



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, January 10, 2018
12:00 p.m.**

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

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

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

1. CALL TO ORDER (Debbie Franklin, Chair)

2. PUBLIC COMMENTS

At this time members of the public can address the Administration & Finance Committee regarding any items 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.

3. 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 December 13, 2017, Administration & Finance Committee Meeting are Available for Consideration.** **P. 1**

Requested Action: 1. *Approve the Summary Minutes from the December 13, 2017, Administration & Finance Committee meeting.*

- B. **Finance Department Activities Update Including Annual TUMF Compliance Review by Agencies and 2nd Quarter Budget Amendment** **P. 5**

Requested Action: 1. *Receive and file.*

- C. **Christian Lomeli – Videography/Graphic Design Contract** **P. 11**

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

- D. **PFM Asset Management Contract** **P. 29**

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

- E. **Cajalco Road / I-15 Interchange Memorandum of Understanding** **P. 55**

Requested Action: 1. *Recommend that the Executive Committee approve an MOU with the City of Corona and RCTC regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.*

- F. **Single Signature Authority Report** **P. 69**

Requested Action: 1. *Receive and file.*

4. REPORTS / DISCUSSION

- A. **27th Annual General Assembly & Leadership Address** **P. 75**

Requested Action: 1. *Discuss and provide direction.*

- B. **Transportation Uniform Mitigation Fee (TUMF) Program Ad Hoc Committee Activities Update** **P. 77**

Requested Actions: 1. *Recommend that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the*

current administration and management structure of the TUMF Program.

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

C. PACE Programs Activities Update

P. 81

- Requested Action:**
1. *Recommend that the Executive Committee direct the Executive Director to modify the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report as well as the CA HERO Program Report requirements for lender consent as described in SAMAS Commercial Update below.*

5. ITEMS FOR FUTURE AGENDAS

Members

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

6. GENERAL ANNOUNCEMENTS

Members

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

- 7. NEXT MEETING:** **The next Administration & Finance Committee meeting is scheduled for Wednesday, February 14, 2018, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.**

8. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Administration & Finance Committee (Committee) was called to order at 12:10 p.m. by Chairwoman Debbie Franklin at the County of Riverside Administrative Center, 5th Floor, Conference Room C.

Members present:

Debbie Franklin, City of Banning (Chair)
Eugene Montanez, City of Corona
Bonnie Wright, City of Hemet
Brian Tisdale, City of Lake Elsinore
Kelly Seyarto, City of Murrieta
Ben Benoit, City of Wildomar
Chuck Washington, County of Riverside District 3
Brenda Dennstedt, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel, Best Best & Krieger
Rick Bishop, Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Community Choice Aggregation Development
Jennifer Ward, Director of Government Relations
Chris Gray, Director of Transportation
Casey Dailey, Director of Energy and Environmental Programs
Janis Leonard, Administrative Services Manager
Andrew Ruiz, Program Manager
Crystal Adams, Program Manager
Michael Wasgatt, Program Manager
Christopher Tzeng, Program Manager
Andrea Howard, Senior Analyst
Cynthia Mejia, Staff Analyst
Amber Bolden, WRCOG Intern
Suzy Nelson, Administrative Assistant
Jairo Sandoval, Staff Analyst
Huyen Bui, WRCOG Intern

Guests present:

Gardenya Duran, Rogers, Anderson, Malody & Scott
Michael Mildenberger, Renovate America
Victor Vilaplana, Renovate America

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR – *(Lake Elsinore / District 3) 8 yes; 0 no; 0 abstention. Items 3.A and 3.B were approved by a unanimous vote of those members present. The Cities of Jurupa Valley and Temecula, and the County of Riverside District 5 were not present.*

A. Summary Minutes from the November 8, 2017, Administration & Finance Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the November 8, 2017, Administration & Finance Committee meeting.*

B. Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies

Action: 1. *Received and filed.*

4. REPORTS / DISCUSSION

A. Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Ernie Reyna reported that WRCOG's audit received an Unmodified Opinion, which is the highest form of assurance an auditing firm can provide. This fiscal year marks the fifth straight year WRCOG will receive a Certificate of Achievement for Excellence in Financial Reporting.

Agency revenues experienced a slight decrease due to decreases in both the TUMF and PACE Programs. Expenditures increased slightly due to an increase in the number of TUMF projects paid out. The Agency's budget remains balanced.

Action: 1. *Received and filed.*

B. PACE Program Activities Update

Casey Dailey reported that Renovate America representatives will provide a presentation on promotional rates and contractor compliance.

Victor Vilaplana reported that HERO promotional rates provide homeowners lower interest rates for PACE assessments. Since the launch of the Program, approximately 6,500 assessments utilized the promotional rates, which represents nearly half of those within the WRCOG and CA HERO Programs, totaling approximately \$150 million in total financing. Approximately one-third of the approved contractors have signed up for the promotional rates. The other two-thirds have remained with the classic rates, which does not include a dealer rate component.

Michael Mildenberger reported that during the intake process, if a team member learns that a dealer fee has been passed on to a homeowner, that file is flagged and sent to the Compliance Operation team. During the Home Improvement Contract invoice review process, if a dealer fee was included, that file is also flagged and sent to the Compliance Operation team.

Compliance Officers complete a detailed investigation to determine what the circumstances are and if in fact a dealer fee was passed on to the homeowner.

Contractor pricing is monitored to determine any increases in pricing compared to historical prices. If a fluctuation is confirmed, this would flag the file for review. Contractual deals are also monitored to compare actual pricing to fair market pricing.

Of the files flagged in the past seven month, every one of them have been cleared at the contractor level. A total of 15 files required a price reduction.

Committee member Eugene Montanez asked what the interest rate changes from, high and low, and the percentage that the contractor was having to cover.

Mr. Vilaplana responded that there are five different rate plans, and the contractors can only select one, but can change to a different rate after 90 days. For a 20-year assessment, the highest interest rate

without an associated dealer fee is approximately 8.35% and the lowest at 5.49%. Five-year rates range from approximately 2.99% to approximately 6.49%. The dealer fee is anywhere from 2.99% to 13%.

Mr. Mildenberger indicated that consumer complaints have decreased 46% from 2016. Contractors with a high volume and rate of complaints have been removed from the Program. A majority of complaints are closed within 30 days. The nature of most complaints are workmanship.

Action: 1. *Received and filed.*

C. BEYOND Team Application Update on Regional Homelessness

Cynthia Mejia reported that WRCOG is engaged in ongoing discussions and initiatives with several member jurisdictions, the Coachella Valley Association of Governments, and Orange County, on the subject of homelessness. Approximately \$306,000 of BEYOND funding has been provided for homelessness initiatives.

The City of Riverside has prepared a Toolkit comprised of resources, policies and procedures, training guides, etc.

The Western Riverside Homelessness Collaborative includes the Cities of Corona, Jurupa Valley, and Riverside, the County of Riverside, and Path of Life Ministries. The Collaborative meets regularly and has hired a part-time homeless facilitator. A Faith Summit was held last summer in which each representative from each congregation was asked to donate \$60 per person, per congregation, per year.

The Southwest Regional Homelessness Alliance consists of the Cities of Lake Elsinore, Menifee, Temecula, Murrieta, and Wildomar, and Path of Life Ministries, and City Net. The Alliance meets regularly and employs two part-time positions which are funded through a BEYOND grant.

There is a perception that the more a jurisdiction does, the more it attracts the homeless. Individual jurisdictions create resource cards specific to that jurisdiction.

Staff will continue providing updates as the two groups work toward their goals.

Action: 1. *Received and filed.*

D. Carryover Revenue Proposal for Fiscal Year 2016/2017

Jennifer Ward reported that Round II of the BEYOND Program recently launched; there is approximately \$3 million in unspent funding between Round I and Round II projects. Staff will be recommending in July 2018 an allocation for Round III.

Staff is recommending continued building of the Agency's General Fund and program specific reserves. An allocation of \$2.5 million into reserves would yield a total balance of approximately \$4.5 million. Of that \$4.5 million, staff recommends \$500,000 be set aside for PACE Program reserves, for a system similar to TUMF Program reserves.

There is approximately \$300,000 in carryover funds yet to be allocated. Possibilities include a project account for funding multiple future projects, funding one specific project not already identified, funding specific projects already identified and vetted through the project evaluation filter, or allocating to Agency reserves.

Committee member Kelly Seyarto recommended allocating \$2.8 million into Agency reserves.

Committee member Eugene Montanez also recommended putting the \$300,000 back into reserves.

- Action:** 1. *Recommended that \$2.8 million in Fiscal Year 2016/2017 Agency carryover revenues be allocated to Agency reserves, to include \$500,000 specifically for PACE Program reserves.*

(Murrieta / District 3) 9 yes; 0 no; 0 abstention. Item 4.D was approved by a unanimous vote of those members present. The Cities of Jurupa Valley and Temecula, and the County of Riverside District 5 were not present.

E. Local Match for Riverside Food Systems Model Study

Andrea Howard reported that there has been a push to bring farming and agriculture back to the region. A group of entities representing the Foundation for Food and agriculture Research have submitted a grant application to fund a study the food system of field to fork, and to better understand how local initiatives could better support economic development, health, and equity.

The grant amount request is for a total of \$600,000, and requires a community match of 50%. A number of entities have provided contributions. The total request from WRCOG is \$40,000.

- Action:** 1. *Recommended that the Agency sponsor the study in the amount of \$40,000 to be paid in \$10,000 installments over four years.*

(Murrieta / Corona) 7 yes; 0 no; 0 abstention. Item 4.E was approved by a unanimous vote of those members present. The Cities of Jurupa Valley and Temecula, and the County of Riverside Districts 3 and 5 were not present.

5. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

6. GENERAL ANNOUNCEMENTS

Rick Bishop announced that WRCOG's office move begins tomorrow; the project is coming in under budget. WRCOG is co-hosting a Transportation Summit with the City of Moreno Valley on January 17, 2018. On December 19, 2017, a hearing will be held to close the Beaumont settlement on four defendants, who will be pleading guilty to a number of charges. There will be an opportunity to provide a victim statement; WRCOG is providing this opportunity to member jurisdictions. An Experience Ad Hoc Committee meeting is scheduled for January 22, 2018; additional volunteers are still being sought.

7. NEXT MEETING: The next Administration & Finance Committee meeting is scheduled for Wednesday, January 10, 2018, at 12:00 p.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

8. ADJOURNMENT: The meeting of the Administration & Finance Committee adjourned at 1:52 p.m.



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Finance Department Activities Update Including Annual TUMF Compliance Review by Agencies and 2nd Quarter Budget Amendment

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

Date: January 10, 2018

The purpose of this item is to provide an update on the financial audit of Fiscal Year (FY) 2016/2017, 2nd Quarter Budget Amendments for FY 2017/2018, and the annual TUMF compliance review for FY 2016/2017.

Requested Action:

1. Receive and file.

2nd Quarter Budget Amendment

December 31, 2017, marks the end of the second quarter for Fiscal Year 2017/2018 and it is anticipated that the Administration & Finance Committee will receive the report on February 14, 2018. The Technical Advisory Committee will receive the report at its January 15, 2018, and the Finance Director's Committee will receive the report at its January 25, 2018 meeting. It is anticipated that the Executive Committee will receive the report at its March 5, 2018, meeting.

Annual TUMF Review of Participating Agencies

WRCOG conducted reviews of TUMF collections by participating agencies for FY 2016/2017. The reviews provide WRCOG an opportunity to meet with staff that are assigned to TUMF, including planning, public works, and finance staff. During the review, WRCOG randomly selects remittance reports to review and verify that the correct land use type has been used and that fees have been calculated properly. The reviews concluded in December 2017 and reports will be issued to City Managers / agency heads in January 2018.

Financial Report Summary through November 2017

The Agency Financial Report summary, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, through November 2017 is provided as Attachment 1.

Prior Action:

December 13, 2017: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – November 2017.

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Item 3.B

Finance Department Activities
Update Including Annual TUMF
Compliance Review by Agencies and
2nd Quarter Budget Amendment

Attachment 1

Financial Report summary –
November 2017

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending November 31, 2017

	Approved 6/30/2018 Budget	Thru 11/30/2017 Actual	Remaining 6/30/2018 Budget
Revenues			
General Assembly	300,000	18,800	281,200
WRCOG HERO Residential Revenue	816,771	478,369	338,402
CA HERO Residential Revenue	7,639,575	1,811,919	5,827,656
The Gas Company Partnership	50,000	6,521	43,479
SCE WREP Revenue	75,000	21,302	53,698
WRCOG HERO Residential Recording Revenue	182,775	93,060	89,715
CA HERO Residential Recording Revenue	1,508,036	307,725	1,200,311
CA First Residential Revenue	167,000	17,034	149,966
CA First Residential Recording Revenue	86,000	5,832	80,168
Other Misc Revenue	-	5,921	(5,921)
Solid Waste	117,100	22,837	94,263
Active Transportation Revenue	150,000	80,567	69,433
RIVTAM Revenue	25,000	25,000	-
Air Quality-Clean Cities	137,500	26,000	111,500
Commercial/Service - Admin Portion	101,097	36,255	64,842
Retail - Admin Portion	118,867	69,266	49,602
Industrial - Admin Portion	249,133	257,713	(8,580)
Residential/Multi/Single - Admin Portion	1,045,779	554,433	491,345
Multi-Family - Admin Portion	129,787	58,073	71,714
Commercial/Service - Non-Admin Portion	2,426,945	870,116	1,556,829
Retail - Non-Admin Portion	2,852,820	1,731,645	1,121,175
Industrial - Non-Admin Portion	5,979,195	6,442,833	(463,637)
Residential/Multi/Single - Non-Admin Portion	25,098,070	13,758,616	11,339,454
Multi-Family - Non-Admin Portion	3,114,890	1,451,823	1,663,067
Total Revenues	63,021,435	28,151,661	34,869,774
Expenditures			
Wages & Salaries	2,584,095	1,096,710	1,487,385
Fringe Benefits	739,956	298,492	441,463
Total Wages and Benefits	3,384,051	1,395,203	1,988,848
			-
Overhead Allocation	2,219,371	805,493	1,413,878
General Legal Services	590,233	256,075	334,158
Audit Fees	27,500	10,200	17,300
Bank Fees	29,000	23,835	5,165
Commissioners Per Diem	62,500	21,750	40,750
Office Lease	427,060	147,228	279,832
WRCOG Auto Fuel	750	200	550
WRCOG Auto Maintenance	100	16	84
Parking Validations	4,775	2,410	2,365
Event Support	112,600	59,343	53,257
General Supplies	66,536	5,134	61,402
Computer Supplies	12,500	1,943	10,557
Computer Software	18,000	21,453	(3,453)
Rent/Lease Equipment	35,000	12,695	22,305
Membership Dues	31,950	14,136	17,814

Subscriptions/Publications	6,500	279	6,221
Meeting Support/Services	12,100	2,802	9,298
Postage	8,155	2,641	5,514
Other Household Expenditures	4,880	1,125	3,756
Storage	1,000	6,052	(5,052)
Computer Hardware	1,000	1,692	(692)
Misc. Office Equipment	-	688	(688)
Communications-Regular	1,000	4,381	(3,381)
Communications-Long Distance	500	95	405
Communications-Cellular	12,677	3,633	9,044
Communications-Comp Sv	75,000	24,338	50,662
Communications-Web Site	5,600	6,427	(827)
Equipment Maintenance - General	11,000	5,265	5,735
Equipment Maintenance - Computers	25,000	8,654	16,346
Insurance - General/Business Liason	72,950	65,271	7,679
PACE Recording Fees	1,862,811	488,568	1,374,243
Seminars/Conferences	24,550	6,000	18,550
General Assembly Expenditures	304,200	8,154	296,046
Travel - Mileage Reimbursement	15,700	9,410	6,290
Travel - Ground Transportation	13,100	876	12,224
Travel - Airfare	28,704	4,426	24,278
Lodging	17,850	2,645	15,205
Meals	10,419	1,799	8,620
Other Incidentals	13,358	5,588	7,770
Training	14,321	8,060	6,261
Supplies/Materials	35,117	281	34,836
Ads	47,370	17,525	29,845
Consulting Labor	4,159,928	497,764	3,662,164
Consulting Expenses	72,865	2,243	70,622
TUMF Project Reimbursement	39,000,000	6,676,690	32,323,310
BEYOND Expenditures	2,052,917	217,819	1,835,098
Computer Equipment Purchases	41,204	14,608	26,596
Office Furniture Purchases	315,000	173,286	141,714
Total General Operations	61,741,206	9,650,993	52,090,213
Total Expenditures	65,125,257	11,046,196	54,079,060



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Christian Lomeli – Videography/Graphic Design Contract

Contact: Jennifer Ward, Director of Government Relations, jward@wrcog.us, (951) 405-6751

Date: January 10, 2018

The purpose of this item is to approve a professional services agreement with Christian Lomeli to provide graphic design and videography services for WRCOG.

Requested Action:

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

Background

Since 2012, WRCOG has retained the services of Christian Lomeli for videography services primarily related to the Agency's annual General Assembly & Leadership Address. In recent years, WRCOG has expanded Mr. Lomeli's scope of services to include preparation of information videos for other purposes at WRCOG, such as Transportation Uniform Mitigation Fee (TUMF) Program ground breaking events, educational videos on healthy communities and other regional topics, instructional videos for the BEYOND Framework Fund program, and other productions for both WRCOG and the Riverside County Habitat Conservation Agency (RCHCA). Based on WRCOG's positive experience and the high quality of work and professionalism provided by this consultant, WRCOG staff recommends continuing to contract with Mr. Lomeli for videography services. This fiscal year, WRCOG staff intends to pursue production of videos related to the General Assembly & Leadership Address, as well as other videos that can be of benefit to both the Agency and its member jurisdictions. Videos produced by the consultant are made available on the WRCOG website, social media accounts, YouTube channel, and furnished to the member agencies upon request for local applications and use.

Fiscal Year 2017/2018 Professional Services Agreement

Under the terms of the Fiscal Year 2017/2018 Professional Services Agreement (the Agreement), provided as Attachment 1, Christian Lomeli will provide videography services in addition to graphic design services for WRCOG. The scope of services is described in Exhibit "A" of the attached Agreement. The services include maintaining office hours at WRCOG at least one day every two weeks, or as otherwise determined between WRCOG and Mr. Lomeli. All Services shall be subject to, and performed in accordance with, the Agreement and its attached exhibits, and all applicable local, state and federal laws, rules and regulations.

The Professional Services Agreement with Consultant shall not exceed \$16,000 for the fiscal year.

Prior Action:

None.

Fiscal Impact:

The Agreement with Christian Lomeli is included in the Fiscal Year 2017/2018 budget under the General Fund Department, Administration Program.

Attachment:

1. Professional Services Agreement between the Western Riverside Council of Governments and Christian Lomeli.

Item 3.C

Christian Lomeli –
Videography/Graphic Design
Contract

Attachment 1

Professional Services Agreement
between the Western Riverside
Council of Governments and
Christian Lomeli

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

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2017, by and between the Western Riverside Council of Governments ("WRCOG"), a public agency with its principal place of business at Riverside, CA, and Christian Lomeli ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

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

2.2 Project.

WRCOG desires to engage Consultant to render such services in developing WRCOG videos and graphically designed materials. The videos for General Assembly (the "Minute Videos") should be 2 to 4 minutes in length. The duties for the General Assembly videos include, but are not limited to updating previous videos and creating new videos for the event based on direction from WRCOG's Executive Committee leaders, Executive Director, and staff. The WRCOG Minute Videos are to be short, one minute videos that align with various topics of WRCOG's choosing, such as healthy communities, WRCOG programs, and current issues of importance. The graphic design services shall include Duties include, but are not limited to collaborating with WRCOG on the script and the overall tasks associated with filming and producing the videos ("Project"), as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply WRCOG's video and graphic design services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. The Services include maintaining office hours at WRCOG at least one day every two weeks, or as otherwise determined between WRCOG and Consultant. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from July 1, 2017 to June 30, 2018, unless earlier terminated as provided herein. Consultant shall complete the Services

within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

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

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

3.2.4 [Reserved].

3.2.5 WRCOG's Representative. WRCOG hereby designates Jennifer Ward, Director of Government Relations, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 [Reserved].

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

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

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

3.2.10 Insurance.

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

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

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

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

3.2.10.3 [Reserved].

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

(A) General Liability. The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations

performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be the primary insurance with respect to WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

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

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

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

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and

endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The compensation rate shall be at least \$30/hour and the total compensation shall not exceed Sixteen Thousand Dollars (\$16,000.00) annually without written approval of WRCOG's Executive Director. Extra Work may be authorized, as described below, and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the

prevailing rates of per diem wages for each craft; classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Christian Lomeli
1710 Miramar Drive
Fullerton, CA 92831
(714) 504-7410
promelivideoworks@gmail.com

WRCOG: Jennifer Ward
3390 University Avenue, Suite 450
Riverside, CA 92501
(951) 405-6750

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify and hold WRCOG, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves the right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WRCOG

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CONSULTANT

CHRISTIAN LOMELI

By: _____
Rick Bishop
Executive Director

By: _____
Christian Lomeli
Consultant

Approved as to form:

By: _____
Steven C. DeBaun
General Counsel

EXHIBIT “A” SCOPE OF SERVICES

General Assembly & Leadership Address Videos

The following videos will be prepared for and presented at WRCOG’s 27th Annual General Assembly & Leadership Address on June 28, 2018.

1. “Executive Committee Tribute” Video: Approximately 3 to 4 minutes in length. This video highlights each of WRCOG’s Executive Committee members to thank them for their service to WRCOG over the past year.
2. Promo Video: Short (30 second) video that incorporates clips/images from previous General Assemblies and announces 2018 Keynote Speaker, used to promote the event.
3. Other General Assembly Videos: WRCOG may request the production of other short videos for entertainment and informational purposes to be played at the event.

WRCOG Minute Videos

The WRCOG Minute Videos will be approximately 1 to 2 minutes in length and will feature different topics related to WRCOG’s activities, including, but not limited to the Agency’s programs, current projects, and hosted events. Particular focus of this year’s Minute Videos will focus on completed BEYOND projects to feature the work accomplished by WRCOG member agencies using local assistance funding provided by WRCOG. The intent of other general Minute Videos is to present a COG-related topic in an easy to understand, entertaining, and visually appealing way to educate those who may not be familiar with WRCOG’s activities. WRCOG will provide background information and guidance on the topic of each video. The Videographer will match graphics, footage, audio, and creative enhancements to each topic. Potential topics may include:

- BEYOND project features
- Healthy communities
- PACE Program
- Transportation Uniform Mitigation Fee (TUMF) Program
- Clean Cities Coalition
- Active Transportation
- Used Oil & Solid Waste Programs
- Riverside County Habitat Conservation Agency (RCHCA)
- Future of Cities Conference
- TUMF Events

WRCOG Graphic Design

Provide general graphic design support services to WRCOG as directed including flyers, presentations, electronic notifications, social media content, and other collateral.

Office Hours

Consultant shall maintain office hours at WRCOG’s office for at least one day every two weeks, or as otherwise determined between WRCOG and Consultant.

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EXHIBIT “B”
SCHEDULE OF SERVICES

The following represents an approximate schedule of services to be performed. WRCOG and the Consultant will make every effort to adhere to this schedule, recognizing that adjustments may need to occur throughout the term of the agreement.

Task	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
General Assembly Videos	2017 GA recap						Promo Video	EC Trib.	EC Trib.	EC Trib.	Other	GA
WRCOG Videos												
WRCOG Graphic Design												

EXHIBIT "C"
COMPENSATION

Classification

Rate

Principal

\$30.00/Hr.

Non-Labor Expenses

Mileage (local)

\$0.545 per Mile



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: PFM Asset Management Contract

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

Date: January 10, 2018

The purpose of this item is to approve a professional services agreement for PFM to manage WRCOG's investment portfolio and financial advisory services.

Requested Action:

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

Fiscal Year 2017/2018 Professional Services Agreement

Under the terms of the Professional Services Agreement (the Agreement), PFM Asset Management LLC. will provide investment services including, but not limited to the following: reviewing WRCOG's investment policy; performing cash flow analysis to determine current and future liquidity needs; developing and implementing WRCOG's investment strategy; assisting WRCOG in selecting appropriate performance benchmarks; monitoring portfolio for opportunities to improve performance; perform efficient execution of purchases and sales of securities with approved brokers or dealers; monitor the creditworthiness of all investments; furnishing WRCOG with investment reports; and provide excellent client service.

In addition to the above services, PFM will also provide financial advisory services for WRCOG's Community Choice Aggregation (CCA), including, but not limited to: financial oversight; long-term planning work; and Property Assessed Clean Energy (PACE) services for programs NOT already under separate agreement between WRCOG and PFM.

The Professional Services Agreement with Consultant shall not exceed \$100,000 for the fiscal year.

Prior Action:

None.

Fiscal Impact:

The fees paid to PFM will be for holding WRCOG's assets for various programs including TUMF and PACE and have been programmed into the FY 17/18 budget. Most of the fees will be offset by interest accrued through investments of funds.

Attachment:

1. Professional Services Agreement between the Western Riverside Council of Governments and PFM Asset Management, LLC.

Item 3.D

PFM Asset Management Contract

Attachment 1

Professional Services Agreement
between the Western Riverside
Council of Governments and PFM
Asset Management, LLC

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT WITH
PFM ASSET MANAGEMENT LLC

1. PARTIES AND DATE.

This Agreement is made and entered into this effective as of October 1, 2017 ("Effective Date"), by and between the Western Riverside Council of Governments, a public agency with its principal place of business at 4080 Lemon Street, Riverside CA ("WRCOG") and PFM Asset Management LLC ("Consultant" or "PFMAM"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing services as an investment advisor, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such services for the management of WRCOG's investment portfolio ("Investment Management Services") and financial advisory services on an as needed basis ("Financial Advisory Services") together with the Investment Management Services ("Project") as set forth in this Agreement. WRCOG agrees that Consultant shall provide any requested Financial Advisory Services through its affiliates, Public Financial Management, Inc. or PFM Financial Advisors LLC (collectively, "PFM"), both of which are registered as municipal advisors with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board. Such requested Financial Advisory Services are set forth as "Extra Work" described herein, and additionally defined in Exhibit A and Exhibit B. This Agreement evidences PFM's obligation to perform the Financial Advisory Services in accordance with terms and provisions of this Agreement, including the applicable provisions of Section 3 hereof, as if the term "Consultant" referred to PFM.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG, through itself with respect to the Investment Management Services and through PFM with respect to the Financial Advisory Services, all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the investment management services and financial advisory services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" (and with respect to the Investment Management Services, Section 3.7.1 hereof) attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. With respect to Consultant, "Services" as used herein shall refer to the Investment Management Services, and with respect to PFM, "Services" shall refer to the

Financial Advisory Services. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the Effective Date to June 30, 2018, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 **Responsibilities of Consultant.**

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's performance of the Services, WRCOG shall respond to Consultant's submittals in a timely manner.

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

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant shall (i) promptly notify the WRCOG's Representative (as hereinafter defined) of any substitution, (ii) introduce the individual designated to serve as the replacement to the WRCOG's Representative, and (iii) provide the WRCOG's Representative with a resume and any other information regarding the individual that may be reasonably requested by WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for convenience. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key PFAM personnel for performance of the Investment Management Services are as follows: Sarah Meacham. The key PFM personnel for performance of the Financial Advisory Services are as follows: Michael Berwanger, Laura Franke, Jon Castaldo, Tyler Old, Topher Lancaster, Brandon Lewis, Alex Qin and Katherine Lee.

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

3.2.6 Consultant's Representative. PFMAM hereby designates Nancy Jones, or his or her designee, to act as its representative for the performance of the Investment Management Services under this Agreement, and PFM hereby designates Laura Franke, or his or her designee, to act as its representative for the performance of the Financial Advisory Services under this Agreement (either, a "Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

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

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

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

provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

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

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

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

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

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, and shall be endorsed to include contractual liability.

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

(A) General Liability. The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary

insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

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

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

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided or canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to WRCOG; and (8) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers. Consultant covenants that during the term of this Agreement, it shall not reduce the limits of coverages relied upon by WRCOG in executing and delivering this Agreement.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the WRCOG.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all

required insurance policies, at any time.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (8) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. The total compensation shall not exceed \$100,000 without written approval of WRCOG's Executive Director. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Financial Advisory Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. In addition to or as a supplement to the Services described herein, WRCOG desires, as Extra Work, Financial Advisory Services, including, but not limited to advisory services related to Community Choice Aggregation ("CCA") program financial development, Property Assessed Clean Energy (PACE) program assistance for programs not already contracted, and general budget and planning assistance. Consultant will provide such services through PFM. Such Financial Advisory Services will be provided as described in Exhibit "A". Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the

payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may terminate this Agreement for a material breach of its terms by WRCOG upon WRCOG's failure to cure such material breach within thirty (30) days after written notice thereof.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Sarah Meacham, Director
PFM Asset Management LLC
601 South Figueroa Street, Suite 4500
Los Angeles, CA 90017

With a copy to:

PFM Asset Management LLC
1735 Market Street, 43rd Floor
Philadelphia, PA 19103
Attn: Controller

WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501
Attn: Ernie Reyna
Facsimile: (951) 405-6740

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property.

This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project, unless such disclosure is required by law or by regulatory or judicial process. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has

become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts or omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, -religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.7 Investment Advisor Provisions

3.7.1 Services of Advisor. WRCOG hereby engages Consultant to serve as investment advisor under the terms of this Agreement with respect to the funds described in this Agreement and such other funds as WRCOG may from time to time assign by written notice to Consultant (collectively the "Managed Funds"), and Consultant accepts such appointment. In connection therewith, Consultant will provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. Consultant shall continuously monitor investment opportunities and evaluate investments of the Managed Funds. Consultant shall furnish WRCOG with statistical information and reports with respect to investments of the Managed Funds. Consultant shall place all orders for the purchase, sale, loan or exchange of portfolio securities for WRCOG's account with brokers or dealers recommended by Consultant and/or WRCOG, and to that end Consultant is authorized as agent of WRCOG to give instructions to the custodian designated by WRCOG (the "Custodian") as to deliveries of securities and payments of cash for the account of WRCOG. In connection with the selection of such brokers and dealers and the placing of such orders, Consultant is directed to seek for WRCOG the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to Consultant by such brokers and dealers. The Custodian shall have custody of cash, assets and securities of WRCOG. Consultant shall not take possession of or act as custodian for the cash, securities or other assets of WRCOG and shall have no responsibility in connection therewith. Authorized investments shall include only those investments which are currently authorized by WRCOG's investment policy, applicable state investment statutes and the applicable covenants and as supplemented by such other written instructions as may from time to time be provided by WRCOG to Consultant. Consultant shall be entitled to rely upon WRCOG's written advice with respect to anticipated drawdowns of Managed Funds. Consultant will observe the instructions of WRCOG with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which Consultant reasonably believes to be reputable, qualified and financially sound.

3.7.2 Pool Compensation. Assets invested by Consultant under the terms of this Agreement may from time to time be invested in (i) a money market mutual fund managed by Consultant or (ii) a local government investment pool managed by Consultant (either, a "Pool") or in individual securities. Average daily net assets subject to the fees described in this

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Agreement shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for Consultant and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

3.7.3 Expenses. Consultant shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Managed Funds. Except as expressly provided otherwise herein, WRCOG shall pay all of its own expenses including, without limitation, taxes, commissions, fees and expenses of WRCOG's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of the Custodian.

3.7.4 Registered Advisor; Duty of Care. Consultant hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. Consultant shall immediately notify WRCOG if at any time during the term of this Agreement it is not so registered or if its registration is suspended. Consultant agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which WRCOG may have under any federal securities laws. WRCOG hereby authorizes Consultant to sign I.R.S. Form W-9 on behalf of WRCOG and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

3.7.5 Consultant's Other Clients. WRCOG understands that Consultant performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. WRCOG agrees that Consultant, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Managed Funds. Consultant shall not have any obligation to purchase, sell or exchange any security for the Managed Funds solely by reason of the fact that Consultant, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.

3.7.6 Disciplinary Actions. Consultant shall promptly give notice to WRCOG if Consultant shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the SEC or any other agency or department of the United States, any registered securities exchange, FINRA, or any regulatory authority of any State based upon the performance of services as an investment advisor.

3.7.7 Books. Consultant shall maintain records of all transactions in the Managed Funds. Consultant shall provide WRCOG with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by Consultant and WRCOG.

3.7.8 Brochure and Brochure Supplement. Consultant warrants that it has delivered to WRCOG prior to the execution of this Agreement Consultant's current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). WRCOG acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.

3.7.9 Force Majeure. Consultant shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of Consultant or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

3.8 **Municipal Advisor Provisions**

3.8.1 Services of PFM. To the extent that PFM performs the Financial Advisory Services hereunder, such services shall be performed by PFM in accordance with the terms and provisions of this Agreement, including the applicable provisions of Section 3 hereof, as if the term "Consultant" referred to PFM.

3.8.2 Disclosure. MSRB Rule G-42 requires that municipal advisors make written disclosures to their clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in PFM's Disclosure Statement delivered to WRCOG together with this Agreement.

[Signatures on following page]

**SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT WITH
PFM ASSET MANAGEMENT LLC**

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement effective as of the Effective Date.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS By: _____ Rick Bishop Executive Director	PFM Asset Management LLC By: _____ Sarah Meacham Managing Director
APPROVED AS TO FORM: By: _____ General Counsel Best Best & Krieger LLP	PFM Financial Advisors LLC By: _____ Laura Franke Managing Director

EXHIBIT "A"
SCOPE OF SERVICES

Investment Management Services

The Consultant will provide the following Investment Management Services to WRCOG:

1. Review WRCOG's Investment Policy. Consultant will review WRCOG's Investment Policy to confirm that it meets the requirements of the California Government Code, and will propose any necessary changes.

Consultant will ensure WRCOG's Investment Policy is an effective tool for managing the investment program, regardless of market conditions, and incorporates best practices.

Consultant will make recommendations regarding allowable investments, maximum maturities, credit requirements and procedures to ensure portfolio diversification

2. Perform Cash Flow Analysis to Determine Current and Future Liquidity Needs. Consultant will analyze and produce a cash flow forecast by modeling WRCOG's historical use of cash. The cash flow projection will enable WRCOG to ensure that it has sufficient liquidity for cash needs while determining which funds can be invested in longer-term securities for higher yields. Consultant will meet with WRCOG regularly to ensure that we understand your future cash needs and the impact of any one-time capital projects.
3. Develop and Implement WRCOG's Investment Strategy. Consultant will work with WRCOG to develop a long-term investment strategy that will form the framework for all the investment decisions. The strategy will incorporate WRCOG's Investment Policy, expected cash flow requirements and risk tolerance, and provide enough flexibility to allow WRCOG to meet realistic performance objectives. Consultant will implement the investment strategy and execute transactions on behalf of WRCOG.
4. Assist WRCOG in Selecting Appropriate Performance Benchmark. Consultant will work with WRCOG to select a benchmark that reflects WRCOG's investment objectives and risk-return preferences.
5. Monitor Portfolio for Opportunities to Improve Performance. Consultant's portfolio management team has developed extensive resources to assess and monitor the market and the performance of securities in the portfolios that we manage. Our investment professionals and our proprietary investment analysis tools will allow us to identify investment opportunities for WRCOG in securities with the highest return potential while limiting risk and volatility.
6. Perform Efficient Execution of Purchases and Sales of Securities with Approved Brokers or Dealers. As a registered investment advisor with the SEC, Consultant does not carry an inventory of securities, and, therefore, will shop aggressively to obtain the best price and execution on each transaction. Consultant maintains direct contact with the nation's largest dealers-particularly those that have been designated "Primary Dealers" by the Federal Reserve-and major regional banks and financial institutions so that we can obtain the best price on each transaction. Consultant pursues an aggressive and

intensive effort to obtain the best bid/offer available for the particular security by soliciting bids/offers from several financial institutions. To protect our clients, we only transact business with firms whose financial conditions we have assessed and are on our list of approved firms.

7. Monitor the Creditworthiness of All Investments. Consultant will monitor the creditworthiness of all investments held in WRCOG's portfolio. We have a proven credit review process that relies on our own proprietary credit research as well as on the research of Nationally-Recognized Statistical Rating Organizations (NRSROs). Consultant's internal credit approval process includes an in-depth financial analysis of issuers, a formal written review, and approval by Consultant's Credit Committee. Once approved, an issuer is subject to regular review and updates, although market developments could trigger an immediate review. Consultant will seek to reduce risk by diversifying sectors and limiting exposure to each issuer in the portfolio.
8. Furnish WRCOG with Investment Reports. Consultant will provide WRCOG with comprehensive monthly and quarterly reports to keep staff and policy makers informed of the status of WRCOG's investments and strategy. Reports will detail holdings, transactions, market and amortized values, interest earnings, and performance. They are designed to help WRCOG staff easily book earnings and track portfolio activity. WRCOG will have online access to month-to-date transactions and a daily listing of portfolio holdings to keep them apprised of current investment activity.
9. Excellent Client Service through Our Dedicated Client Service Team. WRCOG's relationship will be the responsibility of Sarah Meacham, Director, as WRCOG's Engagement Manager and day-to-day contact. WRCOG would also have a dedicated Portfolio Strategist, Portfolio Manager, and Portfolio Trader. They are supported by 174 investment professionals who handle research, analysis, compliance, accounting, and reporting. Consultant will meet with WRCOG as often as necessary during the start-up period and quarterly thereafter to present in person investment results, updates on market trends, and to discuss with you any upcoming cash needs or changes to operating instructions.

Financial Advisory Services

Upon written request by WRCOG, the Consultant, through **PFM**, will provide Financial Advisory Services to WRCOG including, but not limited to the services below:

1. Community Choice Aggregation ("CCA") Program Financial Oversight
 - a. Assist WRCOG with the development and review of a short, medium and long-run business plan, projecting revenue and expenditure growth and incorporating the agency's internal development roadmap and annual Integrated Resource Plan;
 - b. Review of terms relating to procurement of start-up capital and working capital and a Line of Credit for PPA collateral requirements, and assist in negotiations on behalf of WRCOG;
 - c. Review and/or development of financial and reserve policies;
 - d. Review of risk management policies for all activities, including ongoing and regular assessment of risks and participation in quarterly Portfolio Strategy meetings;

Exhibit "A" - 2

- e. Review of policies and procedures for the purchase of power;
 - f. Assist WRCOG in reviewing the structuring, sizing, timing, and negotiation of terms related to any financing mechanism.
2. Long-Term Planning Work
- a. Debt Policy Review and advice regarding updates
 - b. Establish Long Range Objectives
 - c. Capital and Expenditure Analysis
 - d. Credit Analysis
 - e. Review Financial Risks
 - f. Policy Review
 - g. Determine Debt Strategy
 - h. Finalize Long Term Financing Plan
 - i.
3. Property Assessed Clean Energy (PACE) Program Services for programs NOT already under separate Agreement between PFM and WRCOG.
- a. Assist WRCOG with management oversight of program partners;
 - b. Assist WRCOG with the identification of and engagement with additional program partners, if so desired by WRCOG;
 - c. Perform sizing verification for all program originated assessments and aggregated bonds;
 - d. Maintain origination data in PACEkeeper with access provided to WRCOG staff, as requested by WRCOG;
 - e. Provide fee, interest rate and reserve fund analysis;
 - f. Provide verification of tax roll submission, upon submission of information from assessment administrator and request of WRCOG;
 - g. Assist WRCOG in reviewing structure, sizing, timing, and negotiation of terms for additional program participants, upon WRCOG request
 - h. Other PACE-related services as shall be performed upon request by WRCOG to PFM.

In addition to the aforementioned services, PFM will serve as WRCOG's Independent Registered Municipal Advisor (IRMA) and assist WRCOG with its counterparty interactions. It has been PFM's experience that banks and other counterparties will be reluctant to fully interact with WRCOG should you not have an IRMA and as such, the retention of PFM's services will allow for the inclusion of financial counterparties in WRCOG's continued development.

PFM will provide services hereunder through the following key personnel:

Michael Berwanger, Managing Director. Mike works with utility clients throughout the western region and leads PFM's advisory relationships with a majority of utilities in California. Mike also leads PFM's advisory efforts for development, launch, and ongoing operations for CCA clients to assure financial viability at all stages. Expertise in the most complex forms of utility financings including prepayment, tax-equity, and tax-credit financing structures used for the acquisition of renewable energy. Prior to joining PFM, Mike served as a director with a major investment bank.

Laura Franke, Managing Director. Laura leads PFM's Environmental Finance practice and provides a wealth of experience with government agency-sponsored, private consumer-facing financing programs. Laura works with clients nationwide to develop financing solutions that use innovative structuring to provide transparency and alignment

between projects' costs and benefits. Prior to joining PFM, Laura had her own financial advisory practice and previously worked as an investment banker for over 20 years.

Tyler Old, Director. Tyler has recently joined PFM in 2016 after many years of working with municipal and utility clients as an investment banker. He will support PFM's efforts throughout the West with developing CCA clients.

Jon Castaldo, Director. Jon Castaldo has over 20 years' experience originating, structuring and executing transactions across a wide variety of financial products and has a track record of success in specialty finance, investment banking and entrepreneurial settings. Jon is a member of the Environmental Finance Group and works across the country on programs and projects that require financing to implement efficiency and resiliency.

Tophier Lancaster, Senior Analyst. Tophier joined PFM in 2015 to support the Environmental Finance group. His development of complex models and understanding of database tools provides valuable service to our team and clients.

Brandon Lewis, Senior Analyst. Brandon provides dedicated project and analytical support to the wide variety of PFM's energy- and environment-related financial advisory work, focused especially on the eastern US. He joined the firm in July 2016 after finishing a Master in Public Affairs (MPA) degree from Princeton University's Woodrow Wilson School of Public and International Affairs.

Alex Qin, Analyst. Mr. Qin joined PFM in 2016 and is currently staffed in the Los Angeles office. Mr. Qin provides quantitative and analytical support for various clients.

Katherine Lee, Analyst. Ms. Lee joined PFM in 2017 and is currently staffed in the Los Angeles office. Ms. Lee provides quantitative and analytical support for various clients.

EXHIBIT "8"
COMPENSATION

Investment Management Services

For Investment Management Services provided by the Consultant pursuant to this Agreement, WRCOG shall pay the Consultant an annual fee, in monthly installments, based on the daily net assets under management according to the schedule below:

Average Assets Under Management	Fees
Initial \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Above \$100 million	6 basis points (0.06%)

"Daily net assets" is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance.

The minimum annual fee is \$25,000, to be applied in equal monthly installments.

The Consultant will bill WRCOG monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated. WRCOG shall pay to the Consultant the amount payable pursuant to this Agreement not later than on the 15th day of the month following the month during which the Consultant's statement was rendered.

Financial Advisory Services

For Financial Advisory Services provided by the Consultant, through PFM, pursuant to this Agreement, WRCOG shall pay the Consultant on an hourly basis for CCA or Long-Term Planning services requested by WRCOG using the following schedule:

PFM Hour Rates	
Managing Director	\$ 375
Director	\$ 350
Senior Managing Consultant	\$ 325
Senior Analyst	\$ 275
Analyst	\$ 240

For Financial Advisory Services provided by the Consultant, through PFM, pursuant to this Agreement for Property Assessed Clean Energy (PACE) Program Services for programs NOT already under separate Agreement between PFM and WRCOG:

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Cajalco Road / I-15 Interchange Memorandum of Understanding

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

Date: January 10, 2018

The purpose of this item is to provide an update on a Memorandum of Understanding (MOU) with the City of Corona and the Riverside County Transportation Commission (RCTC) regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

Requested Action:

1. Recommend that the Executive Committee approve an MOU with the City of Corona and RCTC regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March Joint Powers Authority (JPA) participate in the Program through an adopted ordinance, collect fees from new development, and remit 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 amount of fees collected in these groups, and the Riverside Transit Agency.

Cajalco Road / I-15 Interchange MOU

In December 2016, the Executive Committee approved a revision to the TUMF Administrative Plan to include language on a process in which credit is issued for developer monetary contributions to the implementation of a regional TUMF facility. The revision was in response to inquiries from member agencies regarding a developer providing the funding to construct TUMF improvements and the member agencies retaining the contractor and managing the project.

The Cajalco Road / I-15 Interchange will be the first project to fall under this category of a developer receiving TUMF credit for monetary contributions to the implementation of a TUMF facility. Due to state requirements, the City of Corona will act as the lead for the construction of the project, which will be constructed at the sole cost of the developer and would therefore meet the criteria under this credit process.

The MOU, drafted by the City of Corona, RCTC and WRCOG, outlines the process by which the developer will receive credit against the developer's TUMF obligation and potential reimbursement from RCTC for any cost incurred above the developer's TUMF obligation, up to the maximum TUMF share in the 2016 TUMF Nexus Study. Since the Cajalco Road / I-15 project is a regional facility, RCTC will be providing any reimbursement to the developer from the TUMF regional revenues that WRCOG allocates to RCTC on a monthly basis. However, any reimbursement to the developer will not be made until all requirements outlined in the TUMF Administrative Plan have been met, including the completion and acceptance of the improvements and the exhaustion of all TUMF credits.

The MOU is currently scheduled to be on a City of Corona agenda for review and action by the City Council in February 2018. Implementation of any action taken by the WRCOG Administration & Finance and Executive Committees is contingent on the approval of the MOU by the Corona City Council.

Prior Action:

None.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Transportation Department.

Attachment:

1. Cajalco Road / I-15 Memorandum of Understanding.

Item 3.E

Cajalco Road / I-15 Interchange
Memorandum of Understanding

Attachment 1

Cajalco Road / I-15 Memorandum of
Understanding

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**MEMORANDUM OF UNDERSTANDING AMONG THE CITY OF CORONA, THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, AND THE RIVERSIDE
COUNTY TRANSPORTATION COMMISSION REGARDING
IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENTS
FOR THE TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM**

CAJALCO / INTERSTATE 15 INTERCHANGE PROJECT

This **MEMORANDUM OF UNDERSTANDING** (“Agreement”) is entered into this ____ day of _____, 20____, by and among the City of Corona, a California municipal corporation (“AGENCY”), the Western Riverside Council of Governments, a Joint Powers Agency comprised of the County of Riverside and several cities in Western Riverside County (“WRCOG”), and the Riverside County Transportation Commission (“RCTC”). AGENCY, WRCOG, and RCTC are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

WHEREAS, a developer (“Developer”) owns real property located within the AGENCY (“Property”) and has requested from AGENCY certain entitlements and/or permits for the construction of improvements on the Property (“Project”);

WHEREAS, the AGENCY is a member agency of WRCOG, the administrator for the Transportation Uniform Mitigation Fee (“TUMF”) Program;

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer’s fair share of the costs to deliver transportation improvements that help mitigate the Project’s traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the “TUMF Network”), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the “Transportation Uniform Mitigation Fee Nexus Study: 2016 Update” (“2016 Nexus Study”) and the 5-year Transportation Improvement Program (“TIP”), as may be amended, designate the various TUMF Network improvement projects;

WHEREAS, as a condition to AGENCY’s approval of the Project, AGENCY has required Developer to pay for the construction of certain street and transportation system improvements of regional importance related to the interchange at Cajalco Road and Interstate 15 (“TUMF Improvements”) that will be constructed by AGENCY;

WHEREAS, AGENCY has entered into a separate agreement with the Developer for, among other things, the following purposes:

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(1) to provide for the timely delivery of the TUMF Improvements as a cooperative process between AGENCY and the Developer,

(2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the AGENCY,

(3) to provide a means by which the Developer's costs for delivery of the TUMF Improvements and related rights-of-way are offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, dated June 24, 2016, and

(4) to provide a means, subject to the approval of WRCOG and agreement by RCTC, for Developer to be reimbursed by RCTC to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation;

WHEREAS, the TUMF Improvements are designated in the 2016 Nexus Study as a Type 1 interchange with a maximum cost of \$44,251,000 available for credit against the TUMF owed by the Developer for the Project;

WHEREAS, RCTC is a county transportation commission created and existing pursuant to California Public Utilities Code Sections 130053 and 130053.5, which administers funding for an improved Regional Arterial System to be funded by Regional TUMF revenues;

WHEREAS, RCTC intends to distribute TUMF funds to the AGENCY to be used by the AGENCY to reimburse Developer for constructing the TUMF Improvements, per the TUMF Administrative Plan guidelines and a Reimbursement Agreement, and subject to the limitations set forth herein;

WHEREAS, the Parties intend to provide a means for allowing RCTC to distribute TUMF funds to AGENCY for reimbursement to the Developer for the TUMF Improvements based on the 2016 Nexus Study.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, AGENCY, WRCOG, and RCTC hereby agree as follows:

TERMS

1.0 Incorporation of Recitals.

1.1 The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Agreements.

- 2.1 The TUMF Administrative Plan is incorporated herein by reference. The Parties acknowledge and agree that TUMF credits and reimbursements shall be subject to the terms and conditions of the TUMF Administrative Plan, in addition to the terms of this Agreement. In the case of a conflict, the TUMF Administrative Plan shall govern.
- 2.2 The Parties acknowledge and agree that AGENCY may enter into a credit agreement with the Developer substantially in the form provided in Exhibit A attached hereto prior to construction of the TUMF Improvements.
- 2.3 The Parties acknowledge and agree that RCTC and AGENCY may enter into a reimbursement agreement substantially in the form provided in Exhibit B attached hereto after the completion and acceptance of the TUMF Improvements by AGENCY.
- 2.4 In accordance with the TUMF Administrative Plan, reimbursements from RCTC to AGENCY shall not commence until a reimbursement agreement as described above has been executed between RCTC and AGENCY, and until all credits have been exhausted by Developer. Exhaustion of the credits shall be determined in accordance with the TUMF Administrative Plan.
- 2.5 AGENCY shall provide written notification to WRCOG and RCTC of its determination that all credits have been exhausted, and shall provide any information and back-up documentation regarding such determination as requested by WRCOG or RCTC.
- 2.6 RCTC approved a ten percent set aside for developer credit reimbursements, and has established a TUMF developer credit reimbursement account (the “**Account**”). Payments to AGENCY shall be made based on the amount available in the Account, and may be allocated by RCTC amongst multiple RCTC member agencies, in RCTC’s sole discretion. Should the amount of credit reimbursement exceed the amount of available in the Account, AGENCY shall be paid in annual installment payments over multiple years until such time as the amount of the credit reimbursement is paid off in full. AGENCY understands and agrees that the amount of any annual installment payment may vary from year to year and may be reduced to zero based upon amounts available in the Account.

3.0 Miscellaneous.

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- 3.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.
- 3.2 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:
[INSERT]

To WRCOG:
[INSERT]

To RCTC:
[INSERT]

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

- 3.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.
- 3.4 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 3.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by all Parties.
- 3.6 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

- 3.7 Assignment or Transfer. The Parties shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Parties. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- 3.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.
- 3.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.
- 3.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 3.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding.
- 3.12 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with diligence to complete all covenants and conditions.
- 3.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.
- 3.14 Entire Agreement. This Agreement contains the entire agreement between Parties and supersedes any prior oral or written statements or agreements between Parties regarding the limited subject matter stated within this Agreement.

[SIGNATURES OF PARTIES ON NEXT PAGE]

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**IN WITNESS WHEREOF, the Parties hereto have executed this Agreement
as of the day and year first above written.**

City of Corona

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

Western Riverside Council of Governments

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

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Riverside County Transportation Commission

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

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EXHIBIT “A”

DRAFT CREDIT AGREEMENT

[ATTACHED BEHIND THIS PAGE]

EXHIBIT “B”
DRAFT REIMBURSEMENT AGREEMENT

[ATTACHED BEHIND THIS PAGE]



Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Single Signature Authority Report

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

Date: January 10, 2018

The purpose of this item is to notify the Committee of any recent contracts signed under the single signature authority of the Executive Director.

Requested Action:

1. Receive and file.

The Executive Director has single signature authority for contracts up to \$50,000. For the period of October 1, 2017, through December 31, 2017, two contracts were signed by the Executive Director.

The first contract is between WRCOG and the City of Riverside. This contract is a service agreement which allows WRCOG to administer the City of Riverside's Used Oil Program. This contract will not exceed \$24,500.

The second contract is between WRCOG and Benya Burnett Consultancy (Design Services, Inc.) to assist with Streetlight RFQ and Community Customization projects. This contract will not exceed \$28,000.

The total of the two above contracts that were signed by the Executive Director is \$52,500.

Prior Action:

November 6, 2017: The Executive Committee received report for the period of July 1, 2017, through September 30, 2017.

Fiscal Impact:

The item for this quarter is informational only; therefore, there is no fiscal impact.

Attachment

1. WRCOG Contracts Activity report.

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Item 3.F

Single Signature Authority Report

Attachment 1

WRCOG Contracts Activity report

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Western Riverside Council of Governments
 Contracts Activity Report
 For the Period October 1, 2017, through December 31, 2017

Level Of Authority	Date	Consultant	Description of Services	Amount
Executive Director				
	11/11/2017	The City of Riverside	Service agreement to administer the City of Riverside's Used Oil Program	\$ 24,500
	11/16/2017	Benya Burnett Consultancy	Engineering Services to assist LED Street Lighting RFQ & LightSuite Jurisdictional Community Customization Project	\$ 28,000
Administration & Finance				
None				
Other				
None				
Total Amount for Single Signature				\$ 52,500



Prepared and Approved by

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Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: 27th Annual General Assembly & Leadership Address

Contact: Jennifer Ward, Director of Government Relations, jward@wrcog.us, (951) 405-6750

Date: January 10, 2018

The purpose of this item is to begin discussions with the Committee regarding planning for the 27th Annual General Assembly & Leadership Address.

Requested Action:

1. Discuss and provide direction.

WRCOG's 27th Annual General Assembly & Leadership Address is currently scheduled for Thursday, June 21, 2018, at the Morongo Casino, Resort & Spa.

Staff will provide a verbal update and conduct a discussion with Committee members regarding planning for the event, including potential keynote speaker options.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: Transportation Uniform Mitigation Fee (TUMF) Program Ad Hoc Committee Activities Update

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

Date: January 10, 2018

The purpose of this item is to provide an update on the recommendations provided by the TUMF Program Ad Hoc Committee regarding the administration of the Program, fee calculations for service / retail uses, zone process, and project criteria / eligibility.

Requested Actions:

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

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March Joint Powers Authority (JPA) participate in the Program through an adopted ordinance, collect fees from new development, and remit 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 amount of fees collected in these groups, and the Riverside Transit Agency.

Background

In early 2017, the Executive Committee formed a TUMF Program Ad Hoc Committee to review a number of topics ranging from administration of the Program to fee calculations issues. Following are summaries of the Ad Hoc Committee meetings.

April 7, 2017 – Administration of the TUMF Program

Staff provided a presentation regarding the history of the TUMF Program. Staff discussed the initial decision-making processes that influenced the development of TUMF Program, linkages to Measure A, the desire for

local control over revenues, cost-efficiencies that were built into the Program as it relates to the distribution of administrative and programming responsibilities, and zone structures and funding allocations. Discussion occurred on whether it would be more efficient to have the Riverside County Transportation Commission (RCTC) administer the TUMF Program. The consensus of the group was that the Program in its current form could not be administered by RCTC more efficiently as it would require RCTC to add staff, which would duplicate WRCOG's current work, resulting in no net change as compared to if the current structure is kept.

Ad Hoc Committee members unanimously indicated that given the information reviewed and issues discussed, there is no compelling reason to continue considering the matter of moving the TUMF Program to RCTC.

May 18, 2017 – TUMF Zone Process

Staff provided a presentation on the development of the TUMF Zones as they currently function. Staff believed it was prudent to provide Ad Hoc Committee members the genesis of the zone process as part of the top down review of the TUMF Program. Some current challenges are the zones were created before incorporation of several jurisdictions and there are two smaller zones that did not generate significant TUMF revenue in the last several years.

Staff reviewed multiple options for the Ad Hoc Committee members to review and the consensus of the group was to leave the current TUMF Zone process as it functions today.

July 25, 2017 – Exemption Options for Local Serving Retail and Service Uses

Based on analysis of available data, staff developed potential options for the Ad Hoc Committee and Executive Committee to review and consider regarding a potential exemption.

The preferred option of the Ad Hoc Committee was to exclude the first 3,000 square feet of retail and service uses. This option would provide a 3,000 square feet reduction for all retail and service uses, not only to those uses that are 3,000 square feet and below. As the retail and service sectors go through cycles, the need to expand an existing use is often necessary. This option would provide benefit to those uses that are taking a risk to provide more economic development and are proposing to expand their use.

This option is not necessarily an exemption, as member jurisdictions would reduce retail square footage by 3,000 square feet for all retail and service projects. This approach would exempt the first 3,000 square feet of retail and service space. Therefore, if a project is less than 3,000 square feet, no TUMF is paid. If a project is more than 3,000 square feet, the fee is reduced.

The Ad Hoc Committee also discussed the need to monitor this approach and provide a report within one year on its implementation and any recommended changes.

On August 7, 2017, the Executive Committee approved the Ad Hoc Committee recommendation to reduce the first 3,000 square feet from retail and service land uses.

November 15, 2017 – Nexus Study Project Criteria and Type

Staff provided a presentation on the criteria and types of projects eligible for TUMF Program funding. While WRCOG does not anticipate starting an update to the TUMF Nexus Study for at least two years, this discussion would lay the framework for the next update.

Staff presented a series of questions to the Ad Hoc Committee, for which below are key responses to each:

- Should the TUMF Program fund other types of projects besides roadways, interchanges, grade separations? In recent years, staff has received a number of questions regarding TUMF funding for active transportation projects. Under the current 2016 Nexus Study, TUMF funds can be used for Class II bike lanes and transit projects. The Ad Hoc Committee suggested additional active transportation projects be reviewed for potential inclusion in future TUMF Nexus Study updates, but raised questions on how

additional costs to the TUMF Network could be offset, and what criteria would be developed to screen regional active transportation projects.

- Should TUMF Zones engage in regular discussion of Zone priorities? Members of the Ad Hoc Committee stated this exercise should be a priority as the purpose of the TUMF Program is to provide supplemental funding for projects that are shovel ready and provide a regional benefit.
- Should WRCOG update the criteria for projects to be included in the Program, including some type of feasibility? Currently, the TUMF Program does not review feasibility to determine whether a project can be included in the Nexus Study. Members of the Ad Hoc Committee suggested that if a feasibility criteria is developed, that the member agency be included in the discussions of removing a facility from the TUMF Network for concurrence.
- Should WRCOG require some type of formal review but not approval of the TUMF Network by the Riverside County Transportation Commission (RCTC)? During Nexus Study updates, staff provides regular updates to the WRCOG Committee structure, for which RCTC is a member of the Public Works Committee. Members of the Ad Hoc Committee questioned whether this potential requirement would provide efficiencies and determined that it not be option that WRCOG explore.

The Ad Hoc Committee recommended that WRCOG utilize the Public Works Committee as the body to develop specific language and direction related to three major items:

- Expanding the Program to include additional project types and describing the process on how these projects would be added during a Nexus Study update.
- Developing a process to prioritize projects within each Zone for use during TIP updates.
- Developing criteria for projects to be included in the Nexus Study.

Prior Actions:

December 14, 2017: The Public Works Committee 1) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; and 3) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: 3a) expanding the types of projects that can be funded by TUMF, including active transportation projects; 3b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; 3c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Transportation Department.

Attachment:

None.

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Western Riverside Council of Governments

Administration & Finance Committee

Staff Report

Subject: PACE Programs Activities Update

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

Date: January 10, 2018

The purpose of this item is to request the Committee's authorization to modify the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Statewide SAMAS Commercial Program Handbook. Also to provide informational updates on the WRCOG Property Assessed Clean Energy (PACE) Consumer Protections Policy and recent discussions with realtors.

Requested Action:

1. Recommend that the Executive Committee approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG and SAMAS legal counsels to analyze the mortgage documents and associated terms, conditions and covenants to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage terms.

SAMAS Commercial Update

Program Report Update: SAMAS Capital approached WRCOG staff in fall 2017 with a request to modify the underwriting criteria for the WRCOG and Statewide SAMAS Commercial PACE Programs. Through discussions amongst the Commercial PACE Team (WRCOG, SAMAS, BB&K, and DTA) it was agreed to try a 6-month pilot that would give some flexibility in lender consent requirements for projects.

Currently, before a Commercial PACE assessment can be levied, the lender must sign a lender acknowledgement/consent letter for the PACE lien to be placed on the tax roll. However, not all mortgage holders have the requirement to obtain lender acknowledgement/consent for a PACE lien to be placed on the tax roll. The revision to the Program is to follow established lender requirements instead of requiring all projects to have lender consent. Staff is requesting the Administration & Finance Committee recommend that the Executive Committee approve the revised Program Report and Handbook.

Consumer Protection Policy Update

Background: On December 7, 2015, the Executive Committee adopted a Consumer Protections Policy (CPP) for PACE providers. The policy serves as a set of comprehensive industry consumer protection standards that PACE providers are required to abide by in order to operate under the WRCOG PACE umbrella. The WRCOG CPP is structured to reflect legislative changes and consumer protection practices as they emerge.

New Legislation: On October 4, 2017, Governor Brown signed into law two PACE-related pieces of legislation: SB 242 and AB 1284. SB 242 establishes and codifies enhanced consumer protections for PACE Programs

throughout the state, while AB 1284 creates a framework for statewide oversight of PACE providers and contractors through the California Department of Business Oversight (DBO).

WRCOG staff updated the current CPP to be consistent with AB 1284 and SB 242, and incorporated certain changes adopted by PACENation's Consumer Protections Policy version 2.0. WRCOG staff is working with its various PACE providers to solicit input on the development of the CPP and will bring the final document to the Executive Committee in February 2018 for consideration.

Some key changes to the Consumer Protection Policy include:

1. **Right to Cancel.** WRCOG's CPP currently requires the property owner be given the right to cancel the contractual assessment on or before midnight of the third business day after signing the assessment contract. With the passage of SB 242, if the financing is cancelled (unless the property owner waives their rights), the Home Improvement Contract between the property owner and the contractor will also be cancelled – effective January 1, 2018.
2. **Prohibited Marketing Practices.** PACE providers and contractors are expressly forbidden from suggesting or implying in any way that PACE is a government assistance program; suggesting or implying that PACE is a free program and; suggesting or implying that PACE does not involve a financial obligation that the property owner must repay.
3. **Income Based Underwriting.** A provider shall consider the monthly debt obligations of the property owner to determine a property owner's ability to pay the annual payment PACE assessment obligations using reasonably reliable 3rd party record – effective April 1, 2018.
4. **Prohibition on Compensating Contractors Beyond the Cost of a Home Improvement Project.** Prohibits program administrator from providing direct / indirect cash payments or anything of a material value to a contractor or 3rd party that is in excess of the actual price charged. Additionally, the reimbursement is capped at \$100 per each salesperson – effective January 2, 2018.

Realtor Update

On December 6, 2017, members of the Executive Committee and WRCOG staff convened a meeting with the Realtor Advisory Working Group to provide updates on the current status of the PACE industry. Attendees included members of the Inland Valley Association of Realtors, Southwest Riverside County Association of Realtors, The Inland Gateway Association of Realtors, Renovate America, CaliforniaFIRST and Spruce. Representatives from WRCOG's PACE program presented their perspective on the new consumer protection legislation that passed as well as the processes that have been implemented to support the realtor community on completing real estate transactions for properties with PACE assessments.

On January 3, 2018, WRCOG staff attended a monthly meeting of the Inland Valley Association of Realtors to provide an update on the progress that has been made since the realtor community first expressed its concerns about PACE. Many of the concerns initially raised have since been resolved through legislation, enhanced consumer protections, and increased education and awareness of PACE assessments. WRCOG staff will continue to work with the realtor community to address their concerns around PACE assessments and will provide updates as they occur.

Prior Actions:

December 4, 2017: The Executive Committee 1) received WRCOG PACE Program Summary; 2) conducted a Public Hearing regarding the inclusion of the City of Petaluma 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 46-17; 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) authorized the Executive Director to continue utilizing Baker Tilly to conduct future operational analyses / audits of its residential PACE Programs; 5) authorized the Executive Director to execute a Professional Service Contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed \$140,000 for the Fiscal Year 2016/2017.

Fiscal Impact:

There is no fiscal impact for this item.

Attachments:

1. Redlined WRCOG Energy Efficiency and Water Conservation Program Report - Revised January 8, 2018.
2. Revised Statewide SAMAS Commercial Program Handbook dated February 5, 2018.

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Item 4.C

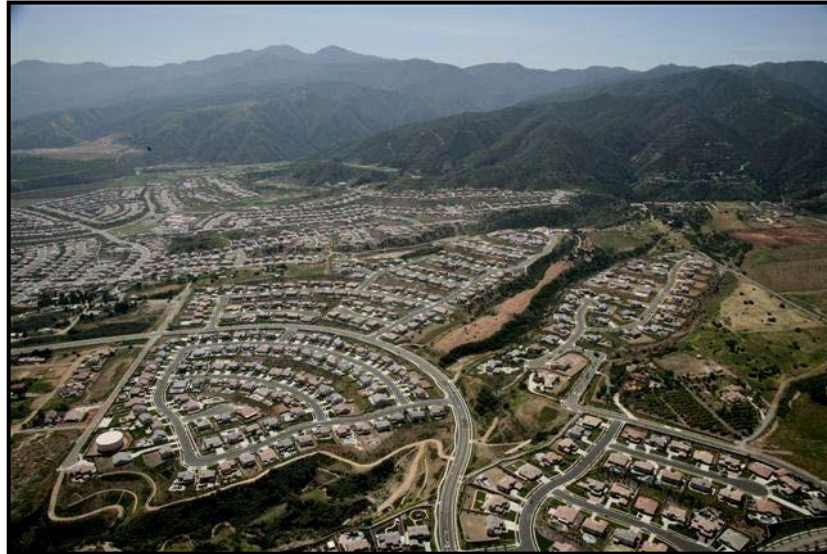
PACE Programs Activities Update

Attachment 1

Redlined WRCOG Energy Efficiency
and Water Conservation Program
Report - Revised January 8, 2018

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ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES AND PROGRAM REPORT

ADOPTED: JUNE 7, 2010 - AMENDED: JANUARY 12, 2011 - AMENDED: JUNE 6, 2011
AMENDED: JULY 29, 2011 - AMENDED: SEPTEMBER 12, 2011 - REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 - REVISED JUNE 3, 2013 - REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 - AMENDED AUGUST 4, 2014
AMENDED OCTOBER 6, 2014 – REVISED NOVEMBER 4, 2014
AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016 – REVISED – JUNE 6, 2016 —
AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017 – AMENDED MARCH 7, 2017-
REVISED APRIL 3, 2017 - AMENDED APRIL 4, 2017 – REVISED JULY 11, 2017– REVISED
OCTOBER 2, 2017-REVISED JANUARY 8, 2018



PREPARED BY:
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor MS 1032
3390 University Avenue, Suite 450
RIVERSIDE, CA 92501
PHONE: (951) 405-6700
FAX: (951) 223-9720
WWW.WRCOG.US



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III. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

If financing is provided for the Program by Renovate America, Inc. for commercial properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

HERO Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation and seismic strengthening improvements, using Renovate America financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- 4-units are exempt from receiving mortgage debt lender(s) consent to Program financing.
- No lender consent shall be required for commercial properties financed by the Samas Commercial Program if it is determined by a written opinion addressed to WRCOG by a reputable law firm with commercial real estate experience which has been approved by WRCOG that no lender consent is required under the documents relating to prior mortgages or other liens on the subject property.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured



property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water



improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for HERO Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings, water conservation/efficiency and seismic strengthening measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy or provides seismic strengthening to existing structures. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency and seismic strengthening Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Seismic Strengthening Products
 - e. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency, renewable energy and seismic strengthening measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors registered with the Program shall also be located on the



Program website; however, WRCOG will not make recommendations for contracting assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with renewable energy, energy efficiency, water conservation/efficiency and seismic strengthening improvements. Repairs and/or new construction do not qualify for Program financing except to the extent that the construction is required for the specific approved improvement. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section III.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by Renovate America.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.

Item 4.C

PACE Programs Activities Update

Attachment 2

Revised Statewide SAMAS
Commercial Program Handbook
dated February 5, 2018

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Statewide Commercial Handbook

September 12, 2016 – Revised February 5, 2018

A low cost financing program for commercial, industrial, and multi-family
buildings in your community

California Code of Regulations Title 24
regulations for new construction of and
retrofitting of residential and commercial
buildings.

3 Future Program Changes

WRCOG reserves the right to change the Program and its terms at any time; however, any such change will not affect a property owner's existing obligation to pay the contractual assessment agreed to in an executed Assessment Contract.

A property owner's participation in the Program will be subject to the regulations and terms set forth in this Handbook and other documents that constitute the agreement between the Agent and the property owner. If any provisions of this Handbook are determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

4 Program Eligibility Requirements

Potential property applicants should carefully review this section in order to determine whether they are eligible for the Program before submitting an application.

4.1 Eligible Applicants

In addition to the property eligibility requirements, commercial property owners must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for commercial property owners are set forth below.

4.1.1 Qualification Criteria:

- Applicant property owner(s) must be the property owner(s) of record of the property upon which the Eligible Products are to be installed.
- 4-units are exempt from receiving mortgage debt lender(s) consent to Program financing.
- No lender consent shall be required for commercial properties financed by the Samas Commercial Program if it is determined by a written opinion addressed to WRCOG by a reputable law firm with commercial real estate experience which has been approved by WRCOG that no lender consent is required under the documents relating to prior mortgages or other liens on the subject property. Otherwise, lender consent is required.
- Property owner(s) must be current on property taxes on the property upon which the Eligible Products are to be installed and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of such property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt on the property upon which the Eligible Products are to be installed for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if such property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, Assessment Contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Non-profit organizations must stipulate that they have not claimed an exemption from taxes.