the FHA.

Members of the real estate community will also participate in interviewing PACE providers, as non-voting advisory members.

Action: 1. *Received and filed.*

D. WRCOG Transportation Activities Update

Christopher Gray reported that the Southern California Association of Governments' 2016 Regional Transportation Plan / Sustainable Communities Strategy Growth Forecast has been incorporated into the TUMF Nexus Study. Member jurisdictions have been asked to remove unneeded projects, and TUMF consultants have reviewed the TUMF Network to remove recently completed projects. The comprehensive fee analysis is underway and preliminary findings will be presented in the near future.

The WRCOG Executive Committee has indicated that a fee increase at this time would be problematic. Some Executive Committee members do not support a fee increase period. At the June 24, 2016, Executive Committee meeting, the members directed staff to present any future proposed construction cost adjustments to the Executive Committee for consideration on an annual basis, and that language be added to the TUMF Administrative Plan to require Construction Cost Index increase proposals to be brought annually to the Executive Committee for consideration, and not be automatically indexed on an annual basis.

Mr. Gray reviewed a number of potential options with regard to TUMF fees. There are various problems, depending on which option is chosen. Examples of problems include removing future projects from the Network; potential legal issues due to assumptions not being up to date, therefore not meeting State statutory requirements; less funding allocations for projects; jurisdictions would be required to seek additional funding sources to fund projects.

This information was also presented to the WRCOG Public Works Committee, and discussions will continue at its next meeting.

Chairman Nordquist indicated that TUMF pays for projects, and if the fee is reduced, so is the number of projects, or the amount of funding for projects.

Mr. Gray indicated that staff have revisited the options, and may suggest blending a couple which will work for all member jurisdictions. It has been determined that since the growth forecast has changed, there may be projects which may no longer be needed or do not meet the eligibility criteria. There was a lot of push-back on increasing retail fees, which are approximately only 5% of all TUMF. If the retail fee is phased-in, most of the listed projects can most likely be completed. Not having an approved Nexus Study is very problematic.

Alex Meyerhoff asked if a presentation can be provided to the elected officials on the various scenarios and how they impact project development.

Mr. Gray responded that staff can do that.

Michael Rock indicated that there needs to be a conversation on what is fair and equitable for all the member jurisdictions contribution to TUMF. Excise taxes, as well as state and federal transportation funding, need to be addressed.

Mr. Gray indicated that some projects are in jeopardy if a Nexus Study is not adopted soon.

George Johnson indicated that the Executive Committee could implement a policy of strategies indicated that it will not increase fees, but adopt an updated Nexus Study.

Gary Thompson indicated that fees are going to have to increase; how much so is what has to be determined. Committee member Thomson asked what the Riverside County Transportation Commission (RCTC) contribution rate is, and how RCTC plays into resolving this problem.

Mr. Gray responded that RCTC receives approximately 46% of TUMF. RCTC has identified several projects to be funded by TUMF over the next several years. When jurisdictions have

projects ready to go, RCTC will review and determine how much TUMF funding they have available. This process frees up more money for the Zones.

Darrel Talbert indicated that the building industry is better represented in this dialogue than others, which has unfairly pushed the fees away from the single-family homes, where most of the traffic generation is coming from. Every single-family home costs the city money. Traffic generation should not be pushed into the retail environment; a grocery store is generating traffic from the houses around it, not from two cities or counties away. The City of Corona has benefitted extensively from TUMF. The City has generated more than most, has used more of it than most, but is also the funnel for all of it. Residential units are killing the City. Perhaps WRCOG and RCTC have a retreat and rethink the TUMF model all together. When TUMF was created, the vision was to expedite transportation, but it is now moving away from that vision. A larger dialogue needs to occur to lead the subregion through the next chapter.

Mr. Gray responded that staff have had similar thoughts. The TUMF Program is undergoing a thorough review of processes and policies.

Rick Bishop indicated that the Executive Committee does not want a Construction Cost Index increase or a fee increase.

Action: 1. *Received and filed.*

E. Regional Streetlight Program Activities Update

Tyler Masters reported that the Streetlight Program was developed to assess the feasibility of member jurisdictions interested in purchasing streetlights from Southern California Edison (SCE).

Current annual utility costs of streetlights within the WRCOG subregion are \$10.3 million. This rate has increased 55% since 2001. Some jurisdictions pay for its streetlights through a variety of financing districts; some of these structures are not developed to increase rates in which SCE will. This could potentially impact the jurisdictions' General Fund. After the acquisition of these streetlights, and retrofit to LED lights, the annual utility costs would decrease to \$4.0 million.

Mr. Masters shared dollar figures for both subregional savings and individual jurisdictional savings, both of which are substantial. One regional Program will obtain administrative, operational, and maintenance cost efficiencies. Streetlights can also be revenue generators (3rd party attachments, banners, etc.) and real estate assets.

In 2015, an inventory of streetlights within the subregion was performed, and WRCOG paid SCE the valuation fee for each of its member jurisdictions. WRCOG staff has recommended to its member jurisdictions that current streetlights in any new development are transferred to the local jurisdiction, not to SCE.

A draft Purchase & Sales Agreement was distributed for jurisdictional review; comments and suggestions are being implemented. The final Agreement will be submitted for approval to the California Public Utilities Commission in 2017.

A financing Request for Bids was released in March 2016; five responses were reviewed in April 2016. A presentation will be provided to the WRCOG Finance Directors' Committee at its July meeting for review and recommendation. Meetings with regard to streetlight design standards were held April through June 2016.

Demonstration areas are being established in various locations in the City of Hemet. Members of the public will be encouraged to visit the various locations, which will have different types of lights, and provide a human factor on the quality of those lights. Lights will be installed by the

end of July 2016, and the demonstration areas will be open from August 2016 through January 2017. Outreach media will be provided to member jurisdictions to distribute to their communities, and tours will be scheduled later in the fall.

Rick Bishop indicated that WRCOG is requesting feedback from public safety personnel. Staff will be working closely with member jurisdictions, and evening tours will also be scheduled.

Action: 1. *Received and filed.*

F. Appointment to the Emergency Medical Care Committee

Rick Bishop reported that members will review all aspects of emergency medical care within the County emergency medical care system and provide recommendations concerning the feasibility and content of emergency medical care programs to the Riverside County Board of Supervisors as necessary.

Action: 1. *Appointed Gary Thompson, City of Jurupa Valley, as the WRCOG representative, and Gary Nordquist, City of Wildomar, as the alternate, to the Emergency Medical Care Committee.*

M/S/A (Simpson/Talbert) 13-0-0; Item 7.F was approved by a unanimous vote of those members present. The Cities of Banning, Canyon Lake, Hemet, Menifee, Moreno Valley, Perris, and Riverside, the March Joint Powers Authority, and the Morongo Band of Mission Indians were not present.

8. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR

Rick Bishop reported that WRCOG Fellows were placed with most member jurisdictions and began working on July 5, 2016.

9. ITEMS FOR FUTURE AGENDAS

Rick Bishop asked for a drought update.

10. GENERAL ANNOUNCEMENTS

Michele McKinney announced that the Eastern Municipal Water District Board of Directors adopted new connection fees, to be phased-in in three years, beginning in January 2017. This is the first time rates have increased in well over 10 years.

Chairman Nordquist congratulated WRCOG staff on a great General Assembly event.

11. NEXT MEETING

The next WRCOG Technical Advisory Committee meeting is scheduled for Thursday, August 18, 2016, at 9:30 a.m., in the County of Riverside Administrative Center, 5th Floor, Conference Room C.

12. ADJOURNMENT

The meeting of the WRCOG Technical Advisory Committee adjourned at 11:29 a.m.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Environmental Department Activities Update

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

Date: August 18, 2016

Requested Action:

1. Receive and file.
-

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

AB 939 Electronic Annual Report (EAR) Update

As part of the WRCOG Solid Waste Cooperative Program, WRCOG staff prepared the 2015 EARs for the Cities of Banning, Calimesa, Canyon Lake, Corona, Lake Elsinore, Murrieta, Norco, Perris, San Jacinto, Temecula, and Wildomar. WRCOG works with local waste haulers in completing these reports such as Waste Management and CR&R. WRCOG staff reached out to these jurisdictions, as well as waste haulers, to gather the necessary data to complete the EARs on the member's behalf.

The data needed for the 2015 EAR included updates on any program changes, disposal and recycling tonnage, events, and materials that the jurisdiction and the waste haulers use to educate the public. Additionally, there was a new requirement to provide an update on how the jurisdiction is implementing its organics recycling program, as mandated by AB 1826. AB 1826 requires a business that generates a specified amount of organic waste per week to arrange for recycling services for that organic waste in a specified manner. Specific to jurisdictions, the bill requires each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert organic waste from the businesses subject to this act, except as specified with regard to rural jurisdictions, thereby imposing a state-mandated local program by imposing new duties on local governmental agencies.

WRCOG staff completed the 2015 EARs and submitted them on August 1, 2016. The next step in the process is for CalRecycle to review the reports and in the case of any additional requested information, WRCOG will follow up accordingly.

Used Oil and Oil Filter Recycling Program Activities Update

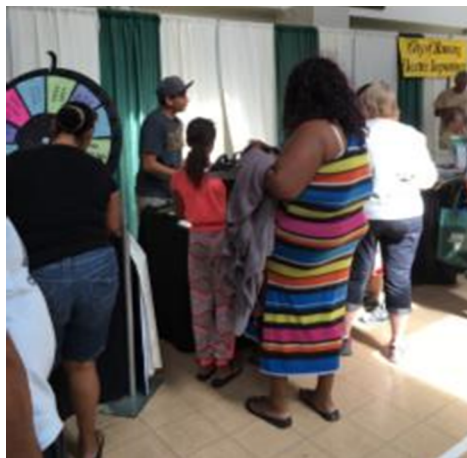
Used oil events: WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate "Do It Yourself" (DIY) individuals who change their own oil,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

WRCOG has engaged in recycling and used oil outreach and educational activities in different communities to teach about the importance of proper recycling and the correct disposal of used oil, oil filters, and household hazardous waste (HHW) to the community.

WRCOG's mid-July Used Oil event was held at the O'Reilly Auto Parts store in the City of Hemet on July, 16, 2016. WRCOG staff was on-hand to spread awareness of important environmental issues. Visitors to the booth learned how harmful it can be when used oil is illegally dumped, and how they can protect the waterways and land by properly disposing of it. Attendees learned that filters still contain 10% of the oil from oil changes. The WRCOG team spoke with nearly 75 customers about where to take their HHW, such as paint, aerosol cans, and even electronics. WRCOG received feedback that the event was appreciated and that WRCOG should continue educating those who might not know the risks of **not** recycling. To help draw in supporters, KFRG Radio (92.9) was also on-site with concert ticket drawings.



WRCOG staff at City of Hemet Used Oil Event



WRCOG staff and family at City of Banning
Disaster Preparedness Expo and Backpack Giveaway

On Saturday, July 23, 2016, WRCOG staff participated in the City of Banning's Disaster Preparedness Expo and Backpack Giveaway. Approximately 3,000 area residents attended the event, which informed residents of the San Geronio Pass cities on how to prepare for and survive disasters. Organizers placed a focus on educating youth on the various types of disasters and how to prepare themselves, their homes, and communities. WRCOG staff provided information on Household Hazardous Waste and on the importance of keeping used oil out of the land and waterways. WRCOG was also part of the event's educational "lab" in which students learned about the importance of a clean environment.

On Saturday, August 13, 2016, WRCOG staff hosted a Used Oil event at the O'Reilly Auto Parts at 1691 University Avenue in Riverside. WRCOG provided oil containers for attendees who turned in their used oil at the store. In an effort to make other visitors to the booth aware of the environmental harm that results from dumping used oil in the ground or into the water, staff engaged with attendees and provided informational materials. Other items provided were shop towels, funnels, plastic trash bags and brochures with oil program information.

Upcoming Used Oil Events: The following is a listing of upcoming used oil events that WRCOG staff will be participating in:

Date	Event	Location	Time
8/27/2016	City of San Jacinto	AutoZone, 1540 S. San Jacinto Ave.	9 a.m. – 12 p.m.
9/10/2016	City of Riverside	O'Reilly's, 3790 Jurupa Ave.	9 a.m. – 1 p.m.
9/17/2016	City of Menifee	O'Reilly's, 25894 Newport Rd.	9 a.m. – 12 p.m.

WRCOG Pilot and Regional Litter Initiative

WRCOG is moving forward with a Pilot Litter Program Initiative with the City of Lake Elsinore. The goal is to build upon the City's first year's efforts to a Regional Initiative that will encompass all interested jurisdictions. The Pilot Program will emphasize the development of a positive anti-litter campaign that utilizes education and incentives as a way to instill community pride. Various meetings will take place in the following months to continue to plan the implementation of the Program.

The Litter Program consists of six main components (community education, marketing, signage, staffing, and funding), as well as collaboration with outside agencies. The components will enhance strategies and efforts that will help resolve the littering problems much faster and for the long term. The overall goal is to make the region a cleaner, more beautiful place to live, work, and play.

Prior WRCOG Action:

August 1, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Finance Department Activities Update

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

Date: August 18, 2016

Requested Action:

1. Receive and file.

Following is a schedule of finance-related activities for the remainder of the Fiscal Year.

Financial Audit

Financial auditors from Vavrinek, Trine, Day, & Co., have conducted their interim audit work for Fiscal Year (FY) 2015/2016. The auditors worked with WRCOG staff for three days to begin the process of reviewing the financial ledgers, and will return in late September to conduct final fieldwork. The final portion of the audit will be scheduled during the week of September 26, 2016. It is anticipated the audit will conclude in October or November 2016, with the final Comprehensive Annual Financial Report being issued shortly thereafter.

Budget Amendment

September 30, 2016, will mark the end of the first quarter of FY 2016/2017, and the WRCOG Administration & Finance Committee will be presented with the budget amendment report at its October 12, 2016, meeting. The WRCOG Technical Advisory Committee will also consider the amendment report at its October 20, 2016, meeting. The WRCOG Executive Committee will consider the amendment report at its November 7, 2016 meeting.

Annual TUMF Audit for FY 2015/2016

Letters will be transmitted to each jurisdiction during August to schedule the annual TUMF audit visits. The TUMF audits will commence in September and are anticipated to be completed in November 2016. The TUMF audits allow staff to ensure that jurisdictions are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

Prior WRCOG Actions:

August 10, 2016: The WRCOG Administration & Finance Committee received report.
August 1, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Financial Report Summary through June 2016

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

Date: August 18, 2016

Requested Action:

1. Receive and file.
-

Attached is WRCOG's financial statement through June 2016.

Prior WRCOG Actions:

August 10, 2016: The WRCOG Administration & Finance Committee received report.

August 1, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

1. WRCOG Financial Report Summary – June 2016.

Page Intentionally Left Blank

Item 5.D

WRCOG Financial Report Summary
through June 2016

Attachment 1

WRCOG Financial Report
Summary – June 2016

Page Intentionally Left Blank

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

	Approved FY 15/16	6/30/2016	Remaining
	Budget	Actual	Budget
Revenues			
Member Dues	\$ 298,910	\$ 298,910	\$ -
Government Relations	960	1,170	(210)
WRCOG HERO	1,489,005	1,489,005	-
WRCOG HERO Recording	440,800	440,800	-
WRCOG HERO Commercial	22,873	25,785	(2,912)
CA HERO	5,948,521	5,948,521	-
CA HERO Recording	1,593,055	1,593,150	(95)
Gas Company Partneship	54,347	54,347	-
SCE WRELP	74,152	78,793	(4,641)
SCE Phase II & III	69,215	83,855	(14,640)
Solid Waste	91,370	91,370	-
Used Oil	258,015	233,015	25,000
Air Quality	140,500	140,500	-
SCAQMD	38,750	26,351	12,399
LTF	684,750	684,750	-
Other Miscellaneous	9,671	9,671	-
General Assembly	300,000	204,400	95,600
TUMF - 4% Administration	1,405,095	1,435,437	(30,342)
TUMF - Total Program less Admin	30,000,000	34,704,098	(4,704,098)
Fund Balance Carryover	2,234,871	-	2,234,871
Total Revenues	\$ 45,574,861	\$ 47,543,928	\$ (1,969,068)
Expenditures			
Salaries and Wages	\$ 1,892,595	\$ 1,830,016	62,579
Fringe Benefits	1,056,135	666,391	389,744
Overhead Allocation	1,500,089	1,375,082	125,007
General Legal Services	726,986	563,723	163,263
Audit Services	26,357	26,357	-
Bank Fees	81,357	81,357	0
Committee Per Diem	57,650	57,150	500
Interest Expense	57	57	0
Office Lease	140,000	133,898	6,102
Auto Fees Expense	232	232	(0)
Auto Maintenance Expense	48	48	0
Special Mail Services	2,741	2,741	(0)
Parking Validations	3,541	2,226	1,315
Staff Recognition	3,489	3,489	-
Event Support	150,287	133,834	16,453
General Supplies	31,920	21,535	10,385
Computer Supplies	9,779	7,063	2,716
Computer Software	23,740	20,402	3,338
Rent/Lease Equipment	27,871	29,711	(1,840)
Membership Dues	33,070	29,206	3,864
Subscriptions/Publications	6,589	6,589	-
Meeting Support Services	13,543	8,135	5,408
Postage	5,843	5,149	694
Other Household	2,447	2,447	(0)
COG Partnership Agreement	43,901	43,901	0
Storage	20,000	15,537	4,463
Printing Services	30,757	13,177	17,580
Computer/Hardware	5,859	5,858	1
Communications - Phone	4,146	4,146	0
Communications - Long Dist	1,200	1,059	141
Communications - Cellular	12,195	9,421	2,774
Communications - Comp Serv	17,142	12,680	4,462
Communications - Web Site	10,500	3,733	6,768
Equipment Maint - General	16,100	5,447	10,653
Equipmnet Maint-comp/Software	1,214	1,214	0
Insurance - Gen/Business Liasion	67,120	66,865	255
WRCOG Auto Insurance Expenses	1,883	1,883	-
County RIFMIS Charges	2,700	1,941	759
Data Processing Support	15,630	15,630	(0)
HERO Recording Fee	1,355,155	1,353,702	1,453
Seminars/Conference	16,075	12,290	3,785
General Assembly	300,000	117,506	182,494
Travel - Mileage Reimbursements	26,002	14,076	11,926
Travel - Ground Transportation	8,407	6,504	1,903
Travel - Airfare	31,095	28,380	2,715
Lodging	25,643	16,370	9,273
Meals	9,060	6,944	2,116
Other Incidentals	43,895	24,854	19,041
Training	3,343	647	2,696
Supplies/Materials	41,322	5,175	36,147
Newspaper Ads	8,730	4,500	4,230
Billboard Ads	5,000	3,823	1,177
Radio & TV Ads	90,748	89,262	1,486
Consulting Labor	2,310,176	1,879,789	430,387
Consulting Expenses	37,547	5,610	31,937
Gov Relations Reimbursement	243,237	243,237	0
Computer Equipment Purchase	60,588	55,313	5,275
Water Task Force Program	899	899	0
Motor Vehicles Purchased	33,037	33,037	(0)
TUMF Program less Admin Expenditures	28,800,000	31,506,189	(2,706,189)
Overhead transfer in	(1,500,000)	(1,375,082)	(124,918)
Transfer out to Reserve	\$ 5,140,260	\$ 5,140,260	-
Total Expenditures	\$ 43,214,947	\$ 44,382,613	\$ (1,167,666)



Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: HERO Program Activities Update

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

Date: August 18, 2016

Requested Action:

1. Receive and file.

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

Overall HERO Program Activities Update

Residential: As of this writing, more than 94,000 homeowners in both the WRCOG and California HERO Programs have been approved to fund more than \$5.4 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: Over 32,800 property owners located in Western Riverside County have been approved for funding through the WRCOG HERO Program, totaling over \$1.38 billion. Over 20,300 projects, totaling over \$385 million, have been completed (Attachment 1).

Statewide Program: As of this writing, 349 jurisdictions outside the WRCOG and San Bernardino Associated Governments subregions have adopted Resolutions of Participation for the California HERO Program. Over 61,400 applications have been approved for the California HERO Program to fund over \$4.1 billion in eligible renewable energy, energy efficiency and water efficiency projects. Nearly 33,000 projects have been completed, totaling nearly \$694 million (Attachment 2).

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

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	503 GWh
GHG Reductions – Annually	130,943 Tons
Gallons Saved – Annually	308 Million
\$ Saved – Annually	\$65 Million
Projected Annual Economic Impact	\$1.87 Billion

Commercial Program: To date, the SAMAS Commercial PACE Program has funded 34 projects for over \$3.4 million. There are a number of different steps in the financing of a commercial project; these include the application, lender acknowledgement, construction, and funded phases. The following is an overview of commercial projects:

Approved Pipeline:

Completed and funded:	34 projects = \$3.4+ million
Completed construction:	4 projects = \$3.8+ million
Mid-construction:	5 projects = \$296,000
PPA:	6 projects = \$941,579
Investor Review:	21 projects = \$11.8+ million
Assessment Contract:	13 projects = \$1.7+ million
Grand total:	83 projects = \$21.8+ million

Application Pipeline:

Pending applications:	29 projects = \$10.7+ million
In-Process:	25 projects = \$10.1+ million
Lender Acknowledgement:	46 projects = \$7.1+ million
Grand total:	100 projects = \$28+ million

Currently, the largest commercial project in the subregion is the Temecula Towne Center project at \$2.9M. The Towne Center is currently undergoing construction and includes streetlight retrofits, a new cool roof, and new water fixtures, and will be completed in a few months.

Prior WRCOG Action:

August 1, 2016: The WRCOG Executive Committee 1) received summary of the Revised California HERO Program Report; 2) conducted a Public Hearing Regarding the Inclusion of the Cities of Blue Lake, Dorris, Etna, Fremont, Portola Valley, San Leandro, Sutter Creek, Tehama, Yuba City, and the County of Shasta Unincorporated Areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program; 3) adopted WRCOG Resolution Number 30-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered; 4) adopted WRCOG Resolution Number 31-16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 24-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property Within Kern County Pursuant to the California HERO Program; 5) adopted WRCOG Resolution Number 32-16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 29-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property within Yolo County Pursuant to the California HERO Program; and 6) authorized the WRCOG Executive Director to execute the Compliance Certification and Hold Harmless Statement for the County of Tulare County.

WRCOG Fiscal Impact:

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

Attachments:

1. WRCOG HERO Snapshot.
2. California HERO Snapshot

Page Intentionally Left Blank

Item 5.E

HERO Program Activities Update

Attachment 1

WRCOG HERO Snapshot

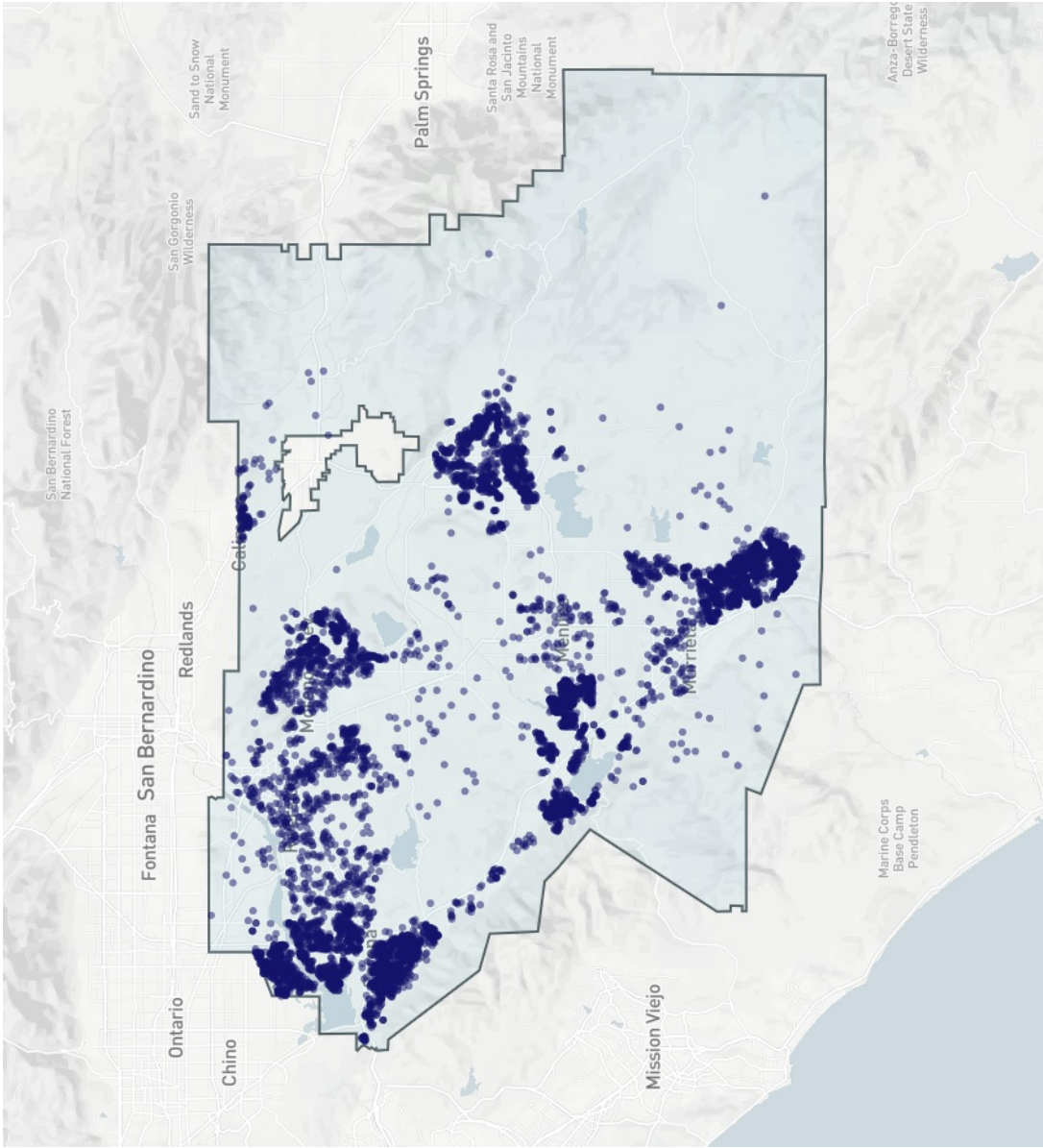
Page Intentionally Left Blank

17,578
Homes Improved

12/14/2011
HERO Launch Date

460,523
Housing Count

12/14/2011 - 08/10/2016
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	23.1K	\$269M
Solar	11.6K	\$486M
Water	1,323	\$8.66M

Lifetime Impact

Applications Submitted	48.5K
Applications Approved	32.8K
Funded Amount	\$390M
Economic Stimulus	\$675M
Jobs Created	3,311
Energy Saved	2.91B kWh
Emissions Reduced	789K tons
Water Saved	964M gal

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

Page Intentionally Left Blank

Item 5.E

HERO Program Activities Update

Attachment 2

California HERO Snapshot

Page Intentionally Left Blank

29,105

Homes Improved

02/10/2014

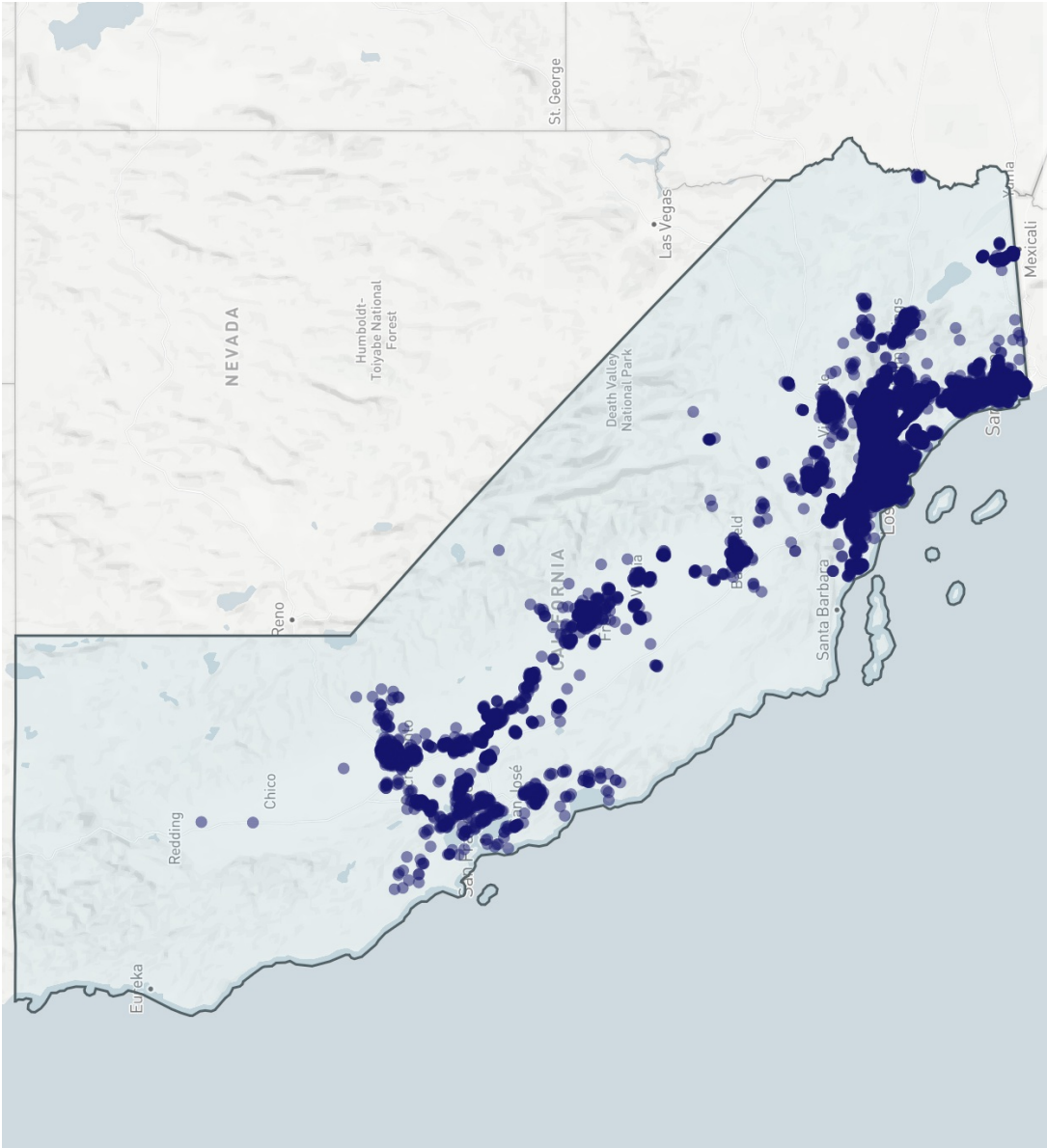
HERO Launch Date

5,501,983

Housing Count

02/10/2014 - 08/10/2016

Report Range



Type	Total Installed	Bill Savings
Energy	39.6K	\$475M
Solar	17.3K	\$789M
Water	2,807	\$21.6M

Lifetime Impact

Applications Submitted	83.4K
Applications Approved	61.4K
Funded Amount	695M
Economic Stimulus	\$1.20B
Jobs Created	5,987
Energy Saved	4.43B kWh
Emissions Reduced	1.18M tons
Water Saved	2.36B gal

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

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Western Riverside Energy Leader Partnership Update

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

Date: August 18, 2016

Requested Action:

1. Receive and file.
-

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

Direct Install Program

SCE is rolling out with its Direct Install Program that provides FREE energy efficient retrofits to small- and medium-sized businesses. SCE has a list of qualified energy efficiency contractors that will assist the business to identify several methods to save energy. These contractors will examine lighting, refrigeration, signage, and other high consuming energy appliances that may be able to qualify for the Program. A huge benefit of the Program is that inefficient appliances / equipment may be replaced at no-cost with new energy-efficient models. A copy of the Direct Install Fact Sheet is attached for members' review.

The finalized schedule for 2016 is listed below. The Program will commence on August 15, 2016, and conclude on September 30, 2016. WRCOG staff will be working with each of the jurisdictions to develop additional ways to market the Program to ensure that as many businesses participate and take advantage of the Program.

City	Start Date	Finish Date
Canyon Lake	8/15/2016	9/30/2016
Lake Elsinore	8/15/2016	9/30/2016
Menifee	8/15/2016	9/30/2016
Murrieta	8/15/2016	9/30/2016
Perris	8/15/2016	9/30/2016
San Jacinto	8/15/2016	9/30/2016
Temecula	8/15/2016	9/30/2016

It is easy for a business to participate. They need to:

1. Make sure they are a qualified business. As a small- and medium-size business owner, you would have

received notification from SCE or its certified contractor. In June / July 2016, SCE sent out notification letters to all qualified businesses. Additionally, SCE's certified contractors are also visiting businesses and informing them about the Program.

2. Once a qualified business expresses interest in having the property surveyed, an energy expert from SCE's contracted vendor list will schedule a time to meet with the business to conduct a simple energy survey of the facility.
3. After the survey is completed, the contractor will recommend improvements that can help the business reduce its energy bill and save energy.
4. If the business agrees with the recommendations, then the contractor will help the business to complete an authorization and schedule an installation appointment.

Net Zero Energy Conference

On August 19, 2016, the Verdical Group will be hosting a Net Zero Conference at SoCalGas' Energy Resource Center (9240 Firestone Boulevard, Downey, CA 90241) (Attachment 2). This event is offered at no-cost to interested parties and will provide guests with information on how to achieve create and implement net zero designs in their residential / commercial buildings. In addition to this information, this half day conference will provide attendees with six short TED style net zero case study presentations, exhibitor table expo, and high quality networking opportunities.

As a note to background, in 2007, the California Public Utilities Commission (CPUC) adopted the goal of achieving Zero Net Energy (ZNE) building standards for new residential construction by 2020 and new commercial construction buildings by 2030. A ZNE building is a building with zero energy consumption which means that the total amount of energy used by the building on an annual basis is roughly equal to the amount of renewable energy created on the site. ZNE buildings contribute less greenhouse gases to the atmosphere than non-ZNE buildings.

For more information and to register, please visit the conference website at www.verdicalgroup.com/net-zero-2016.

WRELP Quarterly Meeting

On July 28, 2016, WRCOG hosted its Quarterly WRELP Meeting to discuss various items of importance to all member jurisdictions. The meeting included presentations on the following topics:

The Energy Network: Program Managers Annie Secrest and Nicol Manzanares provided an overview of The Energy Network (TEN), which is authorized by the CPUC to help residents, businesses, and the public sector reach energy efficient savings in Southern California. TEN is administered by the County of Los Angeles and funded by California utility ratepayers under the auspices of the CPUC. The goal of TEN is to assist residents, businesses, and public agencies with energy efficiency measures and promote energy conservation to help meet California's GHG reduction regulations such as AB 32. Some examples of projects that TEN has been involved with are building retrofits (residential and non-residential), streetlights, and water systems.

Energy Efficiency Financing: Dennis Quinn with Joule Assets provided a presentation on his company and the programs they offer, which provides energy efficiency financing solutions to businesses and public agencies. Joule Assets actively empowers businesses and communities to reduce energy consumption through innovative financing and energy retrofits. Some examples of projects that Joule Assets has been involved with include lighting, building controls, and HVAC.

CALGreen Energy Code Updates: Anthony Segura, WRCOG Staff Analyst, provided an overview of the California Green Energy Code (CALGreen), which is California's first green building code and is the first state-mandated green building standard in the nation. The goal of CALGreen is to restore current CO2 emissions back to pre-1990 levels through building retrofits / renovations. On January 1, 2017, new CALGreen measures will go effect for construction, additions and alterations to both residential and non-residential buildings. These changes focus on water heating, lighting (indoor and outdoor), digital controls, and elevators changes in newly constructed residential and non-residential buildings.

Prior WRCOG Action:

July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

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

Attachments:

1. Direct Install Fact Sheet.
2. Net Zero 2016 Flyer.

Page Intentionally Left Blank

Item 5.F

Western Riverside Energy Leader
Partnership Update

Attachment 1

Direct Install Fact Sheet

Page Intentionally Left Blank

Direct Install Program



Receive Energy-Efficient Products to Boost Your Bottom Line

Today's economy is especially challenging for small businesses. Many are aggressively seeking ways to cut expenses and better manage operating costs. At Southern California Edison (SCE), we understand how energy costs can impact your bottom line...that's why we offer the Direct Install program.

The Direct Install program is an excellent way for your business to reduce energy costs and save money. This effortless program offers long-term energy savings to qualifying businesses by providing no- or low-cost energy-efficient products, including installation.

How Direct Install Works

We have contracted with highly-skilled energy efficiency experts who will come and evaluate your facility, free of charge, to identify energy-saving opportunities.

With your approval, the contractor will replace less efficient equipment with the program's more modern energy-efficient equipment. Your business will use less energy, reduce its carbon footprint, and lower your electricity costs.

Our approved contractor will complete the energy assessment and make recommendations to improve the energy efficiency of your business. If you agree with the recommendations and costs, if any, the contractor will ask you to sign an Authorization Form and schedule an appointment for a convenient time to install the equipment. Installation of recommended energy-efficient equipment is fast and efficient, without any interruption to your business.

It's really that easy. There's no catch. Simply allow us to help your business use energy more efficiently, conserve precious resources, and improve your bottom line.



Direct Install Program

Save energy and money with energy-efficient products and installation from SCE

Eligible Replacement Equipment

After your free energy evaluation and savings analysis, your contractor may recommend one or more of the following products:

- **LED Lights** — Today's LED lights have great energy savings potential in many applications and have improved product life compared to incandescent lamps.
- **Fluorescent Lighting** — Save on lighting costs every month and help lower your cooling costs!
- **Hi-Bay Lighting** — Save on Hi-Bay lighting electricity costs with equivalent linear fluorescent lights.
- **Refrigeration** — Door closers to improve the energy-efficient operation of your refrigeration equipment.
- **LED Signs (open)** — Save on signage electricity costs by using LED signs.
- **Occupancy Sensors** — Sensor lighting controls that turn off lighting when a space is unoccupied can reduce energy use.
- **Smart Power Strip** — Saves energy by automatically shutting off your computer's ancillary equipment to prevent them from drawing energy when not in use.

Remember, the installation of the recommended approved products is included.

It's Easy to Start Saving Energy and Money

After reviewing your energy evaluation, recommended energy-saving products, and costs, if any, simply sign the Authorization Form. Your approved contractor will work with you to set up a convenient time to have your new, energy-efficient equipment installed.

To learn more about Direct Install or other solutions to help you manage energy costs and improve your bottom line, visit us at sce.com/directinstall or call 1-800-736-4777.

The SCE-approved contractors for the Direct Install program are:



The Direct Install program is funded by California utility ratepayers and is administered by Southern California Edison under the auspices of the California Public Utilities Commission. The Direct Install program is available to qualified businesses using less than 200 kilowatts (kW) monthly. Installed equipment is warranted by the manufacturer for one year and the contractor warranties their work for one year. Projects are limited to a maximum of \$10,000 per Service Account for accounts with demands of 0-99 kW, and \$15,000 per Service Account for accounts with demands of 100-199 kW. Program effective until funds are exhausted. Program may be modified or terminated without prior notice.

Item 5.F

Western Riverside Energy Leader
Partnership Update

Attachment 2

Net Zero 2016 Flyer

Page Intentionally Left Blank

NET ZERO 2016

ENERGY + WATER + WASTE

PRESENTED BY VERDICAL GROUP

AUGUST 19th, 2016 8:00 AM – 1:00 PM

Verdical Group's 3rd Annual Net Zero Conference, Energy + Water + Waste, is one of the largest net zero events in the country (expected 600 attendees), and the premier SoCal conference dedicated to net zero design. Complimentary registration and three CEU's available: AIA, USGBC, and LFA.

SPEAKERS & PRESENTATIONS

- Lisa Alexander, **SoCalGas®**
- Anthony Brower, **Gensler**
- Joel Cesare, **City of Santa Monica**
- Brian Court, **The Miller Hull Partnership**
- Justin Di Palo, **Glumac**
- Kayleigh Gregory, **Mohawk Industries**
- David Jacot, **LADWP**
- Brad Liljequist, **ILFI**
- Lisa Fay Mathiessen, **FAIA, LEED Fellow**
- Bill McDonnell, **Metropolitan Water District**
- Marc Ulrich, **Southern California Edison**

KEYNOTE:

Seth Maxwell, **Thirst Project**

LOCATION:

SoCalGas® Energy Resource Center
Downey, CA

ILFI Workshop:

Net Positive Energy: 1:00 PM – 5:00PM
Separate registration

[Click Here to Register](#)

Sponsored by:

Mohawk Group



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA



Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Clean Cities Coalition Activities Update

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

Date: August 18, 2016

Requested Action:

1. Receive and file.

The WRCOG Clean Cities Coalition administers several programs focusing on reducing the use of petroleum fuel and developing regional economic opportunities for deploying alternative fuel vehicles and advanced technologies. Additionally, the Coalition provides programs for students to think critically and independently about air quality and how to live healthier lives.

Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities

WRCOG adopted a Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities to guide local jurisdictions in siting and to try to integrate the new / modified facility well with its surroundings. These Guidelines focus on the relationship between land use, permitting, and air quality. They are intended to assist developers, property owners, elected officials, community organizations, and the general public in addressing some of the complicated choices associated with siting warehouse / distribution facilities and understanding the options available when addressing environmental issues. Strategies are recommended in the Guidelines to help minimize the impacts of diesel particulate matter (PM) from on-road trucks associated with warehouses and distribution centers on existing communities and sensitive receptors located in the City.

Warehouse and distribution centers have been a large part of this region's growth in economy and jobs, and these centers are forecasted to continue. Besides the region's economy, these centers affect other aspects of the region, such as air quality, transportation infrastructure, travel behavior, congestion, and land use. WRCOG is working to update the Guidelines to better reflect advances in research and "clean" technology to better assist jurisdictions in siting and integrating the facilities with its surroundings.

Electric Vehicle (EV) Charging Equipment Rebates

The South Coast Air Quality Management District (AQMD) provided funding, available for government and non-profit agencies, to purchase additional EV chargers. This funding was provided on a reimbursement basis and can fund the entire cost of a typical EV charger, including both the purchase and installation of these chargers. This funding was available on a first-come first-serve basis and was restricted to certain areas in Los Angeles, San Bernardino and Western Riverside Counties. The amount of the rebate was up to \$7,500 per charger, an additional \$5,000 for solar panels associated with plug-in EVs, and grant funds were limited to no more than \$42,500 per site.

The following Western Riverside County agencies were able to secure over \$120,000 of the \$300,000 reimbursement opportunity of the funding from this program:

- City of Murrieta – received approval for up to \$5,000 in reimbursement
- County of Riverside – received approval for up to \$42,500 in reimbursements
- Riverside County Transportation Commission
- WRCOG – received approval for up to \$30,000 in reimbursements
- Eastern Municipal Water District
- University of California, Riverside
- City of Norco – Naval Weapons Station

AQMD staff has indicated that additional grant applications were received and the Program is currently oversubscribed, meaning there is a backlog of projects to be funded. Our understanding is that AQMD staff have requested additional funding from the Environmental Protection Agency, which may be forthcoming.

Prior WRCOG Action:

August 1, 2016: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: CEQA Cases in the WRCOG Subregion

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

Date: August 18, 2016

Requested Action:

1. Receive and file.

On August 10, 2016, WRCOG staff provided information to the WRCOG Administration & Finance Committee an analysis of California Environmental Quality Act (CEQA) cases in Western Riverside County. This report summarizes the number of cases, case types, and case petitioner(s).

Active CEQA cases in Western Riverside County

CEQA is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. Projects that undergo the approval process at a governmental agency are subject to challenges and many of WRCOG member jurisdictions have experienced project delays and/or project termination.

As of July 15, 2016:

- The WRCOG subregion has 16 active CEQA cases (Riverside County has 20)
 - 1 additional case includes WRCOG subregion – Riverside County Comprehensive General Plan update and Climate Action Plan preparation
- Five cases are inter-agency (public agency petitioner and public agency respondent)
- Five cases are in the City of Moreno Valley on the World Logistics Center
 - Please note: Moreno Valley has recently settled with the County of Riverside and Riverside County Transportation Commission regarding their lawsuit
- 13 cases involved new construction
 - Seven of the 13 cases involve new industrial / warehouse / logistics center construction
- 15 of the 20 cases are challenges that the contested project will have impacts on air quality, greenhouse gases, noise, traffic, transportation, and/or water supply / resources
- Some of the more active petitioner's include:
 - Friends of the Northern San Jacinto Valley
 - Residents for Intelligent Planning
 - Advocates for Better Community Development
 - Raymond Johnson of Johnson & Sedlack is the Attorney for Petitioner(s) for five cases

Staff will be conducting additional review of this information and will identify and present any next steps for consideration at future meetings.

Prior WRCOG Action:

August 10, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Representation on the Environmental Leadership Institute Advisory Board

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

Date: August 18, 2016

Requested Action:

1. Receive and file.
-

Background

On August 10, 2016, the WRCOG Administration & Finance Committee approved WRCOG's participation as a voting Executive Committee member on the Advisory Board of the Environmental Leadership Institute (ELI) at Cal State University San Marcos at Temecula. Representation on the ELI Advisory Board will elevate priorities outlined by WRCOG leaders in the Agency's Economic Development & Sustainability Framework to regional discussions being held by other visionaries dedicated to improving quality of life in inland and greater Southern California. The Administration & Finance Committee approved an allocation of \$15,000 for WRCOG to support the work of the ELI and participate on the Advisory Board for one year. WRCOG's Executive Director will serve as the representative to the Advisory Board, which meets quarterly, and at the conclusion of this first year, staff will report back to the WRCOG Committees on the experience and benefits gained from the Agency's participation.

Additionally, as an ELI Advisory Board member, WRCOG receives two complimentary registrations for the Environmental Leadership Academy (ELA), which could be utilized by any individuals associated with the Agency (e.g., Committee members, staff, etc). Additional details on the ELA are provided below.

About the ELI

The ELI, located at Cal State University San Marcos at Temecula, is an institutional forum built on a collaborative partnership between education, business, government, and science, representing a diverse cross-section of industries, perspectives, and issues. ELI serves as an environmental resource center and information clearinghouse to seek innovative solutions and effective decision-making impacting environmental challenges within our region.

As an independent and unbiased authority, ELI provides education, professional services, and international partnerships based on the best available research and science for issues related to energy, water resources, waste management, land use planning, air quality, and transportation. ELI achieves its goals through three central program areas: the Environmental Leadership Academy, special projects, and contract services. The Advisory Board to the ELI plays a critical role in determining the organization's areas of focus and resource allocation. WRCOG staff believes the goals outlined by the ELI align significantly with the priorities established by WRCOG's leadership, specifically the six topics called out in the Economic Development & Sustainability Framework: economic development, education, health, transportation, energy / environment, and water. Staff also considers participation on the ELI as a good opportunity to strengthen the Agency's partnership with institutions of higher education in Southwest Riverside County, as WRCOG currently has strong relationships

with the University of California, Riverside, and the California Baptist University. Finally, as a non-partisan entity serving as a leader on issues around growth and regional planning, staff views the dialogue being held at the ELI forum as an important conversation that WRCOG should be a part of to help enhance quality of life in Western Riverside County.

Program Areas

The Environmental Leadership Academy (ELA): The ELA seeks to foster “visionary, spirited, and thoughtful leadership toward a just and sustainable future.” The four-month educational program functions to heighten awareness and engage individuals in critical thinking around environmental issues affecting quality of life such as climate change, air and water quality, land use change, endangered species, energy, and waste. The curriculum is designed to meet the needs of professionals in private, governmental, and non-profit sectors.

As an Advisory Board member, tuition (typically \$450) would be waived for up to two registrants to participate in the ELA beginning in fall 2016. These registrations could be offered to WRCOG Committee members or WRCOG staff. The fall 2016 ELA schedule is as follows:

Dates	Location
September 8 – 9, 2016	Alpine Meadows Compound Retreat, Angelus Oaks
October 13 – 14, 2016	Temecula Creek Inn, Temecula
November 3 – 4, 2016	Santa Rosa - San Jacinto Mountains National Monument Visitor Center, Palm Desert
December 8 – 9 2016	TBA, Riverside
Times for all sessions: Thursdays, 10 a.m. – 7 p.m. and Fridays, 8 a.m. – 3 p.m.	

Special Projects – Wildfire: ELI is currently working with CAL FIRE and the California Department of Forestry on the Wildfire Project, funded by the Federal Emergency Management Agency. The Wildfire Project seeks to improve understanding of exposure risks, evaluate tools for assessing and predicting hazards, and recommend safeguards for improving health and safety of firefighters and others involved in a wildfire incident.

Professional Services: ELI offers independent, non-partisan professional services to deliver unbiased assessments in the areas of environmental review, environmental mediation, and policy initiatives.

Environmental Leadership Institute Advisory Board

ELI’s Advisory Board focuses on six core areas of concern in the Southern California region: land, water, waste, energy, transportation, and air. Below is a listing of current board members and/or agencies represented on the ELI Advisory Board:

- Robert Visconti – Regional Affairs Manager, SoCalGas
- Daniel McGivney – Environmental Affairs Program Manager, Environmental Policy & Affairs, Sempra Energy
- Ken Chawkins – Public Policy Manager, External Affairs & Environmental Strategy, SoCalGas
- Thomas Gross – Principal Advisor, Air and Climate, Southern California Edison
- Candice Gantt – Environmental Engagement & Sustainability Manager
- Clarke Pauley – Vice President, Organics & Biogas Division, CR&R Environmental Services
- Curtis Brown – Staff Chief for Safety, EMS, Research and Development for CAL FIRE
- Tim Edwards – Rank and File Director, CAL FIRE Local 2881
- TBA – Metropolitan Water District

Becoming a voting Board Member of ELI will give WRCOG a voice amongst a small group of prominent leaders in the region to guide ELI's work, thereby influencing what resources and studies are availed to WRCOG communities.

Prior Action:

August 10, 2016: The WRCOG Administration & Finance Committee 1) authorized the WRCOG Executive Director to allocate \$15,000 for WRCOG to serve as an Executive Committee Member on the Environmental Leadership Institute Advisory Board for a period of one year; and 2) appointed the Executive Director as WRCOG's representative to the Environmental Leadership Institute Advisory Board.

WRCOG Fiscal Impact:

An allocation of \$15,000 to the Environmental Leadership Institute will come from the Member Dues line item within the General Fund, which contains sufficient funds in the Fiscal Year 2016/2017 budget.

Attachment:

1. Environmental Leadership Institute General Information Flyer.

Page Intentionally Left Blank

Item 5.I

WRCOG Representation on the
Environmental Leadership Institute
Advisory Council

Attachment 1

Environmental Leadership institute
General Information Flyer

Page Intentionally Left Blank



The Environmental Leadership Institute is an institutional forum built on a collaborative partnership between education, business, government and science; representing a diverse cross-section of industries, perspectives and issues. The Institute serves as an environmental resource center and information clearinghouse to seek innovative solutions and effective decision-making impacting emerging and adaptive environmental challenges within our region. Serving as an independent and unbiased authority, the Institute provides education, professional services and international partnerships based on the best available research and science for issues related to energy, water resources, waste management, land use planning, air quality and transportation.

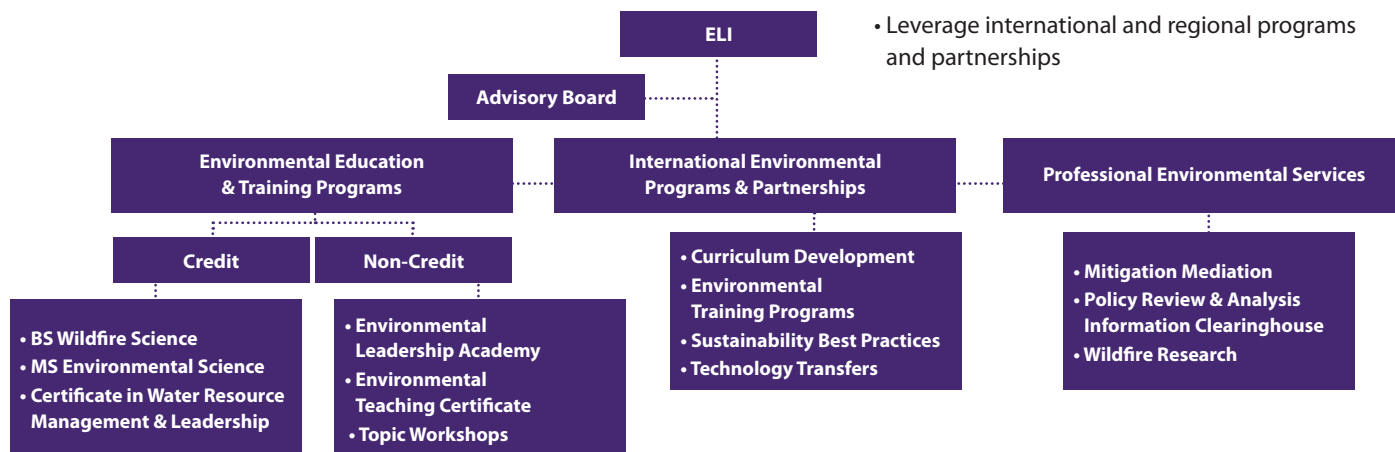
Regional Environmental Issues

Vision

- Resolve emerging and adaptive environmental challenges through collaborative partnerships
- Inspire innovation and change through the best available research, science and education
- Serve as an academic clearinghouse and resource center for issues and innovation



ELI Structure



Mission

- Identify, research, collaborate and educate on key environmental issues
- Align leadership and academic needs and priorities based on regional needs
- Offer professional environmental services for effective decision-making
- Leverage international and regional programs and partnerships

California State University
SAN MARCOS
at Temecula



ENVIRONMENTAL LEADERSHIP INSTITUTE

Partnerships and Advisory Board

The Environmental Leadership Institute is driven by an Advisory Board that serves as an ally in the success of the Institute; representing industry leaders, government, professional service providers and organizations that wish to serve as an instrument of change, both as a sounding board for new ideas and as a body that can inspire innovation and strategic decision-making. The Advisory Board can connect experts across the diverse fields of environmental sciences, policy, education and planning to provide independent and qualified review and analysis of some of the region's most critical issues. Board members help to establish priority projects, while providing consistency, longevity and institutional memory to ensure that the intent of the Institute is being met.

Advisory Board Members

- Operate as stewards for environmental leadership and independent decision-making
- Serve as expert/industry leaders in their fields of expertise
- Seek science and policy-based solutions
- Help define and elevate key environmental issues
- Collaborate to understand and resolve conflict, contradiction and emotion
- Provide expertise, financial and promotional support

Benefits for Advisors

- Automatic participation in the Environmental Leadership Academy
- Promote and drive their organization's environmental leadership and stewardship
- Develop vision, strategy and overall objectives through collaboration with key stakeholders
- Influence and guide policy framework
- Drive industry best practices and standards through the development of evidence-based toolkits
- Reveal and mitigate controversial issues through education, technical and/or scientific analysis
- Receive recognition for their leadership, service and commitment

Advisory Board Membership Levels

Executive Committee Members – Voting Members

- Founders/visionaries/stewards for environmental leadership
- Provide expertise, new thinking and best practices for evolving priorities
- Establish priority Institute projects
- Annual funding commitment (\$15-30K)

Partner Board Members – Committee Members

- Key stakeholders/professional services providers
- Provide professional expertise and serve as advisors to Executive Committee
- Annual funding commitment (\$5-10K)

Individual Board Members – Committee Members

- Independent professional services providers
- Provide professional expertise and serve as advisors to Executive Committee
- Annual funding commitment (\$2,500)

Contributors – Supporting Sponsors

- Regional organizations/stakeholders
- Provide support for specific services or events
- Sponsor commitment (\$1-5K)

For more information, visit csusm.edu/temecula/ela or call (760) 750-4004



California State University
SAN MARCOS
at Temecula



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: August 18, 2016

Requested Action:

1. Receive and file.

Mr. Wilson will be using the format of these written reports to keep Technical Advisory Committee (TAC) members informed of International City / County Management Association (ICMA) activities, but will also be in attendance at the meetings as his calendar allows to answer any questions or to address any matters that the TAC wishes to discuss.

Annual meeting

The ICMA Annual Conference in Kansas City is still open for registration. While the early discounts are expired you can still register and gain access to hotel reservations through the registration process. Events you may want to specially note on your schedules:

1. Western Regional Meeting: Sunday morning, July 25, 2016
2. California League of Cities reception: Monday evening, July 26, 2016

ICMA'S Coaching Program

The Cal-ICMA Coaching program is now a national Program, available for all members of ICMA at no cost. The Program includes webinars on management topics, coaching resources for managers and their staff, and periodic presentations on specific management challenges. Go to the ICMA website for access. Make sure to look at the webinar section which has a library of previous presentations which you or your staff can access.

League of California Cities

City Managers' Department: The City Managers' Department Executive Board met in Burlingame on Friday, July 22, 2016. At that meeting they announced the development of some specific program efforts to implement the recommendations of the City Managers Survival Study, which was conducted by Cal-ICMA.

Two specific program efforts will be initiated. One will be a time more personal / professional sharing at Area Manager Meetings. The second will be efforts to create support partners for each and every manager. This effort will likely be coordinated by the Riverside County-wide managers group which meets every other week prior to the League Area meeting. If you are interested in participation in the support / mentor effort please contact Mr. Wilson.

California Cities Health Benefits Marketplace: The League has activated its effort to support cities in their efforts to control the costs of Other Post Employment Benefits (OPEBS). With the new reporting requirements becoming active in 2017 and the major increases in costs for these benefits, this Program provides the unique opportunity to provide a versatile Health Benefits system that serve present and retired employees in unique insurance options that may well reduce costs for both. A webinar was held on August 11, 2016, to explain the Program. If you were not able to have someone participate, go to the League website for information at <http://www.cacities.org/>.

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 WRCOG Action:

July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Report from the League of California Cities

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

Date: August 18, 2016

Requested Action:

1. Receive and file.

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

Prior WRCOG Action:

August 1, 2015: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Administration of Additional Property Assessed Clean Energy Programs in the WRCOG subregion

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

Date: August 18, 2016

Requested Action:

1. Support the WRCOG Administration & Finance Committee's recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.

Additional Property Assessed Clean Energy (PACE) Providers in the WRCOG Subregion

At the August WRCOG Technical Advisory Committee meeting, WRCOG staff will provide an overview the process that staff has taken to reach out to additional PACE providers and the recommendation being made from the Ad Hoc Committee, which was formed by the WRCOG Executive Committee, to assist and review WRCOG staff's vetting process.

Background: On June 6, 2016, the Executive Committee established an Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE providers under the WRCOG "umbrella" for the subregion. The Ad Hoc Committee consists of representation from the Cities of Banning, Jurupa Valley, Moreno Valley, and Wildomar, with assistance from WRCOG staff and WRCOG's Bond Counsel (Best Best & Krieger).

In mid-June 2016, WRCOG staff distributed a solicitation to PACE providers to provide an opportunity for them, if interested, to operate their Program in the WRCOG subregion under the WRCOG PACE "umbrella." Under this structure, WRCOG would serve as the bond issuer. WRCOG would then retain oversight of the Program and be responsible for Program management, ensuring the application of consistent consumer protections among these Programs throughout the subregion, for example, and recording the assessments on the property.

To date, WRCOG staff has received documentation from CaliforniaFIRST, PACE Funding, and Spruce to begin the vetting process for these Programs to operate under WRCOG's umbrella. On July 27, 2016, WRCOG staff conducted a site visit with CaliforniaFIRST and has scheduled site visits with PACE Funding and Spruce for August 23 and 24, 2016.

On August 3, 2016, the Ad Hoc Committee met with each of the interested providers to seek additional information regarding their respective Programs and learn how the interaction between the provider and WRCOG would occur. Based on the information received from the providers and their respective interviews with the Ad Hoc Committee, the Ad Hoc Committee recommended that the Administration & Finance Committee bring CaliforniaFIRST under WRCOG's PACE umbrella upon approval of the Executive Committee

at its meeting on September 12, 2016. The Ad Hoc Committee also directed staff to continue with the scheduled site visits for PACE Funding and Spruce and to hold another Ad Hoc Committee meeting on September 12, 2016, to review the findings from those site visits.

On August 10, 2016, the Administration & Finance Committee approved the Ad Hoc Committee's recommendation to request that the WRCOG Executive Committee move forward with accepting CaliforniaFirst and for WRCOG staff to continue working with Spruce and PACE Funding.

The following is an overview of general information on each of the Providers:

- **CaliforniaFIRST:** CaliforniaFIRST is based in Oakland, has over 200 employees, and anticipates reaching 300 employees by 2017. CaliforniaFIRST offers both a commercial and residential PACE Program, with three call centers (which are linked together) in Oakland, Roseville, and Allentown, PA. During the past tax year, CaliforniaFIRST has placed approximately 5,000 assessments on the tax roll and are scheduled to place an additional 15,000 for this tax year. The interest rates and fees being charged by the Program are in line with other Providers. CaliforniaFIRST already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program.
- **Spruce:** Spruce is based in San Francisco, with an office in Anaheim, and is in the process of developing a residential PACE Program. Spruce anticipates having its documents, computer platform, and processes in place for a late 2016 launch. The company has over 200 employees and is strong in currently offering consumer financing for solar and energy efficient projects in excess of \$880 million nationwide. Spruce is working on its interest rates and fees but believe they will be in line with the other Providers. Spruce already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program. WRCOG staff has a site visit scheduled for August 23, 2016.
- **PACE Funding:** PACE Funding is based in Los Gatos and is new to the PACE market. PACE Funding has funded 10 projects in California and has processed over 100 applications. PACE Funding has outlined its plans for expansion over the next year to accommodate growth and would offer a residential PACE Program. The interest rates and fees being charged by the Program are in line with other Providers. PACE Funding already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program. WRCOG staff has a site visit scheduled for August 24, 2016.

Prior WRCOG Actions:

- August 10, 2016:** The WRCOG Administration & Finance Committee 1) supported the Ad Hoc Committee recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.
- June 6, 2016:** The WRCOG Executive Committee 1) approved for WRCOG member agencies to place a 60-day review in considering requests by additional PACE Providers to implement Programs in WRCOG jurisdictions; 2) directed WRCOG staff to reach out to PACE Providers that wish to operate in the subregion and seek agreements for WRCOG to act as Program bond issuer and administrator, as it does with the HERO Program, for these additional Programs; 3) directed staff to return to the WRCOG Executive Committee with additional PACE Provider agreements that meet the criteria (i.e., practices and policies are consistent with WRCOG's Consumer Protection Policies and Program Report and are able to demonstrate compliance) to operate under the WRCOG PACE umbrella; 4) directed staff to regularly notify members regarding which Provider programs are and are not under the WRCOG administrative umbrella; 5) directed the WRCOG Executive Director to make any necessary changes to the WRCOG / Renovate America Administrative Agreement to allow WRCOG to provide oversight to additional PACE

Providers in the subregion; and 6) created an Ad Hoc Committee to address all of the comments, concerns, and thoughts provided today by the Committee members and speakers.

WRCOG Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

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

Date: August 18, 2016

Requested Action:

1. Recommend, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

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

Program Update

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

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

Cash-flow meeting update: WRCOG staff has conducted streetlight cash-flow meetings with the Cities of Calimesa, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Norco, Perris, San Jacinto, Temecula, Wildomar, the County of Riverside, and with the Rubidoux and Jurupa Community Services Districts. Meetings with remaining jurisdictions have yet to be scheduled.

The purpose of the cash-flow meetings is to provide jurisdictional staff (i.e., finance director, city manager, senior staff, etc.) with the financial information needed for staff to make a recommendation on whether it is feasibility to move forward with the acquisition and retrofit of the streetlights currently owned by SCE.

On a regional basis, WRCOG is identifying a 50-60% reduction in utility bills after streetlights acquisition and retrofit to LED fixtures. These savings are due primarily to the reduction in maintenance and energy costs. Additionally, WRCOG has developed a feasibility model that includes a variety of financial sensitivities, including utility cost reduction, energy cost reductions, operations and maintenance costs (including pole knockdown replacement costs), debt service of ownership, and LED retrofit for each jurisdiction's streetlight system, and also includes a re-lamp reserve. The re-lamp reserve is a reserve that each jurisdiction can configure to set aside funds to ensure that in 15 years (when the LED streetlights begin to wear out) each jurisdiction will have funds to retrofit to the next generation of energy efficient street lighting, without negatively impacting the jurisdiction's general fund. This model has been provided to each member jurisdiction for their records. This tool will allow City staff to toggle variables (interest rates, re-lamp reserve, number of poles, etc.) to quantify how cash flows are impacted in various scenarios.

Financing Update: On August 18, 2016, Public Financial Management (PFM) will provide a presentation to the WRCOG Technical Advisory Committee on the financing strategies being proposed for the Program.

On August 10, 2016, the WRCOG Administration & Finance Committee, and on July 28, 2016, the WRCOG Finance Director's Committee, received a presentation from PFM on the financing strategies being proposed for the Program. Each of the Committees have approved the requested action to recommend to the WRCOG Executive Committee, for those jurisdictions interested in using financing for the acquisition and retrofit of streetlights, that they utilize Bank of America Public Capital Corporation (BACPP) (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, PFM, for being able to provide the most competitive financing for the Regional Streetlight Program). A copy of PFM's recommendation memo, which also outlines the bid process that was undertaken, is attached for members' review.

WRCOG and PFM staff has considered numerous financing options. These options include WRCOG-pool financing, individual city-issues bonds, California Infrastructure bank loans, California Energy Commission, and direct placement lease financing options. Member jurisdictions have expressed interest in the WRCOG-pool and direct placement lease options as potential financing structures. Upon Executive Committee authorization, staff will begin to work with BACPP to develop a financing structure for acquisition and retrofit of the streetlights.

Background on the bid process: On March 7, 2016, WRCOG released a Request for Bids (RFB) to select a financing vendor that would provide capital to member jurisdictions for the acquisition process at a competitive rate. WRCOG staff and PFM have been working with BACPP, which was deemed the most responsive and best option during the bid process and meets the needs of the Program. BACPP has proven to have the following:

1. Ability to provide financing to all participating jurisdictions in the Program
2. Provide financing for both purchase and LED retrofit
3. Streetlights accepted as sole collateral
4. Able to finance as either taxable or tax-exempt debt
5. Smart City usage permitted
6. The qualifications and experience of the proposing firm
7. Competitive fee proposal for all jurisdictions

Regional Demonstration Area Update: WRCOG will be conducting a Regional Streetlight Demonstration Area in five different locations throughout the City of Hemet to showcase various LED streetlights from 11 different vendors. The Demonstration Areas incorporate multiple land use types (residential, commercial, industrial, etc.) that stakeholders will be able to view and provide feedback. The Demonstration Areas will allow community stakeholders (i.e., jurisdictional elected officials and staff, engineers, public safety personnel, community and environmental groups, and residents), inside and outside the Western Riverside County subregion, to experience and provide feedback on a variety of LED lights in a "real-life" context.

To gain additional input, staff will coordinate multiple educational tours for stakeholders in October / November 2016. The use of electronic and physical surveys will be used to gain feedback from the public. Results from the surveys will be used to assess preferences of the LED lights and rank the selection of viable LED lights to

use for the Program. The Streetlights will be marked with a designated pole tag to help stakeholders identify which lights are or are not part of the Program.

A media kit is being developed and will include sample press releases, brochures and informational items, a “frequently asked questions” sheet, signage, social media language, and a map of the Demonstration Areas. The media kit will be available for all member jurisdictions to distribute to their community by late August 2016.

While the lights will be installed in August 2016, the Demonstration Areas will officially kick-off on September 1, 2016, and will be active through early 2017. Recommendation and selection of the new lighting fixtures will be provided to WRCOG Committees at the conclusion of the Demonstrations Areas.

The following is a map depicting Demonstration Area locations and a sample of the streetlight pole identification tag that will be used.



Map of Demonstration Areas



City of Hemet streetlight pole identification tag on the left.

Demonstration Area Streetlight tag identification tag on the right.

Prior WRCOG Actions:

- August 10, 2016: The WRCOG Administration & Finance Committee recommended, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).
- August 1, 2016: The WRCOG Executive Committee received report.
- July 28, 2016: The WRCOG Finance Director's Committee recommended, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

WRCOG Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Energy Department.

Attachment:

1. PFM Streetlight Financing Partner Recommendation.

Item 6.C

Regional Streetlight Program Activities Update

Attachment 1

PFM Streetlight Financing Partner Recommendation

Page Intentionally Left Blank

July 21, 2016

Memorandum

To: Western Riverside Council of Governments:
Rick Bishop, Executive Director
Barbara Spoonhour, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Anthony Segura, Staff Analyst

From: Public Financial Management, Inc.
Laura Franke, Managing Director
Felicia Williams, Senior Managing Consultant

CC: Phil Bowman, Muni-Fed Energy
Jim Filanc, Southern Contracting

Re: Western Riverside County of Governments:
RFP # S-727, Financing for Streetlight Acquisition & Retrofit

On behalf of Western Riverside Council of Governments (“WRCOG”), Public Financial Management, Inc. (“PFM”) has been pleased to assist with the solicitation, evaluation and additional consideration of funding partner selection for the Regional Streetlight Program. Based on the offers received and questioning of the respondents, we recommend the appointment of Bank of America Public Capital Corporation (“BAPCC”) to serve as funding partner for WRCOG’s Regional Streetlight Program (the “Program”).

On March 7, 2016, WRCOG solicited Requests For Bids from the 56 firms identified in the following table. The table indicates which of the solicited firms responded.

Lender	Response	Lender	Response	Lender	Response
Banc of America Public Capital Corp	✓	GE Capital	-	Siemens Financial Services	-
Bank of Marin	-	Hannon Armstrong	-	Signature Bank	x
Bank of the West	-	Holman Capital	-	Solano First Credit Union	-
Barclays	-	IBEW	-	SolarMax	✓
BB&T	-	I-Bank	x	Sovereign Bank	-
BBVA Compass	✓	JP Morgan Chase	x	State Street Bank and Trust Company	-
BMO Harris	-	KeyBank	-	Stifel	-
BNY Mellon	-	Lance Capital	-	STRS	-
California Bank and Trust	-	Mitsubishi	-	Sumitomo Mitsui Banking Corporation	-
CapitalOne Public Funding	-	Mizuho	-	Suntrust Bank	-
Citi	-	NECA	-	TD Bank	-
Citizens Bank	-	New Resource Bank	-	Travis Credit Union	-
City National Bank	-	Northern Trust	-	Umqua Bank	-
Comerica Leasing Corp	-	Oppenheimer	-	Union Bank	-
Deutsche Bank	-	PNC Bank	x	Wells Fargo Bank	-
Eas West Bank	-	RBC	-	Western Alliance Equipment Finance	-
First Republic Bank	-	Rockfleet Financial	-	Wulff, Hansen & Co.	✓
First Security Leasing	-	Rosemawr Management	-	Zion's Bank/NSB	-
Fremont Bank	-	Santander	-		

In evaluating the responses received, the primary considerations were:

- (1) Provide financing for all participating jurisdictions in the Program
- (2) Provide financing for both purchase and LED retrofit
- (3) Streetlights accepted as sole collateral
- (4) Able to finance as either taxable or tax-exempt debt
- (5) Smart City usage permitted
- (6) The qualifications and experience of the proposing firm
- (7) Competitive fee and interest rate proposals for all jurisdictions

After receiving the proposals, telephone interviews were scheduled with the respondents. Through these interviews PFM discerned that one of the firms was not proposing a compliant structure to serve as funding partner:

- SolarMax suggested a structure that would not be viable under the regulatory framework for streetlight acquisition. The structure suggested would require that SolarMax become the purchaser of the streetlights from Southern California Edison (“SCE” or “Edison”) and then sell the streetlights to the jurisdictions after retrofitting. In addition to the financial structuring concerns, SolarMax indicated a requirement for use of their equipment, and a significantly higher borrowing rate than the other respondents. WRCOG’s evaluation team discussed these concerns with SolarMax during the verbal evaluation and no additional information or follow up was provided by the bidder.

Of the remaining bidders, it was determined that BBVA was qualified but lacked the depth of specific streetlight experience of the other two bidders. Wulff, Hansen initially provided a vague level of specificity in their response; and after several conversations, provided a formal bid from an investor, Hannon Armstrong, who would actually provide capital for the transactions. Wulff, Hansen's representative is a former energy service company finance professional with experience in this type of project finance; and, Hannon Armstrong, is a real estate investment trust that specifically invests in energy-related improvements. Wulff, Hansen and Hannon Armstrong provide a reasonable alternative, but the coordination between the two firms relative to the timing of providing their bid raised concerns on their ability to meet the Program's schedule and conform to timely processing needs. The remaining bidder, Bank of America, provided a complete and timely bid, was able to respond to questions relative to the content of that bid, has demonstrated experience with other streetlight financing; and, upon request, and was able to verbally indicate pricing levels that were in the range expected by the evaluation team.

Given their experience, understanding of Program needs and competitive pricing, it is PFM's opinion and recommendation that the Program appoints Bank of America as the funding partner for the WRCOG Streetlight Program. We appreciate your consideration of this recommendation, and we are available to provide additional information or answer any questions you have.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Able to provide financing to all cities? ¹	Yes	Maybe	Yes	Yes
Financing for purchase, retrofit and soft costs	Yes	Yes	Yes	Yes
Enhancement / Reserve requirements	Maybe	Maybe	No	Jurisdictions will deposit one year of lease payments into a DS Reserve Fund at closing
15 year financing term	Yes	Yes	Yes	Yes (up to 23 years)
12 month construction period	Yes	Yes	Yes	Yes
Streetlights sole collateral	Yes	Yes - strong credit cities. Weaker credit cities may need essential property as additional collateral	Yes	Yes
Smart cities usage allowed	Yes	Maybe	Yes, but reserve right of first refusal. If Solar Max product exists for smart city purpose, SolarMax product must be used.	Yes
Indicative² 15 year Tax-Exempt Rate	2.25 – 2.75%	2.75 – 3.25%	No. Tax-exempt financing has no benefits to foreign investors	4.64%
Indicative 15 year Taxable Rate	3.50 – 4.25%	4.25 – 4.60%	8.0% for 15 year term	4.64%

¹ Banks are all subject to additional credit approvals, Solar Max not.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
5 year optional call	2% premium (200 bps) on any payment date after fifth year	+15-30 bps on interest rate	No	3% premium (300 bps) on any payment date after fifth year
10 year optional call	2% premium (200 bps) on any payment date after fifth year	No additional spread/premium	No	No premium after ten years
Fees	Usual and customary fees ³ , including lender counsel	Lender counsel fee \$5k-\$10k / transaction	0.5% (50 bps) \$2,000 doc fee	Usual and customary fees, no charge for lender counsel
Flexible/open to additional retrofit financing for already owned streetlights	Yes	Yes	Yes	Yes
Flexible/open to additional jurisdictions not originally in the program	Yes	Yes	Yes	Yes

² Indicative rates were provided verbally by Bank of America and BBVA. Final rates will be subject to individual credit and market conditions at the time of pricing.

³ Fees include standard transaction closing costs: Bond Counsel, Financial Advisor, Escrow Agent, CDIAC fees, insurance.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Notes / Considerations	All subject to underwriting and credit approval/due diligence Has extensive experience working with streetlight financing.	All subject to underwriting and credit approval/due diligence	Financing dependent on use of Solar Max products EB-5 funding is only available to the retrofit costs and has a 5 year maximum term	All subject to underwriting and credit approval/due diligence

In addition to the responses detailed above, California I-Bank and Signature Public Funding indicated an interest in future opportunities, though likely on a city-by-city basis.

JP Morgan and PNC were not able to get approval to submit an indication of interest.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: WRCOG Transportation Department Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcoq.coq.ca.us, (951) 955-8304

Date: August 18, 2016

Requested Action:

1. Appoint two members of the WRCOG Technical Advisory Committee to serve on the Ad Hoc Committee to discuss potential options related to completion of the Nexus Study.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The Study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required.

TUMF Program Update

TUMF Network Revisions: Staff is in the process of finalizing its review of the TUMF Network for inclusion in the 2016 TUMF Nexus Study. During the comment period of the draft 2015 TUMF Nexus Study, WRCOG received comments that identified facilities for removal on the TUMF Network because they are complete. WRCOG has determined that associated costs for projects completed by December 2015 and/or have executed Reimbursement Agreements with WRCOG would be removed from the TUMF Network. Such projects include the following:

- Nason Street / SR-60 Interchange
- Perris Boulevard (Cactus Avenue to Harley Knox Boulevard)
- Auto Center Drive Grade Separation
- Sunset Avenue Grade Separation

As part of this process, WRCOG agreed to continue funding any project for which there is an executed Reimbursement Agreement even if that project is no longer on the TUMF Network to avoid the appearance that the Nexus Study is including costs for completed projects.

Additionally, the TUMF Network includes facilities that have been partially widened, but not fully widened to the extent they are identified in the Program. Therefore, the cost attributable to new development in the Nexus Study is a pro-rated portion of the improvement. WRCOG staff and its consultant reviewed the TUMF Network to update any percentages that did not reflect recently improved segments of facilities. Such projects include the following, amongst others:

- Evans Road (Placentia Avenue to Nuevo Road)
- Perris Boulevard (Reche Vista Drive to Ironwood Avenue)
- Ethanac Road (Keystone Drive to Goetz Road)
- Van Buren Boulevard (Santa Ana River to SR-91)
- Whitewood Road (Keller Road to Clinton Keith Road)

The TUMF Network identifies existing obligated funding that has been secured through traditional funding sources to complete necessary improvements. Since funding has been obligated to provide for the completion of needed improvements to the TUMF Network, the funded cost of these improvements will not be recaptured from future developments through the TUMF Program. As a result, the TUMF Network cost was adjusted accordingly to reflect the availability of obligated funds. Since the delay in the TUMF Nexus Study, staff have reviewed the Southern California Association of Governments' (SCAG) draft 2017 Federal Transportation Improvement Program to determine additional obligated funding that can potentially be removed from the TUMF Network. Staff have identified additional State and/or Federal funding for TUMF Network facilities that can potentially be removed. Projects with significant State and/or Federal funding are identified below.

Cajalco Road / I-15 Interchange	\$ 7M
Cajalco Road (I-15 to Harley John)	\$ 10M
SR-79 Bridge	\$ 2M
SR-79 (Ramona Expressway to SR-74)	\$ 4M
Railroad Canyon Road / I-15 Interchange	\$ 238K
French Valley Parkway / I-15 Interchange	\$ 16M
Theodore Street / SR-60 Interchange	\$ 1M
Madison Avenue Grade Separation	\$ 5M
I-10 Bypass	\$ 2M

TUMF consultant Parsons Brinckerhoff will be conducting model runs in the month of August for the draft 2016 TUMF Nexus Study. The model runs will assist WRCOG in determining if requested additions to the TUMF Network meet the requirements for inclusion in the TUMF Program. Such projects include the following:

- Keller Road / I-215 Interchange
- Iowa Avenue (University Avenue to Martin Luther King Boulevard)
- Ramona Expressway / I-215 Interchange
- Moreno Beach Road / SR-60 Interchange

All requested additions will be vetted through the criteria as defined in Section 4 (The TUMF Network) of the TUMF Nexus Study.

In addition to review of the TUMF Network facilities, Parsons Brinckerhoff is in the process of calculating the existing need portion of the Network for the base year of 2012. This process allows for review of TUMF Network facilities that currently experience congestion and are operating at unacceptable levels of service. The need to improve these segments of the system is generated by existing demand, rather than the cumulative regional impacts of future new development, so future new development cannot be assessed for the equivalent cost share of improvements providing for this existing need.

TUMF Nexus Study Update: The TUMF Program is a development impact fee and is subject to the California Mitigation Fee Act (AB 1600, Govt. Code § 6600), which mandates that a Nexus Study be prepared to demonstrate a reasonable and rational relationship between the fee and the proposed improvements for which the fee is used. AB 1600 also requires the regular review and update of the Program and Nexus Study to ensure the validity of the Program. The last TUMF Program Update was completed in October 2009.

In September 2015, the WRCOG Executive Committee took action to delay finalizing the Nexus Study and include the growth forecast from the 2016 SCAG Regional Transportation Plan / Sustainable Communities Strategy, which was approved by SCAG in spring 2016, and has been integrated into the TUMF Nexus Study.

While the technical work on the 2016 TUMF Nexus Study is nearing completion, staff has met with various regional stakeholders, including elected officials, representatives of the development community, jurisdictional staff, and others, to discuss the status of the TUMF Nexus Study and what the next steps would be, given that the previous Nexus Study was delayed.

Instead of forwarding only a final draft Nexus Study and fee schedule, staff is preparing a number of options for the Committee to discuss and provide direction.

These options as currently defined include:

Option 1: Do nothing and continue to use the 2009 Nexus Study and fee structure

The outcome of the implementation of Option 1 includes no change in the TUMF schedule from the schedule that is currently in effect and has been since 2009. Without the adoption of the Nexus Study Update, more than 25 project additions that were approved for inclusion in the TUMF Network by the Executive Committee in March 2015 would not be part of the TUMF Program. Facilities that would not be included in the TUMF Program are as follows:

- Eucalyptus Avenue (Redlands Avenue to Theodore Street) – widen 2 to 4 lanes
- Eucalyptus Avenue (Frederick Street to Moreno Beach Drive)
- Eucalyptus Avenue (Moreno Beach Drive to Redlands Avenue) – widen 0 to 4 lanes
- Theodore Street / SR-60 Interchange
- Theodore Street (SR-60 to Eucalyptus Avenue) – widen 2 to 4 lanes
- Day Street / SR-60 Interchange
- Ironwood Avenue (Day Street to Perris Boulevard)
- Case Road (Goetz Road to I-215) with a 122' bridge – widen 2 to 4 lanes
- Limonite Avenue (Harrison Street to Hellman Avenue) with a 200' bridge – widen 0 to 4 lanes
- Corydon Road (Mission Trail to Grand Avenue) – widen 2 to 4 lanes
- Franklin Street / I-15 Interchange
- Lake Street / I-15 to Temescal Canyon Road with 107' bridge – widen 2 to 6 lanes
- Lake Street (Temescal Canyon Road to Mountain Avenue) – widen 2 to 6 lanes
- Nichols Road / I-15 Interchange
- Nichols Road (I-15 to Lake Street) – widen 2 to 4 lanes
- Temescal Canyon Road (Indian Truck Trail to Lake Street) – correcting arterial segment mileage
- Temescal Canyon Road (I-15 to Lake Street) with 246' bridge – approve 2 to 4 lanes and realign bridge to 246'
- Whitewood Road (Murrieta Hot Springs Road to Jackson Avenue) – widen 0 to 4 lanes

Without adoption of the Nexus Study Update, the facilities mentioned above would be ineligible to receive TUMF funding.

Additionally, there are facilities in the TUMF Network that are eligible for additional funding based on updated information in the new Nexus Study as follows:

- French Valley Parkway / I-15 Interchange and Overcrossing – restore \$12.9 million to cover loss of State and Federal Funds
- Foothill Parkway (Lincoln Avenue to Paseo Grande) – restore \$7 million to cover loss of State and Federal Funds
- Scott Road / I-215 Interchange – currently ineligible for any additional TUMF Funding based on the 2009 Nexus Study which assumed that 100% of the interchange cost would be funded through a CFD which no longer can fund the interchange
- Cajalco Road / I-15 Interchange – upgrade facility from a Type 2 Interchange to a Type 1 Interchange

Another outcome of this option relates to the validity of the Nexus Study, which, if not updated, may jeopardize the integrity of the Program, as in part reflected by the issues with the projects described above.

Option 2: Complete the 2016 Nexus Study with the recommended fee levels

Implementation of this option would result in a fee schedule that would generate additional revenue for the Program. The effect of this fee increase would be to provide approximately \$5 million – \$10 million per year in additional TUMF funding based on current levels of development.

Option 3: Complete 2016 Nexus Study with reduced fees (compared to Option 2 above) by way of one or more of the sub-options below:

- **3A: Phase-in of fees**

Phasing in the fees could result in the loss of approximately \$5 million – \$10 million per year. If you assume a 3-year phase in period, the net loss to the program could be \$15 million – \$30 million total. The actual impact of this phased in approach would need to be verified based on phase in scenario identified (number of years, phase in percentage, etc.). Local agencies would have to provide supplemental funding to fill any gaps generated by this shortfall. The shortfall that produced by the phase in could be made up with a local match contribution or delivery of soft costs, among another options.

- **3B: Phase-in of fees for either residential or non-residential uses**

Implementation of this option would provide the opportunity for a phase in of selected land use categories, such as the retail land use category. Initial review of the preliminary estimates show that a 4-year phase-in for only the retail land use category would result in a total Program shortfall of approximately \$5 million – \$10 million. Under this approach, the retail fees would be phased-in with the other fees being increased. Similar to Option 3A, local agencies would have to provide supplemental funding to fill any gaps generated by this shortfall.

- **3C: Require local match for projects**

The implementation of a local match would require member jurisdictions to seek additional funding sources for the delivery of projects and to maintain Program funding. We anticipate that a local match requirement of approximately 10% would result in a reduction in network costs of approximately \$300 million and would have the net effect of a commensurate reduction in the fee levels.

- **3D: Reduce contributions for non-construction-related costs**

Implementation of this option would reduce the cost of the TUMF Network by removing associated soft costs for facilities and/or the contingency component of the Program. One option would be to remove contingency costs, which account for 10% of the total network costs and would be similar to Option 3C in terms of effects on the network costs and fee levels.

Option 4: Remove projects from the TUMF Network to reduce costs

Another option would be to remove facilities from the TUMF Network to reduce the overall network costs. Staff is proposing to review all facilities against the criteria as defined in Section 4 (The TUMF Network) of the TUMF Nexus Study. These criteria include the number of lanes, projected traffic volumes and roadway capacity. The projects for potential removal include the following facilities based on previous model runs:

- Menifee Road (Ramona Expressway to Nuevo Road)
- Potrero Boulevard (4th Street to SR-79 Beaumont Avenue)
- SR-79 Eastern Bypass
- McCall Boulevard (Menifee Road to Warren Road)
- Ellis Road (SR-74 to I-215)
- I-10 Bypass

These projects are potential candidates for removal based on traffic volume projections that show that these roadways no longer have sufficient traffic volume to require four travel lanes, which is a minimum guideline for the TUMF Network. Staff will be evaluating all of the TUMF Network roadways once the final set of model runs is complete. As an example, staff estimates that removal of the above projects could result in a reduction in program costs of approximately \$200 million.

Ad Hoc Committee: At its August 1, 2016, meeting, the Executive Committee directed staff to form an Ad Hoc Committee to review the options previously described in regard to the TUMF Nexus Study Update. The Executive Committee took action to appoint Mayor Jeff Hewitt (City of Calimesa), Mayor Pro Tem Jeffrey Giba (City of Moreno Valley), and Mayor Rusty Bailey (City of Riverside) to the Ad Hoc Committee. Members from the WRCOG Public Works Committee (PWC) and Technical Advisory Committee (TAC) will assist the Ad Hoc Committee members in making any recommendations to the Executive Committee.

It is anticipated that the Ad Hoc Committee would meet in between meetings of the Executive Committee, TAC, and PWC in order to receive updates from these Committees and help formulate and guide the development of a preferred option for eventual consideration by the Executive Committee.

Fee Analysis Study

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

The Fee Analysis Study (Study), expected to be completed by the end September 2016, will provide WRCOG jurisdictions with comprehensive fee comparisons. The Study will also discuss the effect of other development costs, such as the cost of land and interest rates, within the overall development framework. Another key element of the Study will be an analysis documenting the economic benefits of transportation investment.

Jurisdictions for Fee Comparison: In addition to the jurisdictions within the WRCOG subregion, the Study will analyze jurisdictions within the Coachella Valley, San Bernardino and Orange Counties, and the northern portion of San Diego County. The inclusion of additional neighboring / peer communities will allow for consideration of relative fee levels between the WRCOG subregion and jurisdictions in surrounding areas that may compete for new development. At its April 14, 2016, meeting, the WRCOG Planning Directors' Committee provided input on the additional jurisdictions to be studied. An additional 13 jurisdictions outside of the WRCOG subregion were selected for comparison.

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

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

- **Single-Family Residential Development:** 50 unit residential subdivision with 2,700 square foot homes and 7,200 square foot lots

- **Multi-Family Residential Development:** 200 unit market-rate, multi-family residential development in 260,000 gross square foot of building space
- **Retail Development:** 10,000 square foot retail building
- **Office Development:** 20,000 square foot, Class A or Class B office building
- **Industrial Development:** 265,000 square foot “high cube” industrial building

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

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

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

Completed To-Date: After identification of the cities for fee evaluation and development prototypes by land use, the focus of the Study efforts has been on collecting fee schedules and applying them to the development prototypes. The research effort has involved: 1) reviewing available development impact fee schedules online; 2) reaching out to service providers (Jurisdiction, Water Districts, School Districts) where fee levels or fee calculations were difficult to discern; 3) conducting necessary fee calculations; and 4) presenting initial fee estimates for all 17 WRCOG cities.

WRCOG staff sent a PDF file to each jurisdiction’s representative on the WRCOG Planning Directors’ Committee and Public Works Committee for review and comment on the week of June 20, 2016. This file contained the initial fee estimates for each jurisdiction. WRCOG staff presented an update of the fee analysis to these same Committees on July 14, 2016. The update included a summary of jurisdictions that have provided confirmation and feedback on their initial fee analysis, and those whose comments were pending. WRCOG followed up with those jurisdictions whose comments still had yet to be addressed and those that had not provided any comments.

Each WRCOG jurisdiction has finalized their initial fee analysis and a report will be produced for their use. The goal of this initial fee analysis is to provide jurisdictions in the WRCOG region the opportunity to review their fee collection structure while being able to compare it to the fee collection structure of neighboring jurisdictions. WRCOG is committed to presenting the findings in the best possible manner. This analysis is an informational item only.

The table below displays each development prototype’s range of total fees, and the percentage of the total fees TUMF makes up.

WRCOG Development Impact Fee Summary *

Item	Average	Range	
		Low	High
Single Family			
Total Fees per Unit	\$45,319	\$32,935	\$59,366
TUMF as a % of Total Fees	19.6%	26.9%	10.8%
Multifamily			
Total Fees per Unit	\$28,685	\$19,262	\$40,573
TUMF as a % of Total Fees	21.7%	32.3%	15.4%
Retail			
Total Fees per Sq.Ft.	\$24.08	\$15.66	\$33.20
TUMF as a % of Total Fees	43.6%	67.0%	31.6%
Industrial			
Total Fees per Sq.Ft.	\$4.71	\$2.59	\$9.60
TUMF as a % of Total Fees	30.1%	54.9%	14.8%
Office			
Total Fees per Sq.Ft.	\$12.91	\$6.53	\$19.07
TUMF as a % of Total Fees	17.0%	33.6%	11.5%

* Average and ranges as shown encompass 19 jurisdictions, including 17 cities, the unincorporated City of Temescal Valley, and March JPA.

Note: Total fees and TUMF as a % of total fees are not connected - i.e. low fees do not correlate to low TUMF percentage.

Ongoing / Next Steps: Fee information has also been collected for the non-WRCOG region jurisdictions and similar initial fee estimates are being compiled for each of them. Additionally, preliminary development feasibility analyses are being prepared to provide insights into the costs of new development in Western Riverside County, including development impact fees, as well as the overall economic / feasibility of these development products. Finally, research is beginning on the economic benefits of regional transportation.

Prior WRCOG Actions:

August 10, 2016: The WRCOG Administration & Finance Committee received report.
August 1, 2016: The WRCOG Executive Committee 1) directed staff to convene an Ad Hoc Committee composed of three members of the Executive Committee, with assistance from three members of the Technical Advisory Committee and two members of the Public Works Committee, to discuss potential options related to completion of the Nexus Study; and 2) appointed three members of the Executive Committee to serve on the Ad Hoc Committee.

WRCOG Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Community Choice Aggregation Program Activities Update

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

Date: August 18, 2016

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 CCA formation. Several local jurisdictions are pursuing formation of CCAs as a way to lower energy costs and/or provide “greener” energy supply. WRCOG’s Executive Committee has directed staff to pursue the feasibility of Community Choice Aggregation for Western Riverside County.

CCA Activities Update

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

For the August WRCOG Technical Advisory Committee (TAC) meeting, WRCOG staff and BKi will present on the preliminary data and key findings regarding the feasibility of a CCA for the subregion, including the CVAG and SANBAG subregions. The initial draft of the study will be made available to Committee members by the end of August 2016.

Once the initial draft is released, WRCOG staff and its consultants will continue to bring forward updates to the WRCOG Committees, along with a number of policy decisions that will need to be made regarding moving forward, governance structure, power supply types, etc.

Timeline: The following is the proposed timeline for completion of the Study and, if directed, steps to develop a CCA:

	Month											
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Compile SCE Load Data												
Prepare Business Plan												
Vet Business Plan and Finalize												
Determine Governance Preference												
Decision on Moving Forward												
Select Power Supply and Data Management Vendor												
File Implementation Plan with SCE												
File Notice of Intent with SCE												
Arrange Financing												
Opt-Out Notices – 1 and 2												
Launch Phase 1												
Opt-Out Notices – 3 and 4												

Prior WRCOG Action:

July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

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

Attachment:

None.