



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, August 7, 2017
2:00 p.m.**

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

The following teleconference number is provided exclusively for members of the public wishing to address the Executive Committee directly during the public hearing portion of item 6.A on the agenda:

**Teleconference: (515) 739-1539
Access Code: 190831**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

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

- 1. CALL TO ORDER / ROLL CALL (Debbie Franklin, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. SPECIAL PRESENTATION: Jay Orr**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the Executive Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Executive Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Executive Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Executive Committee request specific items be removed from the Consent Calendar.

Action items:

- A. **Summary Minutes from the July 10, 2017, Executive Committee Meeting are Available for Consideration.** **P. 1**

Requested Action: 1. *Approve the Summary Minutes from the July 10, 2017, Executive Committee meeting.*

- B. **PACE Programs Activities Update and Amendments Crystal Adams P. 9**
to HERO Program Reports and Handbooks

Requested Actions: 1. *Authorize the Executive Director to amend the WRCOG HERO Program Report, the WRCOG HERO Program Handbook, and the California HERO Program Handbook to reflect the underwriting criteria change to lower the maximum combined loan to value limit to 97% and remove the minimum equity threshold.*
2. *Adopt WRCOG Resolution Number 38-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Shasta County.*

- C. **Approval of Professional Services and Contractor Ernie Reyna P. 61**
Agreement with Exigent Systems to Provide Agency
Information Technology Support

Requested Action: 1. *Approve the Professional Services Agreement between the Western Riverside Council of Governments and Exigent Systems to provide information technology support services for the Agency in an amount not to exceed \$120,000 for Fiscal Year 2017/2018.*

- D. **TUMF Program Update and Consideration Christopher Gray P. 85**
of Potential Exemptions for Certain Service
and Retail Uses

Requested Actions: 1. *Direct staff to update the TUMF Fee Calculation Handbook to exempt the first 3,000 square feet of retail and service uses (both for new development and for modifications to existing development) from TUMF assessments to address local serving retail and service uses.*
2. *Direct staff to update the TUMF Administrative Plan to reflect this approach.*
3. *Direct staff to conduct outreach with member agencies to implement this approach.*
4. *Direct staff to report back on implementation within one year, specifically regarding implementation challenges, if any, among stakeholders and jurisdictions and the fiscal impacts from implementation of this policy.*

- Requested Action:** 1. *Direct the Executive Director to execute the Sixth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program rate change through 2018.*

- Requested Actions:**
1. *Direct and authorize the Executive Director to enter into an agreement for on-call planning services with Kearns & West in an amount not to exceed \$95,560 in total.*
 2. *Approve the First Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and WSP to provide WRCOG technical support and advisory services in an amount not to exceed \$75,000 for this Amendment and \$235,000 in total.*

- Requested Actions:**
1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Heacock Street Widening Project in an amount not to exceed \$1,100,000.
 2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Ethanac Road Widening Project in an amount not to exceed \$500,000.
 3. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Nuevo Road Widening Project in an amount not to exceed \$499,806.

- Requested Action:** 1. Approve the 4th Quarter draft Agency Budget amendment for Fiscal Year 2016/2017.

I. Finance Department Activities Update Including Agency Audit, 4th Quarter Budget Amendment, and Upcoming Annual TUMF Compliance Review by Agencies	<i>Ernie Reyna</i>	P. 229
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- Requested Action:** 1. Receive and file.

K.	Regional Streetlight Program Activities Update	Tyler Masters	P. 237
	<u>Requested Action:</u> 1. Receive and file.		
L.	Environmental Department Activities Update	Dolores Badillo	P. 241
	<u>Requested Action:</u> 1. Receive and file.		
M.	Single Signature Authority Report	Ernie Reyna	P. 245
	<u>Requested Action:</u> 1. Receive and file.		

6. REPORTS / DISCUSSION

A.	PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella	Crystal Adams, WRCOG	P. 251
	<u>Requested Actions:</u> 1. Conduct a Public Hearing regarding the inclusion of the City of Santa Rosa. 2. Adopt WRCOG Resolution Number 36-17; 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. 3. Accept the County of Tulare Unincorporated areas as an Associate Member of the Western Riverside Council of Governments. 4. Adopt WRCOG Resolution Number 37-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon. 5. Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include PACE Funding under WRCOG's PACE umbrella.		
B.	Report From the League of California Cities	Erin Sasse, League of California Cities	P. 317
	<u>Requested Action:</u> 1. Receive and file.		
C.	Presentation by Southern California Edison Representatives Regarding Time of Use Rates and the General Rate Case	Jeremy Goldman, Southern California Edison	P. 319
	<u>Requested Action:</u> 1. Receive and file.		

**D. Community Choice Aggregation Program
Activities Update Including a Request for Action to
Approve CCA Governance and Staffing Arrangement
Documents As Well As Selection of Consultants to
Provide CCA Operational / Staffing Services**

Barbara Spoonhour, WRCOG P. 329

- Requested Actions:**
1. Approve the CCA Joint Powers Agreement and Bylaws.
 2. Approve the draft agreement between WRCOG and the CCA for staffing services.
 3. Direct and authorize the Executive Director to negotiate and enter into an agreement with The Energy Authority and EES Consulting to provide CCA Operational Services.

**7. REPORT FROM THE TECHNICAL ADVISORY
COMMITTEE CHAIR**

Gary Nordquist

8. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit
CALCOG, Brian Tisdale

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop

10. ITEMS FOR FUTURE AGENDAS

Members

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

11. GENERAL ANNOUNCEMENTS

Members

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

12. CLOSED SESSION

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO
SECTION 54956.9(d)(1)**

- Case Number RIC1614434

**13. NEXT MEETING: The next Executive Committee meeting is scheduled for Monday,
September 11, 2017, at 2:00 p.m., at the County of Riverside Administrative
Center, 1st Floor Board Chambers.**

14. ADJOURNMENT

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Western Riverside Council of Governments

4.A

Regular Meeting ~ Minutes ~

Monday, July 10, 2017

2:00 PM

County Administrative Center

1. CALL TO ORDER

The meeting was called to order at 2:03 p.m. on July 10, 2017, at the County Administrative Center, 4080 Lemon Street, Riverside, CA.

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:48 PM
City of Beaumont	Lloyd White	Present	1:48 PM
City of Calimesa	Jeff Hewitt	Present	1:50 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:50 PM
City of Corona	Eugene Montanez	Present	1:46 PM
City of Eastvale	Adam Rush	Present	1:49 PM
City of Hemet	Bonnie Wright	Present	1:47 PM
City of Jurupa Valley	Laura Roughton	Present	1:55 PM
City of Lake Elsinore	Brian Tisdale	Present	1:46 PM
City of Menifee	John Denver	Present	1:50 PM
City of Moreno Valley	Yxstian Gutierrez	Present	1:59 PM
City of Murrieta	Kelly Seyarto	Present	1:46 PM
City of Norco	Kevin Bash	Present	1:46 PM
City of Perris	Rita Rogers	Present	1:58 PM
City of Riverside	Rusty Bailey	Present	1:47 PM / 2:44 PM
City of San Jacinto	Ross Utz	Present	1:55 PM
City of Temecula	Maryann Edwards	Present	1:54 PM
City of Wildomar	Dustin Nigg	Present	1:49 PM
District 1	Kevin Jeffries	Present	1:49 PM / 2:46 PM
District 2	John Tavaglione	Present	1:46 PM / 2:44 PM
District 3	Chuck Washington	Present	1:48 PM
District 5	Marion Ashley	Present	1:48 PM
Easter Municipal Water District	David Slawson	Present	1:48 PM
Western Municipal Water District	Brenda Dennstedt	Present	1:53 PM
Morongo Band of Mission Indians	Robert Martin	Absent	
Office of Education	Judy White	Present	1:50 PM
TAC Chair	Gary Nordquist	Present	1:53 PM
Executive Director	Rick Bishop	Present	1:53 PM

Note: Times above reflect when the member logged in; they may have arrived at the meeting earlier.

2. PLEDGE OF ALLEGIANCE

Committee member Lloyd White led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED [24 TO 0]
MOVER:	City of Lake Elsinore
SECONDER:	City of Eastvale
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5, EMWD, WMWD, Beaumont
ABSENT:	Morongo

A. Summary Minutes from the June 23, 2017, Executive Committee meeting are available for consideration.

Action: 1. *Approved the Summary Minutes from the June 23, 2017, Executive Committee meeting.*

B. PACE Programs Activities Update

Actions:

1. *Received Program summary update.*
2. *Adopted WRCOG Resolution Number 21-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Amador County.*
3. *Adopted WRCOG Resolution Number 22-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Butte County.*
4. *Adopted WRCOG Resolution Number 23-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Glenn County.*
5. *Adopted WRCOG Resolution Number 24-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Humboldt County.*
6. *Adopted WRCOG Resolution Number 25-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County.*
7. *Adopted WRCOG Resolution Number 26-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Madera County.*
8. *Adopted WRCOG Resolution Number 27-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Merced County.*
9. *Adopted WRCOG Resolution Number 28-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Mendocino County.*

10. *Adopted WRCOG Resolution Number 29-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments certifying compliance with state law with respect to levying of special assessments.*
11. *Adopted WRCOG Resolution Number 30-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Nevada County.*
12. *Adopted WRCOG Resolution Number 31-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County.*
13. *Adopted WRCOG Resolution Number 32-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in the County of Sutter and certifying to the County of Sutter the validity of the legal process used to place direct charges on the secured tax roll.*
14. *Adopted WRCOG Resolution Number 33-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yolo County.*
15. *Adopted WRCOG Resolution Number 34-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yuba County.*

C. Finance Department Activities Update

Action: 1. *Received and filed.*

D. Financial Report Summary through April 2017

Action: 1. *Received and filed.*

E. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

F. Western Riverside Energy Partnership Activities Update

Action: 1. *Received and filed.*

G. Environmental Department Activities Update

Action: 1. *Received and filed.*

5. REPORTS / DISCUSSION

A. PACE Programs Public Hearing

Crystal Adams, WRCOG Program Manager, reported that WRCOG now oversees the CaliforniaFIRST and Spruce PACE Programs in the WRCOG subregion. Today's public

hearing is to include the Counties of Amador, Colusa, and Glenn unincorporated areas. A redlined version of WRCOG Resolution Number 20-17 was provided in Committee members' meeting folders, which originally contained a clerical error on page two.

Several PACE providers offer seismic strengthening as an eligible product for PACE financing. Larger jurisdictions have asked that seismic strengthening projects be added to the Program as an eligible financeable product. Each member jurisdiction has the ability to determine whether or not it wants to allow seismic strengthening financeable projects within its boundaries.

Chairwoman Franklin opened the public hearing; there were no comments and the public hearing was closed.

- Actions:**
1. Conducted a Public Hearing regarding the inclusion of the Counties of Amador, Colusa, and Glenn Unincorporated areas.
 2. Adopted WRCOG Resolution Number 19-17; 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.
 3. Amended the action taken in Resolution Number 01-17, in part, to remove the County of Colusa as an Associate Member, for which there was insufficient time to publish the notice of public hearing.
 4. Accepted the City of Santa Rosa as an Associate Member of the Western Riverside Council of Governments.
 5. Adopted WRCOG Resolution Number 20-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon.
 6. Conducted a Public Hearing regarding the inclusion of seismic strengthening improvements as eligible improvements for residential and commercial properties participating in the WRCOG PACE Programs, and adopt WRCOG Resolution Number 35-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments confirming the modification of the WRCOG Program Report and the California Program Report to authorize the financing of seismic strengthening improvements.

RESULT: APPROVED AS RECOMMENDED [UNANIMOUS]

MOVER: City of Lake Elsinore

SECONDER: City of Temecula

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

ABSENT: Morongo

B. Transportation Uniform Mitigation Fee (TUMF) Program Nexus Study Update

Christopher Gray, WRCOG Director of Transportation, reported that the presented Nexus Study is a comprehensive update. There is consensus recommendation for a reduction in the Retail fee, as well as a phase-in for the Single-family fee, and no adjustments to Multi-family, Service,

or Industrial fees. With a reduction in the Retail fee and Single-family phase-in, there will be a modest impact to the Program.

Staff has been asked to create a mechanism to allow the Retail reduction to be implemented immediately; a policy to that affect has been created. WRCOG shall defend, indemnify, and hold harmless any TUMF participant from claims, liabilities, and damages, including attorney's fees and costs, resulting from a legal challenge based solely on the TUMF participant's implementation of the interim Retail fee reduction. This is an interim measure until member jurisdictions adopt a TUMF Ordinance.

Staff has also been asked to develop an exemption for local serving Retail and Service. The TUMF Ad Hoc Committee will be convened to review and discuss and upon recommendation today, bring back a recommendation on this matter at this Committee's next meeting.

Committee member Kevin Jeffries asked if a CCI component is included.

Mr. Gray responded that it does not. There is language within the TUMF Administrative Plan which indicates that CPI is to be reviewed on an annual basis by this Committee.

Chairwoman Franklin opened the floor for public comment.

Clint Lorimore, representing the Building Industry Association, Riverside (BIA), commented that the BIA still stands firmly to the three comment letters previously submitted.

David Dazlich, representing the BIA, spoke to the current housing crisis.

Bill Blankenship, representing the BIA, spoke to the various industries and local jobs in each community.

Joe Meyer, representing Pacific Retail Partners, spoke to challenging times for developers and retailers.

Chairwoman Franklin closed public comments.

Actions: 1. *Approved the 2016 TUMF Nexus Study.*

RESULT:	APPROVED AS RECOMMENDED [21 TO 1]
MOVER:	District 2
SECONDER:	City of Perris
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
NAYS:	Eastvale
ABSENT:	Morongo

2. *Implemented a two-year freeze, two-year phase-in for Single-family residential; reduced the Retail fee to \$7.50 / square foot; set the Multi-family residential fee to \$6,134 per dwelling unit; set the Service fee to \$4.56 / square foot; and set the Industrial fee to \$1.77 / square foot.*

RESULT: APPROVED AS RECOMMENDED [20 TO 2]
MOVER: District 1
SECONDER: City of Temecula
AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
NAYS: Eastvale, Hemet
ABSENT: Morongo

3. *Approved policy for immediate implementation of TUMF retail reduction, which includes language that indicates WRCOG shall defend, indemnify, and hold harmless any TUMF participant from claims, liabilities, and damages, including attorney's fees and costs, resulting from a legal challenge based solely on the TUMF participant's implementation of the interim Retail fee reduction.*

RESULT: APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER: City of Lake Elsinore
SECONDER: District 2
AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
ABSENT: Morongo

4. *Directed staff to update the TUMF Ordinance to maintain the reduction in retail rates until approval by the Executive Committee.*

RESULT: APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER: City of Murrieta
SECONDER: District 3
AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
ABSENT: Morongo

5. *Directed staff to develop a recommendation to exempt local serving retail and service uses from TUMF within 30 days.*

RESULT: APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER: District 3
SECONDER: District 1
AYES: Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
ABSENT: Morongo

6. *Directed staff to complete a comprehensive update to the TUMF Calculation Handbook within 60 days.*

RESULT:	APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER:	City of Murrieta
SECONDER:	District 5
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
ABSENT:	Morongo

6. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not in attendance.

7. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Debbie Franklin, SCAG Community, Economic & Human Development (CEHD) Committee representative, reported that the CEHD received presentations on the ongoing marijuana debate and Op-sites.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Barbara Spoonhour, Director of Energy and Environmental Programs, introduced Jairo Sandoval, Victoria Gracia, Meredith Sumenek, and Hugo Rios, who will all be working under the HERO Program. As part of the Western Riverside Energy Partnership Program, partner Southern California Edison is offering \$2M for its customers, under the Direct Install Program, to obtain LED lights at no cost.

9. ITEMS FOR FUTURE AGENDAS

Chairwoman Franklin requested a presentation on Op-sites and the California Water Fix.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING

The next WRCOG Executive Committee meeting is scheduled for Monday, August 7, 2017, at 2:00 p.m., in the Riverside County Board Chambers.

12. ADJOURNMENT

The meeting adjourned at 2:48 p.m.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Programs Activities Update and Amendments to HERO Program Reports and Handbooks

Contact: Crystal Adams, Program Manager, cadams@wrcog.us, (951) 955-8312

Date: August 7, 2017

The purpose of this item is to provide the Committee with an update on the PACE Programs that WRCOG oversees under its PACE umbrella. This includes the HERO Program, SAMAS PACE, CaliforniaFIRST, and Spruce PACE. Additionally, staff requests that the Committee approve amendments to HERO Program Reports and Handbooks.

Requested Actions:

1. Authorize the Executive Director to amend the WRCOG HERO Program Report, the WRCOG HERO Program Handbook, and the California HERO Program Handbook to reflect the underwriting criteria change to lower the maximum combined loan to value limit to 97% and remove the minimum equity threshold.
2. Adopt WRCOG Resolution Number 38-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Shasta County.

WRCOG's Property Assessed Clean Energy (PACE) Programs provide financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. As part of WRCOG's PACE Program umbrella which provides for additional PACE providers to operate programs under WRCOG oversight in the subregion, the CaliforniaFIRST Program has launched and the Spruce PACE Programs is anticipated to launch in summer 2017.

Overall HERO Program activities update

Residential: As of this writing, 130,741 applications in both the WRCOG and California HERO Programs have been approved to fund more than \$7.9 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: Over 24,000 projects, totaling nearly \$468 million, have been completed (Attachments 1 and 2).

California HERO Program: As of this writing, 371 jurisdictions have adopted resolutions of participation for the California HERO Program. Over 74,000 projects in these jurisdictions have been completed, totaling over \$1.6 billion in energy efficiency, renewable energy and water conservation improvements (Attachment 3).

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

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	667 GWh
GHG Reductions – Annually	173,013 Tons
Gallons Saved – Annually	462 Million
\$ Saved – Annually	\$89 Million
Projected Annual Economic Impact	\$2.7 Billion
Projected Annual Job Creation/Retention	13,082 Jobs

The table below provides a summary of the types of projects completed in both the WRCOG and the California HERO Programs:

Project Data	
HVAC	30.8%
Windows / Doors	20.2%
Solar	18.7%
Roofing	10.7%
Landscape	8.4%

HERO underwriting criteria change

To responsibly broaden access to the Program, Renovate America has proposed modifying their Program underwriting criteria, which are used to establish a property's eligibility for PACE financing. HERO's current underwriting criteria include determining that the mortgage-related debt on the property must not exceed 90% of the value of the property and that a property must have at least 10% equity. The proposed change would be to remove the minimum equity threshold, currently set at 10%, and ultimately determine that the mortgage-related debt, combined with the PACE assessment amount, must not exceed 97% of the value of the property (in line with Fannie Mae and Freddie Mac underwriting standards). In combination, these changes would allow homeowners to utilize more of their property equity to secure a HERO assessment but would additionally create a guardrail by including the assessment amount into the underwriting criteria to help prevent a property owner from going underwater on their property.

The redlined versions of the WRCOG PACE Program Report, the WRCOG HERO Handbook and the California HERO Handbook are attached with the proposed changes (Attachments 3-6).

While full "Ability to Pay" underwriting standards are currently in negotiation in the California legislature, Renovate America would like to institute a first version introduction of this policy with the recognition that it will evolve with the overall policy discussion on the topic. Renovate America's initial introduction of income-based underwriting is the collection of stated income on the application. This information will largely serve data to determine later appropriate "Ability to Pay" underwriting criteria which will be presented to WRCOG at a later date, but may be used currently to limit the available financing offered to a homeowner.

PACE update

Levy of assessments: Assessment contracts have been executed within the County of Shasta. The County requires one or more of the following representations to be made in order to place the HERO assessment on the tax roll of such County: a) WRCOG is authorized to levy the assessments; b) the assessments are levied in compliance with all applicable laws; c) the assessments are exempt or in compliance with the provisions of

Proposition 218; and/or d) the delinquent assessments will be removed from the tax roll as required by the Master Indenture.

WRCOG's bond counsel has developed Resolution Number 38-17 (Attachment 7) which makes such representations and authorizes the levy of assessments within the aforementioned county for Fiscal Year 2017/2018 and subsequent fiscal years.

Prior Action:

July 10, 2017:

The Executive Committee 1) conducted a Public Hearing regarding the inclusion of the Counties of Amador, Colusa, and Glenn Unincorporated areas; 2) adopted WRCOG Resolution Number 19-17; 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; 3) amend the action taken in Resolution Number 01-17, in part, to remove the County of Colusa as an Associate Member, for which there was insufficient time to publish the notice of public hearing.; 4) accept the City of Santa Rosa as Associate Members of the Western Riverside Council of Governments.; 5) adopt WRCOG Resolution Number 20-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon.; and 6) Conduct a Public Hearing regarding the inclusion of seismic strengthening improvements as eligible improvements for residential and commercial properties participating in the WRCOG PACE Programs, and adopt WRCOG Resolution Number 35-17; a Resolution of the Executive Committee of the Western Riverside Council of Governments confirming the modification of the WRCOG PACE Program Report and the California HERO Program Report to authorize the financing of seismic strengthening improvements.

Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated in the Fiscal Year 2017/2018 Budget under the Energy Department.

Attachments:

1. HERO Program summary report.
2. WRCOG HERO snapshot.
3. CA HERO snapshot.
4. Redlined WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Revised August 7, 2017.
5. Redlined WRCOG HERO Handbook for Residential Property Owners August 2017.
6. Redlined changes to the CA HERO Program Handbook Revised August 7, 2017.
7. WRCOG Resolution Number 38-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Shasta County.

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Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 1

HERO Program summary update

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HERO Program Summary Update

(Launch through 7/17/17)

City	Approved Apps	Approved Amount
Banning	544	\$15,143,534
Calimesa	177	\$7,352,078
Canyon Lake	554	\$30,081,986
Corona	3,177	\$177,053,485
County	6,541	\$327,677,428
Eastvale	862	\$55,720,864
Hemet	1,194	\$31,522,684
Jurupa Valley	2,079	\$87,833,830
Lake Elsinore	1,433	\$56,839,187
Menifee	2,613	\$96,580,842
Moreno Valley	4,859	\$169,879,676
Murrieta	2,722	\$130,531,950
Norco	732	\$43,209,208
Perris	1,016	\$33,775,277
Riverside	6,126	\$266,261,261
San Jacinto	741	\$21,899,171
Temecula	2,566	\$135,756,157
Wildomar	928	\$37,695,206
	38,864	\$1,724,813,824

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Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 2

WRCOG HERO snapshot

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20,428

Homes Improved

12/14/2011

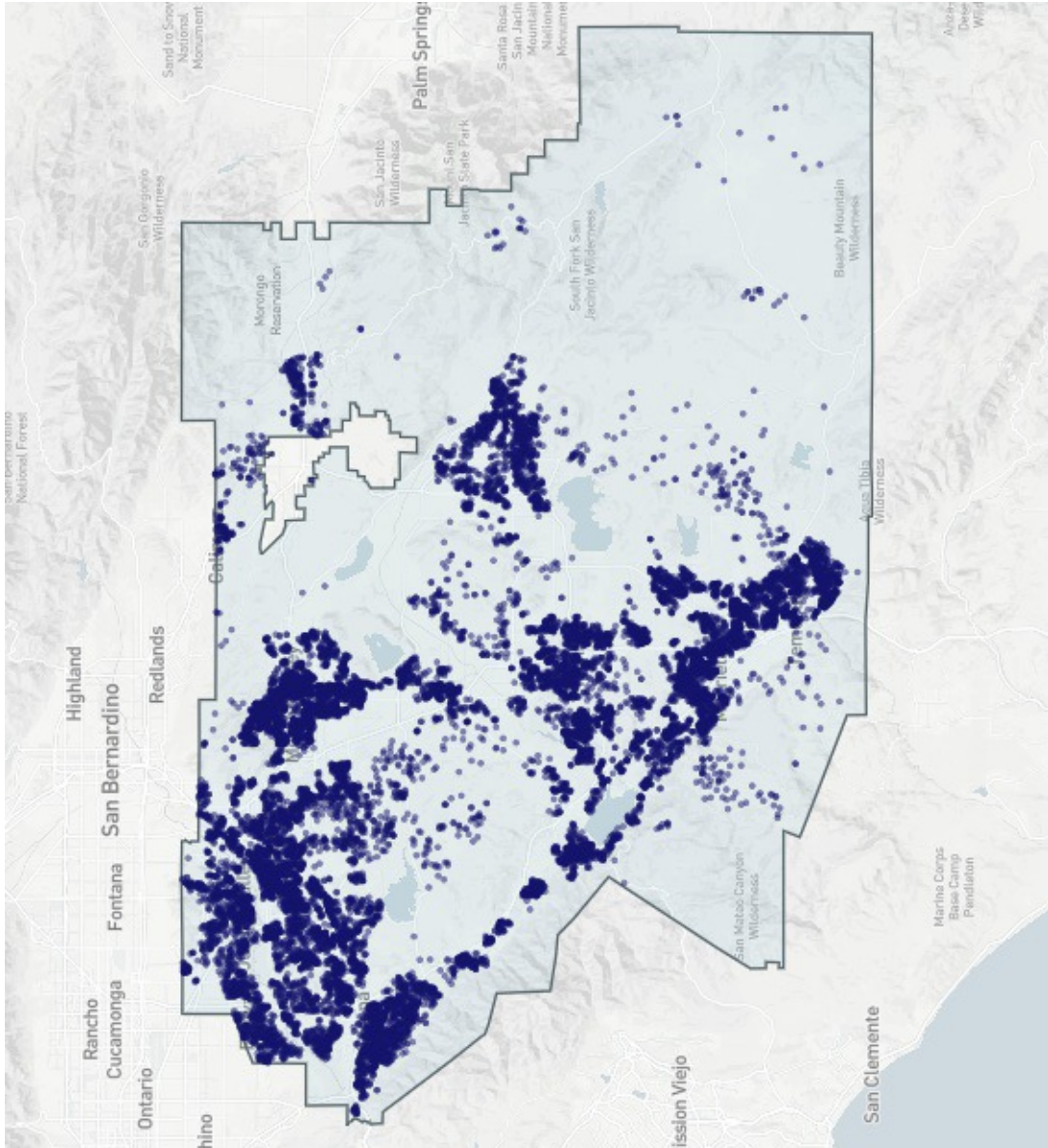
HERO Launch Date

460,960

Housing Count

01/01/2011 - 07/17/2017

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	27.6K	\$316M
Solar	13.1K	\$553M
Water	1,897	\$16.1M

Lifetime Impact

Applications Submitted	56.6K
Applications Approved	38.6K
Funded Amount	\$468M
Economic Stimulus	\$811M
Jobs Created	3,978
Energy Saved	3.39B kWh
Emissions Reduced	915K tons
Water Saved	1.72B gal

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

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Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 3

CA HERO snapshot

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California HERO Program

44,267

Homes
Improved

02/10/2014

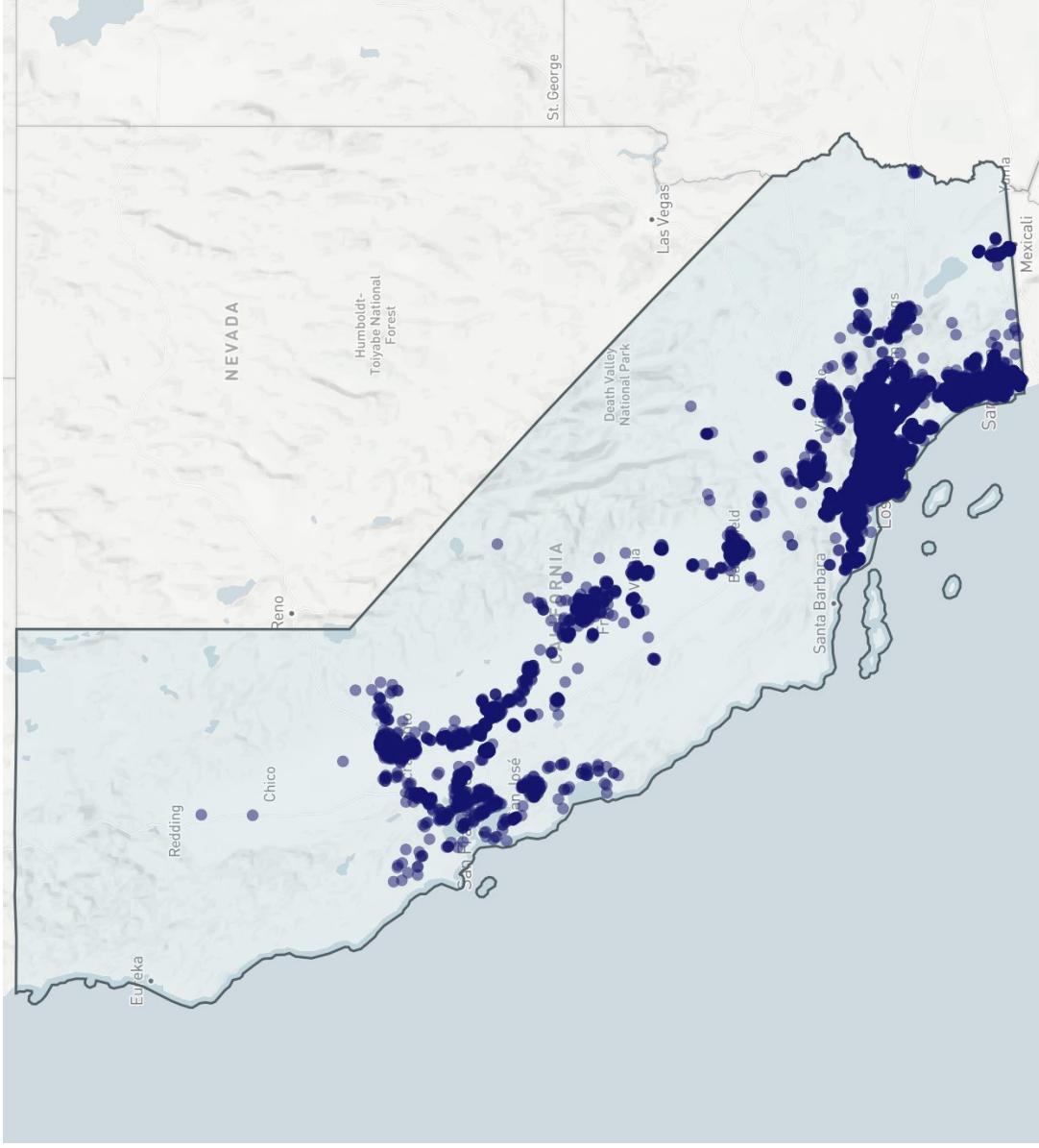
HERO Launch Date

5.895.110

Housing Count

02/10/2014 - 07/17/2017

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	63.1K	\$759M
Solar	24.8K	\$1.15B
Water	4,664	\$39.7M

Lifetime Impact

Applications Submitted	125K
Applications Approved	92.2K
Funded Amount	1.07B
Economic Stimulus	\$1.86B
Jobs Created	9,103
Energy Saved	6.84B kWh
Emissions Reduced	1.81M tons
Water Saved	4.21B gal

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

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Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 4

Redlined WRCOG Energy Efficiency
and Water Conservation
Administrative Guidelines and
Program Report Revised
August 7, 2017

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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 10, 2017 – REVISED
AUGUST 7, 2017



PREPARED BY:
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II. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO FINANCING FOR RESIDENTIAL

If HERO financing is provided for the Program by Renovate America, Inc., the following eligibility requirements will apply to HERO financing applicants:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of residential property which pays real property taxes. Certain eligibility criteria must be satisfied and financing may be approved only if the all of the following criteria are met. This criteria is consistent with meeting the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loss Reserve Program:

- Property owner(s) must be the property owner(s) of record.
- Property owner(s) must be current on their property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property taxes 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 ~~of the subject property~~ at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months.
- Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- The property is not subject to any notices of default.
- Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved.
- Mortgage-related debt combined with the assessment amount must not exceed 97% on the property must not exceed 90% of the value of the property.
- For projects funding on or after January 1, 2015, the maximum assessment amount shall not exceed the lesser of (a) than 15% on the first \$700,000 value of the property and, if applicable, less than 10% of any value of the property thereafter or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property. For projects funding prior to January, 2015, the maximum assessment amount shall not exceed the lesser of (a) less than 10% of the value of the property or (b) a combined mortgage and Assessment Contract amount of 100% of the 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. 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.

Manufactured homes or mobile homes on a permanent foundation pursuant to Health & Safety Code Section 18551, and the owner of the manufactured home or mobile home



owns the underlying land upon which the manufactured home or mobile home has been installed, and such manufactured home or mobile home is subject to the payment of real property taxes (not DMV fees nor personal property taxes) are eligible. Mobile homes not meeting the foregoing requirements are not eligible to participate in the Program. Condominium owners and/or property owners with properties subject to HOA regulations are solely responsible for (a) determining (i) if the proposed Eligible Products are authorized to be installed on such owners' properties and (ii) if the installation of such Eligible Products requires the approval or authorization from the applicable association and (b) applying for and obtaining such approval or authorization, if applicable. Such owners may, upon request by the Program Administrator or any financing provider, be required to provide written authorization from the condominium or HOA management or association stating that the applicant is authorized to install certain Eligible Products under the CC&R's or other governing documents.

The eligibility requirements for HERO 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 property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible renewable energy systems and energy-savings, water conservation/efficiency and seismic strengthening products, 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 to provide seismic strengthening improvements to improve seismic safety in existing homes and businesses. However, the Program is also available for purchasers of new homes and businesses that wish to add eligible energy efficiency, renewable energy, water conservation/efficiency and seismic strengthening Products to such homes after taking title of 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
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Seismic strengthening Products
 - e. Approved Custom 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 improvements. 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 under the HERO Financing Plan only if such installation is completed by a contractor that is registered with the Program or by the property owner if self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors that are 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 home remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with eligible renewable energy, energy efficiency, water conservation/efficiency and seismic strengthening products. Repairs and/or new construction do not qualify for Program financing except to the extent that the construction is required for the specific approved Products. 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 public utility, federal and state rebates should 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 do not need to 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 II.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, however, may be waived by Renovate America. These costs include:



1. An application fee may be required and will not exceed \$100.00 per application or the actual cost of processing the application, whichever is less. 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.
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. 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.
6. The Program may offer multiple disbursements for assessments in excess of \$50,000 if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee not to exceed \$150 and an inspection fee not to exceed \$300 per partial disbursement; 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 Program will allow for up to two partial disbursements, if available, plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C of this report.

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PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 5

Redlined WRCOG HERO Handbook
for Residential Property Owners
August 2017

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WRCOG HERO Program Handbook

October 2014 – Version 02.0

Amended October 3, 2016, [Amended August 7, 2017](#)

A low cost financing program provided by
the Western Riverside Council of Governments

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Appendix E: District Map38
Program Introduction

**Riverside County
Building and Safety
Department**

Building and Safety Department – information about building permit requirements for all unincorporated areas of Riverside County.

<http://www.rctlma.org/building/default.aspx>
(951) 955-1800

For incorporated cities, please go to your city's official website or call the city directly.

Title 24 Hot Line

The Title 24 Hotline is provided by the California Energy Commission and is intended to help contractors and others interpret and understand the rules in California's Title 24 regulations for new construction of and retrofitting of residential and commercial buildings.

www.energy.ca.gov/efficiency/hotline.html
(800) 772-3300
Mon.-Fri. 8AM – 12 PM, 1 PM – 4:30 PM

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 this Handbook and other documents signed as part of the Program. 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 Properties

Residential properties are generally eligible, with the following limitations:

4.1.1 No "New Construction"

Only improved properties will qualify for Program financing. New construction is not eligible, unless ownership has been transferred from the developer to the property owner. "New construction" includes new homes under construction and additions to existing structures.

4.1.2 Mobile Homes, Manufactured Homes, Condominiums, and HOA's

Mobile homes and manufactured homes are eligible if the homes are permanently attached to the real property, and if the mobile/manufactured home owner(s) also own the underlying land and pay real property taxes (not DMV fees).

Condominiums are eligible, but may be restricted as to the Eligible Products that may be installed depending on the rules of the condominium association as well as the physical design of the unit. It is the responsibility of condominium owners to obtain authorization by the condominium association's management stating that the property owner is allowed to install the requested Eligible Products.

For properties subject to HOA restrictions, it is the responsibility of the property owner to obtain authorization that the requested Eligible Products meet all the HOA guidelines or requirements, as applicable.

4.1.3 Property Located Within Financing District

All financed properties must be located within the Financing District. A map showing the boundaries of the Financing District is located in Appendix E, District Map, of the Handbook. The property must also not be exempt from ad valorem real property taxes.

4.1.4 Maximum Assessment to Value Amount

Mortgage-related debt combined with the assessment amount must not exceed 97% on the property must not exceed 90% of the value of the property. The amount to be financed under the Program may not exceed 15% of the value of the property. The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the property.

4.1.5 Liens on Property

In addition, the property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property. Prohibited liens do not include community facility district assessments or other financing district liens placed on all properties in that particular financing district. Any non-mortgage-related debt will be subject to review. The property also cannot currently be an asset in a bankruptcy proceeding.

4.2 Eligible Property Owners

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

4.2.1 Residential Property Owners:

1. Applicant(s) must be the property owner(s) of record;
2. Property owner(s) must be current on their property taxes for the prior twelve (12) months;
3. Property owner(s) must certify that the property taxes have not been paid late more than once during the prior three (3) years (or since the purchase if owned by them for less than three (3) years);

4. Property owners must be current on all property debt of the ~~subject~~ property at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months;
5. Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved; and
6. All property owners must sign all required documentation, including but not limited to the application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.

4.2.2 Trust Ownership of the Property

If the subject property is owned by a Trust, the property is eligible for Program participation if adequate documentation of the Trust and the applicants' authority under the Trust is provided with the application. All Trustors must sign all Program documents, including the Assessment Contract.

4.2.3 Business Entity Ownership of the Property

If the subject property is owned by a business entity, the property is eligible for Program participation if adequate documentation of the business entity and the applicants' authorization to act on behalf of the entity is provided with the application, such as a corporate resolution authorizing named officers to apply and sign the Assessment Contract and other Program required documents on behalf of the corporation.

4.3 Eligible Products

The Program offers financing for various energy efficiency, renewable energy, and water efficiency products ("Eligible Products").

4.3.1 Eligible Products Must Be Permanently Fixed, New Products

Only permanently fixed, new Eligible Products can be financed by the Program financing. Remanufactured, refurbished, slightly used, or new equipment transferred from a previous location are not eligible. Previously installed products are not eligible for Program financing. Also, products that are not permanently fixed are ineligible, including appliances, light bulbs and other non-fixtures.

4.3.2 Proposed Products Must Meet Minimum Eligibility Requirements

There are minimum efficiency and/or other requirements for each Eligible Product. A complete list of Eligible Products with minimum efficiency and other specifications for residential properties is available on the Program website. Property owners should confirm with their contractor(s) that only bids with at least the minimum specifications set forth in the Eligible Products List will be acceptable for Program financing.

Before installing Products, contractors or property owners are required to obtain approval of proposed Eligible Products, which they can do by calling the Program (see Section 7.5.1). When calling in, contractors or property owners will need to have all details such as manufacturer, model number, and other typical identification information readily available in order to complete eligibility approval in a timely manner. Before calling the Program to get approval, contractors or property owners may also explore both Eligible Products and eligible models using the “Product Look Up” function of the Program website (<http://wrcog.herofinancing.com/EligibleProducts>).

4.3.3 Custom Products May Be Eligible

Property owners may apply to install a permanently fixed energy efficiency, renewable energy or water efficiency product not included on the Eligible Products List by submitting a Custom Product Application. All Custom Product Applications must be approved by the WRCOG Executive Committee.

After an application for financing is approved, if a property owner wishes to finance a Custom Product, the property owner must then submit a completed Custom Product Application to the Program in order to determine eligibility and/or what additional documentation (e.g., engineering plans and specifications, estimated energy savings, etc.) will be required. Once the Custom Product Application is submitted, the WRCOG Executive Committee will then review and decide whether to approve the proposed Custom Product Application (on a case-by-case basis) at its regularly scheduled meeting. The Program reserves the right to decline funding for proposed Custom Products.

4.3.4 Solar Systems Must Meet CSI Requirements

All solar PV and solar thermal systems must use California Solar Initiative (CSI) eligible equipment and must be installed according to CSI requirements. The Program recommends that energy efficiency measures be completed prior to installing solar PV systems, as reducing a property’s energy demands may also reduce the recommended size of the renewable energy system.

4.4 Eligible Costs

Eligible costs under the Program include both the cost of the equipment and the installation costs. Installation costs may include, but are not limited to, energy/water audit costs, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation may be completed by a licensed contractor of the property owner’s choice who is registered with the Program or by a property owner who signs a Self-Install Agreement. A property owner’s own labor costs are not eligible costs for property owners who choose to self-install.

For property owners who elect to complete their Program retrofits at the same time as a larger remodeling project, financing is only available for the retrofitting of the existing structure with retrofit Eligible Products. Repairs to the existing building’s envelope, systems, and/or infrastructure are not eligible except where they are caused by the installation of the Eligible Product. If a property owner is planning to finance Eligible Products included in a larger remodeling project, they should first contact Program Representatives to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. The Program shall have the right to refuse to advance any portion of a Eligible Product that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Eligible Product(s).

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Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 6

Redlined changes to the CA HERO
Program Handbook Revised
August 7, 2017

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California Residential HERO Program Handbook

June 2014 – Version 1.1

Revised August 7, 2017

A low cost financing program for homes in your community

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3 Future Program Changes

The Agent 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 Properties

To be eligible, the property must pay property taxes. Residential properties are generally eligible, with the following limitations as set forth below:

4.1.1 No "New Construction"

Only improved properties will qualify for Program financing. New construction is not eligible, unless ownership has been transferred from the developer to the property owner. "New construction" includes new homes under construction and additions to existing structures.

4.1.2 Mobile Homes, Manufactured Homes, Condominiums, and HOA's

Mobile homes and manufactured homes are eligible if the homes are permanently attached to the real property, and if the mobile/manufactured home owner(s) also own the underlying land and pay real property taxes (not DMV fees).

Condominiums are eligible to participate in the Program, but such participation may be restricted as to the Eligible Products that may be installed depending on the rules of the condominium association as well as the physical design of the unit. Condominium owners who are approved for Program financing will be required at the time they request specific Eligible Product approval, to provide written authorization by the condominium association's management stating that the property owner is allowed to install the requested Eligible Products. Single family homes that are subject to Home Owner Association ("HOA") restrictions may also be required to provide written documentation that any Eligible Products meet applicable HOA guidelines or requirements.

4.1.3 Property Must Be Located in a HERO Community

All financed properties must be located in a city or county that has signed up to be a HERO Community. To see if your city or county is a participating HERO community, enter your zip code at www.heroprogram.com. If your city (or county if your home is located in an unincorporated area) has not yet signed up, we recommend you contact one of your local elected officials and ask them to contact us so you can obtain HERO Financing.

4.1.4 Maximum Assessment to Value Amount

Mortgage-related debt ~~combined with the assessment amount must not exceed 97% on the property must not exceed 90% of the value of the property. The amount to be financed under the Program must be less than 10% of the value of the property. The combined amount to be financed under the Program plus the mortgage-related debt must not exceed 100% of the value of the property.~~

4.1.5 Liens on Property

The property must not have any unresolved federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property. Prohibited liens do not include special taxes, assessments or other financing district liens placed on all properties in that particular financing district. If on the liens mentioned in this section, the Property owner can document a payment arrangement, 12 months of on time payments on the payment arrangement, and the sum of all lien balances and mortgage balance are less than 90% of the value of the property, then the property owner may be approved. The property also cannot currently be an asset in a bankruptcy proceeding.

4.2 Eligible Property Owners

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

4.2.1 Property Owners:

1. Applicant(s) must be the owner(s) of record of the property upon which the Eligible Products are to be installed;
2. Property owner(s) must be current on their property taxes for the property upon which the Eligible Products are to be installed, and there must be no more than one late payment in the past three years;
3. Property owners must be current on all property debt of the property upon which the Eligible Products are proposed to be installed at the time of application and cannot have had more than one 30 day mortgage late payment over the previous 12 months;
4. Property owner(s) have not declared bankruptcy in the past seven (7) years and the property is not currently an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved; and
5. All property owners must sign all required documentation, including but not limited to the application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.

4.2.2 Trust Ownership of the Property

If the subject property is owned by a Trust, the property is eligible for Program participation if adequate documentation of the Trust and the applicants' authority under the Trust is provided with the application. All Trustees must sign all Financing Documents, including the Assessment Contract.

4.2.3 Business Entity Ownership of the Property

If the property is owned by a business entity, the property is eligible for Program participation if adequate documentation of nature and existence of the business entity and the applicants' authorization to act on behalf of

the entity is provided with the application, such as a corporate resolution authorizing named officers to apply and sign the Assessment Contract and other Program required documents on behalf of the corporation.

4.3 Eligible Products

The Program offers financing for various energy efficiency, renewable energy, and water efficiency products and electric vehicle charging infrastructure ("Eligible Products").

4.3.1 Eligible Products Must Be Permanently Fixed, New Products

Only permanently fixed, new Eligible Products can be financed by the Program. The following are not eligible for Program financing:

- Remanufactured, refurbished, slightly used, or new equipment transferred from a previous location;
- Previously installed products;
- Products that are not permanently fixed, including appliances, light bulbs and other non-fixtures; and
- Any structural alteration of the roof, the building, or the property related to the installation of a solar PV system or solar thermal system.

4.3.2 Proposed Products Must Meet Minimum Eligibility Requirements

There are minimum efficiency and/or other requirements for each Eligible Product. A complete list of Eligible Products with minimum efficiency and other specifications for residential properties is available on the Program website www.heroprogram.com/products. **Property owners will be responsible to confirm with their contractor(s) that only bids with at least the minimum specifications set forth in the Eligible Products List will be acceptable for Program financing.**

Before ordering or installing products, contractors or property owners are required to obtain approval that the proposed products are Eligible Products, which they can do by calling the Program (see Section 7.5). When calling in, contractors or property owners will need to have all details pertaining to the proposed products such as manufacturer, model number, and other typical identification information readily available in order to complete eligibility approval in a timely manner. Before calling the Program to request approval of products, contractors or property owners may also explore both Eligible Products and eligible models using the "Product Look Up" function of the Program website (www.heroprogram.com/products).

4.3.3 New Products and Custom Projects May Be Eligible

Property owners who would like to install a product that is not on the Eligible Product List can fill out and submit a New Product Request Form. This form is typically filled out by the contractor. The Program will review the new product request and determine if the product meets necessary energy efficiency and performance attributes. A decision will be made by the Program to either add the new product to the Eligible Product List, not approve the new product, or consider it a Custom Project (defined below).

A Custom Project is defined to be a one-time requirement whereby the circumstances are such that the project (product included) passes the energy and/or water efficiency scrutiny in the specific case that is being requested. Approval of a Custom Project for one property will not be considered to establish a precedent that would necessarily be applied to other homes such that it should be considered a new product or placed in the Eligible Product List. The Program reserves the right to approve or disapprove of new products and custom projects.

4.3.4 Solar Systems Must Meet CSI Requirements

All solar PV systems and solar thermal systems must use California Solar Initiative (CSI) eligible equipment and must be installed according to CSI requirements. The Program recommends that energy efficiency measures be completed prior to installing solar PV systems, as reducing a property's energy demands may also reduce the recommended size of the solar PV systems, solar thermal systems and other renewable energy systems. Additionally, the Program will not finance any structural alteration of the roof, the building, or the property related to the installation of a solar PV system or solar thermal system.

4.4 Eligible Costs

Eligible costs that may be financed under the Program include both the cost of the Eligible Products and the installation costs for such Eligible Products. Installation costs may include, but are not limited to, energy/water audit costs, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation must be completed either by a licensed contractor of the property owner's choice who is registered with the Program or by a property owner who signs a Self-Install Agreement. A property owner's own labor costs are not eligible costs for property owners who choose to self-install.

For property owners who elect to complete their Program retrofits at the same time as a larger remodeling project, financing is only available for the retrofitting of the existing structure with retrofit Eligible Products. Repairs to the existing building's envelope, systems, and/or infrastructure are not eligible except where they are necessitated by the installation of the Eligible Product. If a property owner is planning to finance Eligible Products included in a larger remodeling project, they should first contact Program Representatives to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. The Program shall have the right to refuse to finance any portion of costs reflected in a Completion Certificate that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Completion Certificate.

4.5 Eligible Contractors

Only contractors who have registered with the Program may undertake Program-financed installation work, unless the property owner chooses to do the work him or herself and signs a Self-Install Agreement. Contractors may register with the Program if they have an active license with the California Contractors State License Board ("CSLB"), meet the CSLB's bonding and workers compensation insurance requirements and agree to all Program terms and conditions. In addition, contractors may only install Eligible Products for which they have the appropriate CSLB license. All Solar PV and solar thermal systems must be installed by a CSI registered installer holding the correct contractor's license.

PROPERTY OWNERS ARE SOLELY RESPONSIBLE FOR AND MUST INDEPENDENTLY CHOOSE AND CONTRACT WITH THE CONTRACTORS TO WORK ON THE INSTALLATION OF THEIR ELIGIBLE PRODUCTS. THE PROGRAM, THE AGENT, RENOVATE AMERICA, AND EACH OF THE PARTICIPATING ENTITIES, THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENT AND ASSIGNS NEITHER ENDORSE NOR RECOMMEND CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE INSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE PRODUCTS OR THE OPERATION OF THE ELIGIBLE PRODUCTS, ANY OTHER PERSON INVOLVED WITH THE INSTALLED PRODUCTS, OR THE DESIGN OF SUCH PRODUCTS, OR WARRANT THE ECONOMIC VALUE, ENERGY SAVINGS, SAFETY, DURABILITY OR RELIABILITY OF THE ELIGIBLE PRODUCTS.

A current listing of contractors registered for the Program who have also attended the Program orientation can be found on the Program website (www.heroprogram.com).

If an Eligible Product is self-installed, financing will not be available for the property owner's labor and property owner(s) must first sign a Self-Install Agreement before ordering any Eligible Product, other equipment or supplies necessary for the installation of the Eligible Product or commencing such installation.

4.6 Eligible Assessment Amounts

The minimum assessment amount is \$5,000. The maximum assessment amount shall not exceed the lesser of (a) less than 10% of the value of the property or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property.

For residential properties, the value of the property will be the market value based on an automated valuation model ("AVM") value provided by a third party independent vendor selected by the Program. If an AVM value is not available for a particular property, the Program will use the assessed value unless the property owner can provide an appraisal prepared by a licensed appraiser with a date of value not older than 6 months. In addition, if a property owner disagrees with the AVM value, the property owner may choose to pay for an appraisal from a licensed appraiser approved by the Program and the Program will review the appraisal and provide a determination, which shall be final, whether such AVM may be used for eligibility calculations.

4.7 Eligible Assessment Term(s)

Assessment Contracts may include financing with a 5-, 10-, 15- or 20-year term, but the financing term may not exceed the "useful life" of the installed Eligible Product. A listing of Eligible Products and useful life can be found in Appendix D. The Program reserves the right to approve a different assessment term than requested by a property owner based on the useful life of the Eligible Product(s) to be installed. When installing multiple Eligible Products, the maximum financing term available is the financing term associated with the greatest financing amount.

4.8 Eligible Rebate Programs and Tax Credits

For energy efficiency, renewable energy, and water efficiency Eligible Products, various federal tax credits, state and local rebates, and incentive programs may exist.

Not all Eligible Products eligible under the Program will qualify for available federal tax credits and/or state or local utility rebates. For example, some of the federal tax credit specifications require a higher energy efficiency standard than those required by the Program.

Neither the Agent, Renovate America, the Participating Entities nor their respective officers, employees, agents and assigns make any representation or warranty whatsoever that any Eligible Product or Eligible Products will qualify for or be granted any tax credits, rebates or other incentives.

The Program makes no representation or warranty that Eligible Products will qualify for any tax credits, rebates or other incentive programs.

For information on rebates and tax credits, please visit the rebates pages listed in Section 2.3 above, including Energy Upgrade California at <https://energyupgradeca.org/county>, which allows a zip code search for a comprehensive list of different types of rebates available in the area. Other resources include a "Rebate Locator" on the Energy Star website (<http://www.energystar.gov>) and a "Rebate Finder" on the WaterSense website (<http://www.epa.gov/WaterSense/>).

4.8.1 Deductions from Financing Amount

All available up front federal, state, or utility rebates that are assignable to the contractor must be deducted from the assessment amount at the time of financing. The property owner and the contractor will be responsible for

notifying the Program of the qualification, award or grant of the Eligible Products for any such assignable rebates. **The property owner and the contractor will be responsible for notifying the Agent and Renovate America of the qualification for or award or grant of any such assignable rebates for the Eligible Products installed or to be installed on such owner's property.**

Performance-based incentives which are paid over time, such as the CSI PBI rebate, will not be deducted. State or federal tax credits and rebates that are not assignable to the contractor will also 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.

4.8.2 Solar Rebates and Program Participation

Property owners who plan to install solar photovoltaic ("solar PV") or solar thermal water heating systems must be eligible for and participate in the appropriate California Solar Initiative ("CSI") rebate program, unless rebates are not available or the property is currently not connected to the utility grid (solar PV only). Most solar installers can assist property owners with applying for these rebates.

4.9 Eligible Number of Assessments

A property owner may apply for another assessment under the Program for the same property or an additional property(s), as long as all assessments under the Program for a particular property owner still meet all Program requirements, including, but not limited to, guidelines as to maximum assessment limits.

5 Program Requirements

5.1 Contractor Registration

All contractors who install Program-financed Eligible Products must register with the Program.

Any contractor who is licensed by the State of California and is in good standing with the CSLB, including meeting all applicable bonding and insurance requirements, and who meets any fraud check requirements, is eligible to register with the Program.

Contractors must also agree to abide by all Program terms and conditions, including:

- Pulling permits as required by the local building department for the installation of the Eligible Products;
- Obtaining approval of proposed Eligible Products in advance of ordering or installing such Eligible Products by calling the Program or completing the Custom Product Application process;
- Installing only Eligible Products that meet the required eligibility specifications; and
- Only installing Eligible Products for which he/she has the correct contractor's license;

Contractors who also attend a Program orientation will be listed on the Program website.

PROPERTY OWNERS ARE SOLELY RESPONSIBLE FOR AND MUST INDEPENDENTLY CHOOSE AND CONTRACT WITH THE CONTRACTORS TO WORK ON THE INSTALLATION OF THEIR ELIGIBLE PRODUCTS. THE AGENT, RENOVATE AMERICA AND EACH OF THE PARTICIPATING ENTITIES, THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENT AND ASSIGNS NEITHER ENDORSE NOR RECOMMEND CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE INSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE PRODUCTS OR THE OPERATION OF THE ELIGIBLE PRODUCTS, ANY OTHER PERSON INVOLVED WITH THE INSTALLED PRODUCTS, OR THE DESIGN OF SUCH PRODUCTS, OR WARRANT THE ECONOMIC VALUE, ENERGY SAVINGS, SAFETY, DURABILITY OR RELIABILITY OF THE ELIGIBLE PRODUCTS.

Item 5.B

PACE Programs Activities Update
and Amendments to HERO Program
Reports and Handbooks

Attachment 7

WRCOG Resolution Number 38-17;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments making
certain representations and
authorizing the placement of
assessments on the tax roll in
Shasta County

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RESOLUTION NUMBER 38-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS MAKING CERTAIN REPRESENTATIONS AND AUTHORIZING THE PLACEMENT OF ASSESSMENTS ON THE TAX ROLL IN SHASTA COUNTY

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee" and "WRCOG" respectively) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Divisions 7 of the California Streets and Highways Code ("Chapter 29") to permit the provision of Property Assessed Clean Energy ("PACE") services within those cities that had taken action to become Associate Members of WRCOG and established and ordered the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of each Associate Member with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, the Executive Committee has by previous resolutions declared its intent to levy assessments for the purpose of financing Authorized Improvements under the provisions of Chapter 29; and

WHEREAS, assessment contracts have been entered into for properties located within the jurisdictional boundaries of Shasta County (the "County"); and

WHEREAS, the special assessments levied against the real property within the County are not levied with regard to property values but rather are fixed special assessments based upon the costs of the Authorized Improvements and the financing of such improvements; and

WHEREAS, the Executive Committee has determined and hereby certifies that the assessments are exempt from the provisions of Proposition 218, which was passed by the voters in November 1996; and

WHEREAS, the Executive Committee has further determined that the assessments are in compliance with all applicable laws; and

WHEREAS, the Executive Committee requests that the County Auditor-Controller enter those special assessments identified in Exhibit A on the tax roll for collection by the County Auditor-Controller commencing with the property tax bills for the 2017-2018 Fiscal Year.

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

Section 1. The above recitals are true and correct.

Section 2. The Executive Committee orders the levy and collection of such special assessments identified in Exhibit "A" within the jurisdictional boundaries of Associate Members within the County for the 2017-2018 fiscal year, and in each subsequent fiscal year in which the charges may

validly be levied; that a copy of this resolution shall be delivered to the Auditor-Controller of the County for placement of such assessments on the 2017-2018 County Tax Roll, and in each subsequent fiscal year in which the charges may validly be levied.

Section 3. The special assessments are in compliance with all applicable laws and are exempt from the provisions of Proposition 218.

Section 4. In the event of delinquencies, WRCOG will pursue the removal of the delinquent special assessments from the delinquent secured tax roll in accordance with the provisions of the Master Indenture.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on August 7, 2017.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

EXHIBIT A

Participating Properties for the County of Shasta

Western Riverside Council of Governments
 Energy and Efficiency Water Conservation Program
 Residential Property
 Participating Properties funded through June 30, 2017
 County of Shasta

Bond Series / APN [1]			HERO ID	Interest Due 3/2/18	Interest Due 9/2/18	Principal Due 9/2/18	Annual Administrative Expenses	Levy Adjustment	Total FY 2017-2018 Assessment
170629-CA-RA3-HPRCA4-R-1									
056-420-005-000		CA089101439		\$544.22	\$544.22	\$1,363.36	\$25.00	\$0.00	\$2,476.80
Subtotal		Parcel(s)		\$544.22	\$544.22	\$1,363.36	\$25.00	\$0.00	\$2,476.80
Grand Total	1	Parcels [2]		\$544.22	\$544.22	\$1,363.36	\$25.00	\$0.00	\$2,476.80

[1] Certain parcels are included in multiple bonds and are counted separately for each distinct bond.

[2] Grand total parcel count varies from bond summaries shown above because the grand total parcel count is based on distinct APNs.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Approval of Professional Services and Contractor Agreement with Exigent Systems to Provide Agency Information Technology Support

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

Date: August 7, 2017

The purpose of this item is to request approval of the Executive Committee for Agency information technology (IT) support services.

Requested Action:

1. Approve the Professional Services Agreement between the Western Riverside Council of Governments and Exigent Systems to provide information technology support services in an amount not to exceed \$120,000 for Fiscal Year 2017/2018.

For the past 12 years, WRCOG utilized the services of in-house IT staff to support the Agency's software, hardware, and all other technical needs. During Fiscal Year 2016/2017, WRCOG eliminated the position and outsources the everyday duties associated with the position. Staff believes that outsourcing the position will provide the Agency with a wider array of technical support and bring more responsiveness to changing technologies.

WRCOG hopes to achieve overall cost-efficiencies; Exigent will utilize multiple technicians, each with their own skills set, to trouble shoot and provide the services WRCOG needs. This expansive skill set will be needed as WRCOG ventures into potential new Programs such as the Community Choice Aggregation (CCA), Regional Streetlight Operation & Maintenance, and others.

As a basis of cost comparison, WRCOG's former IT Manager's salary and benefits on an annual basis totaled approximately \$130K. The level of IT service received was more limited than what the Agency will receive from a consultant. Exigent provides a much broader range of services and technicians with knowledge and expertise in a wide array of areas, as well as the ability to assist WRCOG in its office move to the Citrus Towers building. Exigent will also provide training of Office 365, and a transition into other "modern day" hardware and software.

With the upcoming office move to WRCOG's new location, Exigent will not only assist with the transition, but also provide staff with options to migrate from County IT services altogether. For example, WRCOG currently pays, on average, \$10,400 per month for "County Device Support" and "Pass-thru Support" (all of which is budgeted) for maintaining email, internet, and hosting servers. In addition, WRCOG also pays approximately \$1,300 per month for the use of its phone services. Exigent has resources to be able to help WRCOG maintain its own email and internet, while hosting its own servers at a lesser cost. WRCOG, with assistance from Exigent, will also purchase its own phone lines, which will utilize newer technology services such as Voice Over Internet Protocol (VOIP) calling; this is anticipated to be less costly than what the Agency currently is using.

The contract presented is for \$120K on an annual basis and will provide for savings of at least \$10K per year

based on the services provided. However, with the office move, there is the potential for additional savings as discussed above.

Some of the examples of technical skills Exigent will provide WRCOG include the following:

- Front line user support consisting of on-site and remote support;
- Service and network operations and monitoring; and
- Meetings and communications to inform WRCOG leadership and relevant stakeholders on the current state of IT issues and receive direction on resource allocation issue prioritization, and organization goals and policy.

The contract with Exigent Systems shall not exceed \$120,000 for the fiscal year and if warranted, will be renewed on an annual basis.

Prior Action:

July 12, 2017: The Administration & Finance Committee recommend that the Executive Committee approve the Professional Services Agreement between the Western Riverside Council of Governments and Exigent Systems, to provide information technology support services for the Agency in an amount not to exceed \$120,000 for Fiscal Year 2017/2018.

Fiscal Impact:

The contract for Exigent Systems has been included in the FY 2017/2018 Budget under the Administration Department, in the Consulting Services line item for \$120,000.

Attachment:

1. Professional Services Agreement between the Western Riverside Council of Governments and Exigent Systems.

Item 5.C

Approval of Professional Services
and Contractor Agreement with
Exigent Systems to Provide Agency
Information Technology Support

Attachment 1

Professional Services Agreement
between the Western Riverside
Council of Governments and Exigent
Systems

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this 1st day of July, 2017 by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and Exigent Systems, Inc., a California corporation ("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 technology and computing services, 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 professional services for the technical and computing needs ("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 the 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. 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 date first specified herein 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 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 may substitute other personnel of at least equal competence upon written approval of 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 cause. 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 personnel for performance of this Agreement are as follows: **Dustin Hoffman**.

3.2.5 WRCOG's Representative. WRCOG hereby designates Rick Bishop Executive Director, 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. Consultant hereby designates **Dustin Hoffman**, or his or her designee, to act as its representative for the performance of this Agreement ("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 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 a form and with insurance companies acceptable to WRCOG. 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 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); 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*: \$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 \$2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

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.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from WRCOG’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability.

(i) 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 and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) 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.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work

under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither WRCOG nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of 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 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.

3.2.10.9 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name WRCOG as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

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 life saving 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 total compensation shall not exceed **One Hundred Twenty Thousand Dollars (\$120,000)** without written approval of WRCOG's Executive Committee. 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 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 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: Exigent Systems
1050 Nevada Street
Suite 405
Redlands, CA 92374
Attn: Dustin Gray, President/Senior Engineer

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Rick Bishop
Facsimile: 951-787-7991

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, consultants, 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 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, consultants, 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, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

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 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]

**SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Exigent Systems, Inc.,
a California corporation

By: _____
Rick Bishop
Executive Director

By: _____
Dustin Hoffman
President

APPROVED AS TO FORM:

ATTEST:

By: _____
General Counsel
Best Best & Krieger, LLP

By: _____
Its:

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT “A”
SCOPE OF SERVICES

Services:

- Front-line user support consisting of on-site and remote support
- Service & network operations and monitoring
- Meetings & communications to inform Council leadership and relevant stakeholders on current state of Council’s IT concerns and receive direction on resource allocation, issue prioritization, and organization goals and policy

Excluded Services:

- Website development
- Software development
- Premise wiring

EXHIBIT “B”
SCHEDULE OF SERVICES

Consultant will provide the Services each month during the Term of the Agreement.

EXHIBIT "C"
COMPENSATION

Monthly fee equal to Ten Thousand Dollars (\$10,000)

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: TUMF Program Update and Consideration of Potential Exemptions for Certain Service and Retail Uses

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

Date: August 7, 2017

The purpose of this item is to provide Committee members with fee exemption options for local serving retail and service uses from TUMF and request the Committee take action on recommendations provided from the TUMF Ad Hoc Committee.

Requested Actions:

1. Direct staff to update the TUMF Fee Calculation Handbook to exempt the first 3,000 square feet of Retail and Service uses (both for new development and for modifications to existing development) from TUMF assessments to address local serving Retail and Service uses.
2. Direct staff to update the TUMF Administrative Plan to reflect this approach.
3. Direct staff to conduct outreach with member agencies to implement this approach.
4. Direct staff to report back on implementation within one year, specifically regarding implementation challenges, if any, among stakeholders and jurisdictions and the fiscal impacts from implementation of this policy.

During the July 2017 Executive Committee meeting the Committee directed staff to develop options for exempting local serving retail and service uses from TUMF within 30 days. Staff prepared four options on how an exemption on these local uses could be applied. The TUMF Ad Hoc Committee met on July 25, 2017, to discuss the options; the Ad Hoc Committee's recommendations are provided in the requested actions above.

Local serving retail and service uses

Since the inception of the TUMF Program, WRCOG has implemented a variety of exemptions that include churches, affordable housing, and government buildings. The effect of an exemption is that it removes the TUMF obligation of a project which meets exemption criteria, with no TUMF payment due. These exemptions are generally intended to serve larger regional goals related to housing, economic development, and other similar efforts.

As part of the recent Nexus Study update, member jurisdictions expressed concerns about the impacts of TUMF on retail uses and requested staff to evaluate potential exemptions for retail uses. Additionally, staff received a specific request from a stakeholder during the 2017 TUMF Nexus Study update comment period to implement an exemption for local serving retail uses, which they defined as projects with 2,800 square feet or less.

Analysis: Staff reviewed recent TUMF collections and determined that there were 23 retail projects paying TUMF fees that were less than 3,000 square feet since the beginning of Fiscal Year 2015/2016. These small retail projects are sometimes expansions to existing facilities; others are stand-alone facilities, while the remainder are those found within larger centers. This analysis also concluded that the primary payers of retail

TUMF fees are those retail buildings with 5,000 square feet or more, with several projects in excess of 20,000 square feet. Staff has also reviewed TUMF collections for service projects over the same period and determined that there were 12 projects paying TUMF fees that were less than 3,000 square feet during the same period as mentioned above.

WRCOG staff also conducted a review of existing shopping centers throughout the subregion and determined the following:

- Most shopping centers contain a few anchor tenants and a mix of retail and service uses in ancillary spaces.
- Individual spaces tend to fall within three broad categories (less than 3,000 square feet, 10,000 to 20,000 square feet, and more than 20,000 square feet).
- The less-than 3,000 square feet projects tend to be a wide mix of uses including restaurants and small retail spaces, with both local and national chains in these spaces.
- Most, if not all, of these smaller spaces can be considered local serving retail, meaning that many of the trips they generate are already traveling to that shopping area.
- The majority of retail activity at the sites surveyed were concentrated in a few anchor stores like Target, Vons, and other similar large retailers.

This survey is provided as attachment 1.

Exemption options

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

Option #1 – Create a special component for shopping centers and include in the TUMF Calculation Handbook: Creating a special component for shopping centers would be similar to the high cube warehouse calculation – the high cube warehouse exemption was to account for lower trip rates at these types of warehouses rather than the standard industrial developments. This option would address local serving retail and service uses, since regional trip generation of these uses, as TUMF is supposed to mitigate, is minimal. The TUMF Calculation Handbook is being updated and this special rate / component can be included in the update.

Implementation of Option #1: The shopping center component would be developed based on a weighted average for all shopping centers based on a recent study completed by WRCOG. This study evaluated the mix of retail versus service land uses in several existing mid-sized shopping centers located in the WRCOG subregion in order to determine an average ratio of retail to service land uses. The shopping center component would apply to all retail and service uses – these uses would pay a one-time fee when the center is developed. This would also remedy some issues WRCOG jurisdictions face when calculating TUMF on a shopping center, as the definition of retail and service may not be clear. Based on the study and available data, staff estimate the rate may be approximately \$6.50 per square foot.

Option #2 – Exempt retail uses only that are less than 3,000 square feet: Through the 2017 Nexus Study update, member jurisdictions brought forth concerns about the impacts of TUMF on retail uses and a stakeholder provided a specific request during the comment period to implement an exemption for local serving retail uses. These uses are defined as “Any retail land use that is designed to provide convenience shopping for the needs of consumers in the immediate area” (based on information of International Council of Shopping Centers). Based on this definition and the goal of TUMF, it is feasible that smaller uses do not generate regionally significant vehicle trips. An analysis of TUMF payments indicates that a majority of payments for retail developments are for projects larger than 3,000 square feet. The revenue impact to the TUMF Program would not be significant.

Implementation of Option #2: Staff would add the exemption of TUMF on Retail uses (new and modifications to existing) only, that are less than 3,000 square feet, in the TUMF Administrative Plan. If the land use is classified as Retail, no fee is paid if the use is less than 3,000 square feet. The Fee Calculation Handbook would provide a list of Retail and Service uses. In order to ensure the exemption is applied properly,

jurisdictions would need to verify the use(s) against the list provided in the Handbook. This may present a conflict in collections, as developers could potentially claim all uses are “Retail.”

Option #3 – Exempt retail and service uses only that are less than 3,000 square feet: This option would provide an exemption to both retail and service uses that are less than 3,000 square feet. As was the case with “Option 2,” local service retail and service uses are “designed to provide convenience shopping / services for the needs of consumers in the immediate area” (ICSC), and should not generate regionally significant vehicle trips. It is an assumption that uses less than 3,000 square feet serve those in the immediate area. An analysis of TUMF payments indicates that a majority of payments for retail developments are for projects larger than 3,000 square feet. The revenue impact to the TUMF Program would not be significant.

***Implementation of Option #3:** Staff would add the exemption of TUMF on Retail and Service uses that are less than 3,000 square feet in the TUMF Administrative Plan. If the land use is classified as Retail and/or Service uses, no fee is paid if the use is less than 3,000 square feet. The Fee Calculation Handbook would provide a list of Retail and Service uses. In order to ensure the exemption is applied properly, jurisdictions would need to verify the use(s) against the list provided in the Handbook.*

Option #4 – Exempt first 3,000 square feet of retail and service uses: This option would provide a 3,000 square feet exemption to all Retail and Service uses, not only to those uses that are 3,000 square feet and below. As the Retail and Service industries go through their cycles, the need to expand an existing use comes up fairly often. This option would benefit those uses that are taking a risk to provide more economic development and are proposing to expand their use.

***Implementation of Option #4:** This option is not an exemption per se – 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. A chapter in the Handbook would be added for clarification and direction. This option may place more of a burden to staff at the jurisdictions, as the fee would be more difficult to calculate.*

TUMF Ad Hoc Committee recommendation

The TUMF Ad Hoc Committee met on July 25, 2017, to discuss the Retail and Service use exemptions and the possible options listed above. The Ad Hoc Committee concluded that Option #4 was preferable but also supported Option #3 as well. The Ad Hoc Committee requested that staff identify a method to allow this option to be implemented expeditiously and also conduct outreach efforts with jurisdiction staff to facilitate its implementation. 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.

Prior Action:

July 25, 2017: The TUMF Ad Hoc Committee 1) concluded that Option #4 was preferable but also supported Option #3 as well; 2) requested that staff identify a method to allow this option to be implemented expeditiously and also conduct outreach efforts with jurisdiction staff to facilitate its implementation; 3) discussed the need to monitor this approach and provide a report within one year on its implementation and any recommended changes.

July 10, 2017: The Executive Committee directed staff to develop a recommendation to exempt local serving retail and service uses from TUMF within 30 days, and provide ordinance language for the retail TUMF reduction.

Fiscal Impact:

Transportation related activities are included in the Agency’s adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

1. Shopping Center Analysis for TUMF Land Use Classifications, TEP, July 2017.

Item 5.D

TUMF Program Update and
Consideration of Potential
Exemptions for Certain Service and
Retail Uses

Attachment 1

Shopping Center Analysis for TUMF
Land Use Classifications, TEP,
July 2017.

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Western Riverside Council of Governments

Shopping Center Analysis for TUMF Land Use Classifications

TECHNICAL MEMORANDUM



July, 2017

PREPARED BY



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**Western Riverside
Council of Governments**

**Shopping Center Analysis for TUMF
Land Use Classifications**

Background

The Western Riverside Council of Governments (WRCOG) is currently finalizing their 2016 Transportation Uniform Transportation Fee (TUMF) Nexus Study. In the process, concerns have been raised with respect to the changing dynamic of the retail industry. Of particular concern is the fact that the fee structure for TUMF contains separate fees for retail and service land uses, while most shopping centers contain a mix of both retail and service land uses, and the precise mix is not generally known at the time of construction, when fees are accessed.

This analysis has been prepared to evaluate the mix of retail versus service land uses in several existing mid-sized shopping centers located in Western Riverside County in order to determine an average ratio of retail to service land uses for use in determining TUMF fees for shopping center developments.

Methodology

Ten existing shopping centers were selected for locations that would be representative of Western Riverside County. Three shopping centers were suggested by WRCOG staff as being typical of the types of centers to be studied: Riverside Plaza, Murrieta Town Center and Eastvale Gateway. All three of these shopping centers were included in the study, as well as the following: Palomar Village, Towngate Crossing, Page Plaza, Canyon Crest Town Center, 2nd Street Marketplace, Temecula Town Center, and North Main Plaza.

A search of the internet was conducted to determine overall shopping center size, existing occupants, the square footage of individual stores and shops, and to determine whether the businesses should be classified as retail or service, based upon TUMF land use criteria.

As the data were gathered from a variety of sources conflicts were occasionally found with respect to the current occupant of some spaces. As could best be determined the current occupant, or in the case of recently vacated spaces, the most recent occupant was used.

Information was found for each of the centers regarding overall leasable space, although it was found that some outlying buildings that are privately owned by individual businesses are not always included in these totals. In those cases the square footage for

these spaces were added to the shopping center total. Generally, these businesses were service related, mostly banks or restaurants. The square footage for individual spaces was found for three of the shopping centers from their leasing agents' websites. These three included Riverside Plaza, Palomar Village and Temecula Town Center. For the other seven shopping centers estimates were developed based upon a review of aerial photographs, comparison to known figures for current vacancy listings, and were adjusted to reconcile with known overall shopping center size. As the same methodology was used to determine the size of both retail and service spaces, the percentage relationship between retail and service is a reliable figure.

In addition to calculating the relative percentages of retail and service square footage, percentages were also calculated based on the number of individual units devoted to these land uses, regardless of size. This calculation is provided as added information, as some of the stakeholders seemed to be interested in the number of retail tenants versus service tenants. However, the analysis is primarily based on the ratio of retail to service square footage, since the TUMF fees are calculated on the basis of square footage.

Findings

The shopping centers studied varied in size from 848,448 square feet for the Eastvale Gateway which is anchored by Home Depot to the 133,923 square foot Palomar Village anchored by Albertsons. The overall average size for all ten centers was 355,592 square feet. The center with the highest percentage of retail space at 93% was Towngate Crossing in Moreno Valley which is anchored by a Lowe's Home Improvement Center with an indoor lumber yard. The number of retail tenants versus service related tenants was nearly even with 9 retail tenants and 8 service related tenants. The center with the highest percentage of service space was the Canyon Crest Town Center in Riverside at 58.77%, anchored by Ralph's Fresh Fare. The Canyon Crest Town Center has 64 tenants, 45 of which have service tenants or 70.31%.

In terms of the gross number of retail tenants versus service related tenants, the number of service land uses generally outnumbered the retail units, however the space dedicated to retail was almost always greater as the major anchor and most of the larger stores are all retail. The only exception was the Canyon Crest Town Center, as noted above, which had a very high number of service tenants and likewise a high percentage of service land use square footage.

Since the TUMF is assessed on a square footage basis, the ratio of retail square footage to service square footage should be used for any fee adjustment consideration. As such, the analysis found an overall average split of 72.56% retail versus 27.32% service, or roughly 70/30.

In considering any fee adjustment, it should be noted that ITE Trip Generation rates are based on actual traffic counts for existing shopping centers, all of which contain a mix of retail and service land uses. As shopping centers are considered a commercial land use and are always placed in commercial zones, the basic assumptions for the development

of commercially zoned properties may need to be revisited in order to assure a fair and equitable distribution of costs.

TABLE 1 presents a summary of the shopping center analysis. Detailed worksheets for individual shopping centers can be found in APPENDIX A.

SUMMARY OF SHOPPING CENTER ANALYSIS

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**Western Riverside
Council of Governments**

**Shopping Center Analysis for TUMF
Land Use Classifications
Commercial Vehicle Parking Inventory and Recommendations**

**ADDENDIX A
Shopping Center Details**

<u>EXHIBIT</u>		<u>PAGE</u>
EXHIBIT A-1	Riverside Plaza	A-1
EXHIBIT A-2	Murrieta Town Center	A-3
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EXHIBIT A-9	Temecula Town Center	A-12
EXHIBIT A-10	North Main Plaza	A-14

EXHIBIT A-1

Riverside Plaza-Riverside

	Tenants	Land Use	Square Footage	Retail	Service
1	Vons	Supermarket	56,161	X	
2	CVS Pharmacy	Pharmacy	16,740	X	
3	Trader Joe's	Grocery Store	10,000	X	
4	Nordstrom Rack	Clothing Store	41,000	X	
5	Marshalls	Clothing Store	20,023	X	
6	Forever 21	Clothing Store	20,023	X	
7	Active Ride	Clothing Store	10,004	X	
8	G-S Love	Clothing Store	7,660	X	
9	Jos A. Bank	Clothing Store	3,700	X	
10	Chico's	Clothing Store	5,225	X	
11	Carter's Babies & Kids	Clothing Store	1,600	X	
12	Sleep Train	Furniture	5,400	X	
13	Foot Solutions	Shoe Store	1,327	X	
14	GNC Live Well	Health Products	1,276	X	
15	Game Stop	Hobby Store	1,307	X	
16	Jo-Ann	Hobby Store	20,023	X	
17	Le Vive Jewelry	Jewelry	1,372	X	
18	Daniel's Jewelry	Jewelry	1,524	X	
19	Spectrum Communications	Electronics	2,400	X	
20	Sprint	Electronics	2,534	X	
21	AT&T	Electronics	1,322	X	
22	Verizon Wireless	Electronics	1,407	X	
23	Regal Theater	Movie Theater	67,195		X
24	Scott Trade	Financial Services	2,060		X
25	Chase	Banking	6,000		X
26	CitiBank	Banking	5,500		X
27	Karen Allen Salon	Beauty Salon	2,557		X
28	Massage Envy	Health Spa	3,055		X
29	European Wax Center	Beauty Salon	1,813		X
30	Johnny's Lashes	Beauty Salon	735		X
31	Chi Chi Nails and Spa	Beauty Salon	1,933		X
32	Toni and Guy Hairdressing	Beauty Salon	2,546		X
33	The Joint	Medical Office	1,500		X
34	Riverside Plaza Dentistry	Medical Office	1,600		X
35	Home Care	Professional Office	1,333		X
36	El Torito	Restaurant	13,460		X
37	Nothing Bundt Cakes	Food Service	1,580		X
38	Wang Cho Korean BBQ	Food Service	5,046		X
39	El Pollo Loco	Food Service	3,325		X
40	Islands	Food Service	5,500		X
41	Chipotles	Food Service	2,537		X
42	OOKA	Restaurant	8,610		X
43	Pick up Stix	Food Service	2,011		X

EXHIBIT A-1- Cont.

Riverside Plaza-Riverside

Tenants		Land Use	Square Footage	Retail	Service
44	Great Shakes	Food Service	1,193		X
45	Blaze Pizza	Food Service	2,379		X
46	Ono Hawaiian BBQ	Food Service	3,005		X
47	Stone Cold Creamery	Food Service	967		X
48	Juice It Up	Food Service	1,029		X
49	Johnny's Burgers	Food Service	1,159		X
50	Dickey's BBQ	Food Service	1,533		X
51	Jersey Mike's Subs	Food Service	1,184		X
52	The Habit Burger Grill	Food Service	2,494		X
53	Pier 76 Fish Grill	Food Service	6,058		X
54	California Pizza Kitchen	Food Service	5,722		X
55	The Coffee Bean & Tea Leaf	Food Service	1,750		X
56	Wendy's	Food Service	3,500		X
57	Panera Bread	Food Service	12,580		X
58	Cherry on Top	Food Service	1,602		X
59	Edible Arrangements	Mobile Food Service	1,326		X
TOTAL OCCUPIED SPACE			419,405	232,028	187,377
PERCENTAGE OF OCCUPIED SPACE				55.32%	44.68%

Vacant Space

54,028

TOTAL LEASABLE SQUARE FOOTAGE

473,433

EXHIBIT A-2
Murrieta Town Center

	Tenants	Land Use	Square Footage	Retail	Service
1	Burlington Coat Factory	Clothing Store	91,800	X	
2	Rite Aid	Pharmacy	36,600	X	
3	Marshalls	Clothing Store	35,200	X	
4	Ross Dress For Less	Clothing Store	28,700	X	
5	Bridal and Tux	Clothing Store	900	X	
6	Dollar Tree	Discount Store	13,400	X	
7	Toys R Us	Toy Store	48,800	X	
8	Honeycutt Farms	Specialty Foods	900	X	
9	Water Plus	Filtered Water Sales	820	X	
10	Famous Footware	Shoe Store	10,750	X	
11	Pet Stop	Pet Supplies	900	X	
12	Postal Annex	Office Supplies	4,300	X	
13	Smoke Mart	Tobacco Products	1,100	X	
14	St Thomas Thrift Shop	Thrift Shop	900	X	
15	Remax Realtors	Professional Office	2,050		X
16	Edward Jones	Financial Services	1,700		X
17	Cash Advance	Financial Services	900		X
18	Cleaners	Dry Cleaning/Laundry	1,700		X
19	Murrieta Town Center Barbers	Hair Salon	4,300		X
20	Fletcher Smith-The Spa	Health Spa	1,230		X
21	Options Beauty Salon & Boutique	Beauty Salon	3,770		X
22	Family Martial Arts	Martial Arts Studio	17,400		X
23	Murrieta Academy of Music	Music Lessons	5,570		X
24	Select Staffing	Employment Office	6,970		X
25	Alta Murrieta Chiropractic Center	Medical Office	4,300		X
26	Fast Track Therapy	Medical Office	6,500		X
27	Ark Animal Hospital	Veterinarian Care	5,800		X
28	Sizzler	Restaurant	14,100		X
29	One Sushi and Grill	Restaurant	12,670		X
30	Mariscos Las Palmas	Restaurant	3,600		X
31	Dan's Got Crabs	Restaurant	3,600		X
32	Mama Rose's Pizzeria	Restaurant	1,000		X
33	Asian Seafood Buffet	Restaurant	14,200		X
34	Hot Wok	Restaurant	1,970		X
TOTAL OCCUPIED SPACE			388,400	275,070	113,330
PERCENTAGE OF OCCUPIED SPACE				70.82%	29.18%

Vacant Space

2,600

TOTAL LEASABLE SQUARE FOOTAGE 391,000

EXHIBIT A-3
Eastvale Gateway-Eastvale

	Tenants	Land Use	Square Footage	Retail	Service
1	Home Depot	Home Improvements	146,857	X	
2	Target	Department Store	123,735	X	
3	Vons	Supermarket	55,624	X	
4	Von's Gas	Gas Station	7,400	X	
5	Kohl's	Clothing Store	88,900	X	
6	TJ Maxx	Clothing Store	22,892	X	
7	Sport Chalet	Sporting Goods	39,309	X	
8	Dress Barn	Clothing Store	7,450	X	
9	G-Stage	Clothing Store	12,880	X	
10	Styles for Less	Clothing Store	1,550	X	
11	Tilly's	Clothing Store	7,450	X	
12	Carter's Babies & Kids	Clothing Store	3,430	X	
13	PetSmart	Pet Supplies	20,108	X	
14	Staples	Office Supplies	20,126	X	
15	Party City	Party Supplies	11,045	X	
16	Home Goods	Home Furnishings	29,967	X	
17	Famous Footware	Shoe Store	7,450	X	
18	GNC Live Well	Health Products	2,060	X	
19	Nutrishop	Health Products	690	X	
20	Game Stop	Hobby Store	690	X	
21	Mountain View Tire	Auto Supplies/Service	7,500	X	
22	Gemma's Jewelers	Jewelry	510	X	
23	Kay Jewelers	Jewelry	4,330	X	
24	Best Buy	Electronics	31,020	X	
25	T-Mobile	Electronics	3,000	X	
26	AT&T	Electronics	1,100	X	
27	Verizon Wireless	Electronics	6,800	X	
28	UPS Store	Packaging Supplies	1,400	X	
29	Edwards Theater	Movie Theater	53,530		X
30	Chase	Banking	5,000		X
31	Bank of America	Banking	5,700		X
32	Orange Theory Fitness	Fitness Center	2,060		X
33	Massage Envy	Health Spa	1,500		X
34	Ulta Beauty	Beauty Salon	7,560		X
35	Maxim Beauty Supply/Salon	Beauty Salon	1,200		X
36	Star Nails	Beauty Salon	1,450		X
37	Cool Cuts for Kids	Hair Salon	1,400		X
38	Fantastic Sams	Hair Salon	1,550		X
39	Hair Elegance	Hair Salon	1,450		X
40	The Joint	Medical Office	1,500		X
41	DV Urgent Care	Medical Office	3,619		X
42	Eastvale Optometry	Medical Office	1,600		X
43	Foot Flexology	Medical Office	1,500		X

EXHIBIT A-3 Cont
Eastvale Gateway-Eastvale

	Tenants	Land Use	Square Footage	Retail	Service
44	Eastvale Dental Group	Medical Office	2,300		X
45	Limonite Dental	Medical Office	1,550		X
46	Sunrise Optometry	Medical Office	1,300		X
47	C2 Education	Tutoring	1,170		X
48	Tutor Time	Tutoring	11,289		X
49	On the Border	Restaurant	5,400		X
50	Applebee's	Restaurant	11,170		X
51	Buffalo Wild Wings	Restaurant	12,030		X
52	Carino's Italian Grill	Restaurant	10,300		X
53	Farmer Boys	Restaurant	4,900		X
54	Domino's Pizza	Food Service	1,500		X
55	Chipotles	Food Service	1,150		X
56	Nestle Toll House Café	Food Service	500		X
57	Pinkberry	Food Service	500		X
58	Thai Bamboo	Food Service	690		X
59	Pacific Fish Grill	Food Service	2,060		X
60	Tutti Frutti	Food Service	1,400		X
61	Zip Fusion	Food Service	3,780		X
62	Dickey's BBQ	Food Service	1,533		X
63	Jersey Mike's Subs	Food Service	1,184		X
64	The Habit Burger Grill	Food Service	1,650		X
65	Blaze Pizza	Food Service	2,100		X
66	Luna Grill	Food Service	1,600		X
67	Tio's Mexican Grill	Food Service	1,800		X
68	City of Eastvale	Professional Office	7,200		X
69	E G Management Office	Professional Office	600		X
70	Griggs Mutual Realty	Professional Office	1,900		X
TOTAL OCCUPIED SPACE			848,448	665,273	183,175
PERCENTAGE OF OCCUPIED SPACE				78.41%	21.59%

No Vacant Space

EXHIBIT A-4
Palomar Village-Temecula

	Tenants	Land Use	Square Footage	Retail	Service
1	Albertsons	Supermarket	49,770	X	
2	CVS Pharmacy	Pharmacy	17,800	X	
3	Shell Oil	Gas Station	6,848	X	
4	Petco Unleashed	Pet Supplies	5,493	X	
5	Postal Annex	Office Supplies	1,300	X	
6	Smoke Shop	Tobacco Products	1,200	X	
7	The Dollar Zone	Discount Store	1,888	X	
8	Nails Now	Beauty Salon	963		X
9	Wild Nails	Beauty Salon	525		X
10	Super Cuts	Hair Salon	1,300		X
11	Stew's Barber Shop	Hair Salon	958		X
12	My Gym	Fitness Center	2,514		X
13	Peak Taekwondo	Martial Arts Studio	1,311		X
14	Dry Cleaners	Dry Cleaners	1,400		X
15	Temecula Valley Optometry	Medical Office	1,200		X
16	Vineyard Dental	Medical Office	1,999		X
17	Vineyard Veterinary Clinic	Veterinarian Care	3,210		X
18	Highgate Senior Living	Professional Office	740		X
19	Century 21	Professional Office	3,500		X
20	School of Rock	Music Lessons	2,860		X
21	Jiffy Lube	Auto Service	1,936		X
22	Burger King	Food Service	2,994		X
23	McDonald's	Food Service	4,524		X
24	The Last Stop Shoppe	Food Service	2,200		X
25	Benny's Place	Food Service	1,625		X
26	Let's Grub BBQ	Food Service	2,250		X
27	Rosati's Pizza	Food Service	3,049		X
28	Green Burrito	Food Service	1,950		X
29	Carl's Jr	Food Service	3,000		X
30	White Lime Yogurt	Food Service	1,641		X
31	Pam's Donuts	Food Service	975		X
32	Good and Healthy-Juice Bar	Food Service	1,000		X
TOTAL OCCUPIED SPACE			133,923	84,299	49,624
PERCENTAGE OF OCCUPIED SPACE				62.95%	37.05%

Vacant Space

9,921

TOTAL LEASABLE SQUARE FOOTAGE

143,844

EXHIBIT A-5
Towngate Crossing-Moreno Valley

Tenants		Land Use	Square Footage	Retail	Service
1	Lowe's Home Improvement	Home Improvements	162,400	X	
2	Sports Authority	Sporting Goods	29,860	X	
3	99 Cent Only Store	Discount Store	15,900	X	
4	Anna's Linen's	Linen Store	3,820	X	
5	Nutrition Zone	Health Products	760	X	
6	Cuccio Nail Spa	Beauty Salon	3,780	X	
7	Super Cuts	Hair Salon	1,400	X	
8	Bright Now! Dental	Medical Office	3,750	X	
9	T Mobile	Electronics	1,960	X	
10	Buffalo Wild Wings	Restaurant	4,270		X
11	Wendy's	Restaurant	2,450		X
12	Panera Bread	Bakery	1,960		X
13	Pizza Five 85	Food Service	1,400		X
14	The Bowl	Food Service	760		X
15	Starbucks	Food Service	1,120		X
16	Jamba Juice	Juice Bar	1,120		X
17	Nubi Yogurt	Frozen Yougurt	3,750		X
	TOTAL OCCUPIED SPACE		240,460	223,630	16,830
	PERCENTAGE OF OCCUPIED SPACE			93.00%	7.00%
Vacant Space 8,200					
TOTAL LEASABLE SQUARE FOOTAGE			248,660		

EXHIBIT A-6
Page Plaza-Hemet

	Tenants	Land Use	Square Footage	Retail	Service
1	Walmart	SuperCenter	222,000	X	
2	Walgreens	Pharmacy	14,500	X	
3	Bed Bath and Beyond	Home Accessories	13,320	X	
4	Dollar Tree	Discount Store	11,100	X	
5	76 Station-Gas Pumps	Gas Station	4,400	X	
6	76 Food Mart and Car Wash	Convenience Store	4,500	X	
7	Postal Annex	Office Supplies	1,000	X	
8	Cricket	Electronics	1,000	X	
9	Sprint	Electronics	1,000	X	
10	Radio Shack	Electronics	1,000	X	
11	Game Shop	Hobby Shop	1,100	X	
12	Payless Shoe Source	Shoe Store	2,200	X	
13	Famous Footware	Shoe Store	2,000	X	
14	Rue 21	Clothing Store	2,000	X	
15	US Bank	Banking	6,000		X
16	Great Clips	Hair Salon	1,000		X
17	Professio Nails	Nail Salon	1,000		X
18	Tan and Spa	Beauty Salon	1,200		X
19	Buffalo Wild Wings	Restaurant	9,000		X
20	Farmer Boys	Restaurant	5,000		X
21	Little Beijing BBQ	Restaurant	2,600		X
22	Tokyo Sushi	Restaurant	2,400		X
23	Starbucks	Food Service	950		X
24	Sonic	Food Service	2,000		X
25	Subway	Food Service	1,000		X
26	Baskin Robbins	Ice Cream Shop	1,000		X
27	Juice it Up	Juice Bar	1,000		X
TOTAL OCCUPIED SPACE			315,270	273,820	37,450
PERCENTAGE OF OCCUPIED SPACE				86.85%	11.88%

No Vacant Space

EXHIBIT A-7
Canyon Crest Town Center-Riverside

	Tenants	Land Use	Square Footage	Retail	Service
1	Ralph's Fresh Fare	Supermarket	45,600	X	
2	Rite Aid	Pharmacy	28,900	X	
3	Chevron	Gas Station	4,840	X	
4	UPS Store	Packaging Supplies	900	X	
5	Kiddos 101	Clothing Store	1,100	X	
6	Shabby Chic	Clothing Store	940	X	
7	Canyon Crest Winery	Wine Sales	1,100	X	
8	Allie's Hallmark Shop	Gift Shop	3,200	X	
9	British Emporium	Gift Shop	2,800	X	
10	Sacred Journey	Metaphysical Shop	900	X	
11	Markham Numismatics	Coin Dealer	1,100	X	
12	Canyon Crest Vape Shop	Tobacco Products	1,010	X	
13	Helio's Cigar Lounge	Tobacco Products	1,200	X	
14	Migliore Gourmet Food	Specialty Food	2,950	X	
15	Isabella's Cupcakes and More	Bakery	1,600	X	
16	The Gazebo	Florist	1,200	X	
17	Cellar Door Books	Book Store	1,250	X	
18	Canyon Crest Jewelers	Jewelry	1,150	X	
19	Mardon Jewelers	Jewelry	1,200	X	
20	Bank of America	Banking	9,400		X
21	Chase Bank	Banking	7,050		X
22	BBVA Compass	Banking	5,250		X
23	Provident Bank	Banking	5,200		X
24	Edward Jones	Financial Services	1,250		X
25	H & R Block	Tax Preparation	2,170		X
26	Canyon Crest Travel	Travel Agency	1,250		X
27	Canyon Crest Shoe Repair	Shoe Repair	1,000		X
28	Canyon Crest Tailoring	Tailor	1,000		X
29	Canyon Crest Dry Cleaning	Dry Cleaning/Laundry	1,100		X
30	Tangler Hair Lounge	Hair Salon	990		X
31	Great Clips	Hair Salon	1,200		X
32	Message Trilogy	Health Spa	1,250		X
33	D Salon	Beauty Salon	1,300		X
34	European Skin Care center	Beauty Salon	1,250		X
35	The Tanning Spa	Beauty Salon	1,250		X
36	Super Nails	Beauty Salon	1,350		X
37	Canyon Crest Athletic Club	Fitness center	30,000		X
38	Canyon Crest Dental	Medical Office	1,500		X
39	My Dentist and Me	Medical Office	1,550		X
40	Gary Fishberg, Optometrist	Medical Office	1,400		X
41	Canyon Crest Animal Hospital	Veterinarian Care	4,200		X
42	Pawlished Paws Boutique & Spa	Pet Care	3,600		X
43	Oxford Tutoring	Education	6,200		X

EXHIBIT A-7 Cont
Canyon Crest Town Center-Riverside

	Tenants	Land Use	Square Footage	Retail	Service
44	American English Institute	Education	7,300		X
45	Starbucks	Food Service	2,900		X
46	East Coast Bagel	Food Service	1,450		X
47	Canyon Crest Ice Cream and Water	Food Service	2,300		X
48	Nektar Juice Bar	Food Service	1,400		X
49	Sweet Frog Yogurt	Food Service	2,850		X
50	La Posada Mexican Restaurant	Restaurant	3,500		X
51	Romano's Italian Restaurant	Restaurant	3,800		X
52	Smokey Canyon	Restaurant	4,550		X
53	Donut Tyme	Restaurant	2,500		X
54	Bucket List Burgers	Restaurant	2,550		X
55	Top Grill	Restaurant	2,200		X
56	Starfish Sushi	Restaurant	1,100		X
57	Crest Café	Restaurant	1,450		X
58	Tortilla Grill	Restaurant	1,100		X
59	Jammin Bread	Restaurant	2,750		X
60	Marisa's Italian Deli	Restaurant	3,650		X
61	Subs and Spuds	Restaurant	1,350		X
62	Subway	Restaurant	1,600		X
63	Burritos and Company	Restaurant	1,200		X
64	Carl's Jr	Restaurant	3,500		X
TOTAL OCCUPIED SPACE			249,650	102,940	146,710
PERCENTAGE OF OCCUPIED SPACE				41.23%	58.77%

No Vacant Space

EXHIBIT A-8
2nd Street MarketPlace-Baumont

	Tenants	Land Use	Square Footage	Retail	Service
1	Walmart	Super Center	137,500	X	
2	Home Depot	Home Improvements	60,000	X	
3	Landeros Furniture	Furniture Store	28,000	X	
4	Aldi	Grocery Store	10,000	X	
5	Best Buy	Electronics	20,000	X	
6	Verizon	Electronics	2,100	X	
7	Sprint	Electronics	1,600	X	
8	Bed Bath and Beyond	Home Accessories	12,000	X	
9	Dollar Tree	Discount Store	6,875	X	
10	Ross Dress for Less	Clothing Store	12,000	X	
11	Petco	Pet Supplies	6,400	X	
12	Ramona Tire	Tire Sales	1,100	X	
13	Beaumont Mattress	Furniture	2,720	X	
14	Panther's Hardwood Floors	Home Improvements	1,360	X	
15	Nutrishop	Health Products	1,360	X	
16	Game Shop	Hobby Shop	1,000	X	
17	Bank of America	Banking	3,900		X
18	Wells fargo	Banking	4,680		X
19	Super Cuts	Hair Salon	1,100		X
20	Fantastic Sam's	Hair Salon	1,600		X
21	Red Persimmon Nails	Nail Salon	1,600		X
22	Ruby's Bangles	Beauty Salon	1,360		x
23	Sunsational Tanning Salon	Beauty Salon	1,360		X
24	Focus Vison	Medical Office	1,100		X
25	Beaumont Smiles	Medical Office	3,100		X
26	Loma Linda Dermatology	Medical Office	1,500		X
27	Allstate Insurance	Professional Office	1,550		X
28	Anytime Fitness	Fitness Center	6,985		X
29	Victor's	Restaurant	3,250		X
30	Wing Stop	Restaurant	2,400		X
31	Farmer Boys	Restaurant	3,750		X
32	El Pollo Loco	Restaurant	2,810		X
33	Chili's	Restaurant	3,900		X
34	McDonalds	Restaurant	2,810		X
35	Del Taco	Restaurant	2,345		X
36	La Casita Mexican Grill	Restaurant	2,200		X
37	Firehouse Subs	Food Service	1,100		X
38	Dickey's BBQ	Food Service	1,100		X
39	Panda Express	Food Service	1,200		X
40	Weinerschnitzel	Food Service	1,550		X
41	Frugo's Yogurt	Frozen Yogurt Shop	1,360		
42	Starbucks	Food Service	1,250		X
43	Juice it Up	Juice Bar	1,100		X
TOTAL OCCUPIED SPACE			365,975	304,015	61,960
PERCENTAGE OF OCCUPIED SPACE				83.07%	16.93%

Vacant Space

1,360
TOTAL LEASABLE SQUARE FOOTAGE 367,335

EXHIBIT A-9
Temecula Town Center-Temecula

	Tenants	Land Use	Square Footage	Retail	Service
1	Target	Department Store	112,547	X	
2	Vons	Supermarket	42,630	X	
3	Mobil	Gas Station	1,572	X	
4	Home Goods	Home Furnishings	29,082	X	
5	CVS Pharmacy	Pharmacy	21,450	X	
6	Active Ride Shop	Clothing Store	8,000	X	
7	Styles for Less	Clothing Store	3,000	X	
8	Me Boutique	Clothing Store	977	X	
9	Payless Shoes	Shoe Store	4,720	X	
10	Lucky Feet Shoes	Shoe Store	1,300	X	
11	Hobby Town USA	Hobby Shop	3,454	X	
12	Kitchen Fantasy	Kitchen Supplies	2,900	X	
13	Vacuum Express	Supplies and Service	1,000	X	
14	Postal Annex	Office Supplies	950	X	
15	Verizon Wireless	Electronics	1,451	X	
16	Sprint	Electronics	1,400	X	
17	White Dragon Martial Arts	Martial Arts Studio	3,000		X
18	24 Hour Fitness	Fitness Center	35,292		X
19	I TAN Solarium	Tanning Salon	1,979		X
20	Paul Mitchell	Beauty School	14,031		X
21	Salon 29	Hair Salon	2,800		X
22	Genovea Bernal Barber	Hair Salon	1,000		X
23	Anasa Hair Design	Hair Salon	2,300		X
24	Vivian's Spa and Nails	Beauty Salon	1,000		X
25	Beauty by Threading	Beauty Salon	700		X
26	Massage by Sue-Sue	Health Spa	1,200		X
27	Enterprise Rent a Car	Car Rental	2,200		X
28	Coin Laundry	Laundry	4,267		X
29	Modern Tailoring	Tailor	972		X
30	Town Center Cleaners	Dry Cleaning	1,400		X
31	Pacific Dental	Medical Office	3,553		X
32	Temecula Medical Spa	Medical Office	940		X
33	Dr Won Park, DDS	Medical Office	1,300		X
34	Lindora Medical Center	Medical Office	2,415		X
35	Eyeglass Express	Medical Office	1,100		X
36	Musicology	Music Lessons	1,196		X
37	Titan Auto Insurance	Professional Office	1,320		X
38	Management Office	Professional Office	1,600		X
39	Tarbell Realtors	Professional Office	3,206		X
40	Chase Bank	Banking	5,362		X
41	Kumon Learning	Education	1,200		X
42	Claim Jumper	Restaurant	10,120		X
43	Rubio's	Restaurant	2,916		X

EXHIBIT A-9 Cont
Temecula Town Center-Temecula

Tenants		Land Use	Square Footage	Retail	Service
44	Daphne's Cafe	Restaurant	2,641		X
45	Round Table Pizza	Restaurant	2,772		X
46	Thai Kitchen	Restaurant	2,000		X
47	Pho Tho	Restaurant	2,344		X
48	Dog Park Café	Restaurant	1,854		X
49	Little Ceasar's Pizza	Restaurant	1,300		X
50	Hana Sushi	Restaurant	3,399		X
51	Juan Pollo	Restaurant	1,600		X
52	Subway	Food Service	1,501		X
53	Dragon Express	Food Service	1,350		X
54	Stabuck's	Food Service	1,540		X
55	Rancho Donuts	Food Service	1,400		X
56	Juice Bar	Food Service	1,200		X
57	Nothing Bundt Cakes	Food Service	2,050		X
58	Golden Spoon Yogurt	Frozen Yougurt Shop	1,036		X
59	Edible Arrangements	Mobile Food Service	1,600		X
TOTAL OCCUPIED SPACE			374,389	236,433	137,956
			PERCENTAGE OF OCCUPIED SPACE	63.15%	36.85%

Vacant Space

89,877

TOTAL LEASABLE SQUARE FOOTAGE

464,266

EXHIBIT A-10
North Main Plaza-Corona

	Tenants	Land Use	Square Footage	Retail	Service
1	Burlington Coat Factory	Clothing Store	67,560	X	
2	Walgreens	Pharmacy	9,820	X	
3	Styles for Less	Clothing Store	15,980	X	
4	The Avenue	Clothing Store	4,220	X	
5	Citiwear	Clothing Store	4,220	X	
6	T-Shirt Mart	Clothing Store	7,900	X	
7	Big Lots	Discount Store	25,290	X	
8	DD's Discounts	Discount Store	18,970	X	
9	Smart and Final	Groceries	7,010	X	
10	Sally Beauty Supply	Beauty Supplies	4,910	X	
11	Payless Shoe Source	Shoe Store	4,220	X	
12	Don Roberto's Jewelers	Jewelry	4,220	X	
13	Casa Bella Furniture	Furniture	6,150	X	
14	Jazzercise	Fitness Center	1,170		X
15	Vibe Fitness	Fitness Center	1,170		X
16	Tillema Veterinary Clinic	Pet Care	2,780		X
17	Dog Hotel	Pet Care	4,170		X
18	Corona Family Dentistry	Medical Office	1,260		X
19	Vision Center	Medical Office	4,220		X
20	Cleaners	Dry Cleaning/Laundry	1,260		X
21	Coin Wash	Laundry	1,430		X
22	Q's Nails and Spa	Nail Salon	1,430		X
23	Rodrigo's Mexican Restaurant	Restaurant	7,030		X
24	Betty Faye's Cafe	Restaurant	6,150		X
25	Jack in the Box	Restaurant	2,340		X
26	Mantra Fine Indian Cuisine	Restaurant	2,780		X
27	Pho Lee Vietnamese Food	Restaurant	1,170		X
28	Ravin Donuts	Food Service	1,170		X
TOTAL OCCUPIED SPACE			220,000	182,810	37,190
PERCENTAGE OF OCCUPIED SPACE				83.10%	16.90%

No Vacant Space

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Partnership Update and Potential Approval of Contract Amendment with Southern California Edison

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

Date: August 7, 2017

The purpose of this item is to provide the Committee with information on the Sixth Amendment between Southern California Edison (SCE) and WRCOG, request that the Committee approve a contract amendment, and to provide an update on SCE's & Southern California Gas Company's (SoCal Gas) Energy Savings Assistance (ESA) Program.

Requested Action:

1. Direct the Executive Director to execute the Sixth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program rate change through 2018.

WREP responds to Executive Committee direction for WRCOG, SCE, and SoCal Gas to seek ways to improve marketing and outreach to the WRCOG subregion regarding energy efficiency. WREP is designed to assist local governments to set an example for their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.

Sixth Contract Amendment to Southern California Edison Energy Leader Partnership agreement

In March 2010, WRCOG entered into an agreement with SCE to implement WREP and provide energy efficiency technical support to participating jurisdictions for energy efficiency projects at its facilities for the 2010-2012 Program cycle. Through the years of 2010 – 2017, five amendments have been initiated to extend contract services for the implementation of energy services for the members of the Partnership.

In July 2017, SCE developed a Sixth Contract Amendment (attached) to account for WRCOG staff rate changes that became effective the beginning of the fiscal year starting July 1, 2017. This rate change will not affect the 2016/2017 Agency Budget.

Energy Saving Assistance (ESA) Program

The ESA Program is an income-qualified program provided by both SCE and SoCal Gas to provide residential customers with an opportunity to participate in receiving a no-cost energy audit and identification of energy measures that could be installed to the customers at no cost. The ESA Program is designed to provide customers with energy efficient measures that not only reduce the utility bill and energy consumption within their residence, but also improve the comfort of their home. Participants who have enrolled in the Program have received the following energy measures / assistance: room air conditioner, lighting, smart power strip, attic insulation, low-flow shower heads, water heater blanket, pipe insulation, and appliance repair and/or replacement services such as refrigeration.

This is the second year that SCE and SoCal Gas have worked with WREP to promote and implement the Program. During the next few months, WRCOG, SCE, and SoCal Gas staff will be working with Partnership jurisdiction staff to identify low income areas and will be determining the most effective upcoming community outreach events so that information can be distributed to residents about the Program and residents can choose to participate.

In order to be eligible for the Program, customers must meet the following qualifications:

1. Be a homeowner or renter who receives electric services through a residential meter.
2. Have an active service account.
3. Meet the Program eligibility requirements, including the installation requirements.
4. Meet any of the qualifications listed below:
 - Medi-Cal / Medicaide
 - CalFresh / SNAP (Food Stamps)
 - CalWorks (TANF) / Tribal TANF
 - WIC
 - Medi-Cal for Families (Healthy Families A&B)
 - LIHEAP
 - Supplemental Security Income (SSI)
 - National School Lunch Program (NSLP)
 - Bureau of Indian Affairs General Assistance
 - Head Start Income Eligible (Tribal Only)

For interested customers, the process to move forward with the Program is as follows:

1. Outreach & Assessment: Find out if you're eligible for the Program per the following criteria:
 - a. Customers must provide proof of income
 - b. Homeowners must provide proof of ownership
 - c. Renters must provide property owner's written permission
2. Installation: Install appliances or implement other recommendations. The California Public Utilities Commission requires installers to:
 - a. Meet or exceed existing codes and regulation
 - b. Follow accepted building practices
3. Inspection: An inspection will be performed in the home to determine if the contractor has completed the work according to standards. If the work is not done properly, it will be redone at no cost.

For further information on this Program, please visit [SCE ESA Program](#) or [SoCal Gas ESA Program](#).

Prior Action:

July 10, 2017: The Executive Committee received report.

Fiscal Impact:

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

Attachment:

1. WRCOG Sixth Amendment for WREP ELP.

Item 5.E

Western Riverside Energy
Partnership Update and Potential
Approval of Contract Amendment
with Southern California Edison

Attachment 1

WRCOG Sixth Amendment for
WREP ELP

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SIXTH AMENDMENT

THIS SIXTH AMENDMENT ("SIXTH AMENDMENT") TO THE AGREEMENT TO JOINTLY DELIVER THE 2010-2012 WESTERN RIVERSIDE ENERGY LEADER PARTNERSHIP PROGRAM dated January 1, 2010 (as amended, the "Agreement") is effective as of July 1, 2017 (the "Sixth Amendment Effective Date") by and between SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG"). Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. SCE may be referred to individually herein as the "Utility". The Utility and WRCOG may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the Parties previously executed the Agreement effective January 1, 2010 and subsequently amended the Agreement five times to, among other things, extend its term through December 31, 2018 in accordance with the applicable decisions of the California Public Utilities Commission ("Commission"); and

WHEREAS, the Parties desire to delete and replace a portion of Exhibit B-1, as set forth herein.

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

1. The Fully Burdened Labor Rate Table in Exhibit B-1 (ENERGY LEADER PARTNERSHIP PROGRAM 2017-2018 GOALS & PARTNER BUDGET FOR WRCOG) of the Agreement is hereby deleted and replaced by the Fully Burdened Labor Rate Table in Exhibit B-1 attached to this Sixth Amendment, which attached version is incorporated herein by reference and made a part of the Agreement. The Parties acknowledge and agree that if a Commission decision or order alters the amount approved for the 2017-2018 Program budget(s), as set forth in Exhibit B-1, SCE shall amend Exhibit B-1 to reflect the approved 2017-2018 Program budget in any such Commission decision or order, in accordance with Sections 24 and 30 of the Agreement.
2. This Sixth Amendment may be executed in one or more counterparts and delivered by electronic means, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.
3. General. From and after the Sixth Amendment Effective Date, any reference to the Agreement contained in any notice, request, certificate or other instrument, document or agreement shall be deemed to mean the Agreement, as amended by any prior amendments to the Agreement, and this Sixth Amendment. In the event of any conflict between the Agreement, as amended, and this Sixth Amendment, this Sixth Amendment shall prevail. Except as amended by this Sixth Amendment, all provisions of the Agreement, as previously amended, shall remain in full force and effect and shall govern the actions of the Parties. Each party is fully responsible for ensuring that the person signing this Sixth Amendment on that party's behalf has the requisite legal authority to do so.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

WESTERN RIVERSIDE ENERGY LEADER PARTNERSHIP:

WRCOG

By: _____

Name Printed: Rick Bishop

Title: Executive Director

Date:

APPROVED AS TO FORM

By: _____

Name Printed: Best Best & Krieger

Title: General Counsel

Date:

SOUTHERN CALIFORNIA EDISON COMPANY:

SCE

By: _____

Name Printed: Marc Ulrich

Title: Vice President, Customer Programs and Services

Date:

EXHIBIT B-1

**ENERGY LEADER PARTNERSHIP PROGRAM 2017-2018 GOALS & PARTNER BUDGET
FOR WRCOG**

2017-2018 Budget		
Budget Category	2017⁽¹⁾	2018⁽¹⁾
Administrative	\$ 10,000	TBD
Marketing & Outreach	\$ 9,000	
Direct Implementation⁽²⁾	\$ 70,000	
Partner Budget Total Not To Exceed	\$ 89,000	
Technical Assistance⁽³⁾	\$ 6,000	TBD
Incentive	TBD	TBD

2017-2018 Energy Savings Goal		
	2017⁽¹⁾	2018⁽¹⁾
Energy Savings (kWh)	TBD	TBD
Demand Reduction (kW)	TBD	

Footnotes:

- (1) Budget and Savings Goal are subject to be revised or provided upon CPUC Approval for the funding year.**
- (2) Direct Implementation does not include technical assistance, strategic plan, or incentives.**
- (3) Technical Assistance fund is administrated by SCE for SCE approved T/A projects.**

Exhibit B-1 Continued

Fully Burdened Labor Rate Table

The rates in below table are fully burdened (see footnotes) and serve as maximum billing rates for actual costs incurred for each labor title.

Position	Fully Burdened Rates
Senior Consultant	\$300.00
Chief Financial Officer	\$228.03
Director of Energy and Environmental Programs	\$148.71
Program Manager	\$103.87
Staff Analyst II	\$67.52
Staff Analyst I #1	\$67.15
Staff Analyst I #2	\$68.79
Administrative Assistant	\$43.03
IT Administrator	Removed
Accounting Analyst	\$108.65
Technician	\$54.34
Legal Counsel	\$298.00

Footnotes:

- (1) Fully burdened hourly rates set forth herein which include all related cost including, but not limited to, actual wages, statutory taxes, benefits, insurance, office supplies, office printing, and overhead. Overhead includes, but not limited to, rent, technology, equipment, software, phone, internet, audit services and legal services.
- (2) Any reimbursable expenses, including any and all subcontractor expenses, shall be reimbursed at actual cost **without markup.** All reimbursable expenses require written approval, in advance, by the SCE Representative referenced in this contract.
- (3) For avoidance of doubt, the fully burdened hourly rates apply to WRCOG's staff and Contractors, as applicable.
- (4) The rates set forth in this Exhibit B-1 may increase up to a maximum of 10% above the original applicable rate without written amendment to this Agreement, but will require WRCOG to provide the applicable Utility with written notice of any such increase, including title, dollar amount increase, and percentage increase. Any requested increase of a fully burdened labor rate that is more than 10% shall require written amendment of the Agreement.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Selection of Consultants to Provide On-Call Planning and Engineering Professional Services to Member Jurisdictions

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

Date: August 7, 2017

The purpose of this item is to provide the Committee with an update on selected consulting firms to be used for on-call planning activities, request approval of the Professional Services Agreement for On-Call Planning Services with Kearns & West, and request approval of an Amendment to the existing Professional Services Agreement for On-Call Engineering Services with WSP.

Requested Actions:

1. Authorize and direct the Executive Director to enter into an agreement for on-call planning services with Kearns & West in amount not to exceed \$95,560 in total.
2. Approve the First Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and WSP to provide WRCOG technical support and advisory services in an amount not to exceed \$75,000 for this Amendment and \$235,000 in total.

On-Call Planning Professional Services – Introduction

Over the past few years, the need to expand the breadth of consultants has become evident from a number of requests from WRCOG member agencies requesting assistance in a variety of disciplines as they move forward with their jurisdiction's sustainable planning efforts and further apply WRCOG's Sustainability Framework. WRCOG has identified disciplines to provide direct assistance to its member agencies. Using the proposals received, WRCOG will be able to respond to member jurisdictions' requests in a more timely and efficient manner.

In order to continue assisting our member agencies, WRCOG released a Request for Proposal (RFP) for On-Call Planning Services in March 2017. WRCOG identified eight distinct planning disciplines for interested parties, as listed below. Included further in this staff report is a short description of the types of tasks that may be completed.

- General Plan / Sustainability Support
- Grant Writing Assistance
- Transportation Planning
- Healthy Communities Planning
- Climate Change Planning / Climate Action Plan Assistance
- WRCOG General Support
- Economic and Demographic Forecasting Assistance
- Clean Cities Assistance

WRCOG received a total of 37 proposals for all disciplines. Staff, along with member jurisdictions and partner agencies, reviewed the proposals. After the evaluations, it was determined that 14 firms / teams qualified to be short-listed to provide future planning services in the respective on-call discipline they qualified for. Of the 14 qualifying firms / teams, the following are headquartered locally (within either Riverside or San Bernardino Counties):

- AECOM
- Fehr & Peers
- Kearns & West
- LSA
- Michael Baker International
- National Community Renaissance of California
- PlaceWorks, Inc.
- Raimi + Associates
- WSP

Professional Services Agreements (Agreements) have been drafted and are in the review process. It is likely that many of the Agreements will fall under the Executive Director's single-signature authority and will be reported back to this Committee after execution. For those Agreements that are within the threshold of \$50,001 to \$100,000, staff will be returning to the Administration & Finance Committee for specific approval, and in the event an Agreement is larger than \$100,001, staff will bring forward a request for this Committee's approval.

It should be noted that the Agreements themselves do not commit WRCOG to undertake specific actions. Specific project assignments will be authorized through a Task Work Order Process, based on the requests from member agencies. This structure provides WRCOG with significant flexibility to respond to member jurisdiction requests in a timely fashion.

WRCOG would like to begin utilizing these On-Call Planning Services beginning in August 2017.

On-Call Planning Professional Services – Kearns & West Professional Services Agreement approval

For the Clean Cities assistance discipline, Kearns & West received qualifying scores from the review panel, and will provide assistance to WRCOG.

The tasks that will be conducted under the Clean Cities discipline include creating topics that follow the current and advanced trends for Coalition meetings and contacting dynamic guest speakers that will be beneficial to member agencies.

WRCOG plans to hold a large transportation conference in the Fall 2017, similar to "Advancing the Choice" Expos WRCOG has held in the past, and will seek assistance from Kearns & West in planning the conference. The goal of the conference is to provide real solutions for residents to live better, healthier lives with less impact on the environment by learning about alternative fuel technologies and vehicles, energy efficiency, and sustainable planning efforts, which work together to create healthier communities.

Kearns & West will also assist in preparing the necessary reports to comply with the various Clean Cities Coalition requirements, such as AB 2766 and Department of Energy reports. Funding for this effort originates from Department of Energy grants as well as payments from local agencies.

On-Call Engineering Professional Services – amendment to WSP Agreement

WRCOG entered into an Agreement for On-Call Professional Services with WSP, formerly WSP/Parsons Brinkerhoff (WSP/PB), in October 2016. This Agreement incorporated an "Other Duties as Assigned" task – this task included assistance with a potential Alternative Compliance Program (Water Quality Framework). Since October, WSP has provided technical support and advisory services as WRCOG continues to gather information on how an Alternative Compliance Program may assist WRCOG member agencies in meeting the

greater requirements of the National Pollutant Discharge Elimination System (NPDES) Permit and Waste Discharge Requirements for Discharges from the Municipal Separate Storm Sewer Systems (MS4) Draining the Watersheds.

Through the original Agreement, WSP provided technical support to the Riverside County Flood Control and Water Conservation District on the development of the Watershed Management Area Analysis (WMAA), which is identified in the MS4 Permit. WSP utilized the methodology referenced in the San Diego WMAA for developing two specific processes: 1) dominant hydrologic processes, and 2) coarse sediment yield analysis. In addition, WSP also provided ongoing input and recommendations to WRCOG regarding NPDES Stormwater Permit requirements in existing and pending MS4 Permits having jurisdictions over WRCOG member agencies.

As WRCOG further develops a potential Alternative Compliance Program to assist member agencies attain the more stringent requirements of the MS4 Permits, WRCOG seeks to amend the Professional Services Agreement so that WSP will continue to provide technical expertise, specifically research potential capital projects that can be utilized for credit generating purposes in a possible Alternative Compliance Program. WSP will also continue to provide input and recommendations to WRCOG regarding NPDES Stormwater Permit requirements in existing and pending MS4 Permits.

Prior Actions:

<u>July 12, 2017:</u>	The Administration & Finance Committee received report.
<u>October 3, 2016:</u>	The WRCOG Executive Committee authorized and directed the WRCOG Executive Director to enter into an Agreement for On-Call Engineering Services with WSP, formerly WSP/PB (Parson Brinkerhoff).

Fiscal Impact:

Funding for on-call engineering and planning services, except for the Clean Cities services, is included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Transportation Department. Funding for Clean Cities Coalition assistance is included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Clean Cities Coalition Program.

Attachments:

1. Professional Services Agreement between the Western Riverside Council of Governments and Kearns & West.
2. First Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and WSP, formerly WSP/PB (Parsons Brinckerhoff).

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Item 5.F

Selection of Consultants to Provide
On-Call Planning and Engineering
Professional Services to Member
Jurisdictions

Attachment 1

Professional Services Agreement
between the Western Riverside
Council of Governments and
Kearns & West

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES

1. Parties and Date.

This Agreement is made and entered into this ____ day of June, 2017, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and Kearns and West, Inc., a Massachusetts corporation (“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 and in the task order(s) to be issued pursuant to this Agreement and executed by the parties (“Task Order”). Consultant represents that it is experienced in providing on-call planning services 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 professional services, on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under 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, on an on-call basis, necessary to fully and adequately supply professional services and advise on various issues affecting the decision of WRCOG (“Services”). The types of Services to be provided are generally described in Exhibit “A” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee. No Services shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit “C”. 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 June ____ 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 set forth

in the Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

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 specific schedule that shall be set forth in the Task Order ("Schedule of Services"). **Consultant shall be required to commence work within five (5) days of receiving a fully executed Task Order.** 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 each Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon the request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant 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 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 may substitute other personnel of at least equal competence upon written approval of 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 cause. 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 personnel for performance of this Agreement are as follows: **Taylor York, Associate**, or as otherwise specified in the relevant Task Order.

3.2.5 WRCOG's Representative. WRCOG hereby designates **Christopher Gray, Director of Transportation**, 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. Consultant hereby designates **Taylor York, Associate**, or his or her designee, to act as its representative for the performance of this Agreement ("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 and as described in the relevant Task Order.

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 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.

(a) 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 a form and with insurance companies acceptable to WRCOG. 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.

(b) 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:

(i) 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 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(ii) 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.

(c) 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 \$2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

(d) 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:

(i) General Liability.

(1) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(2) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(3) The policy shall give WRCOG, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(4) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from WRCOG’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(ii) Automobile Liability.

(1) 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.

(iii) Workers’ Compensation and Employers Liability Coverage.

(1) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(2) 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.

(iv) All Coverages.

(1) Defense costs shall be payable in addition to the limits set forth hereunder.

(2) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(3) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(4) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(5) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(6) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(7) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or

is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(8) Neither WRCOG nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

(v) 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.

(vi) Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by 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.

(vii) 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.

(viii) 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.

(ix) Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name WRCOG as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

(e) 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 life saving 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 “B” attached hereto and incorporated herein by reference. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. The total compensation shall not exceed **Ninety-five Thousand, Five-hundred, Sixty Dollars (\$95,560)** (“Total Compensation”) 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 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.

(a) 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.

(b) 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.

(c) 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: Kearns and West, Inc.
3600 Lime Street, Suite 226,
Riverside, CA 92501
Attention: Taylor York

Phone: 951-405-3405
tyork@kearnswest.com

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Christopher Gray
Phone: 951-955-8304

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.

(a) 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.

(b) Intellectual Property.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(c) 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.

(d) 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, consultants, 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, this Agreement, or any Task Order, 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, consultants, 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, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

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 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]

**SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AGREEMENT FOR ON-CALL PROFESSIONAL SERVICES**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Kearns and West, Inc.

By: _____
Rick Bishop
Executive Director

By: _____
Joan Isaacson
Vice President

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A”
GENERAL SCOPE OF SERVICES

Kearns & West will provide services as generally described below. The Services shall be more particularly described in the individual Task Order issued by WRCOG or its designee.

1 – Organize Clean Cities Coalition Meetings

The Kearns and West (K&W) Project Manager will coordinate and take the lead of at least four (4) Clean Cities Coalition meetings. These meetings are typically held on a quarterly basis, but depend on the schedule of WRCOG staff, Coalition members, speaker availability, etc. K&W will work closely with WRCOG staff to plan these meetings.

K&W will prepare a Facilitation plan for Coalition meetings that will serve as a guiding document and will be continually updated. The Facilitation plan will outline items such as, but not limited to: meeting purpose, key topics and presenters, align Coalition meetings and other activities with other WRCOG activities related to alternative fuels and air quality, engage potential presenters, and conduct outreach to Coalition members for meeting attendance.

At the Coalition meetings, K&W will be responsible for all aspects of the meeting, such as facilitating the meeting, taking notes and providing meeting minutes, and conducting follow-up as needed.

One of the four meetings may be a larger transportation conference. Utilizing their network in the sector, K&W will assist WRCOG in reaching out to potential speakers and exhibitors, and creating a dynamic panel on alternative fuels, transportation and air quality.

2 – AB 2766 Reporting

K&W will prepare AB 2766 reports for each Coalition member jurisdiction. K&W will determine how each member jurisdiction has used their AB 2766 funds in compliance with the program, and will work closely with WRCOG staff to identify areas which could utilize further support.

K&W will prepare the AB 2766 reports by:

1. Work with member jurisdictions to identify qualified AB 2766 expenditures.
2. Assist staff and members in clearly defining past success and challenges, as well as future goals, to maximize the value of this funding.
3. Prepare AB 2766 reports for submission to the South Coast Air Quality Management District.

3 – Department of Energy Reporting

Clean Cities Coalition Coordinators are responsible for submitting reports that summarize the activities of the Coalition. K&W will be responsible for submitting the required reports. The Department of Energy holds training seminars and has staff to assist with reporting protocol, so K&W staff will be in direct contact with the assigned staff member.

EXHIBIT "B"
COMPENSATION

BILLING RATES

<u>Name</u>	<u>Title</u>	<u>Hourly Rate</u>
Joan Isaacson	Vice President	\$210
Larry Chung	Senior Associate	\$155
Taylor York	Associate	\$135
	Project Support / Graphic Design	\$95

Other Direct Costs: Outside Printing/Reproduction, Delivery Services/USPS, Misc. will be charged to WRCOG with approval from WRCOG.

Travel Expenses will be billed at actual cost. Mileage will be billed at the current Federal Rate.

EXHIBIT C

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

TASK ORDER

Task Order No. 2017-01

Contract: WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AGREEMENT
FOR ON-CALL PROFESSIONAL SERVICES

Consultant: KEARNS & WEST

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

Task 1 – Organize Clean Cities Coalition Meetings

The Kearns and West (K&W) Project Manager will coordinate and take the lead of up to four (4) Clean Cities Coalition meetings. These meetings are typically held on a quarterly basis, but depend on the schedule of WRCOG staff, Coalition members, speaker availability, etc. K&W will work closely with WRCOG staff to plan these meetings.

K&W will prepare a Facilitation plan for Coalition meetings that will serve as a guiding document and will be continually updated. The Facilitation plan will outline items such as, but not limited to: meeting purpose, key topics and presenters, align Coalition meetings and other activities with other WRCOG activities related to alternative fuels and air quality, engage potential presenters, and conduct outreach to Coalition members for meeting attendance.

At the Coalition meetings, K&W will be responsible for all aspects of the meeting, such as facilitating the meeting, taking notes and providing meeting minutes, and conducting follow-up as needed.

Task 1.1 – Organize Large Transportation Conference

One of the meetings may be a larger transportation conference. Utilizing their network in the sector, K&W will assist WRCOG in reaching out to potential speakers and exhibitors, and creating a dynamic panel on alternative fuels, transportation and air quality. K&W will execute the following tasks:

- Maintain Action items list and coordination
- Prepare Logistics Plan for conference
- Assist with engaging conference panelists and vendors
- Assist with agenda and other materials development and dissemination
- Collect and manage RSVPs
- Assist with coordinating meeting logistics
- Attend, coordinate day-of activities, and facilitate Conference

Task 2 – AB 2766 Reporting

K&W will prepare AB 2766 reports for each Coalition member jurisdiction. K&W will determine how each member jurisdiction has used their AB 2766 funds in compliance with the program, and will work closely with WRCOG staff to identify areas which could utilize further support.

K&W will prepare the AB 2766 reports by:

4. Work with member jurisdictions to identify qualified AB 2766 expenditures.
5. Assist staff and members in clearly defining past success and challenges, as well as future goals, to maximize the value of this funding.
6. Prepare AB 2766 reports for submission to the South Coast Air Quality Management District.

Task 3 – Department of Energy Reporting

Clean Cities Coalition Coordinators are responsible for submitting reports that summarize the activities of the Coalition. K&W will be responsible for submitting the required reports, such as quarterly alternative fuel reports and annual coalition reports to DOE. The Department of Energy holds training seminars and has staff to assist with reporting protocol, so K&W staff will be in direct contact with the assigned staff member.

Task 4 – Project Management Coordination

K&W will check-in WRCOG staff for the purposes of project management. K&W will participate in a monthly call with WRCOG staff and provide progress reports with invoice submittal.

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$95,560

Completion Date: June 30, 2018

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above or in Exhibit "B" of the Agreement for On-Call Professional Services, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Dated: _____

By: _____

Consultant

Dated: _____

By: _____

Item 5.F

Selection of Consultants to Provide
On-Call Planning and Engineering
Professional Services to Member
Jurisdictions

Attachment 2

First Amendment to the Professional
Services Agreement between the
Western Riverside Council of
Governments and WSP, formerly
WSP/PB (Parsons Brinckerhoff)

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**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
WSP (FORMERLY PARSONS BRINCKERHOFF, INC.)**

1. PARTIES AND DATE.

This First Amendment is made and entered into this ____ day of August, 2017, by and between the Western Riverside Council of Governments, a public agency with its principal place of business at Riverside County Administrative Center, Annex MS 1032, 4080 Lemon Street 3rd Floor, Riverside, California 92501-3679 ("WRCOG") and WSP USA ("Consultant"), a New York Corporation, whose address is 451 E. Vanderbilt Way, Suite 200, San Bernardino, California 92408, Telephone (909) 888-1106, Fax (909) 889-1884, E-mail hendersond@pbworld.com, Federal Tax Identification Number 11-1531569. WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Master Agreement.

WRCOG and Consultant have entered into that certain Professional Services Agreement dated October 3, 2016 ("Master Agreement").

2.2 First Amendment.

WRCOG and Consultant desire to enter into this First Amendment for the purpose of extending the term of the Master Agreement, providing new tasks, and providing additional compensation for the continued performance of the Services.

3. TERMS.

3.1 Term.

The term of the Master Agreement shall remain from October 3, 2016 to June 30, 2018, unless earlier terminated as provided in the Master Agreement.

3.2 Scope of Services.

The Services, as that term is defined in the Master Agreement, shall be amended such that Consultant shall provide those services set forth in Exhibit "A" attached hereto and incorporated herein by reference for the First Extended Term.

3.3 Compensation.

Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this First Amendment at the rates set forth in Exhibit "B" attached to

this First Amendment and incorporated herein by reference. The total compensation for Services performed under this First Amendment shall not exceed One Hundred Thirty-Five Thousand Dollars (\$135,000) without written approval of WRCOG's Executive Director. The total compensation for Services rendered under the Master Agreement, and this First Amendment shall not exceed the maximum amount of Two Hundred Thirty-Five Thousand Dollars (\$235,000).

3.4 Continuation of Existing Provisions.

Except as amended by this First Amendment, all provisions of the Master Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this First Amendment.

3.5 Counterparts.

This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument.

[Signatures on the following page]

SIGNATURE PAGE TO
FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND
WSP (FORMERLY PARSONS BRINCKERHOFF, INC.)

IN WITNESS WHEREOF, the Parties hereto have made and executed this Ninth Amendment as of the date first written above.

WRCOG

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By: _____
Rick Bishop
Executive Director

CONSULTANT

PARSONS BRINCKERHOFF, INC.

By: _____
Doug Sawyer
Area Manager

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

EXHIBIT “A”

GENERAL SCOPE OF SERVICES

On-Call and As-Needed Engineering Services

Such engineering services may include, but are not limited to, the following work activities:

Task 1-Review of One Simple TUMF Invoice

The Consultant will be asked to review TUMF project invoices submitted by member jurisdictions for reimbursement. The invoice should contain all necessary support documentation and the Consultant shall review each invoice to ensure that the work invoiced against is for the identified project. As part of the review of invoices and support documentation, the Consultant will prepare a memo to WRCOG staff authorizing payment for eligible expenses under the Program. Exhibit A provides a sample of a typical invoice submitted to WRCOG for review.

Task 2-Review of One Complex TUMF Invoice

On occasions, member jurisdictions submit invoices and do not receive full reimbursement due to issues that arise during the review process. Issues that typically occur include, but are not limited to the following: expenses for work ineligible under the Program, expenses for work outside the scope of the project, local match contribution rate is not applied, amount invoice exceeds amount programmed on the Zone Transportation Improvement Program. With situations in which invoice issues are found, a meeting between WRCOG, the Consultant, and member jurisdiction staff is convened to discuss the issues pertaining to the invoice. Exhibit B provides a sample of an invoice that contains some of the issues previously described.

Task 3- Preparation of TUMF Reimbursement Manual

WRCOG currently administers the TUMF Program using a variety of documents including the Administrative Plan, the Nexus Study, and individual ordinances adopted by member jurisdictions. WRCOG has also developed an internal document related to preparation and review of TUMF invoices. The purpose of this Task is to develop an updated and comprehensive document that member agencies, consultants, and other parties can use to facilitate the reimbursement process.

Key elements of this document should include but not be limited to the following:

- A sample invoice packet
- A listing of expense items which are eligible for reimbursement
- A listing of expense items which are not eligible for reimbursement
- A policy regarding project change orders and how WRCOG Staff will review change orders for reimbursement purposes

As part of developing this manual, the Consultant will be asked to review documents from other agencies who administer reimbursement programs of comparable size and scale. Additionally, the Consultant will be asked to make at least two presentations to the WRCOG Public Works Committee (PWC) to obtain input and present the draft document for review.

A key element of this effort is also working with local agencies to obtain their feedback on the TUMF reimbursement process. Consultants will be asked to meet with at least five (5) of WRCOG's member jurisdictions to discuss any questions or concerns about this process.

Task 4- Review of Active Transportation Plan Cost Estimates

The Consultant will be asked to perform a peer review of any cost estimates prepared for the Regional Active Transportation Plan (ATP) that WRCOG is currently updating. As part of the Regional ATP, WRCOG's Consultant Team will be identifying key regional corridors to provide additional bicycle and pedestrian connectivity between member agencies. The Consultant will be asked to provide input on the unit costs and the total project costs for each identified corridor.

Task 5- Meeting Attendance

WRCOG anticipates that Consultants could be asked to attend meetings on WRCOG's behalf related to a variety of issues involving the Transportation Department. For purposes of cost estimating, please assume that each meeting requires one hour traveling to the meeting site, 4 hours of meeting attendance, and one hour to prepare a summary of each meeting.

Task 6- Other Duties as Assigned

WRCOG anticipates that Consultants could be asked to perform other duties as they related to the Transportation Department. Such duties can include but are not limited to the review/reconciliation of TUMF Improvement and Credit Agreements, reviewing bid packets to advise WRCOG whether specific items are eligible expenses under the TUMF Program, and assistance with the Water Quality Framework – Alternative Compliance Program.

EXHIBIT “B” COMPENSATION

WSP Billing Rates

Staff	Role	Billing Rates
Bob Morin, PE, TE	TUMF Program Lead	\$250/ hour
Michael Drennan, PE	Water Quality Program Manager	\$250/ hour
Veronica Seyde	Water Quality Program Staff	\$195/hour
Jarrold Miller, CPESC, QSD/P, ENV SP	Water Quality Program Lead	\$172/ hour
Matthew Porter	Senior GIS Analyst	\$132/hour
Mike Lieu	GIS Analyst	\$132/hour
	Technical Editor	\$125/hour
Cynthia Cavazos	Project Administrator	\$125/ hour

EXHIBIT "C"

TASK ORDER

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Task Order No. 2017-06

Contract: WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AGREEMENT FOR
ON-CALL PROFESSIONAL SERVICES

Consultant: WSP, formerly WSP/PB (Parsons Brinckerhoff)

Task 1.1 – On-going Alternative Compliance Advisory Services

WSP is providing On-Call Professional Services with ongoing input and recommendations to WRCOG regarding NPDES Stormwater Permit requirements in existing and pending MS4 permits having jurisdiction over WRCOG member agencies. With this Task, WSP will continue providing input and recommendations to WRCOG. **The total dollar amount for the continuation of services for this specific sub-task is not to exceed \$25,000.**

The WSP Project Manager will continue to provide input and recommendations to WRCOG regarding NPDES Stormwater Permit requirements in existing and pending MS4 permits having jurisdiction over WRCOG member agencies. The Project Manager will also continue to provide regular updates regarding status of relevant legislative or other activities that could influence the outcome of pending MS4 permits, and provide recommended strategies and tactics to manage the liability and risk to WRCOG. Recommendations could include suggested meetings with appropriate regulatory agency staff, recommended draft comment letters, recommendations for strategy coordination with other organizations including MS4 co-permittees, BIA, or others.

The Project Manager will also continue to attend strategy, coordination and regulatory meetings and/or conference calls as needed and directed by WRCOG over an 18-month period. The purpose of the meetings/conference calls is for the Project Manager to, in concert with the WRCOG management and staff, bring strategic and effective action items into the execution of the WRCOG Water Quality Program to meet regulatory goals and objectives.

The WSP Project Manager, in coordination with WRCOG staff, will continue to prepare the agenda, necessary handouts, exhibits and needed materials to facilitate the meetings/conference calls. The WSP/PB Project Manager and appropriate staff level personnel will continue to prepare meeting notes including the attendees at the meeting, issues listed on the agenda, a summary of key action items, data needs, responsible parties and follow up action items/issues from previous meetings. Meeting notes will be submitted electronically within two business days of each working meeting. The WSP/PB Project Manager will continue to take direction from WRCOG staff to ensure expectations and regulatory goals and objectives are addressed as appropriate.

It is anticipated there will be bi-weekly meetings for a 12-month period. Product deliverables include the agenda, meeting notes and handouts as appropriate. It is estimated there will up to 40 meetings over the course of the Task Order No. 2 execution.

Product Deliverables for Task 1.1:

- Attendance by Project Manager at 40 meetings
- Preparation of Agenda and Handouts (as appropriate)
- Data Needs Memo
- Meeting Notes
- Recommended regulatory strategies and tactics
- Draft comments letters to regulatory agencies

Task 1.2 – Water Quality Equivalency Estimates

WSP will provide project screening services for Capital Improvement Projects to meet water quality equivalency criteria. The purpose of this analysis is to provide a rough estimate of the quantitative water quality benefits provided by anticipated capital improvement projects proposed by Riverside County Flood Control & Water Conservation District (RCFCWCD) in their 5-year Capital Improvement Program (CIP) and other agencies. The results of the analysis are intended to provide rough estimates for use by WRCOG for internal use and discussion purposes only and is not intended to be published for public distribution or review. **The total dollar amount for the continuation of services for this specific sub-task is not to exceed \$50,000.**

Task 1.2a: Project Screening

This effort will entail screening and water quality equivalency analysis of future capital improvement projects proposed by Riverside County Flood Control & Water Conservation District and/or agencies within the Southwest Western Riverside County area. WSP will begin with those projects identified in CIP Project Summary for Zone 7 for Fiscal Years 2016-17 through 2020-21. WSP will also look into additional projects (other than RCFCWCD) identified by other agencies (e.g. WRCOG member agencies, Caltrans, developers). An initial screening will take place that will determine which projects have the potential to generate alternative compliance credit. The projects that are determined to potentially generate alternative compliance credit will be added to a list and shared with WRCOG. WRCOG will give feedback on the projects identified to the project team and those projects that are determined to provide alternative compliance credit will be considered for further analysis. Up to ten (10) projects will be considered.

After initial screening is completed a more detailed analysis will be applied on up to five (5) projects. Initial steps will include categorization of the CIP projects based on the type of mitigation the project would provide including hydromodification, water quality or a combination of both. Those projects that would not provide water quality benefit will be excluded from consideration. Projects identified that would provide potential alternative compliance credit would then be analyzed based on the Water Quality Equivalency Guidance Document Region 9 to quantify the amount of credit potentially achievable. Given that design plans of the subject facilities will not be available, assumptions will be made based on the best publicly available data to determine information necessary to characterize water quality benefits. These assumptions will be documented and provided in the memorandum summary. Projects that are determined to provide credit potential will then be overlaid in their respective watersheds and cross referenced with zoning data to verify there will be a demand for credits based on future build out.

Task 1.2b: Complexity Analysis

In addition to credit potential, projects will be screened for funding constraints and environmental permitting complexity to determine the likelihood the project will be completed without significant delays. Funding constraints will be based on the amount of unfunded costs

as a percentage of total costs. Environmental permitting complexity will be evaluated based on the number of permits anticipated and whether the project is likely to acquire a Finding of Non-Significant Impact, Mitigated Negative Declaration or a complete Environmental Impact Report.

Task 1.2c: Reporting Memorandum

Once the credit potential and environmental permitting is determined, a scoring spreadsheet will be developed and each project will be assigned one of the following categories Low, Medium, or High based on the potential for the project to move forward. Under Task 3c, Draft and Final versions of a recommended summary report will be developed and will include a narrative description of the assumptions, methods, results and recommendations.

The Project Manager will attend strategy, coordination and regulatory meetings and/or conference calls as needed and directed by WRCOG over a 3-month period. The purpose of the meetings/conference calls is for the Project Manager to, in concert with the WRCOG management and staff, bring strategic and effective action items into the execution of the WRCOG Water Quality Program to meet regulatory goals and objectives. The Project Manager will take direction from WRCOG staff to ensure expectations and regulatory goals and objectives are addressed as appropriate.

Product Deliverables for Task 1.2:

- Water Quality Equivalency Calculations
- Prioritization Spreadsheet
- Draft Report Memo
- Final Report Memo
- Attendance by Project Manager as needed at meetings
- Meeting Notes (as needed)

List any attachments: (Please provide if any.)

Dollar Amount of Task Order: Not to exceed \$75,000

Completion Date: June 2018

The undersigned consultant hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

**WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS**

Consultant

Dated: _____

Dated: _____

By: _____

By: _____

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: TUMF Program Reimbursement Agreements

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

Date: August 7, 2017

The purpose of this item is to request that the Executive Committee approve three Reimbursement Agreements for TUMF projects.

Requested Actions:

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Heacock Street Widening Project in an amount not to exceed \$1,100,000.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Ethanac Road Widening Project in an amount not to exceed \$500,000.
3. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Nuevo Road Widening Project in an amount not to exceed \$499,806.

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

TUMF Reimbursement Agreements

Three Reimbursement Agreements for a TUMF project are being forwarded to the Executive Committee for consideration, and are summarized below.

City of Moreno Valley (one agreement):

1. Heacock Street Widening Project in the amount of \$1,100,000: This project will widen Heacock Street between Iris Avenue and Gentian Way from two to four lanes and will install signage and striping for bicycle lanes. This Reimbursement Agreement is for the Construction phase of the project.

City of Perris (two agreements):

1. Ethanac Road Widening in the amount of \$500,000: This Reimbursement Agreement amends an earlier agreement to provide funding for the Project's Engineering phase and increases the funding from \$250,000 to \$500,000.
2. Nuevo Road Widening in the amount of \$499,806: This Reimbursement Agreement amends an earlier agreement to provide funding for the Project's Engineering phase and increases the funding from \$249,806 to \$499,806.

Prior Action:

July 23, 2017:

The Executive Committee authorized the Executive Director to 1) execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for the Railroad Canyon Road / I-15 Interchange Project in an amount not to exceed \$1,922,179; and 2) execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Moreno Beach Drive / SR-60 Interchange Project in an amount not to exceed \$13,258,480.

Fiscal Impact:

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

Attachments:

1. Reimbursement Agreement with the City of Moreno Valley for Heacock Road.
2. Reimbursement Agreement Amendment with the City of Perris for Ethanac Road.
3. Reimbursement Agreement Amendment with the City of Perris for Nuevo Road.

Item 5.G

TUMF Program Reimbursement Agreements

Attachment 1

Reimbursement Agreement with the City of Moreno Valley for Heacock Road

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
HEACOCK STREET (IRIS AVENUE AND GENTIAN AVENUE)
CONSTRUCTION PHASE**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and the CITY OF MORENO VALLEY (“the AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for Construction of **Heacock Street between Iris Avenue and Gentian Avenue**, (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

4) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **One Million, One Hundred Thousand Dollars (\$1,100,000.00)**, to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

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

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

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

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

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in

resolving the dispute, the AGENCY may appeal WRCOG's decision as to the eligibility of one or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. The AGENCY shall provide at least **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** of funding toward the Work, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates the **Director of Public Works/City Engineer**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion

or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys' fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY,

in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

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

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: City of Moreno Valley
 Capital Projects Division
 P.O. Box 88005
 Moreno Valley, CA 92552-0805
 Telephone: (951) 413-3130
 Facsimile: (951) 413-3170

If to WRCOG: Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3609
 Attention: Christopher J. Gray, Director of Transportation
 Telephone: (951) 955-8304
 Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF MORENO VALLEY

By: _____ Date: _____
Rick Bishop
Executive Director

By: _____ Date: _____
City Manager

Approved to Form:

Approved to Form:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

By: _____ Date: _____
City Attorney

EXHIBIT “A”**SCOPE OF WORK**

In existing condition, the segment of Heacock Street between Iris and Gentian is a bottleneck with substandard lane transitions and a lack of clear recovery zones due to significant centerline offset, pavement failure due to increased truck traffic with the development of adjacent vacant lands, and drainage issues with frequent flooding.

The project consists of proposed improvements including, but not limited to widening Heacock Street between Iris to Gentian from 2 lanes to 4 lanes, installing curb & gutter, ADA curb ramps, sidewalk, AC pavement, signing and striping for bicycle lanes and painted medians, drainage improvements, north/east leg Heacock/Gentian intersection approach improvements, utility adjustments, and modifications to existing traffic signal to accommodate the proposed wider four travel lane along Heacock.

This Reimbursement Agreement is for the Construction Phase only.

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	LOCAL	TOTAL
PA&ED		\$12,000.00	\$12,000.00
PS&E		\$100,000.00	\$100,000.00
RIGHT OF WAY		\$60,000.00	\$60,000.00
CONSTRUCTION	\$1,100,000.00	\$250,000.00	\$1,350,000.00
TOTAL	\$1,100,000.00	\$422,000.00	1,522,000.00

This Reimbursement Agreement is for the Construction Phase only.

EXHIBIT “A-2”
PROJECT SCHEDULE

PHASE	START DATE	COMPLETION DATE*
CON	March 2017	December 2017

*Includes close-out

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier _____
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3)

1.2 FIXED FEE.

- 1.2.1 The fixed fee is \$_____.
- 1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[__sample__]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY’s invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure “A” Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year) . The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year .

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
---------------------------------	--------------------------------

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
 Total Invoice to Date:	 \$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00
 Amount Due this Invoice:	 \$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
Name
Title

**EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)**

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

- TASK 01 – 100% PS&E SUBMITTAL
- 1. Responded to Segment 1 comments from Department of Transportation
 - 2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

- TASK 01 – 100% PS&E SUBMITTAL
- 1. Completing and to submit Traffic Signal and Electrical Design plans
 - 2. Responding to review comments

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Item 5.G

TUMF Program Reimbursement Agreements

Attachment 2

Reimbursement Agreement Amendment with the City of Perris for Ethanac Road

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**AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE
PROGRAM AGREEMENT**

**ETHANAC ROAD WIDENING (GOETZ ROAD TO I-215)
PLANNING AND ENGINEERING PHASES**

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement (“Amendment No. 1”) is entered into this _____ day of _____, 2017, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (“WRCOG”) and **CITY OF PERRIS** (“AGENCY”). WRCOG and the AGENCY are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled “Transportation Uniform Mitigation Fee Program Agreement” that is dated **April 16th, 2013** (“Agreement”). The Agreement provides the terms and conditions, scope of work, schedule and funding amount for the construction of the **Ethanac Road Widening (Goetz Road to I-215)** (hereinafter the “Project”).

B. The Parties desire to amend the Agreement by **increasing** the funding amount pursuant to Sections 6 and 33 of the Agreement.

C. Funds are being increased for this Project because new funding has become available via the 2017 Central Zone 5-Year Transportation Improvement Program. Also, remaining funds from PA&ED phase are being transferred to PS&E phase.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby **increased by Two Hundred Fifty Thousand Dollars (\$250,000)** from **Two Hundred Fifty Thousand Dollars (\$250,000)** to an amount not to exceed **Five Hundred Thousand Dollars (\$500,000)**.

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

3. The Agreement, pursuant to Section 1 of the Agreement, is hereby amended to allow for any remaining funds dedicated to the PA&ED Phase, and following completion of that Phase, to be transferred and used during the PS&E Phase as set forth in Exhibit “A-2”.

4. AGENCY’s Local Match Contribution. AGENCY funding is not required, as shown in Exhibit “A” attached hereto.

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

6. The above-stated Recitals are hereby fully incorporated into this Amendment No. 1.

7. Except to the extent specifically modified or amended hereunder, all of the terms,

covenants and conditions of the Agreement shall remain in full force and effect between the Parties hereto.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF PERRIS

By: _____
Rick Bishop, Executive Director

By: _____
Richard Belmudez, City Manager

Approved to Form:

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

By: _____
Eric Dunn, City Attorney

Attest:

By: _____
Nancy Salazar, City Clerk

Exhibit A

SCOPE OF SERVICES

1. SCOPE OF WORK:

The purpose of this project is to widen Ethanac Road from I-215 to Goetz Road within the City of Perris. The existing roadway consists of one lane in each direction. The proposed improvements will add one lane in each direction, for a four lane section with a fifth lane (left turn pockets) at major intersections. The project length is approximately 1.65 miles (3.30 lane miles).

At the project's westerly terminus, Goetz Rd, the new improvements will match into a portion of Ethanac Road that was widened in recent years as part of a new subdivision. At the project's easterly terminus, it will join the improvements on Ethanac Rd recently constructed by a large commercial project between Green Valley Parkway and I-215.

The Perris General Plan calls for an ultimate alignment on Ethanac Road which has four lanes in each direction and a raised median within a 184 ft right of way.

Also included with the road widening are minor drainage improvements, power pole and other utility relocations, and miscellaneous street work. The project alignment is partially within the City of Perris and partially within the City of Menifee. The City of Perris will be the lead agency for all phases of the project.

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	LOCAL	TOTAL
PA&ED	\$182,349		\$182,349
PS&E	\$317,651		\$317,651
RIGHT OF WAY			
CONSTRUCTION	\$6,000,000	\$2,000,000	\$8,000,000
TOTAL	\$6,500,000	\$2,000,000	\$8,500,000

***This Reimbursement Agreement is for the PS&E Phase only. Remaining funds from PA&ED shall be transferred to PS&E Phase along with additional \$250,000 added to PS&E Phase.**

EXHIBIT “A-2”**PROJECT SCHEDULE**

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	2/28/16	\$182,349	
PS&E	12/31/17	\$317,651	
RIGHT OF WAY			
CONSTRUCTION	12/31/18	\$8,000,000	*Not part of this agreement
TOTAL		\$8,500,000	

Item 5.G

TUMF Program Reimbursement Agreements

Attachment 3

Reimbursement Agreement Amendment with the City of Perris for Nuevo Road

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**AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE
PROGRAM AGREEMENT**

**NUEVO ROAD WIDENING (MURRIETA ROAD TO DUNLAP DRIVE)
PLANNING PHASE**

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement (“Amendment No. 1”) is entered into this _____ day of _____, 2017, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (“WRCOG”) and **CITY OF PERRIS** (“AGENCY”). WRCOG and the AGENCY are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled “Transportation Uniform Mitigation Fee Program Agreement” that is dated **January 12, 2015** (“Agreement”). The Agreement provides the terms and conditions, scope of work, schedule and funding amount for the construction of the **Nuevo Road Widening (Murrieta Road to Dunlap Drive)** (hereinafter the “Project”).

B. The Parties desire to amend the Agreement by **increasing** the funding amount pursuant to Sections 6 and 33 of the Agreement.

C. Funds are being increased for this Project because new funding has become available via the 2017 Central Zone 5-Year Transportation Improvement Program.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby increased by **Two Hundred Fifty Thousand Dollars (\$250,000)** from **Two Hundred Forty Nine Thousand, Eight Hundred Six Dollars (\$249,806)** to an amount not to exceed **Four Hundred Ninety Nine Thousand, Eight Hundred Six Dollars (\$499,806)**.

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

3. AGENCY's Local Match Contribution. AGENCY funding is not required, as shown in Exhibit "A" attached hereto.

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

5. The above-stated Recitals are hereby fully incorporated into this Amendment No. 1.

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

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF PERRIS

By: _____
Rick Bishop, Executive Director

By: _____
Richard Belmudez, City Manager

Approved to Form:

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

By: _____
Eric Dunn, City Attorney

Attest:

By: _____
Nancy Salazar, City Clerk

Exhibit A

SCOPE OF SERVICES

1. SCOPE OF WORK:

This project will widen Nuevo Road between Murrieta Road and Dunlap Drive within the City of Perris to a total of four through lanes, with additional turn pockets at major intersections as warranted by traffic volumes. The project length is 1.0 miles (2.0 lane miles). Within the project reach, the majority of roadway has two existing lanes.

Along with lane widening, curb & gutter and sidewalks will be installed throughout the project limits, and where necessary traffic signal modifications will be completed. The project is located entirely within Perris City Limits, and the City will be the lead for all project phases.

EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	LOCAL	TOTAL
PA&ED	\$499,806		\$499,806
PS&E			
RIGHT OF WAY			
CONSTRUCTION			
TOTAL	\$499,806		\$499,806

***This Agreement Amendment is for the Planning Phase only.**

EXHIBIT “A-2”**PROJECT SCHEDULE**

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	12/31/2017	\$499,806	This agreement only for PA&ED
PS&E			Future Phase
RIGHT OF WAY			Future Phase
CONSTRUCTION			Future Phase
TOTAL			PA&ED only



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: 4th Quarter Draft Agency Budget Amendment for Fiscal Year 2016/2017

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

Date: August 7, 2017

The purpose of this item is to request approval of WRCOG's 4th Quarter Agency Budget amendment for Fiscal Year 2016/2017, as identified in the attachment to this staff report. A summary of proposed amendments by Department is provided.

Requested Action:

1. Approve the 4th Quarter draft Agency Budget amendment for Fiscal Year 2016/2017.

General Fund: The General Fund will be increasing expenditures overall throughout the Administration and Government Relations' Programs. Staff first looks to reduce line items that have available budgeted amounts and shift that amount over to line items needing additional support. This amount includes reductions in line items such as Salaries and Wages of \$85,896; Event Support of \$9,414; and Printing Services of \$4,766, for a total reduction of \$100,076. Various line items requiring additional support include Legal Services of \$26,974 for general legal counsel as well as personnel and public records requests; Consulting Labor of \$54,631, for switching from in-house information technology services to a consultant as well as an increased fee from Riverside County Information Technology to manage WRCOG computer servers. Overall, increased line items total \$176,984, but when netted against the reductions in expenditures, the General Fund is increasing expenditures by \$76,908. The shortage in the General Fund will be made up by recouping the amount through an increased amount of overhead to the Transportation and Energy Departments.

Expenditure increase to the General Fund: **\$76,908**

Transportation Department: The Transportation Department will be reducing some revenue line items mostly from the Clean Cities Program, as a result of timing in which the funds are received. The reduction in revenues from the Clean Cities Program is \$77,500, but overall revenue in the Transportation Department totals \$90,500. On the expenditure side, the Transportation Department will be decreasing line items including Consulting Labor of \$25,236; Printing Services of \$7,000; and Subscriptions of \$3,000, for a total reduction in expenditures of \$35,561. Increases include the Legal line item by \$110,597, which is due to the litigation within the TUMF Program. Total amount of increase to expenditures is \$83,998 and will be offset by future TUMF revenues.

Revenue decrease to Transportation Department: **(\$90,500)**

Expenditure increase to Transportation Department: **\$83,998**

Energy Department: The Energy Department will be decreasing revenue in both the WRCOG and CA PACE Programs. The reduction in revenues can be attributed to projected amounts for both PACE Programs that did not meet their forecast, which are based on prior year's actual revenues and information provided to WRCOG

staff by Renovate America. The reduction in revenues can also be attributed to an increase in the number of PACE providers operating statewide.

For the WRCOG PACE Program, revenue will be decreased by \$796,165, and the CA PACE Program will be reducing revenues by \$1,899,952. In total, the Energy Department will be reducing revenues by \$2,827,427.

For expenditures, the Energy Department will be increasing legal by \$57,440, mostly due to a higher amount than previously budgeted for both the WRCOG and CA PACE Programs. In total, expenditures will be increasing by \$74,534. The reduction in revenues for the PACE Programs did not affect the ability to balance Fiscal Year's 2016/2017 Budget, but rather, just reduced the amount of carryover revenue available at year-end.

Revenue decrease to Energy Department:	(\$2,827,427)
Expenditure increase to Energy Department:	\$74,534

Environment Department: The Environment Department will be reducing revenues in the Used Oil Program by \$10,252. The reduction is due to the timing in which the grants monies are received.

The expenditures will increase in total by \$18,700 mostly due to an increase in Radio / TV ads of \$21,800 and Event Support of \$16,478. Both of these amounts went over budget due to the timing in which the funds become available within the grant cycle year. These amounts are offset by reductions to various line items, including Supplies / Materials of \$11,726, and Consulting Expenses of \$6,000. The revenue of \$10,252 will be recovered in future months, and the increase in expenditures will be offset by future grant monies and additional support from the Energy Department.

Revenue decrease to the Environment Department:	(\$10,252)
Expenditure increase to the Environment Department:	\$18,700

With this amendment concluding Fiscal Year 2017/2018, the Agency Budget will remain balanced with revenues equaling or exceeded expenditures.

Prior Action:

July 12, 2017: The Administration & Finance Committee recommend that the Executive Committee approve the 4th Quarter draft Budget amendment for Fiscal Year 2016/2017.

Fiscal Impact:

General Fund: An increase in expenditures of \$76,908.

Transportation: A decrease in revenue of \$90,500 and an increase of expenditures of \$83,998.

Energy: A decrease of revenue of \$2,827,427 and an increase of expenditures of \$74,534.

Environment: A decrease in revenue of \$10,252 and an increase of expenditures of \$18,700

In total, WRCOG will have a decrease of total Agency revenues of \$2,920,063 and expenditures increase of \$254,140.

Attachment:

1. Annual Budget for the year ending June 30, 2017, with 4th Quarter amendments.

Item 5.H

4th Quarter Draft Agency Budget
Amendment for Fiscal Year
2016/2017

Attachment 1

Annual Budget for the year ending
June 30, 2017, with 4th Quarter
amendments

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**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017**

Department: Total General Fund			
	Approved 6/30/2017 Budget	Thru 3/31/2017 Actual	Amendment Needed 3/31/2017
Revenues			
42001 Other Miscellenous Revenue	-	8,116	8,116
Total Revenues	-	8,116	8,116
Expenditures			
Wages and Benefits			
60001 Salaries & Wages	1,194,921	941,822	(85,896)
Total Wages and Benefits	1,194,921	941,822	(85,896)
General Operations			
65101 General Legal Services	72,552	99,526	26,974
65507 Commissioners Per Diem	45,000	56,850	11,850
73004 WRCOG Auto Maintenance Expense	33	59	26
73102 Parking Validations	245	350	105
73107 Event Support	61,893	52,468	(9,414)
73108 General Supplies	196	566	370
73109 Computer Supplies	1,437	2,374	937
73110 Office Expense - Computer Software	10,525	24,033	13,508
73111 Office Expense - Rent/Lease Equip	25,000	32,174	7,174
73113 Membership Dues	17,911	26,349	8,438
73114 Subscriptions/Publications	4,864	16,864	12,000
73115 Meeting Support/Services	2,562	3,318	756
73201 Communications - Regular	2,000	4,636	2,636
73204 Communications - Cellular	241	495	254
73206 Communications - Computer Server	42,558	61,397	18,839
73301 Equipment Maintenance - General	7,907	9,736	1,829
73302 Equipment Maintenance - Computers	14,264	29,521	15,257
73405 Insurance - Gen/Business	72,585	73,985	1,400
73120 Printing Services	5,000	234	(4,766)
85101 Consulting Labor	46,112	100,743	54,631
Total General Operations	432,885	595,677	162,803
Total Net Revenue Increase/(Decrease)			\$ 8,116
Total Net Expenditure Increase/(Decrease)			\$ 76,908

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Administration				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
42001	Other Miscellenous Revenue	-	8,116	8,116
	Total Revenues	-	8,116	8,116
Expenditures				
Wages and Benefits				
60001	Salaries & Wages	631,223	552,677	(78,546)
	Total Wages and Benefits	631,223	552,677	(78,546)
General Operations				
65101	General Legal Services	70,169	96,131	25,962
65507	Commissioners Per Diem	45,000	56,850	11,850
73004	WRCOG Auto Maintenance Expense	33	59	26
73107	Event Support	60,000	46,988	(13,000)
73110	Office Expense - Computer Software	10,525	24,033	13,508
73111	Office Expense - Rent/Lease Equip	25,000	32,174	7,174
73113	Membership Dues	15,511	23,064	7,553
73114	Subscriptions/Publications	4,864	16,664	11,800
73115	Meeting Support/Services	2,562	3,318	756
73201	Communications - Regular	2,000	4,636	2,636
73206	Communications - Computer Server	42,558	61,397	18,839
73301	Equipment Maintenance - General	7,907	9,736	1,829
73302	Equipment Maintenance - Computers	14,264	29,521	15,257
73405	Insurance - Gen/Business	72,585	73,985	1,400
73120	Printing Services	5,000	234	(4,766)
85101	Consulting Labor	46,112	100,743	54,631
	Total General Operations	424,090	579,532	155,454
Total Net Revenue Increase/(Decrease)				\$ 8,116
Total Net Expenditure Increase/(Decrease)				\$ 76,908

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Government Relations (70)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
Wages and Benefits			
60001 Wages & Salaries	563,698	389,145	(7,350)
Total Wages and Benefits	563,698	389,145	(7,350)
General Operations			
65101 General Legal Services	2,383	3,396	1,013
73102 Parking Validations	245	350	105
73107 Event Support	1,893	5,479	3,586
73108 General Supplies	196	566	370
73109 Computer Supplies	1,437	2,374	937
73113 Membership Dues	2,400	3,285	885
73114 Subscriptions/Publications		200	200
73204 Communications - Cellular	241	495	254
Total General Operations	8,795	16,145	7,350
Total Net Revenue Increase/(Decrease)			\$ (0)

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Transportation (Summary)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41402	Clean Cities	228,000	150,500	(77,500)
42005	Sponsorship	10,000	-	(10,000)
42006	Event Registration	3,000	-	(3,000)
Total Revenues		241,000	150,500	(90,500)
Expenditures				
65101	General Legal Services	269,007	379,604	110,597
73102	Parking Validations	1,500	1,555	55
73114	Subscriptions/Publications	3,500	-	(3,000)
73117	Other Household Expenditures	213	277	64
73120	Printing Services	7,500	-	(7,000)
73203	Communications-Long Distance	1,633	2,254	621
73301	Equipment Maintenance - General	-	3,120	3,120
73601	Seminars/Conferences	1,673	2,758	1,085
73611	Travel - Mileage Reimbursement	1,471	2,943	1,472
73612	Travel - Ground Transportation	177	325	148
73613	Travel - Airfare	1,164	-	(325)
73620	Lodging	1,066	1,743	677
73630	Meals	3,482	4,511	1,029
73640	Other Incidentals	1,919	2,610	691
85101	Consulting Labor	779,602	672,944	(25,236)
Total General Operations		1,073,907	1,074,644	83,998
Total Net Revenue Increase/(Decrease)				\$ (90,500)
Total Net Expenditure Increase/(Decrease)				\$ 83,998

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Transportation (TUMF - 1148)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures				
65101	General Legal Services	267,102	369,478	102,376
73102	Parking Validations	1,500	1,555	55
73114	Subscriptions/Publications	3,500		(3,000)
73117	Other Household Expenditures	213	277	64
73120	Printing Services	7,500		(7,000)
73203	Communications-Long Distance	1,633	2,254	621
73301	Equipment Maintenance - General		3,120	3,120
73601	Seminars/Conferences	1,123	1,883	760
73611	Travel - Mileage Reimbursement	1,471	2,943	1,472
73612	Travel - Ground Transportation	177	325	148
73620	Lodging	1,066	1,743	677
73630	Meals	3,482	4,511	1,029
73640	Other Incidentals	1,919	2,610	691
85101	Consulting Labor	621,507	496,300	(101,013)
	Total General Operations	912,193	886,999	0

Total Net Expenditure Increase/(Decrease) **\$ (0)**

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental (Clean Cities - 1010)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41402	Clean Cities	228,000	150,500	(77,500)
42005	Sponsorship	10,000	-	(10,000)
42006	Event Registration	3,000	-	(3,000)
Total Revenues		241,000	150,500	(90,500)
Expenditures				
73601	Seminars/Conferences	550	875	325
73613	Travel - Airfare	1,164		(325)
Total General Operations		1,714	875	-
Total Net Revenue Increase/(Decrease)				\$ (90,500)
Total Net Expenditure Increase/(Decrease)				\$ -

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental (Clean Cities - 1010)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
General Operations			
65101 General Legal Services		7,744	7,744
85101 Consulting Labor		76,253	76,253
Total General Operations	-	83,998	83,998
Total Net Expenditure Increase/(Decrease)			\$ 83,998

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental (Clean Cities - 1010)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
65101 General Legal Services	1,905	2,381	476
85101 Consulting Labor	158,095	100,391	(476)
Total General Operations	160,000	102,772	0
Total Net Expenditure Increase/(Decrease)			\$ 0

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (Summary)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues			
40601 WRCOG PACE Revenue	1,963,735	1,221,983	(741,752)
40602 SCE WRELP PH2	57,000	-	(57,000)
40603 CA PACE Revenue	7,615,461	5,840,266	(1,775,195)
40606 SCE WRELP	4,692	77,698	73,006
40607 WRCOG/CA PACE Commercial	27,500	64,278	36,778
40611 WRCOG PACE Recording	335,555	264,212	(71,343)
40612 SAMAS Recording	1,301,300	1,157,684	(143,616)
40613 Renovate Recording	1,200	-	(1,200)
40616 Community Choice Aggregation	247,950	102,095	(145,855)
40617 Energy Admin	31,678	30,000	(1,678)
42000 PACE Other Miscellaneous	-	428	428
Total Revenues	11,586,071	8,758,644	(2,827,427)
Expenditures			
Wages and Benefits			
60001 Wages & Salaries	47,234	90,316	2,301
Total Wages and Benefits	47,234	90,316	2,301
General Operations			
65101 General Legal Services	145,530	202,970	57,440
65505 Bank Fees	2,500	10,080	7,580
73102 Parking Validations	1,370	1,455	85
73107 Event Support	16,443	5,635	(209)
73108 General Supplies	3,156	3,524	368
73109 Computer Supplies	2,000	2,234	234
73110 Computer Software	1,000	-	(1,000)
73113 Membership Dues	2,400	250	(2,150)
73114 Subscriptions/Publications	425	1,205	780
73115 Meeting Support/Services	648	1,085	437
73116 Postage	2,800	2,998	198
73117 Other Household Expenditures	1,858	2,403	545
73125 EV Charging Equipment	49,605	60,490	10,885
73201 Communications-Regular	-	1,135	1,135
73204 Communications-Cellular	2,000	2,110	110
73209 Communications-Web Site	2,000	-	(2,000)
73601 Seminars/Conferences	370	2,160	1,790
73611 Travel - Mileage Reimbursement	1,615	3,619	2,004
73612 Travel - Ground Transportation	1,680	2,112	432
73613 Travel - Airfare	7,833	10,095	2,262
73620 Lodging	-	846	846
73640 Other Incidentals	2,224	4,516	2,292
85101 Consulting Labor	365,867	363,349	(1,910)
85102 Consulting Expenses	213,733	-	(10,037)
90101 Computer Equipment Purchases	3,000	3,116	116
Total General Operations	830,057	687,386	72,233
Total Net Revenue Increase/(Decrease)			\$ (2,827,427)
Total Net Expenditure Increase/(Decrease)			\$ 74,534

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (WRCOG HERO - 2006)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues			
40601 WRCOG HERO Revenue	1,963,735	1,221,847	(741,888)
40607 WRCOG HERO Commercial	25,000	43,061	18,061
40611 WRCOG HERO Recording	335,555	264,132	(71,423)
40612 SAMAS Recording	-	285	285
40613 Renovate Recording	1,200	-	(1,200)
Total Revenues	2,325,490	1,529,325	(796,165)
Expenditures			
65101 General Legal Services	77,005	117,709	40,704
73102 Parking Validations	800	815	15
73110 Computer Software	1,000		(1,000)
73113 Membership Dues	2,400		(2,400)
73114 Subscriptions/Publications	-	258	258
73115 Meeting Support/Services	-	14	14
73204 Communications-Cellular	2,000	2,110	110
73209 Communications-Web Site	2,000		(2,000)
73612 Travel - Ground Transportation	1,378	1,706	328
73613 Travel - Airfare	5,000	6,794	1,794
73640 Other Incidentals	2,224	4,516	2,292
90101 Computer Equipment Purchases	3,000	3,116	116
Total General Operations	93,807	133,921	40,231
Total Net Revenue Increase/(Decrease)			\$ (796,165)
Total Net Expenditure Increase/(Decrease)			\$ 40,231

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (SCE - 2010)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
40602	SCE WRELP PH2	57,000	-	(57,000)
40606	SCE WRELP	4,692	77,698	73,006
Total Revenues		61,692	77,698	16,006
Expenditures				
65101	General Legal Services	6,080	6,289	209
73107	Event Support	16,443	5,635	(209)
Total General Operations		22,523	11,923	(0)
Total Net Revenue Increase/(Decrease)				\$ 16,006
Total Net Expenditures Increase/(Decrease)				\$ (0)

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (Regional Street Lights - 2026)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
Wages and Benefits			
60001 Wages & Salaries	33,316	45,711	12,395
Total Wages and Benefits	33,316	45,711	12,395
General Operations			
65101 General Legal Services	27,445	39,131	11,686
73113 Membership Dues		250	250
73115 Meeting Support/Services	545	944	399
73611 Travel - Mileage Reimbursement	1,215	2,352	1,137
85101 Consulting Labor	216,275	222,221	5,946
Total General Operations	29,205	42,677	19,419
Total Net Expenditure Increase/(Decrease)			\$ 31,814

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (Community Choice Aggregation - 2040)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
40616	Community Choice Aggregation	247,950	102,095	(145,855)
	Total Revenues	247,950	102,095	(145,855)
Expenditures				
General Operations				
65101	General Legal Services	35,000	38,500	3,500
73115	Meeting Support/Services	103	127	24
73117	Other Household Expenditures		257	257
73601	Seminars/Conferences	370	2,160	1,790
73611	Travel - Mileage Reimbursement	400	1,267	867
73612	Travel - Ground Transportation	302	405	103
73613	Travel - Airfare	2,833	3,301	468
73620	Lodging		846	846
85101	Consulting Labor	149,592	141,128	(7,856)
	Total General Operations	35,103	46,864	0
Total Net Revenue Increase/(Decrease)				\$ (145,855)
Total Net Expenditure Increase/(Decrease)				\$ -

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017**

Department: Base (Energy Dept - 2100)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
40617	Energy Admin	31,678	30,000	(1,678)
	Total Revenues	31,678	30,000	(1,678)
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	17,989	1,808	(11,150)
	Total Wages and Benefits	17,989	1,808	(11,150)
General Operations				
73114	Subscriptions/Publications	425	690	265
73125	EV Charging Equipment	49,605	60,490	10,885
	Total General Operations	50,030	61,180	11,150
Total Net Revenue Increase/(Decrease)				\$ (1,678)
Total Net Expenditure Increase/(Decrease)				\$ (0)

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Spruce (2102)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
Wages and Benefits			
60001 Wages & Salaries	1,252	1,630	378
Total Wages and Benefits			378
General Operations			
65101 General Legal Services		1,341	1,341
73116 Postage		26	26
Total General Operations	-	1,367	1,367
Total Net Expenditure Increase/(Decrease)			\$ 1,745

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: CA First (2103)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
40601	CA First Residential	-	137	137
40611	CA First Residential Recording	-	80	80
	Total Revenues	-	217	217
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	609	1,286	677
	Total Wages and Benefits			677
General Operations				
73116	Postage		68	68
	Total General Operations	-	68	68
Total Net Revenue Increase/(Decrease)				\$ 217
Total Net Expenditure Increase/(Decrease)				\$ 894

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Energy (California HERO - 5000)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
40603	CA PACE Revenue	7,615,461	5,840,266	(1,775,195)
40607	CA PACE Commercial Revenue	2,500	21,217	18,717
40612	CA PACE Recording Fee	1,301,300	1,157,399	(143,901)
42001	PACE Other Miscellaneous	-	428	428
Total Revenues		8,919,261	7,019,309	(1,899,952)
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	191,547	222,955	31,408
Total Wages and Benefits		191,547	222,955	31,408
General Operations				
65505	Bank Fees	2,500	10,080	7,580
73102	Parking Validations	570	640	70
73108	General Supplies	3,156	3,524	368
73109	Computer Supplies	2,000	2,234	234
73114	Subscriptions/Publications		258	258
73116	Postage	2,800	2,904	104
73117	Other Household Expenditures	1,858	2,146	288
73201	Communications-Regular		1,135	1,135
85102	Consulting Expenses	213,733		(10,037)
Total General Operations		226,617	22,921	(0)
Total Net Revenue Increase/(Decrease)				\$ (1,899,952)
Total Net Expenditure Increase/(Decrease)				\$ 31,408

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental (Summary)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41201	Solid Waste	93,415	93,163	(252)
41201	DOC - Litter	14,500	5,000	(9,500)
41401	Riverside Used Oil	25,000	24,500	(500)
Total Revenues		132,915	122,663	(10,252)
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	41,172	54,342	13,170
60010	Temp Wages & Salaries	3,380	-	(3,380)
Total Wages and Benefits		44,552	54,342	9,790
General Operations				
73102	Parking Validations	115	220	105
73107	Event Support	34,602	47,660	16,478
73110	Computer Software	113	138	25
73113	Membership Dues	1,500	-	(1,500)
73114	Subscriptions/Publications	3,000	-	(3,000)
73119	Storage	16,000	6,671	(3,339)
73120	Printing Services	2,012	-	(2,012)
73204	Communications-Cellular	-	313	313
73405	Insurance - General/Business Liason	175	360	185
73611	Travel - Mileage Reimbursement	764	1,145	381
73703	Supplies/Materials	16,200	4,474	(11,726)
73704	Newspaper Ads	15,000	12,200	(2,800)
73706	Radio & TV Ads	51,333	73,133	21,800
85102	Consulting Expenses	6,000	-	(6,000)
Total General Operations		146,814	146,313	8,909
Total Net Revenue Increase/(Decrease)				\$ (10,252)
Total Net Expenditure Increase/(Decrease)				\$ 18,700

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental (Solid Waste - 1038)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41201	Solid Waste	93,415	93,163	(252)
Total Revenues		93,415	93,163	(252)
Expenditures				
73107	Event Support	3,792	24	(473)
73110	Computer Software	113	138	25
73204	Communications-Cellular		313	313
73611	Travel - Mileage Reimbursement	500	635	135
Total General Operations		4,405	1,110	(0)
Total Net Revenue Increase/(Decrease)				\$ (252)
Total Net Expenditure Increase/(Decrease)				\$ (0)

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental - (Riverside Used Oil - 2032)			
	Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Expenditures			
Wages and Benefits			
60001 Wages & Salaries	26,420	36,861	10,441
Total Wages and Benefits	26,420	36,861	10,441
General Operations			
73102 Parking Validations	115	220	105
73107 Event Support	28,000	43,470	15,470
73113 Membership Dues	1,500		(1,500)
73114 Subscriptions/Publications	3,000		(3,000)
73119 Storage	16,000	6,671	(3,339)
73120 Printing Services	2,012		(2,012)
73405 Insurance - General/Business Liason	175	360	185
73703 Supplies/Materials	15,000	300	(14,700)
73704 Newspaper Ads	15,000	12,200	(2,800)
73706 Radio & TV Ads	51,333	58,483	7,150
85102 Consulting Expenses	6,000		(6,000)
Total General Operations	50,802	50,721	(10,441)
Total Net Expenditure Increase/(Decrease)			\$ 0

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental - (Used Oil OPP6 - 2033)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41401	Riverside Used Oil	25,000	24,500	(500)
	Total Revenues	25,000	24,500	(500)
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	7,886	9,844	1,958
	Total Wages and Benefits	7,886	9,844	1,958
General Operations				
73107	Event Support	1,574	3,665	2,091
73706	Radio & TV Ads	-	14,650	14,650
	Total General Operations	1,574	18,315	16,741
Total Net Revenue Increase/(Decrease)				\$ (500)
Total Net Expenditure Increase/(Decrease)				\$ 18,699

Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2017

Department: Environmental - (Riverside Recycle - 2034)				
		Approved 6/30/2017 Budget	Thru 6/30/2017 Actual	Amendment Needed 6/30/2017
Revenues				
41201	DOC - Litter	14,500	5,000	(9,500)
	Total Revenues	14,500	5,000	(9,500)
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	6,866	7,637	771
60010	Temp Salary	3,380	-	(3,380)
	Total Wages and Benefits	10,246	7,637	(2,609)
General Operations				
73107	Event Support	1,236	501	(610)
73611	Travel - Mileage Reimbursement	264	510	246
73703	Supplies/Materials	1,200	4,174	2,974
	Total General Operations	2,700	5,184	2,609
Total Net Revenue Increase/(Decrease)				\$ (9,500)
Total Net Expenditure Increase/(Decrease)				\$ 0



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Finance Department Activities Update Including Agency Audit, 4th Quarter Budget Amendment, and Upcoming Annual TUMF Compliance Review by Agencies

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

Date: August 7, 2017

The purpose of this item is to provide an update on the financial audit of Fiscal Year (FY) 2016/2017, the 4th Quarter FY 2016/2017 Budget amendment, and the upcoming annual TUMF review for FY 2016/2017.

Requested Action:

1. Receive and file.

Financial audit

FY 2016/2017 ended on June 30, 2017, and auditors from Rogers, Anderson, Malody, & Scott (RAMS) were in the WRCOG offices during the week of June 5, 2017, to conduct the interim portion of the financial audit. The interim audit includes testing of payroll, accounts payable invoices, and personnel files. The auditors are anticipated to return for final fieldwork during the week of August 28, 2017, concluding their audit during the months of September and October 2017. The final Comprehensive Annual Financial Report is expected to be issued no later than November 15, 2017, and will be reviewed by the Finance Directors' Committee. It will then be presented at the November or December 2017 Administration & Finance Committee meeting, with the Executive Committee receiving the report no later than at its January 8, 2018, meeting.

4th quarter Agency budget amendment

June 30, 2017, marked the end of the Fourth Quarter and FY 2016/2017, and the Administration & Finance Committee was presented with an amendment report at its July 12, 2017, meeting. Please see Consent Item 5.H for the Budget amendment and recommended action.

Annual TUMF review of participating agencies

During the week of July 10, 2017, WRCOG staff began contacting jurisdiction/agency staff to schedule the annual TUMF review for FY 2016/2017. Each year WRCOG meets with participating members to review TUMF Program fee collection and disbursement to ensure compliance with Program requirements. It is anticipated that the reviews will be conducted from August through October, with the final reports issued to the respective jurisdictions and agencies by December 2017.

Prior Action:

July 12, 2017: The Administration & Finance Committee received report.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Financial Report Summary Through May 2017

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

Date: August 7, 2017

The purpose of this item is to provide a monthly summary of WRCOG's financial statements in the form of combined Agency revenues and costs.

Requested Action:

1. Receive and file.

Attached for Committee review is the Financial Report summary through May 2017.

Prior Action:

July 12, 2017: The Administration & Finance Committee received report.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – May 2017.

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Item 5.J

Financial Report Summary Through
May 2017

Attachment 1

Financial Report summary –
May 2017

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

		Approved 6/30/2017 Budget	Thru 5/31/2017 Actual	Remaining 6/30/2017 Budget
Revenues				
40001	Member Dues	309,410	306,410	3,000
40008	Gov Relation-Revenue	2,200,000	-	2,200,000
42001	Other Revenue	-	4,431	(4,431)
42004	General Assembly	300,000	162,600	137,400
40601	WRCOG HERO	1,963,735	1,125,240	838,495
40602	SCE Phase II	57,000		57,000
40603	CA HERO	7,615,461	5,757,956	1,857,505
40605	The Gas Company Partnership	62,000	58,654	3,346
40606	SCE WRELP	4,692	77,698	(73,006)
40607	WRCOG HERO Commercial	27,500	64,278	(36,778)
40609	SCE Phase III	10,643	10,634	9
40611	WRCOG HERO Recording Revenue	335,555	243,480	92,075
40612	CA HERO Recording Revenue	1,301,300	1,140,750	160,550
40614	Active Transportation	200,000	50,254	149,746
41201	Solid Waste	107,915	98,163	9,752
41401	Used Oil Opportunity Grants	290,227	264,320	25,907
41402	Air Quality-Clean Cities	228,000	150,500	77,500
40616	CCA Revenue	247,950	102,095	145,855
40617	Energy Admin Revenue	31,678	30,000	1,678
41701	LTF	701,300	701,250	50
43001	Commercial/Service - Admin (4%)	37,074	71,567	(34,492)
43002	Retail - Admin (4%)	142,224	125,198	17,026
43003	Industrial - Admin (4%)	128,446	176,718	(48,272)
43004	Residential/Multi/Single - Admin (4%)	1,067,271	788,315	278,956
43005	Multi-Family - Admin (4%)	224,983	92,786	132,197
43001	Commercial/Service	889,786	1,717,879	(828,093)
43002	Retail	3,413,375	3,004,745	408,629
43003	Industrial	3,082,710	4,227,220	(1,144,511)
43004	Residential/Multi/Single	25,614,514	18,920,187	6,694,328
43005	Multi-Family	5,399,595	2,226,866	3,172,729
	Total Revenues	61,037,038	41,700,233	19,336,805
Expenditures				
	Wages and Benefits			
60001	Wages & Salaries	2,379,171	1,990,309	388,862
61000	Fringe Benefits	578,219	693,217	(114,998)
	Total Wages and Benefits	2,957,390	2,683,526	273,864
	General Operations			
63000	Overhead Allocation	1,520,636	1,391,625	129,011
65101	General Legal Services	566,612	632,763	(66,151)
65401	Audit Fees	25,000	23,879	1,121
65505	Bank Fees	25,500	162,642	(137,142)
65507	Commissioners Per Diem	46,950	50,700	(3,750)
73001	Office Lease	145,000	125,139	19,861
73003	WRCOG Auto Fuels Expense	678	463	215
73004	WRCOG Auto Maint Expense	33	59	(26)
73101	Special Mail Svcs	1,500	1,028	472
73102	Parking Validations	4,380	3,895	485
73104	Staff Recognition	1,200	681	519
73107	Event Support	187,278	115,949	71,329
73108	General Supplies	22,128	14,982	7,146
73109	Computer Supplies	8,937	5,979	2,958
73110	Computer Software	13,818	24,446	(10,628)
73111	Rent/Lease Equipment	25,000	29,051	(4,051)
73113	Membership Dues	25,946	29,594	(3,648)
73114	Subscriptions/Publications	8,789	16,754	(7,965)
73115	Meeting Support/Services	16,646	8,693	7,953
73116	Postage	5,759	3,946	1,813
73117	Other Household Expenditures	5,205	5,083	122
73118	COG Partnership Agreement	40,000	18,512	21,488
73119	Storage	16,000	6,613	9,387
73120	Printing Services	20,786	234	20,552
73122	Computer Hardware	4,000	337	3,663
73126	EV Charging Equipment	49,605	49,605	0
73201	Communications-Regular	2,000	1,902	98
73203	Communications-Long Distance	1,200	208	992

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

		Approved 6/30/2017 Budget	Thru 5/31/2017 Actual	Remaining 6/30/2017 Budget
73204	Communications-Cellular	12,462	11,183	1,279
73206	Communications-Comp Sv	42,558	55,325	(12,767)
73209	Communications-Web Site	15,600	1,450	14,150
73301	Equipment Maintenance - General	8,407	12,023	(3,616)
73302	Equipment Maintenance - Computers	14,264	27,483	(13,219)
73405	Insurance - General/Business Liason	73,740	75,125	(1,385)
73407	WRCOG Auto Insurance	1,570	1,498	72
73502	County RCIT	2,500	800	1,700
73506	CA HERO Recording Fee	1,636,855	1,086,150	550,705
73601	Seminars/Conferences	23,405	14,874	8,532
73605	General Assembly	300,000	79,702	220,298
73611	Travel - Mileage Reimbursement	23,174	16,271	6,903
73612	Travel - Ground Transportation	9,212	3,991	5,221
73613	Travel - Airfare	23,369	14,441	8,928
73620	Lodging	19,016	11,193	7,823
73630	Meals	12,107	8,155	3,952
73640	Other Incidentals	17,368	11,222	6,146
73650	Training	12,200	919	11,281
73703	Supplies/Materials	34,851	4,474	30,377
73704	Newspaper Ads	21,863	12,200	9,663
73706	Radio & TV Ads	53,833	61,283	(7,450)
73801	Staff Education Reimbursement	25,000	2,500	22,500
XXXXX	TUMF Projects	38,399,980	47,803,491	(9,403,511)
85101	Consulting Labor	3,519,374	2,794,654	724,720
85102	Consulting Expenses	238,733	6,899	231,834
85180	BEYOND Expenditures	1,618,186	389,922	1,228,264
90101	Computer Equipment/Software	40,790	32,208	8,582
90501	Office Improvements	27,654	3,276	24,378
97005	Benefits Transfer Out	-	(534,361)	534,361
97001	Operating Transfer Out	(1,518,136)	(1,434,832)	(83,304)
Total General Operations		52,937,417	53,408,805	(471,388)
Total Expenditures		55,894,807	56,092,330	(197,523)





Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

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

Date: August 7, 2017

The purpose of this item is to provide the Committee with an update on the steps that member jurisdictions are taking to acquire their streetlights and participate in the Program, and to provide a financing update on the financing documents.

Requested Action:

1. Receive and file.

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

Background

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

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

Regional Streetlight acquisition update

The following jurisdictions have approved City Council action / direction to acquire the SCE-owned streetlights in their jurisdiction's boundaries (this accounts for approximately 47,000 of the 55,000 acquirable streetlights in the subregion):

October 18, 2016 / March 21, 2017: City of Moreno Valley
January 24, 2017: City of Lake Elsinore

February 15, 2017:	City of Menifee
February 28, 2017:	City of Temecula
March 7, 2017:	City of Murrieta
March 8, 2017:	City of Wildomar
March 13, 2017:	Jurupa Community Services District
March 14, 2017:	City of Hemet
March 28, 2017:	City of Perris
March 28, 2017:	City of San Jacinto
April 12, 2017:	City of Eastvale

Next Steps: To date, the 11 WRCOG member jurisdictions listed above have approved the Purchase and Sales Agreement. Once executed by the City, SCE will package the Agreement and transmit it to the California Public Utilities Commission (CPUC). Once SCE submits the package, the CPUC approval process can take anywhere from six to twelve months (depending on valuation price). Jurisdictions with estimated streetlight sales prices exceeding \$5 million will move forward in the CPUC as a “full filing,” which requires CPUC action and can take upwards of 6 to 12 months for approval. For jurisdictions with estimated streetlights sales prices of under \$5 million, those will move forward in the CPUC as an “advice filing,” and can be administratively approved within two to six months.

Recently WRCOG staff and its financial advisor (PFM) held finance meetings with the jurisdictions moving forward with streetlight acquisition to provide an update on the regional financing option that Bank of America can provide to interested member jurisdictions. During these meetings, WRCOG staff and PFM informed jurisdictional staff about the draft leasing documents that will be distributed to them for upcoming City Council / Board approval, as well as informing the jurisdictions about their updated cash flow models which take into account the funding amount that each jurisdiction will need to purchase the streetlights, retrofit to LED, operate and maintain the streetlights, and implement a re-lamp reserve for future LED lighting.

Financing update

In March 2016, WRCOG, with support from its financial advisor released a Request for Bids (RFB) to identify financing institutions with the opportunity to finance the costs of both streetlight acquisition and LED retrofit, and services associated with each. In September 2016, WRCOG’s Executive Committee recommended - for jurisdictions interested in using financing for the acquisition and retrofitting of streetlights - to utilize Banc of America Public Capital Corporation (BAPCC), which was deemed most responsive by WRCOG staff and its Financial Advisor, PFM, during the bid process for being able to provide the most competitive financing for the Regional Streetlight Program.

PFM and WRCOG staff have worked with BAPCC this past year to develop the following financing structure:

Structure	Equipment Leaser Purchase Agreement
Lessee	Jurisdiction
Lessor	Banc of America Public Capital Corp
Security	Security interest in the equipment being financed will be evidenced by filing a UCC-1 Financing Statement with respect to the equipment
Term	Up to 15 years, plus installation period not to exceed 12 months
Financed Amount	Amount adequate to purchase and retrofit to LED all streetlights and any reasonable related soft costs.
Indicative Interest Rate	Based on the average life U.S Treasury Rate Swap plus a spread. *Taxable rate recommended
Payments	Semi-annual payments of principal and interest
Option Prepayment	In whole on a payment date after the 5 th anniversary of the closing date with a 2% premium
Optional payments in addition to Principal & Interest	Program established: Operation & Maintenance including administration, re-lamp reserve
Revenue Generation	Unrestricted by lessor

*Taxable rate recommended to retain revenue potential due to revenue generation restrictions on tax-exempt financing and SB 649.

On July 27, 2017, WRCOG and PFM staff provided an update to the Finance Directors' Committee on the regional financing available for each City. This financing opportunity can cover the cost of acquiring the streetlight from SCE, the cost of retrofit streetlights to LED, and all services associated with both acquisition, retrofit, of the streetlight systems.

Additional information on the financing structure, and associated agreements, will be provided for Executive Committee review within the coming months.

Request for Proposal (RFP) for streetlight retrofit and operations & maintenance

On March 10, 2017, WRCOG released an RFP for streetlight retrofit and operations & maintenance of the lighting fixtures that are going to be acquired on behalf of the participating jurisdictions. With several jurisdictions moving forward with the acquisition of the streetlights, SCE will no longer provide operations or maintenance on the acquired poles. SCE will continue to maintain any of the underground wiring that connects these streetlights to SCE's grid; however, the city will own, and need to maintain and operate, the streetlight fixture and pole from the base of the pole and up.

The purpose of releasing the RFP is to select a vendor that will provide cost effective retrofit and operation & maintenance needs to support the transition of current streetlight technologies (high- and low-pressure sodium vapor) lights to LED lighting, maintain / respond to streetlight knockdown / damaged poles, keeping in account economies of scale and increasing the level of services to the participating jurisdictions in Western Riverside County. Furthermore, the selected vendor will work with WRCOG and jurisdictional staff to provide supplemental assistance with the recording documents of each streetlight, installation of housing shields, complying with all state mandated laws, and coordinating with the removal and disposal of any existing luminaire heads / hazardous materials. The contractor will also be supporting WRCOG member jurisdictions with the ordering, storing, delivery, and scheduling logistics of LED fixtures. A Request for Quotation (RFQ) is currently being developed and will be released in August subsequent to member jurisdiction review. The selection of LED fixtures will occur within Fall 2017, aligning with jurisdiction acquisition of their streetlights, and selection of retrofit, operation & maintenance service provider.

WRCOG received seven responses to the RFP and is in the process of reviewing the submittals. WRCOG staff, PFM, and representatives from four member jurisdictions comprise the Evaluation Committee. The Evaluation Committee reviewed the proposals, and have interviewed the top proposers on June 19, 2017 and subsequently on July 27, 2017. The Evaluation Committee is currently working on identifying a top candidate for streetlight retrofit and operations & maintenance for Western Riverside County. Upon selection of a top candidate, WRCOG staff will report out to WRCOG's Committee structure in the coming months to provide the results of the process.

Prior Actions:

<u>July 27, 2017:</u>	The Finance Directors' Committee received report.
<u>July 10, 2017:</u>	The Executive Committee received report.

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2017/2018 Budget.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Environmental Department Activities Update

Contact: Dolores Badillo, Senior Analyst, dbadillo@wrcog.us, (951) 955-8306

Date: August 7, 2017

The purpose of this item is to provide an update on the Used Oil and Filter Exchange Program and events, and the progress of WRCOG's Pilot Litter Program being conducted in the City of Lake Elsinore.

Requested Action:

1. Receive and file.
-

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

AB 939 Electronic Annual Reports (EAR)

The EAR describes the progress a jurisdiction has made in achieving the requirements of the Integrated Waste Management Act (AB 939, Chapter 1095, Statutes of 1989) and the Per Capita Disposal Measurement Act of 2008 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]). The EAR includes the numbers used to calculate a per capita disposal rate plus all required supporting documentation and attachments of any required documentation to support changes to those numbers. The EAR also includes a status on any planned and/or implemented solid waste diversion programs and facilities. These reports are due this year on August 1st.

WRCOG staff have prepared the 2016 EARs for 11 cities: Banning, Calimesa, Canyon Lake, Corona, Lake Elsinore, Murrieta, Norco, Perris, San Jacinto, Temecula, and Wildomar. These reports describe the progress a jurisdiction has made in achieving the requirements of AB 939. The reports include numbers used to calculate a per capita disposal rate plus all required supporting documentation. It also includes a status report on planned and implemented solid waste, diversion programs and facilities, as well as planned or implemented revisions to approved solid waste documents. WRCOG works with local waste haulers in completing these reports. In June, WRCOG staff began to reach out to these jurisdictions, as well as their waste hauler, to gather the necessary data to complete the EARs on the members' behalf. The data needed for the 2016 EAR include updates on any program changes, disposal and recycling tonnage, events, and materials that the jurisdiction and the waste haulers use to educate the public. Additionally, a new requirement is to provide an update on how the jurisdiction is implementing its organics recycling program, as mandated by AB 1826. Questions on the EARs can be addressed to Dolores Badillo, Senior Analyst, at (951) 955-8306 or dbadillo@wrcog.us.

Used Oil Payment Program

Background: The California Oil Recycling Enhancement Act provides funding to cities and counties for establishing and maintaining local used oil collection programs to encourage recycling and proper disposal of used oil and oil filters. CalRecycle is in the process of releasing the funding notices to jurisdictions regarding the Used Oil Payment Program - 8 (OPP 8) funding. For the past 20 years, WRCOG has successfully administered the used oil and filter and HHW regional programs on behalf of requesting member jurisdictions. Currently, the Cities of Banning, Calimesa, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Murrieta, Norco, San Jacinto, Temecula, and Wildomar are participating in the Program.

Used Oil Payment Program – 7 is underway, with the first outreach event held in the City of Hemet, on July 8, 2017.

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

Used oil and oil filter exchange event

On July 8, 2017, the Environmental team traveled to the City of Hemet for an outreach event, encouraging the proper recycling used motor oil. Staff provided used motor oil information to DIYers who change their own motor oil. WRCOG was on hand to discuss further recycling such as oil filters, which still contain 10% of oil from oil changes. In discussions, many residents indicated that they do not recycle their oil filter, saying they did not know oil filters could be recycled. Members of the public were encouraged to bring the oil and filters back to where they bought, such as an O'Reilly's auto parts. The team spoke to nearly 60 customers about where to take their HHW such as paint, aerosol cans, and electronic waste. Staff also provided information on the safe disposal of expired medicine. Free oil filters were distributed. In addition, staff handed out fliers on free backyard composting classes. The community was motivated by the event and asked that WRCOG continue spreading awareness and to inform them of future events. Staff collected contact information from most who attended.



City of Hemet residents at the Used Oil and Oil Filter Exchange



Over sixty area residents attended the City of Hemet's July 2017 Used Oil Event. Kyle Rodriguez and Hugo Rios managed the the morning activities.

Upcoming Used Oil and Oil Filter Exchange events

The following is a list of Used Oil and Oil Filter Exchange events that are presently scheduled. To request an event for your jurisdiction please contact Kyle Rodriguez, Staff Analyst, at (951) 955-8328 or krodriguez@wrcog.us.

Date	Event	Location	Time
8/12/2017	City of Riverside Used Oil Event	O'Reilly Auto Parts 1691 University Ave.	9 am – 1 pm
8/26/2017	City of Lake Elsinore Used Oil Event	AutoZone 32231 Mission Trail	9 am – 12 pm
9/9/2017	City of Riverside Used Oil Event	O'Reilly Auto Parts 3790 Jurupa Ave.	9 am – 1 pm

WRCOG pilot and regional litter initiative

City of Lake Elsinore Pilot Litter Program: In 2016, WRCOG partnered with the City of Lake Elsinore to start taking action regarding the issue of litter and properly disposing waste. From local Main Street business visits to high school and elementary school visits, the problem of littering is being communicated throughout the community. Over 25 business have been visited and \$450.00 has been donated to Lake Elsinore Unified School District's three comprehensive schools. The goal is to encourage and educate students, staff and teachers about keeping the local and global environment clean and healthy.

WRCOG's Pilot Litter Program with the City of Lake Elsinore has six significant elements: community education, business outreach, marketing, signage, and staffing. This summer the Clean LE team continues to work on the aspects of staffing and marketing. Using social media, posts will be made daily regarding smart tips to reduce waste in places that range from landfills to city streets. Summer Clean Teams are being organized to work with the City's Public Works Department. The City is continuing its tradition of reaching out to Lake Elsinore Unified School District students to provide community clean up support along with other community service programs. Volunteer hours are available for high school students needing to complete community service requirements.



Lake Elsinore's Pilot Litter Program was enhanced with the addition of the Adopt-A-Highway Program.

A section of east and west bound Highway 74 has been secured as "adopted" and includes two clean ups each month for two years. The pending contract is expected to be signed in August 2017.

Prior Action:

July 10, 2017: The Executive Committee received report.

Fiscal Impact:

Used Oil Program activities are included in the Fiscal Year 2017/2018 Agency Budget, under the Environment Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Single Signature Authority Report

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

Date: August 7, 2017

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 April 1, 2017, through June 30, 2017, one contract was signed by the Executive Director.

On April 24, 2017, a contract in the amount of \$26,102 was signed into agreement with Inland Empire Biking Alliance. This agreement is to provide for bicycle repair classes and services at two new sites in Western Riverside County. The contract itself is under the Active Transportation Program.

Prior Action:

July 12, 2017: The Administration & Finance Committee received report for the period April 1, 2017, through June 30, 2017.

Fiscal Impact:

The amount of \$26,102 is covered by a grant through the Active Transportation Program under the Transportation Department.

Attachment:

1. WRCOG Contracts Activity Report.

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Item 5.M

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 April 1, 2017, through June 30, 2017

Level Of Authority	Date	Consultant	Description of Services	Amount
Executive Director				
	4/24/2017	Inland Empire Biking Alliance	Provide bicycle repair classes and services at two new sites in Western Riverside County.	\$26,102
Administration & Finance				
None				
Other				
None				
Total Amount for Single Signature				\$ 26,102



Prepared and Approved by

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella

Contact: Crystal Adams, Program Manager, cadams@wrcog.us, (951) 955-8312

Date: August 7, 2017

The purpose of this item is to provide the Committee with requested actions for the PACE Programs that WRCOG oversees under its PACE umbrella. This includes items that relate to the public hearings and operational changes of the HERO Program, SAMAS PACE, and CaliforniaFIRST.

Requested Actions:

1. Conduct a Public Hearing regarding the inclusion of the City of Santa Rosa.
2. Adopt WRCOG Resolution Number 36-17; 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.
3. Accept the County of Tulare Unincorporated areas as an Associate Member of the Western Riverside Council of Governments.
4. Adopt WRCOG Resolution Number 37-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon.
5. Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include PACE Funding under WRCOG's PACE umbrella.

WRCOG's PACE Programs provide financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. The CaliforniaFIRST Program has launched and the Spruce PACE Programs is anticipated to launch in summer 2017. The items below are related to public notices and public hearings regarding the HERO Program.

Public Hearing and related resolution

On June 3, 2013, the Executive Committee, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code ("Chapter 29"), conducted a public hearing to consider formally establishing the Program. At the conclusion of the public hearing the Executive Committee adopted its Resolution Number 10-13 confirming the Program Report for the Program and establishing the Program.

Recently, the City of Santa Rosa took action to become an Associate Member of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the "Program Area") to include the jurisdiction of such an Associate Member.

For the August 7, 2017, Executive Committee meeting, staff is presenting the revised Appendix B "Boundary Map" from the Program Report for consideration and potential approval; the Executive Committee will hold a public hearing to consider increasing the Program Area to include the aforementioned Associate Member and, following the closing of the public hearing, will be asked to consider the adoption of WRCOG Resolution Number 36-17 (Attachment 1), approving the revised Appendix B "Boundary Map" from the Program Report (Attachment 2).

New Associate Members: The following jurisdiction has adopted or will be adopting a resolution consenting to the inclusion of such city in the California HERO Program and approving the "Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City" (the "JPA Amendment"), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the August 7, 2017, Executive Committee meeting.

County of Tulare Unincorporated areas – July 11, 2017

The next step in the California HERO Program is for the Executive Committee to adopt Resolution Number 37-17 (Attachment 3), which accepts the above mentioned City as an Associate Member of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for such City and set their public hearing for September 11, 2017.

At the September 11, 2017, Executive Committee meeting, staff will bring forward the revised Appendix B "Boundary Map" from Program Report for consideration and potential approval; the Executive Committee will hold the Program's required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B "Boundary Map" from the Program Report.

Request from PACE Funding to operate under WRCOG umbrella

WRCOG was approached by PACE Funding (a PACE Program provider) with a proposal to operate within Western Riverside County under the WRCOG PACE umbrella. PACE Funding initially interviewed with WRCOG's PACE Ad Hoc Committee on August 3, 2016, and was recommended to be reevaluated after staff conducted a site visit. On August 22, 2016, PACE Funding submitted a letter of withdrawal from the application process in order to focus on internal processes. In December 2016, PACE Funding reengaged with WRCOG to express interest in operating under its PACE umbrella.

PACE Funding is located in Los Gatos and has adopted the same Consumer Protections Policy that the Executive Committee adopted in December 2015. PACE Funding is also comfortable with the underwriting criteria that WRCOG currently uses to administer the HERO and CaliforniaFIRST Programs, and offers interest rates that are in line with other providers in the market.

On June 14, 2017, the PACE Ad Hoc Committee conducted another review of PACE Funding and recommended approval to the Administration & Finance Committee. The Administration & Finance Committee supported the recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include PACE Funding under WRCOG's PACE umbrella.

On June 26, 2017, WRCOG staff and a member of the PACE Ad Hoc Committee conducted a site visit and received a presentation on PACE Funding's call center and procedures, contractor management, and plans for expanding in the WRCOG subregion.

Highlights of the site visit include the following:

- PACE Funding already has contractors based in southern California, and several already working in the WRCOG subregion. If accepted under WRCOG's umbrella, PACE Funding will aim to grow its network in Riverside County, adding contractors from the region. PACE Funding has three channel managers, including one based in Riverside, which are working to establish relationships with at least 10 additional contractors in the County.
- Per the Ad Hoc Committee's request, PACE Funding has also agreed to remove the maximum financing amount from its quoting software ("Know Before You Go").
- Should there be a contractor complaint, the complaint would be subjected to an immediate review by PACE Funding's Chief Operating Officer and the contractor onboarding manager.
- During PACE Funding's "welcome call" to property owners, the mechanics of repayment are explained to customers including how the assessment becomes a line item on a property owner's tax bill, contacting a property owner's impound account, and adjusting their monthly impound amount to include the PACE assessments.

What are the next steps? Should the Executive Committee support the recommended action from the Administration & Finance Committee, staff would then work with PACE Funding to finalize policies, documents, and procedures to roll out PACE Funding into the WRCOG subregion this year.

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

If the Executive Committee adopts PACE Funding as an additional provider, the Program will automatically be able to operate in each member jurisdiction, unless the jurisdiction takes action to prohibit its inclusion. If a jurisdiction desires NOT to include PACE Funding as an additional Provider, it must adopt a resolution to opt-out of the Program. WRCOG will continue to provide outreach with the adoption of each additional PACE Program to ensure they understand this process and options, and provide each member jurisdiction with the opt-out resolution if requested.

Prior Actions:

July 12, 2017:

The Administration & Finance Committee supported the PACE Ad Hoc Committee's recommendation to request that the Executive Committee direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include PACE Funding under WRCOG's PACE umbrella.

July 10, 2017:

The Executive Committee 1) conducted a Public Hearing regarding the inclusion of the Counties of Amador, Colusa and Glenn Unincorporated areas; 2) adopted WRCOG Resolution Number 19-17; 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; 3) amended the action taken in Resolution Number 01-17, in part, to remove the County of Colusa as an Associate Member, for which there was insufficient time to publish the notice of public hearing; 4) accepted the City of Santa Rosa as Associate Members of the Western Riverside Council of Governments; 5) adopted WRCOG Resolution Number 20-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon; and 6) conducted a Public Hearing regarding the inclusion of seismic strengthening improvements as eligible improvements for residential and commercial properties participating in the WRCOG PACE Programs, and adopted WRCOG Resolution Number 35-17; a Resolution of the Executive Committee of the Western Riverside Council of Governments confirming the modification of the WRCOG PACE Program Report and the

California HERO Program Report to authorize the financing of seismic strengthening improvements.

Fiscal Impact:

Costs, including additional staff time, consulting fees, and any other expenditures not originally budgeted for administering additional PACE Programs, will be recaptured through a one-time administrative fee and added during the course of a quarterly budget amendment in Fiscal Year 2017/2018

Attachments:

1. WRCOG Resolution Number 36-17; 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.
2. Revised Exhibit B of the California HERO Program Report Revised August 7, 2017.
3. WRCOG Resolution Number 37-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon.

Item 6.A

PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella

Attachment 1

WRCOG Resolution Number 36-17;
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

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RESOLUTION NUMBER 36-17

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

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously undertook proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of property assessed clean energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings, ordered the preparation of a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, held a public hearing on June 3, 2013, on the proposed PACE program and the Program Report and did, by the adoption of its Resolution Number 10-13 on such date (the "Resolution Confirming the Program Report") following such public hearing, approve and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative body of the City of Santa Rosa, has taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdictions of such new Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 20-17 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the City of Santa Rosa, ordered a public hearing to be held on August 7, 2017, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the City of Santa Rosa, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the City of Santa Rosa, in the California HERO Program is hereby approved and confirmed.

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

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on August 7, 2017.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 6.A

PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella

Attachment 2

Revised Exhibit B of the California HERO Program Report Revised August 7, 2017

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PROGRAM REPORT

CITIES/TOWNS OF ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA, BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, , BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN ,DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDAL, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES, ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, TEMPLE CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, WINDSOR, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE , YREKA, AND YUBA CITY, AND THE UNINCORPORATED COUNTIES OF ALAMEDA, ALAMEDA BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED
NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 REVISED FEBRUARY 3, 2014 - REVISED MARCH
3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7,
2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 -REVISED NOVEMBER 3, 2014
REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015, REVISED MARCH 2, 2015- REVISED
APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 –
REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 –
REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY
2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016–
REVISED JANUARY 9, 2017–REVISED APRIL 3, 2017 –REVISED JUNE 5, 2017–REVISED JULY 10, 2017 - REVISED AUGUST 8,
2017

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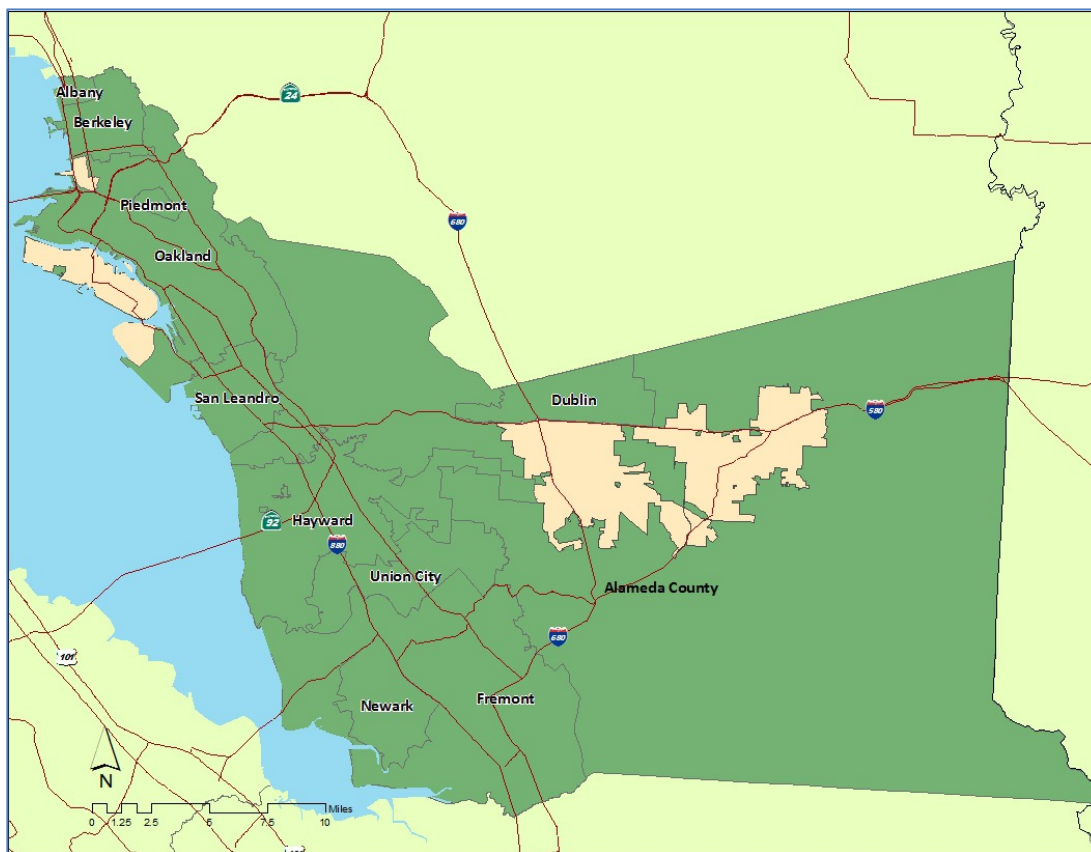
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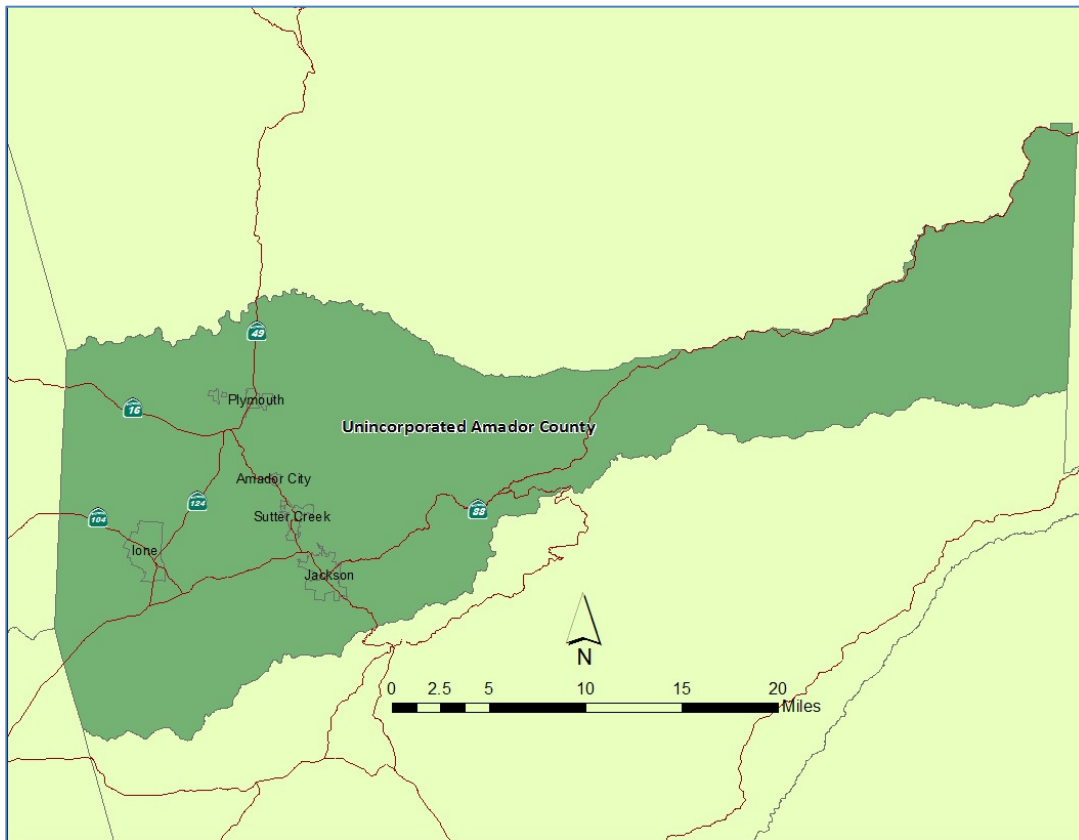
Appendix B
MAP OF PROGRAM AREA
(August 7, 2017)

The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calexico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin, Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, Marysville, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Piedmont, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills, Rolling Hills Estates, Rosemead, Sacramento, Salinas, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San Marcos, San Marino, San Mateo, San Pablo, San Rafael, San Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santa Rosa, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Shasta Lake, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville, Yreka, and Yuba City, And The Unincorporated Counties Of Alameda, Amador, Butte, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Yolo, and Yuba.

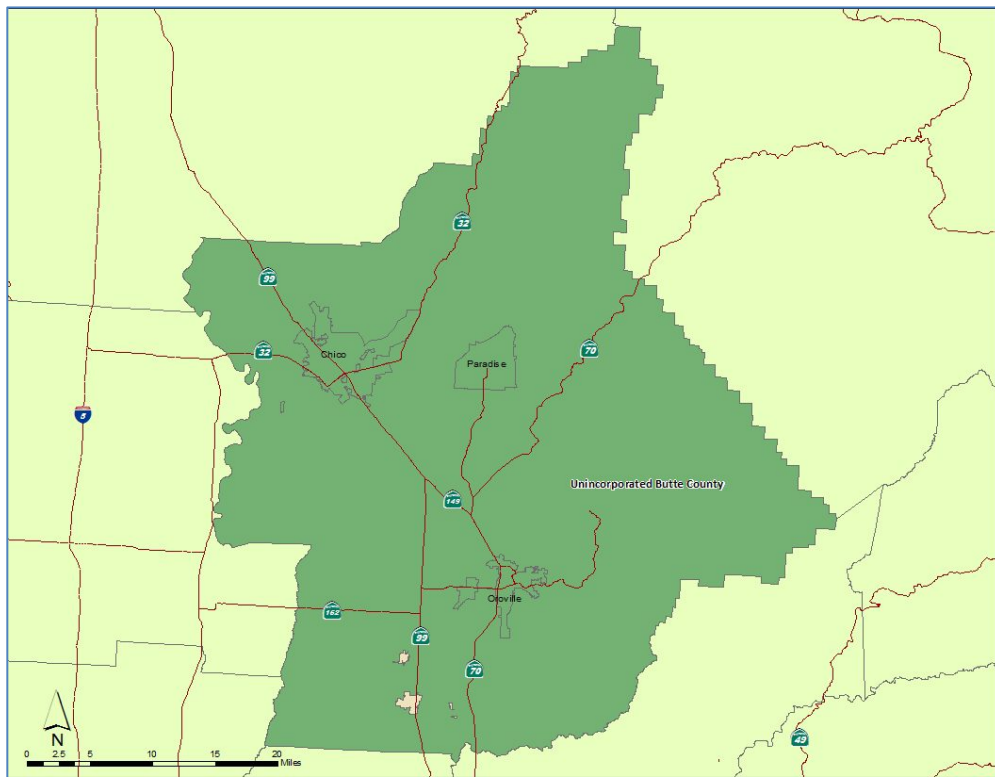
Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



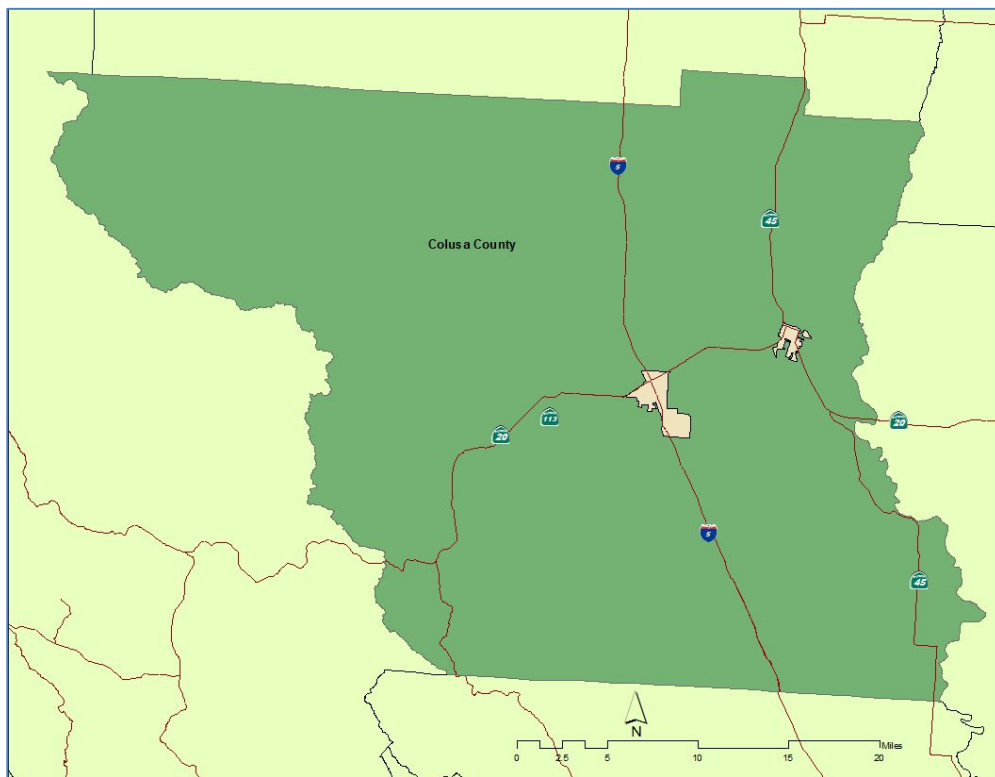
Cities of Amador, Ione, Jackson, Plymouth, and Sutter Creek, in Amador County, California



**Cities of Chico, Paradise, Oroville, and Butte County unincorporated areas, located
in Butte County, California**



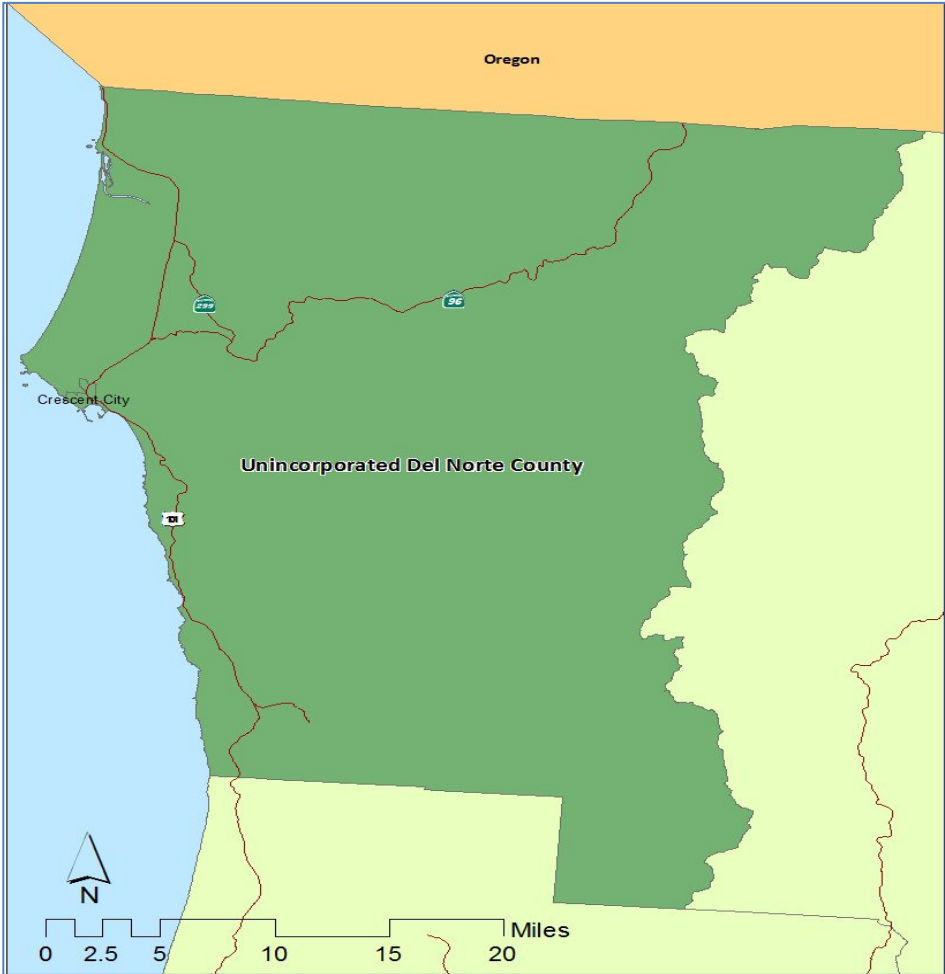
Colusa County unincorporated areas in Colusa County, California



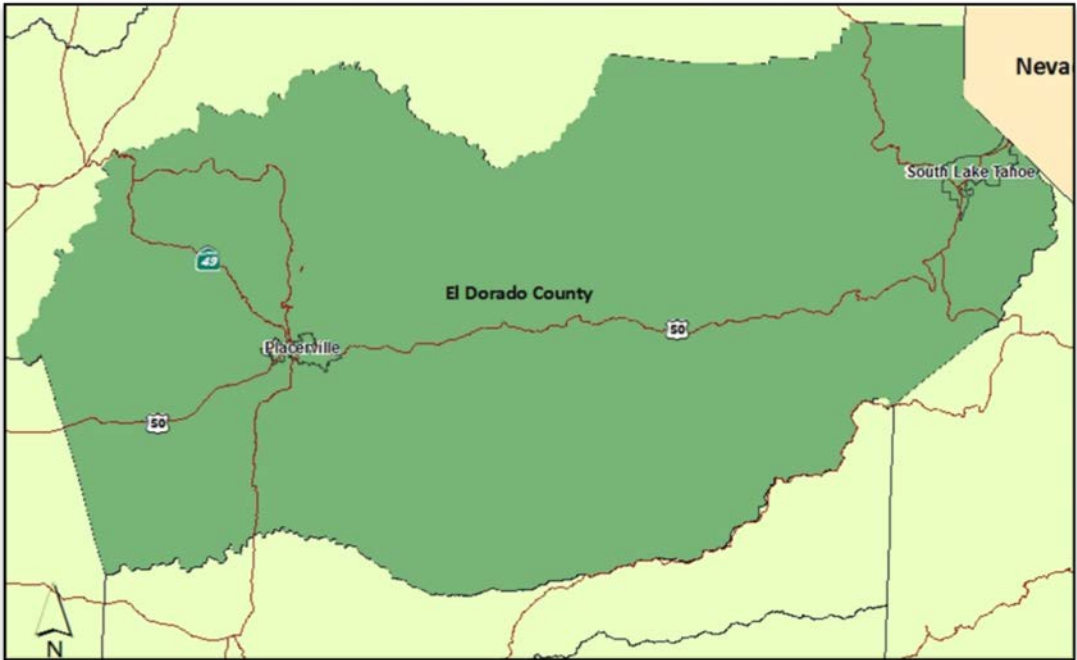
Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Town of Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, Walnut Creek, and Contra Costa unincorporated areas, located in Contra Costa County, California



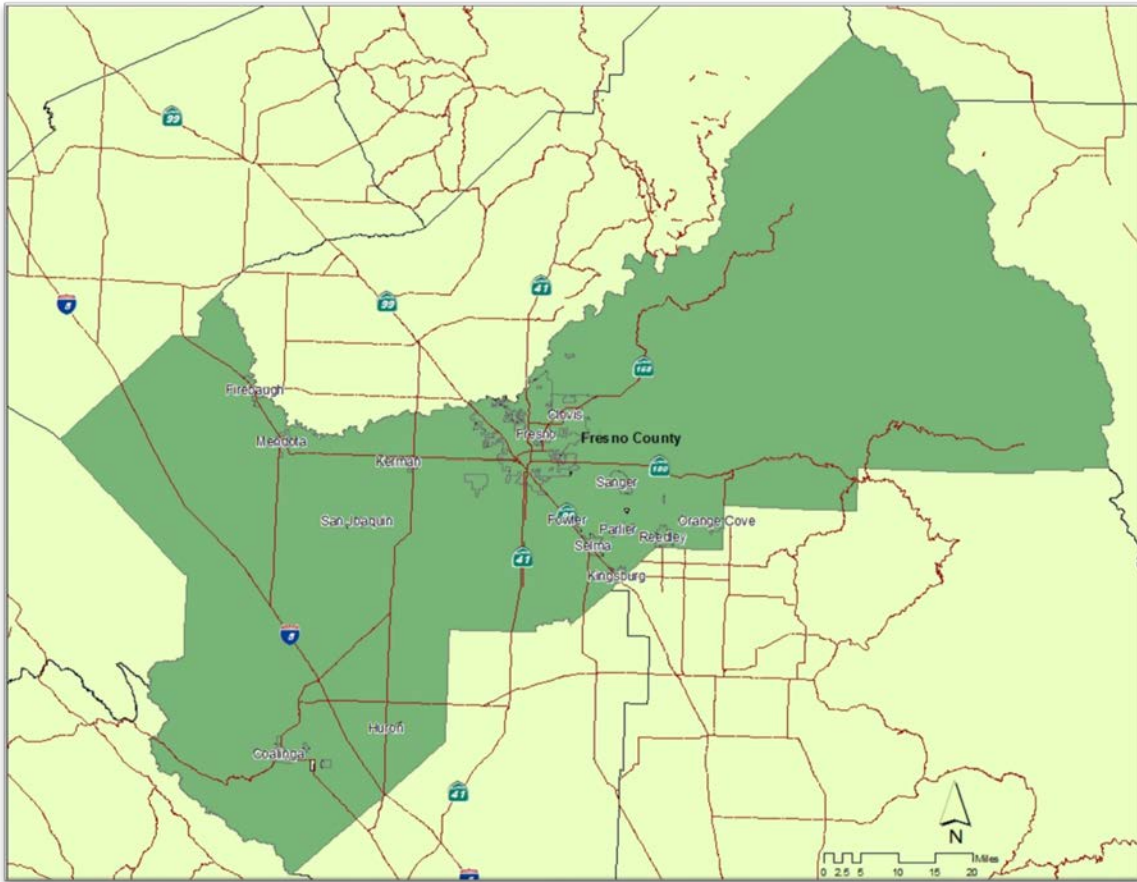
City of Crescent City and County of Del Norte unincorporated areas, located in Del Norte County, California



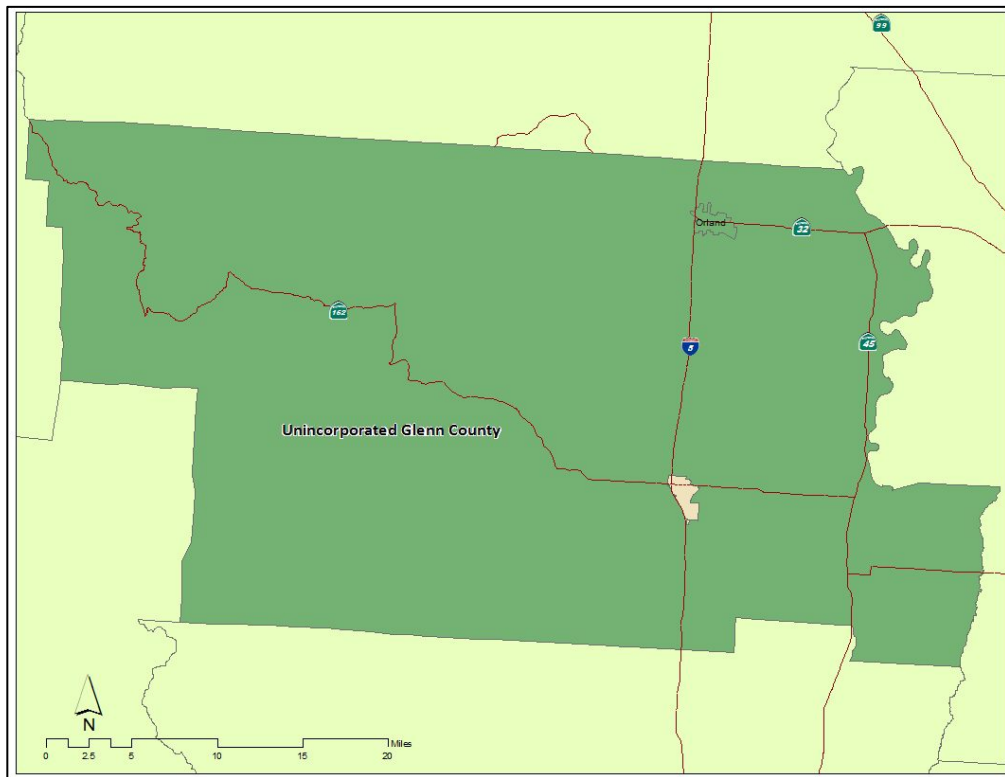
Cities of Placerville and South Lake Tahoe, and El Dorado County Unincorporated areas located in El Dorado County, California



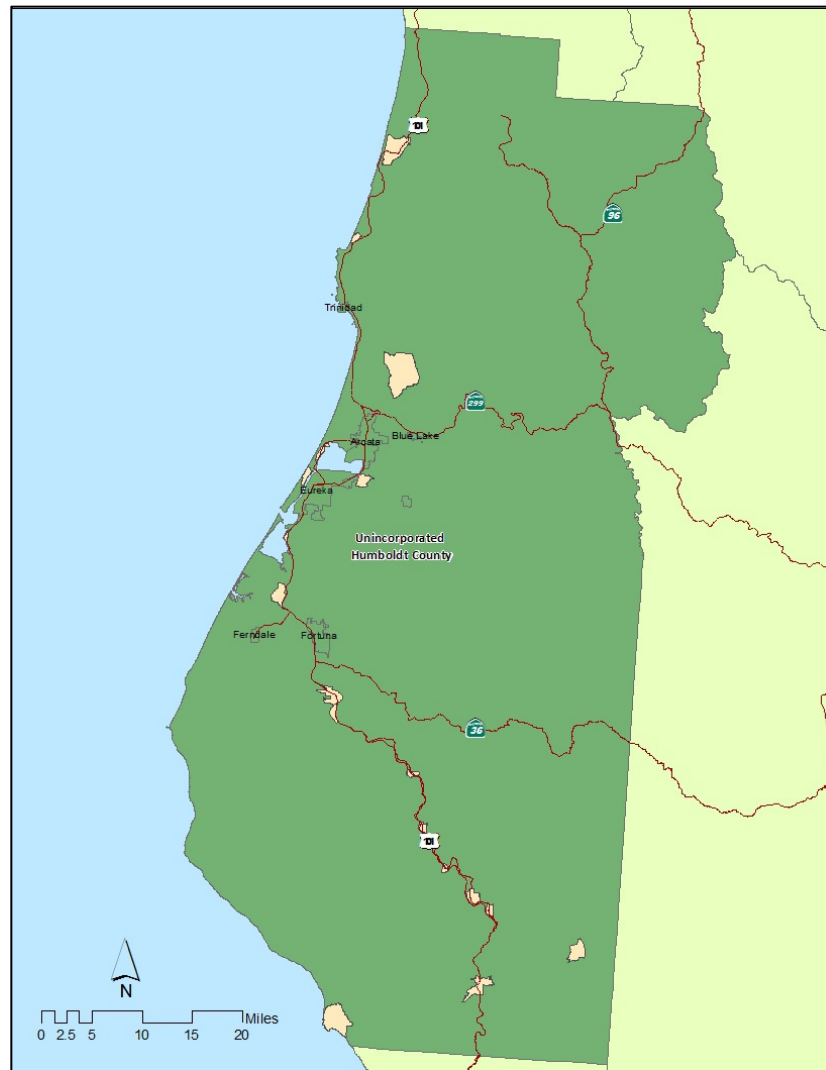
Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, Sanger, San Joaquin, Selma, and Fresno County unincorporated areas, located in Fresno County, California



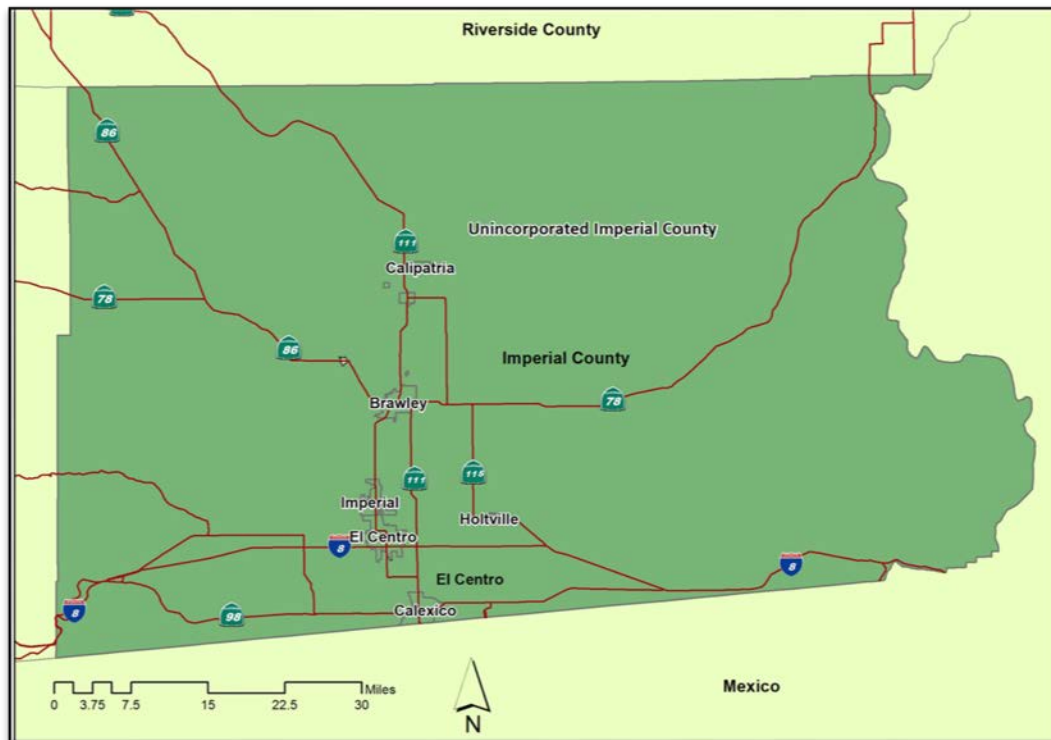
City of Orland, located in Glenn County, California



Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Humboldt County unincorporated areas, located in Humboldt County, California



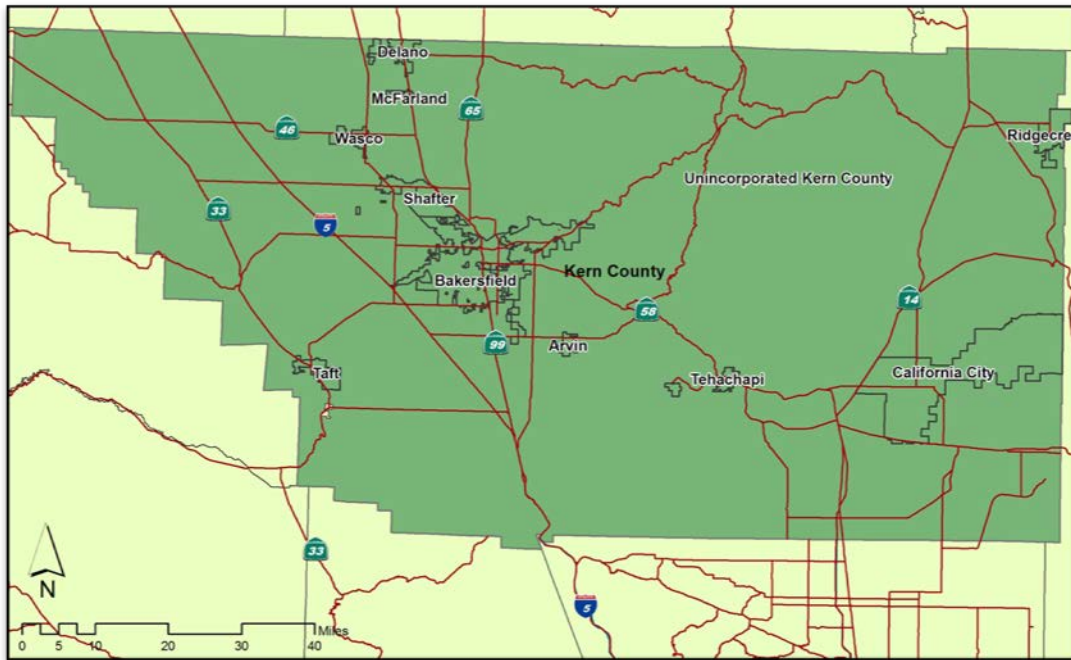
Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, and Imperial County unincorporated areas, located in Imperial County, California



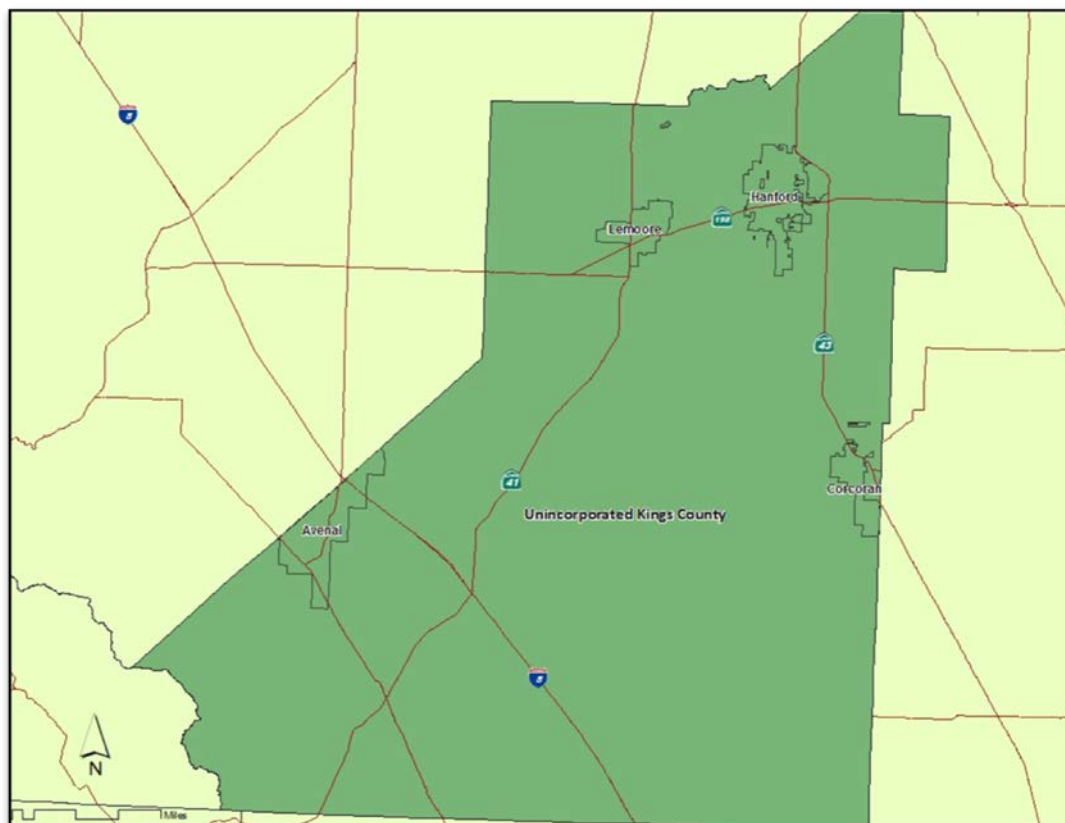
City of Bishop, located in Inyo County, California



Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, Wasco, and Kern County unincorporated areas, located in Kern County, California



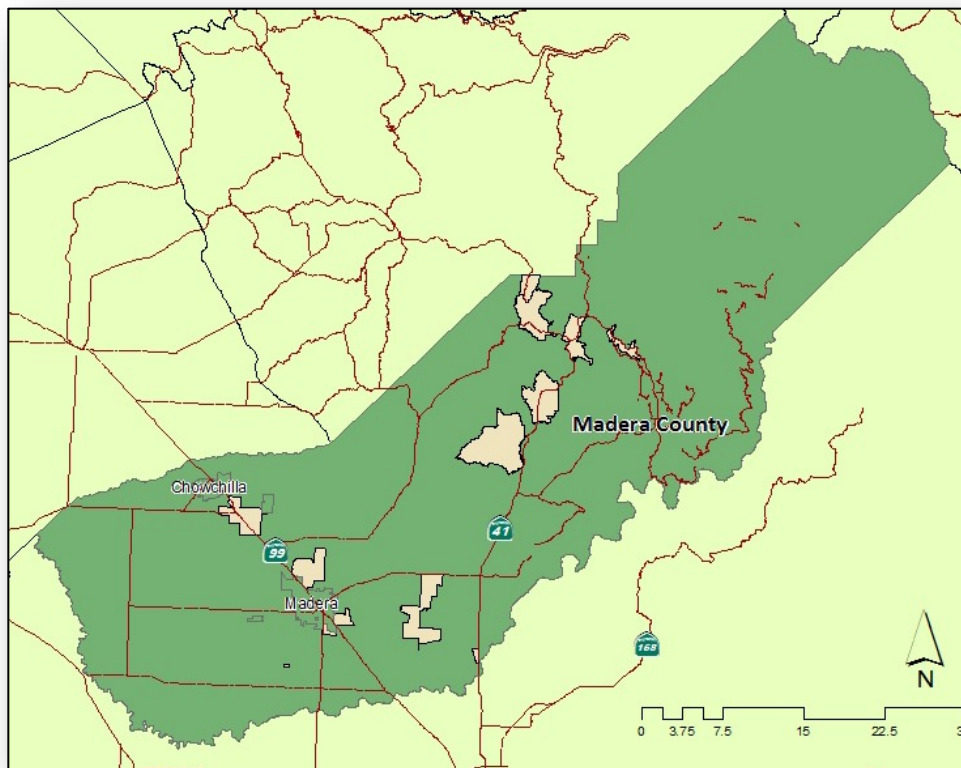
Cities of Avenal, Corcoran, Hanford, Lemoore, and Kings County unincorporated areas, located in Kings County, California



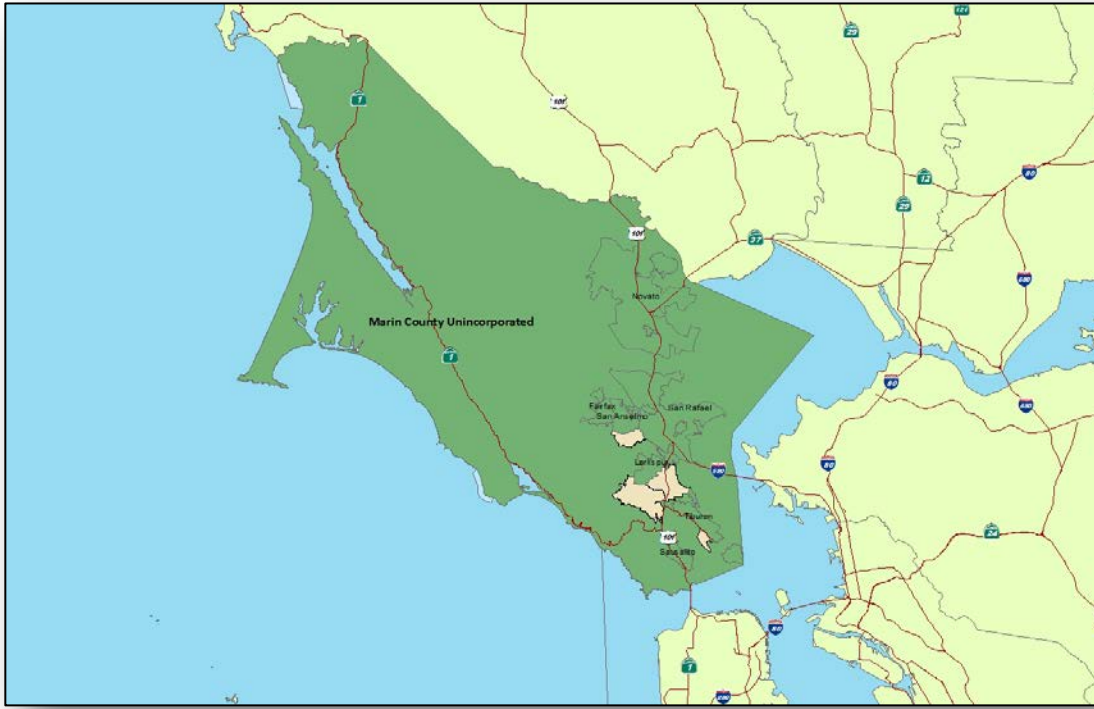
Cities of Alhambra, Arcadia, Avalon (Commercial Only), Azusa, Baldwin Park, Bell Garden (Commercial Only), Bellflower, Bradbury, Calabasas (Commercial Only), Carson, Claremont, Commerce, Covina, Diamond Bar, El Monte, El Segundo, Gardena, Glendora, Hawthorne, Hermosa Beach, Industry, Inglewood, Irwindale, La Canada Flintridge, La Verne, Lancaster, Lawndale, Lomita, Long Beach (Commercial Only), Malibu, Monrovia, Montebello, Monterey Park, Palmdale, Pomona, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Monica, Sierra Madre, South El Monte, South Pasadena, Temple City, Torrance, Walnut, and West Covina, located in Los Angeles County, California.



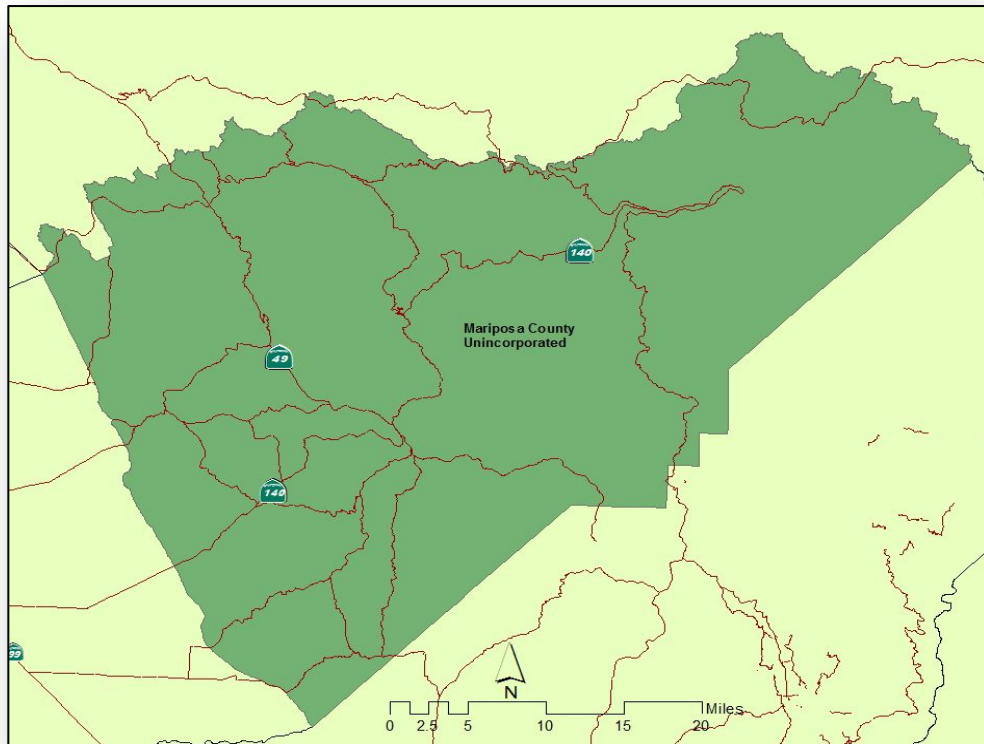
**Cities of Chowchilla, Madera and Madera County unincorporated areas, located in
Madera County, California**



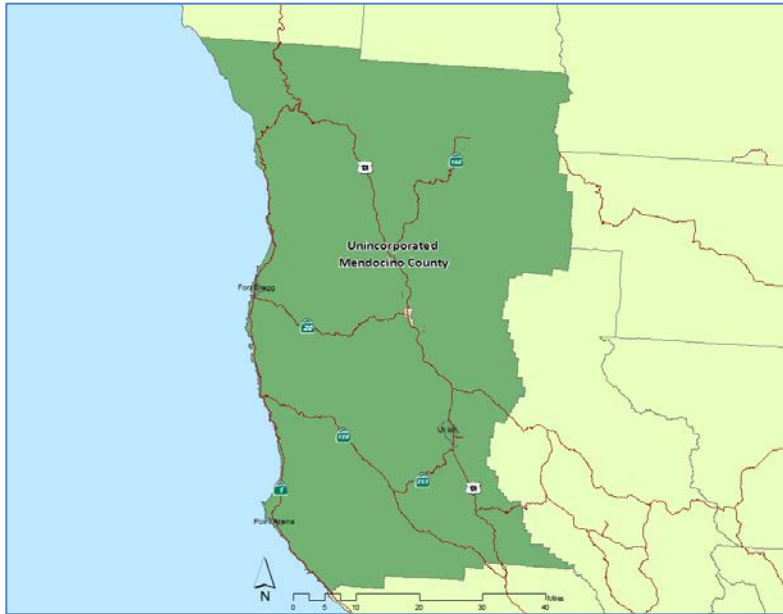
Cities of Belvedere, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Tiburon, and County of Marin unincorporated areas, located in Marin County, California



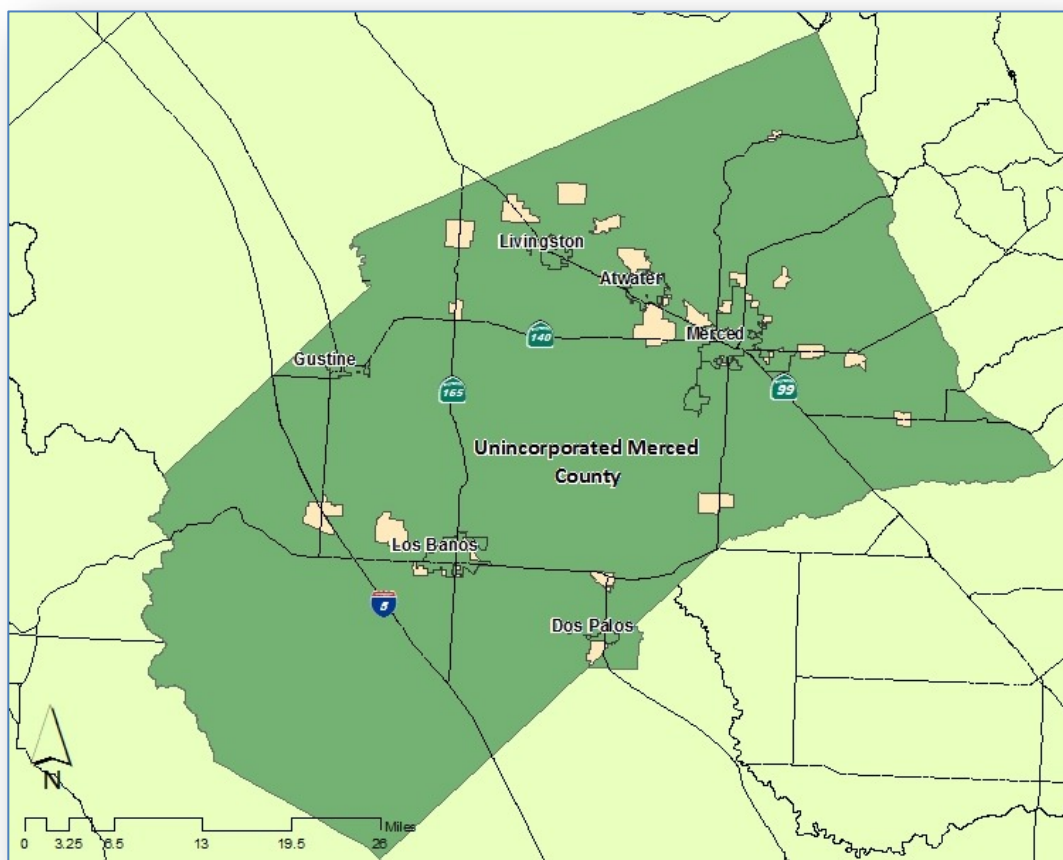
County of Mariposa unincorporated areas, located in Mariposa County, California



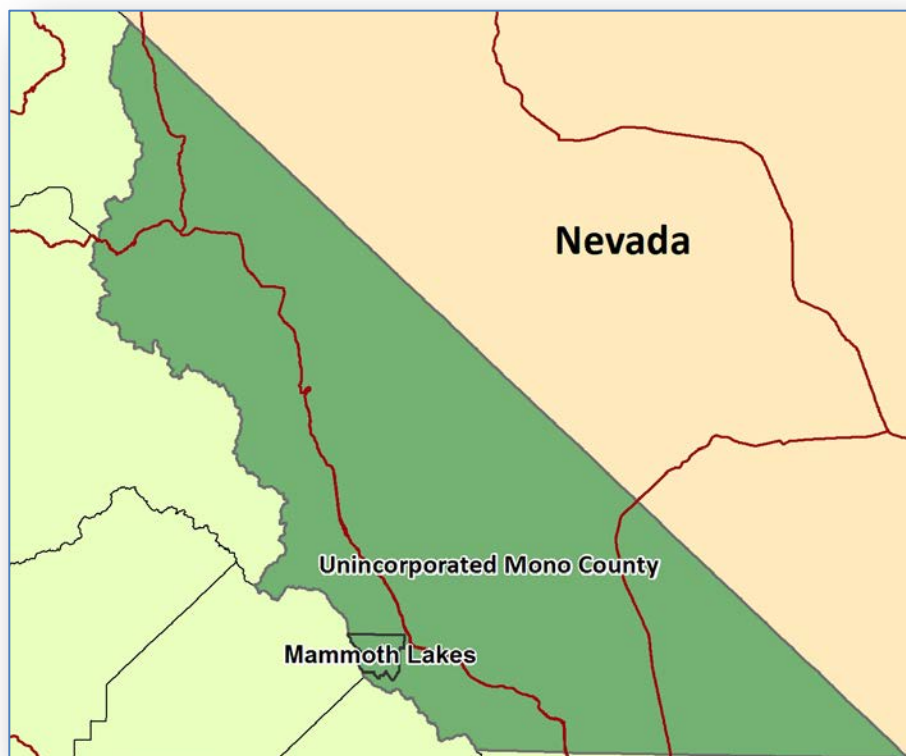
**Cities of Fort Bragg, Point Arena, Ukiah, and Mendocino County
unincorporated areas, located in Mendocino County, California**



Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, and Merced County unincorporated areas, located in Merced County, California



Town of Mammoth Lakes and Mono County unincorporated areas, located in Mono County, California



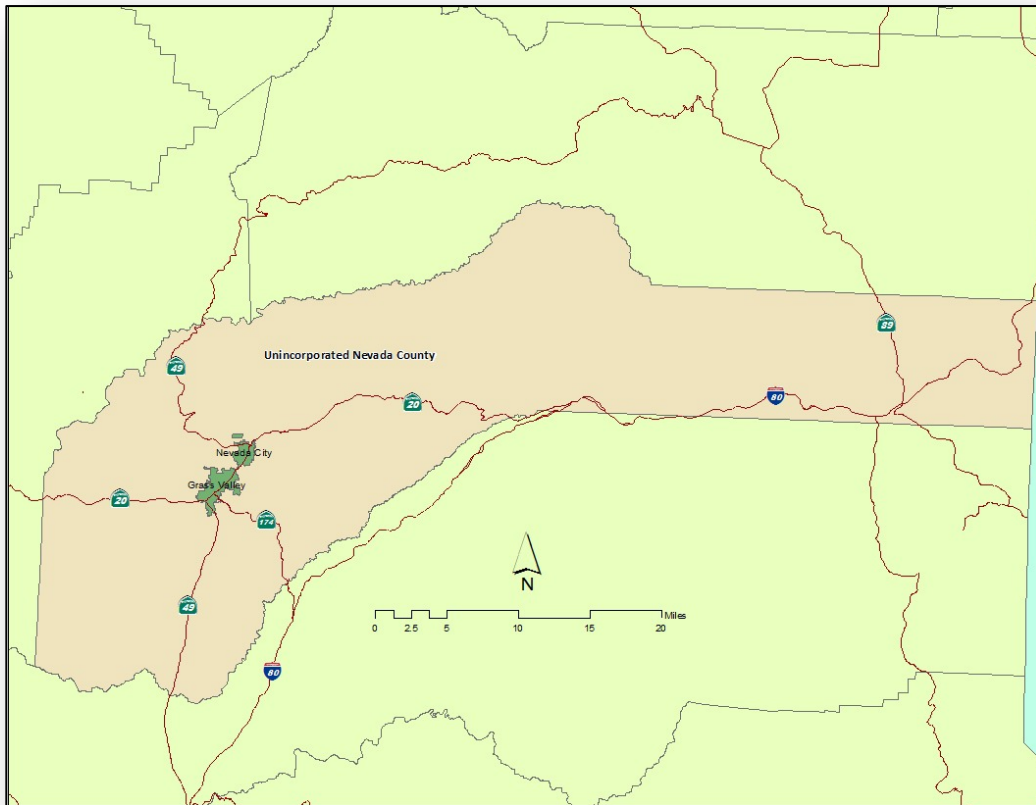
Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, Kings City, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Monterey County unincorporated areas, located in Monterey County, California



**Cities of American Canyon, Calistoga, Napa St. Helena, Yountville, and the County
of Napa unincorporated areas, located in Napa County, California**



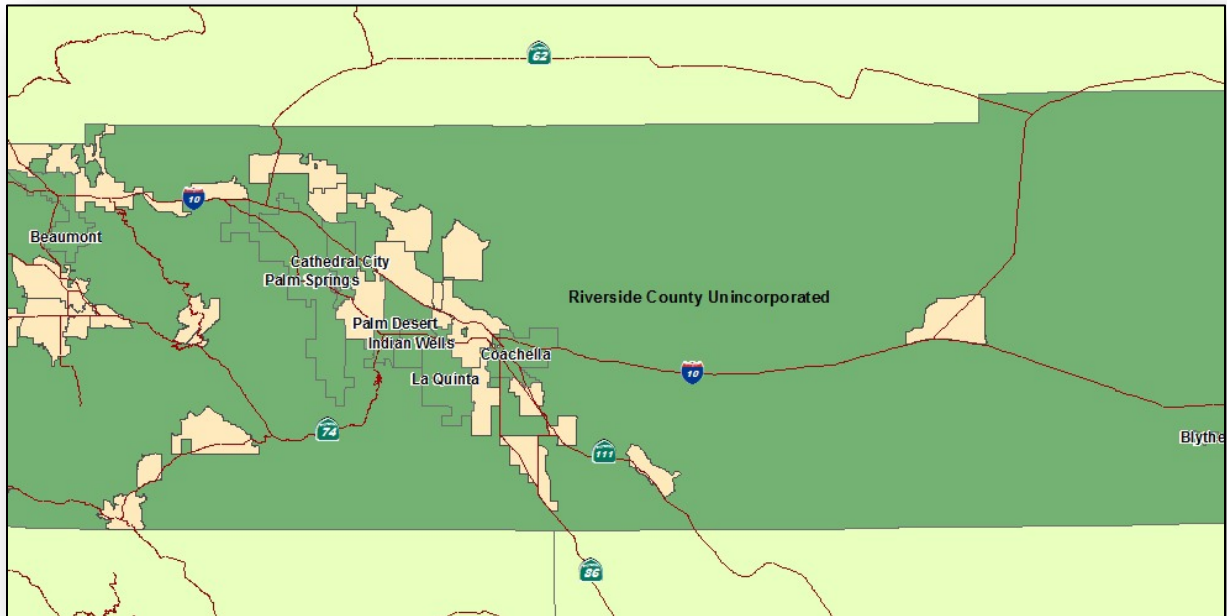
Cities of Grass Valley and Nevada City, located in Nevada County, California



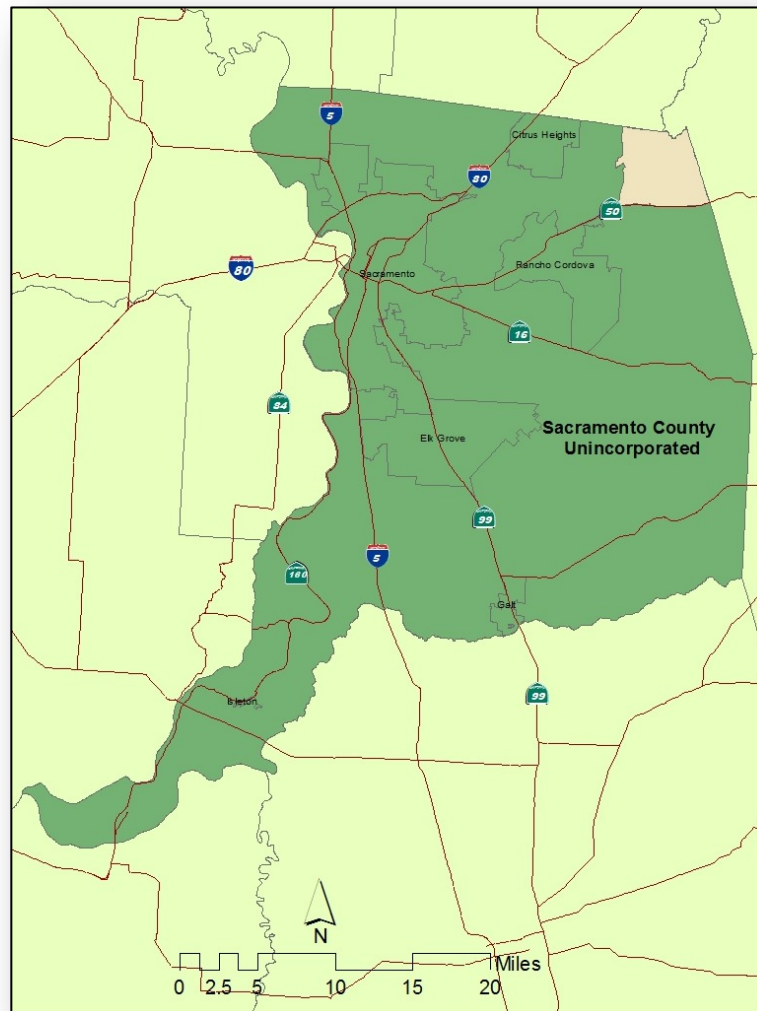
Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Garden Grove, Huntington Beach, La Habra, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.



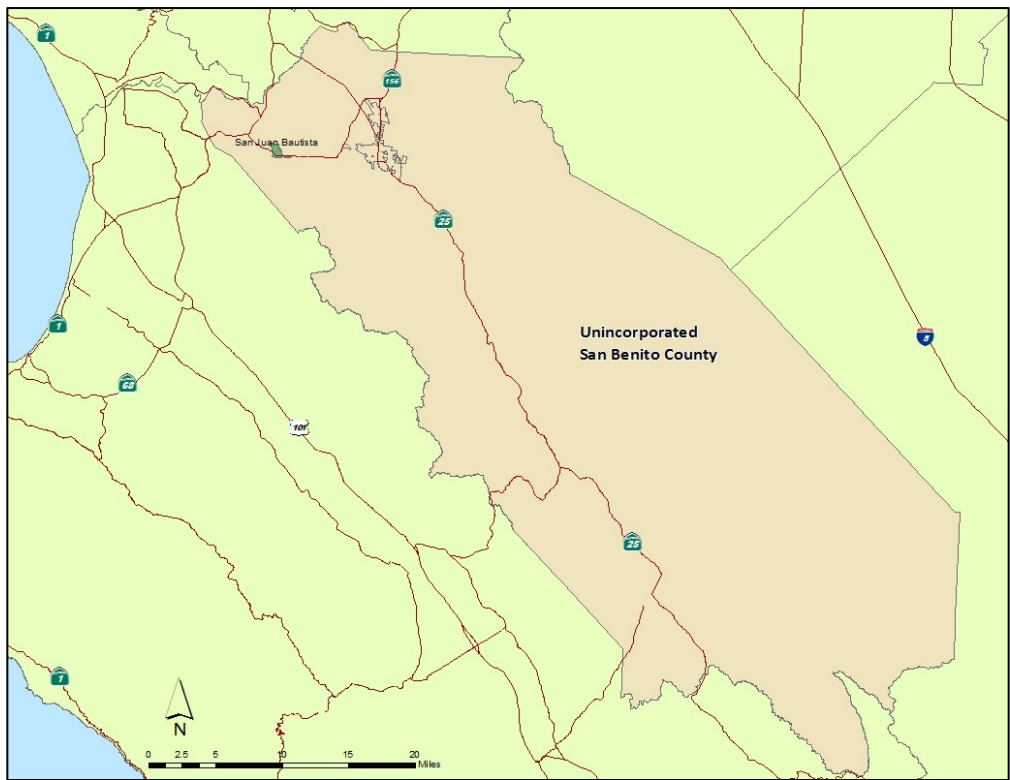
Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and Riverside County unincorporated areas located in Riverside County, California



Cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova, and Sacramento, and the County of Sacramento unincorporated areas located in Sacramento County, California



City of San Juan Bautista, located in San Benito County, California



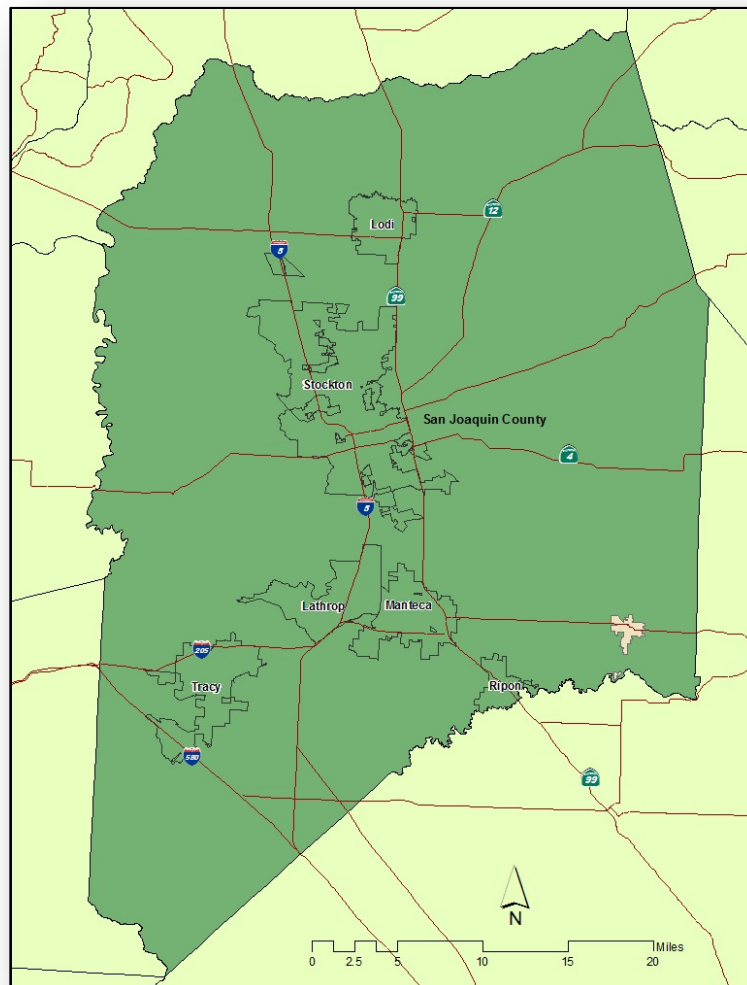
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated areas, located in San Diego County, California



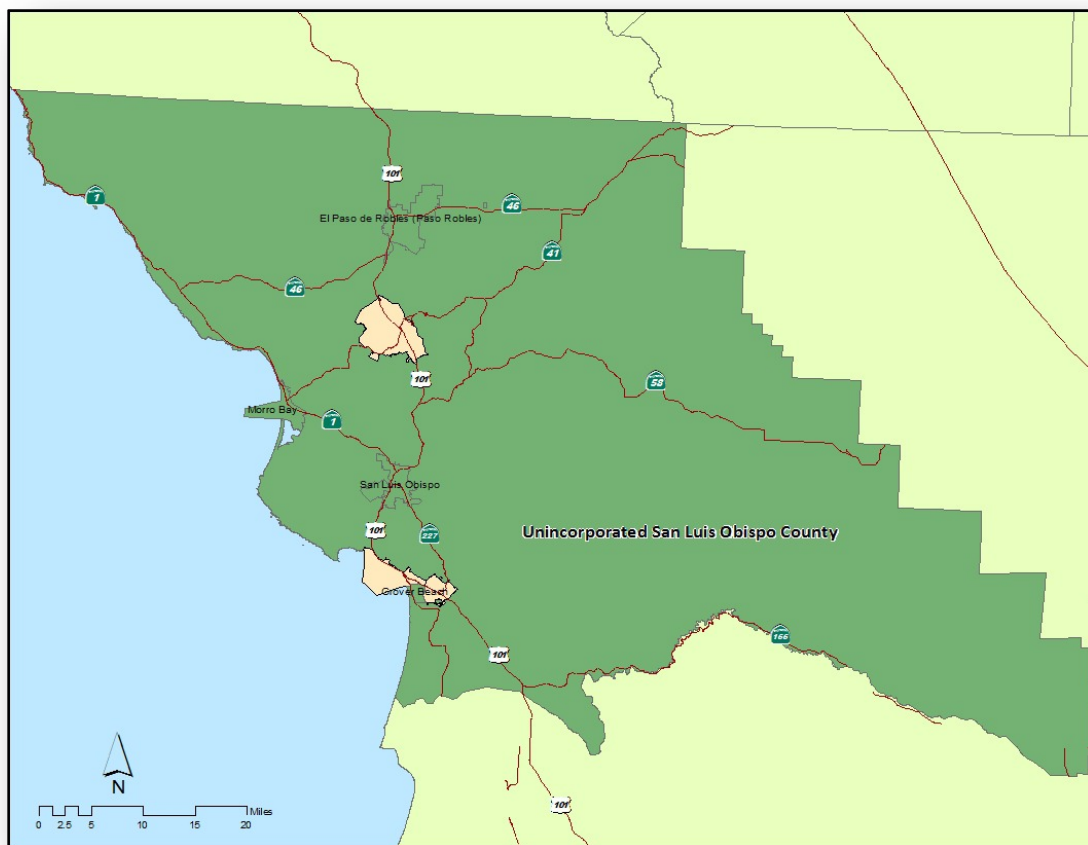
City/County of San Francisco, located in San Francisco County, California



Cities of Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy, and San Joaquin County unincorporated areas, located in San Joaquin County, California



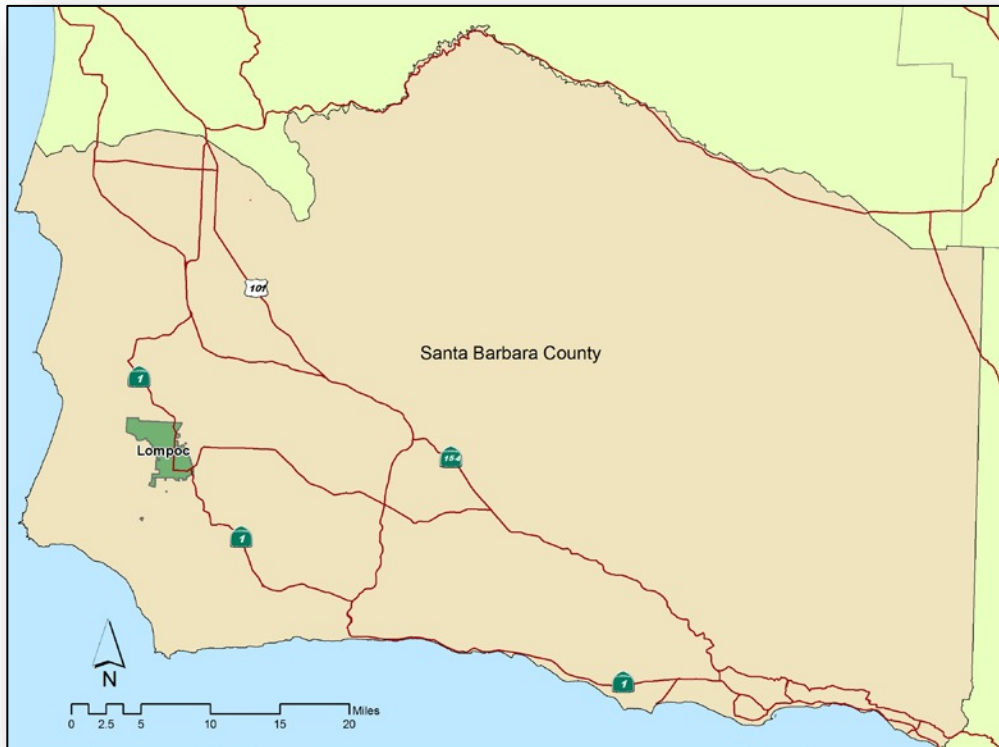
Cities of Grover Beach, Morro Bay, Paso Robles, San Luis Obispo, and San Luis Obispo County unincorporated areas, located in San Luis Obispo County, California



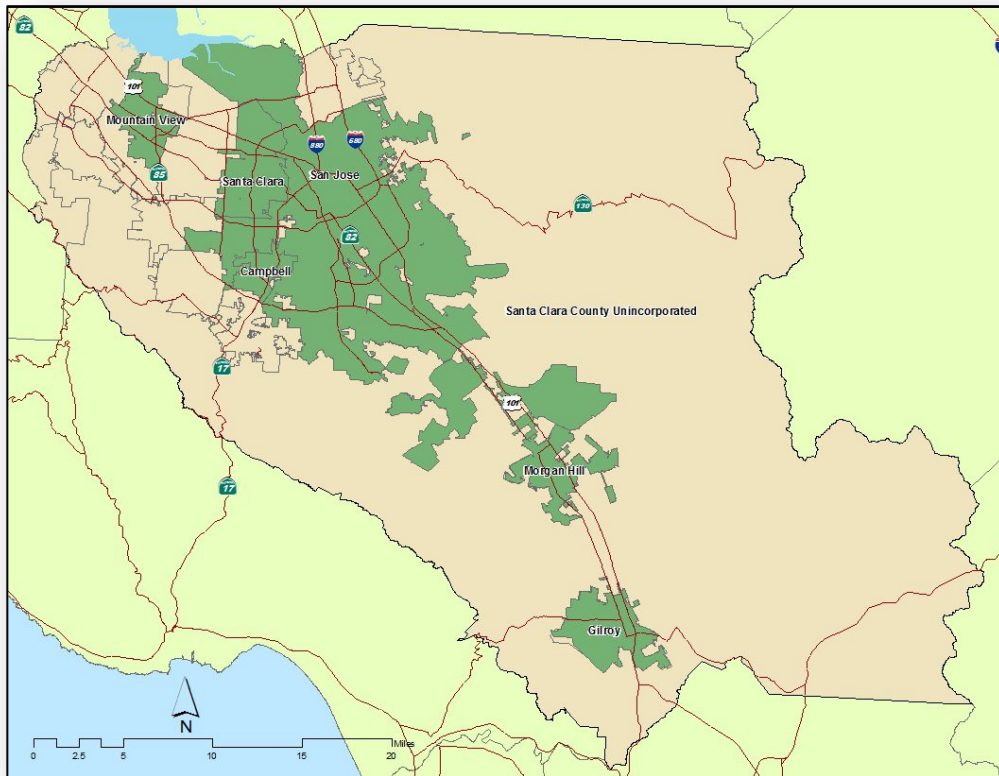
Cities/Towns of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated areas, located in San Mateo County, California



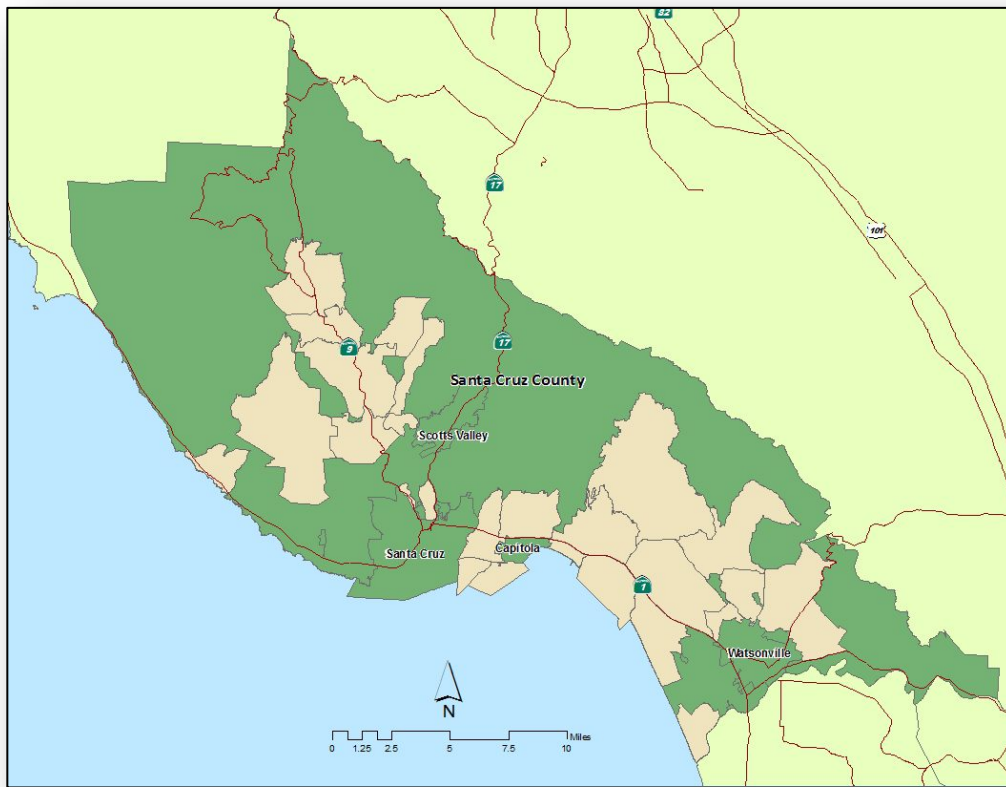
City of Lompoc, located in Santa Barbara County, California



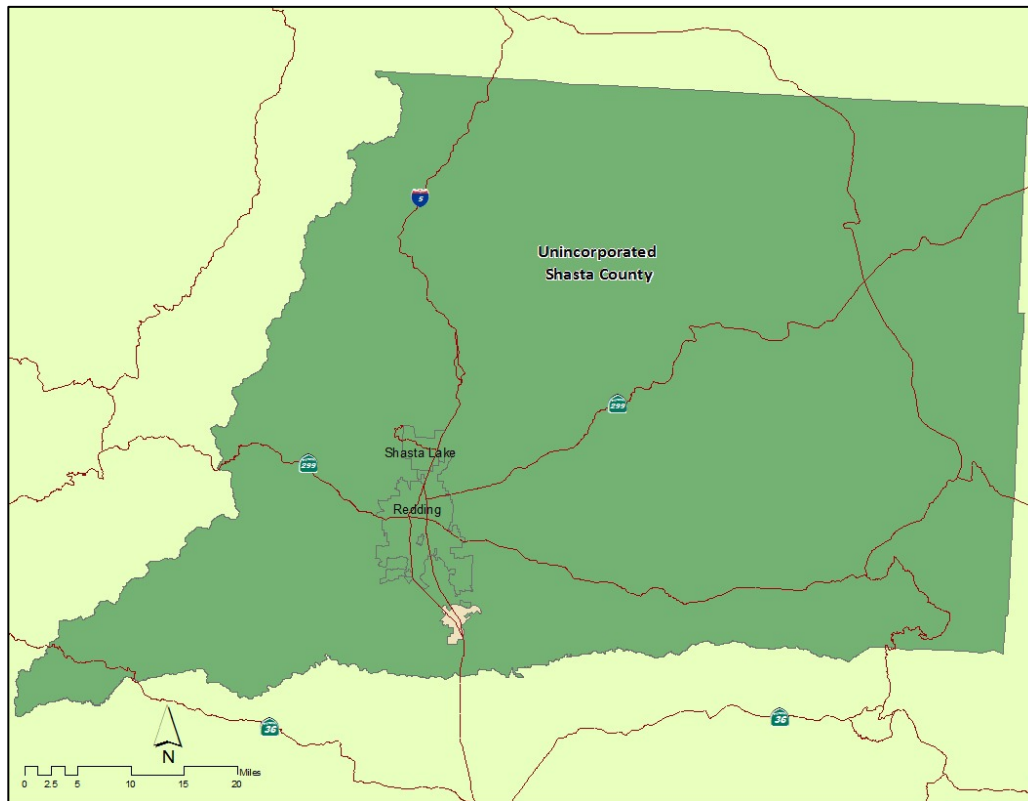
**Cities of Campbell, Gilroy, Morgan Hill, Mountain View, San Jose, and Santa Clara,
located in Santa Clara County, California**



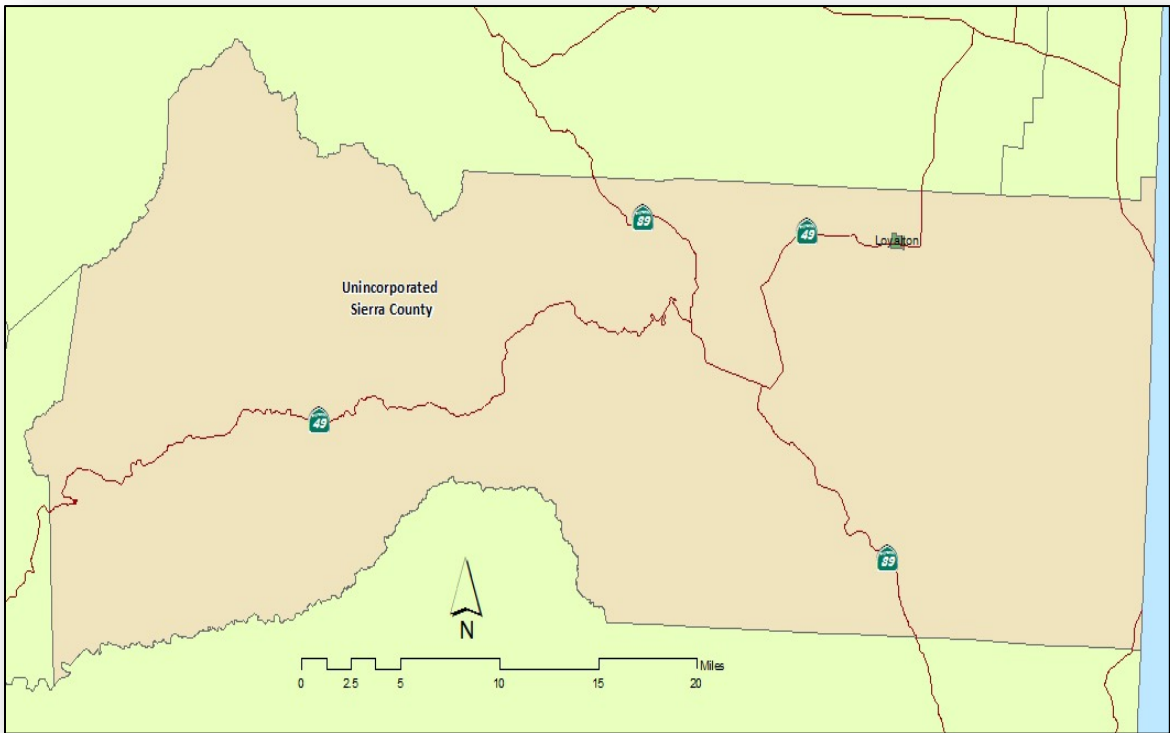
**Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and Santa Cruz County
unincorporated areas, located in Santa Cruz County, California**



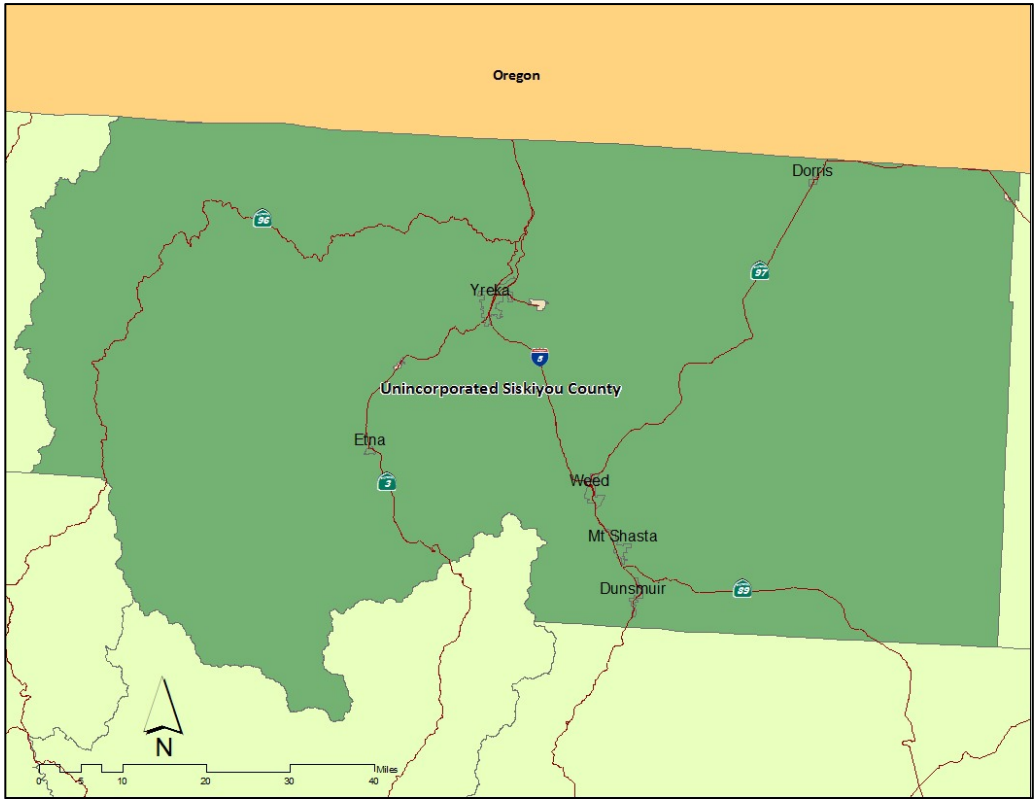
**Cities of Redding, Shasta Lake, and County of Shasta unincorporated areas,
located in Shasta County, California**



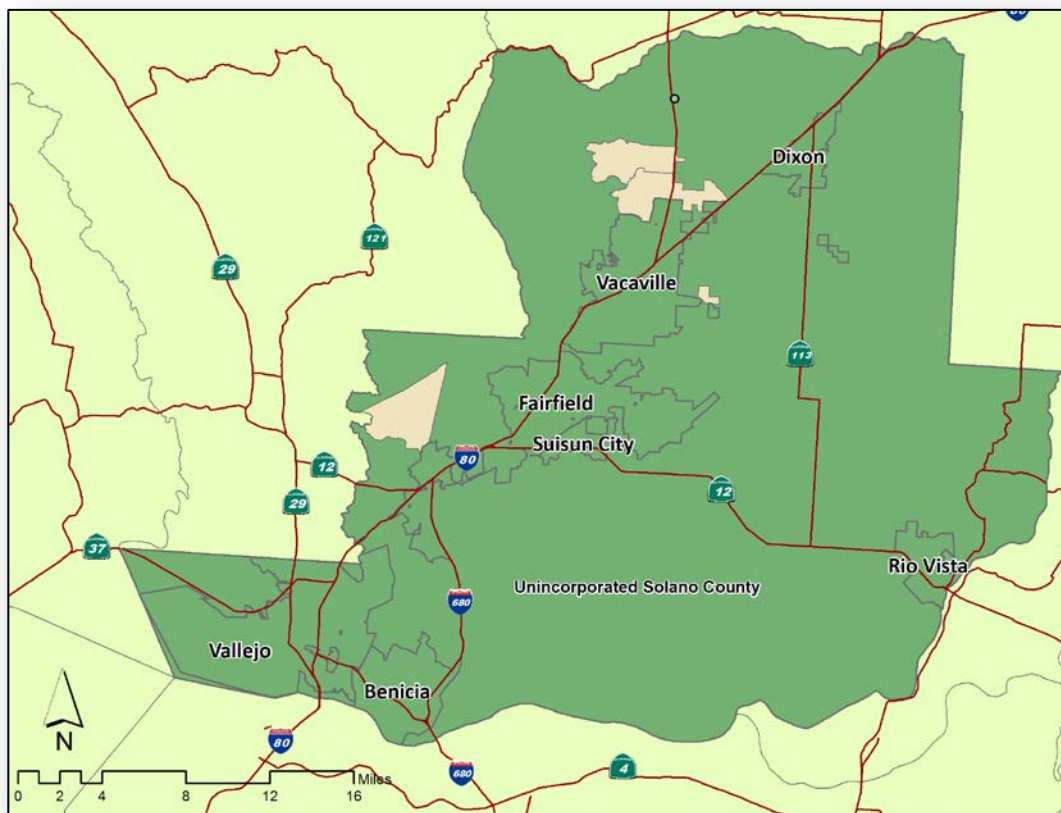
City of Loyalton, located in Sierra County, California



Cities of Dorris, Dunsmuir, Etna, Mount Shasta, Weed, Yreka, and County of Siskiyou unincorporated areas located in Siskiyou County, California



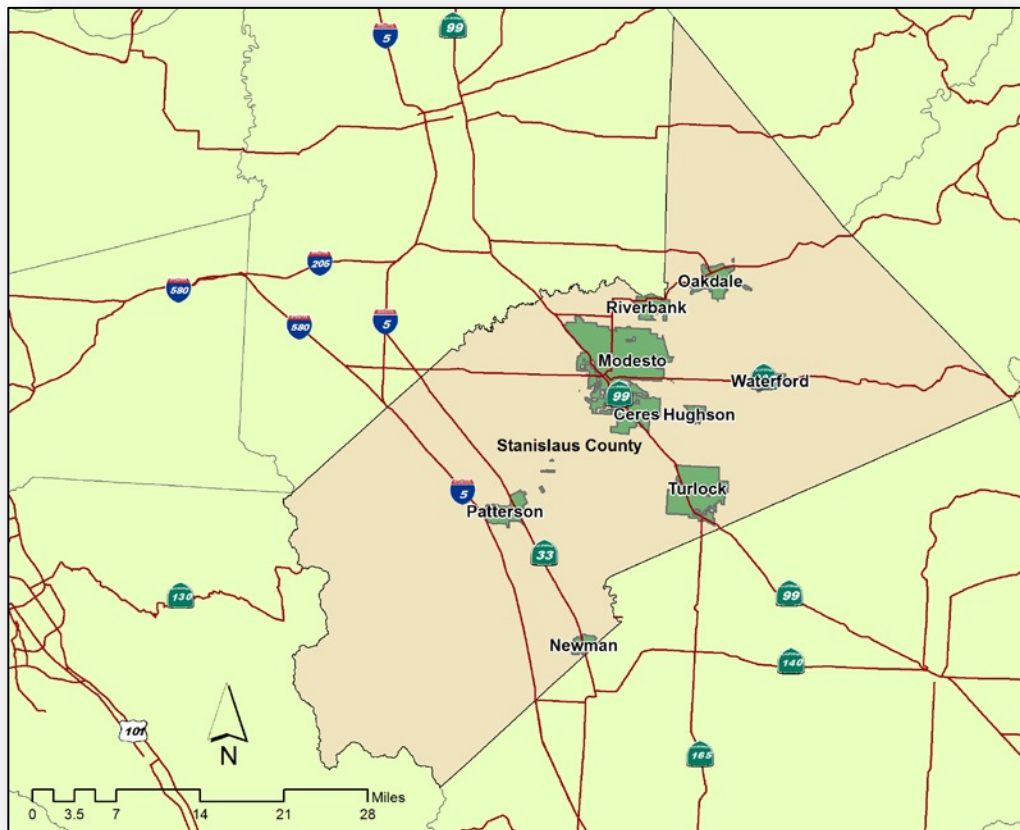
Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated areas, located in Solano County, California



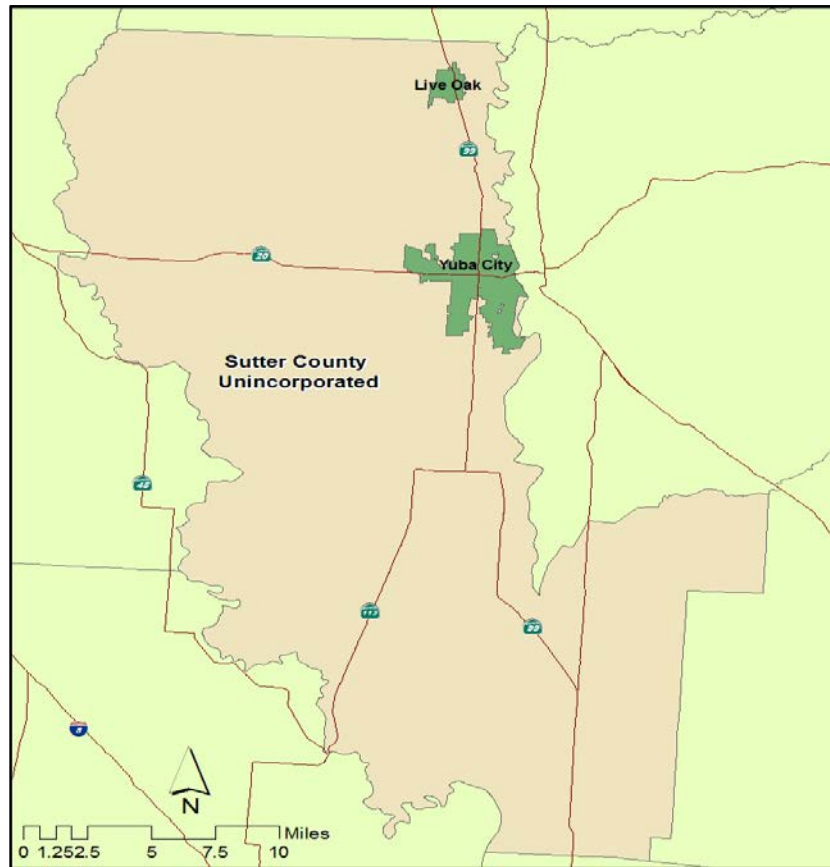
Cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated areas, located in Sonoma County, California



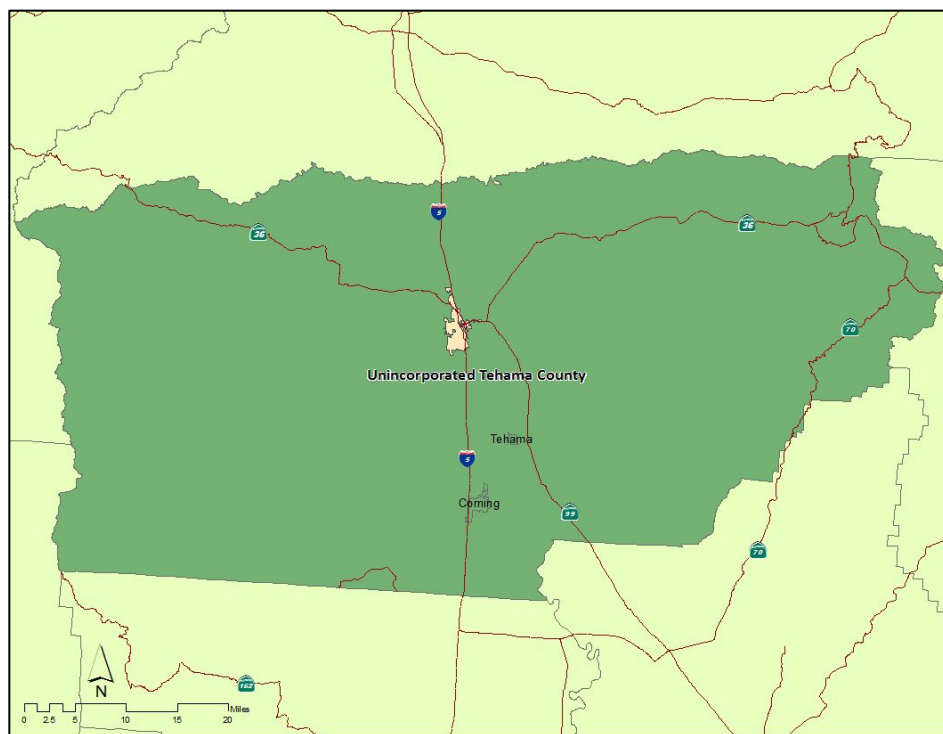
Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



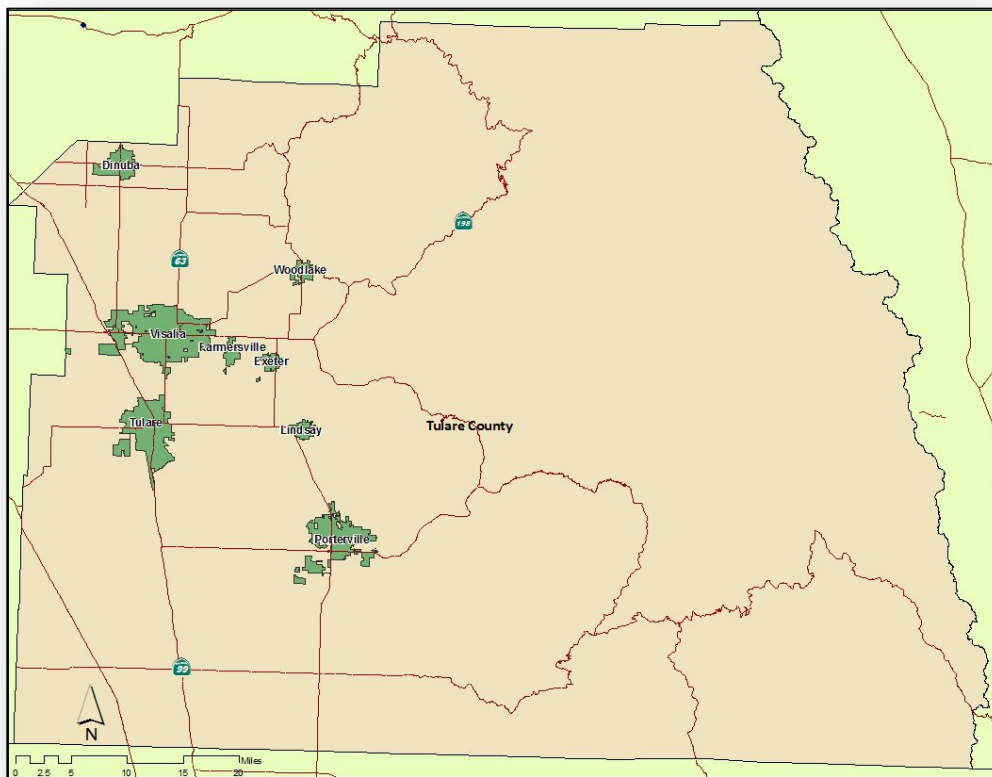
Cities of Live Oak and Yuba City, located in Sutter County, California



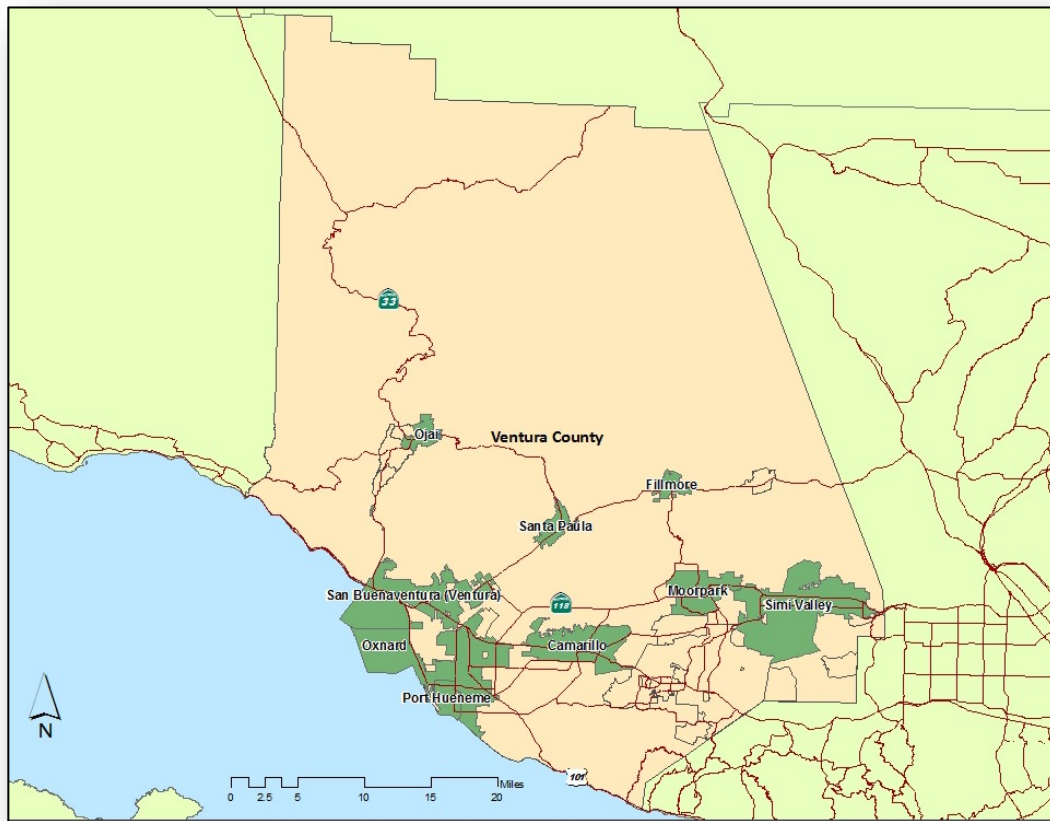
**Cities of Corning, Tehama, and Tehama County unincorporated areas, located in
Tehama County, California**



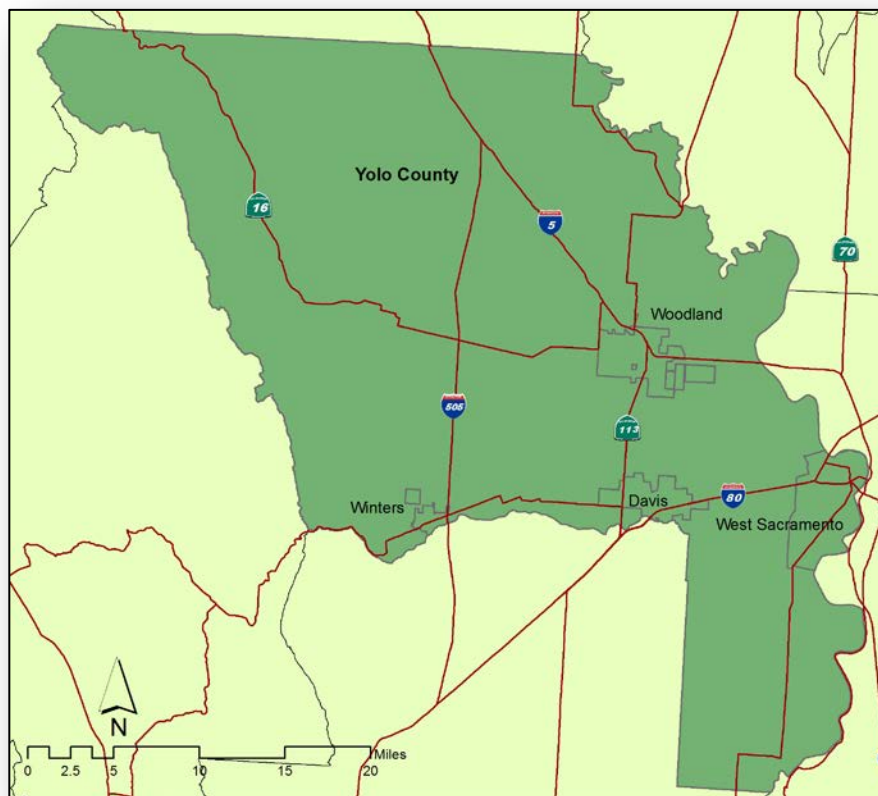
**Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, and
Woodlake, located in Tulare County, California**



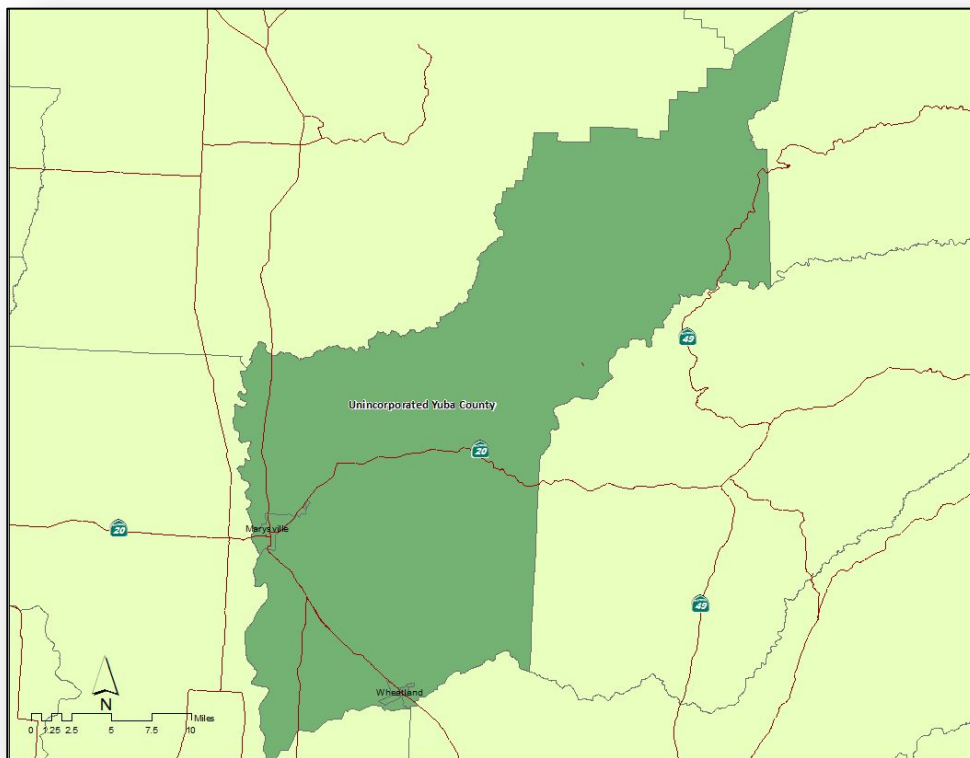
Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buenaventura, Santa Paula, Simi Valley, and Thousand Oaks, located in Ventura County, California



**Cities of Davis, West Sacramento, Winters, Woodland, and Yolo County
unincorporated areas, located in Yolo County, California**



**Cities of Marysville, Wheatland, and Yuba County unincorporated areas,
located in Yuba County, California**



Item 6.A

PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella

Attachment 3

WRCOG Resolution Number 37-17;
A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon

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Western Riverside Council of Governments

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

RESOLUTION NUMBER 37-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative body of the County of Tulare Unincorporated areas, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdiction of the County of Tulare Unincorporated areas, (the "Additional Associate Members") in the Program Area.

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

Section 1. The Executive Committee declares its intention to include the County of Tulare Unincorporated areas as an Associate Member (the "Additional Associate Member") and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdiction of the Additional Associate Member.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on September 11, 2017, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on August 7, 2017.

Debbie Franklin, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report From the League of California Cities

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

Date: August 7, 2017

The purpose of this item is to inform the Committee of activities undertaken by the League of California Cities.

Requested Action:

1. Receive and file.

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

Prior Action:

June 23, 2017: The Executive Committee received report.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Presentation by Southern California Edison Representatives Regarding Time of Use Rates and the General Rate Case

Contact: Jeremy A. Goldman, Local Public Affairs, Southern California Edison, jeremy.goldman@sce.com, (951) 249-8466

Date: August 7, 2017

The purpose of this item is to provide an opportunity for representatives from Southern California Edison to provide a presentation to the Committee on Southern California Edison's Time of Use rates, General Rate Case, and other activities. This is an informational presentation only.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the Southern California Edison (SCE) on its Time of Use (TOU) rates, General Rate Case, and other activities that may be of interest to member agencies.

Time of Use Rates

In 2018, all residential customers will begin to move to a TOU rate. Rates on a TOU plan are based on the time of day and the season. TOU plans can help manage energy costs by taking advantage of lower rates on nights and weekends and can avoid higher weekday rates when energy resources are in demand. Customers will always have the option to opt back in to tiered rate pricing.

General Rate Case

The General Rate Case funds SCE's day-to-day operations, including maintenance and grid upgrades. Every three years, the California Public Utilities Commission reviews a request from SCE for the next three-year spending cycle. On September 1, 2016, SCE filed a request to recover the costs from 2018 through 2020 for employees to inspect, repair, and when appropriate, upgrade poles, transformers and distribution lines.

Prior Action:

None.

Fiscal Impact:

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

Attachments:

1. General Rate Case fact sheet.
2. Energy rates brochure.

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Item 6.C

Presentation by Southern California
Edison Representatives Regarding
Time of Use Rates and the General
Rate Case

Attachment 1

General Rate Case fact sheet

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General Rate Case

What is Southern California Edison's General Rate Case?

At Southern California Edison, it's our mission to safely deliver reliable, affordable and clean energy to our customers.

The General Rate Case funds SCE's day-to-day operations, including maintenance and grid upgrades. Every three years, the California Public Utilities Commission reviews a request from SCE for the next three-year spending cycle. The GRC makes up about half of customer rates. Another one-third comes from the cost of energy sources for power, which are passed through to customers without mark-up or profit for SCE. The remaining costs incurred are from a variety of other factors, such as large transmission projects regulated by the Federal Energy Regulatory Commission and programs for energy efficiency and low-income customer assistance.

On Sept. 1, 2016, SCE filed a request to recover the costs from 2018 through 2020 for employees to inspect, repair, and when appropriate, upgrade poles, transformers and distribution lines. Throughout its service area, SCE owns more than 1.4 million electric poles, 725,000 transformers and more than 105,000 miles of distribution lines serving 5 million customer accounts.

The funding will be used to:

- Replace or repair poles, wires, transformers and other infrastructure.
- Provide for crews and call center staff to respond to emergencies such as rain or windstorms, earthquakes or wildfires and restore service as quickly and safely as possible.
- Install smart technology that makes the grid better at integrating renewables.
- Upgrade to newer equipment that will make it easier to restore power after an emergency outage in the future.
- Update cybersecurity to keep the grid safe from hackers and increase the security of customer information.
- Advance SCE's overall vision for grid modernization that will enhance system reliability, support consumer use of clean energy technologies and help California meet its clean energy goals.

Information about these programs can be found at:
[on.sce.com/ratechange](https://www.sce.com/ratechange)

For the most up-to-date information about the GRC, go to:
www.sce.com/grc

GRC Process

The CPUC sets rates every three years in a public process, which includes public participation hearings held throughout SCE's 50,000-square-mile service territory. SCE files thousands of pages of documents to detail why the funding is needed and responds to requests from the commission's public interest arm, the Office of Ratepayer Advocates, and other public interest groups.

It is estimated that the CPUC should issue a decision on the rate case at the end of 2017.

Customers are encouraged to become aware of exactly how and when they use energy. Here are some helpful tips:

- Take advantage of SCE's online budget tools to help manage your bill, learn more about time-of-use rates, and get ideas on how to reduce electricity usage.
- Use a variety of tools that are available to better manage your energy use, including smart thermostats and rebates on energy efficient appliances.
- Take an online survey to help figure out exactly how you can achieve the mix of conservation and convenience that's best for your home.

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Item 6.C

Presentation by Southern California
Edison Representatives Regarding
Time of Use Rates and the General
Rate Case

Attachment 2

Energy rates brochure

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NEED MORE ANSWERS?

Need More Information on Managing Your Energy Use?

We're here to guide you throughout the rate transition and help you make the most of your energy use. Find helpful news, tools, and resources at on.sce.com/ratechange

Let's stay in touch.



[facebook.com/sce](https://www.facebook.com/sce)

Get great ideas from our community.



twitter.com/sce

Read the latest tips for using less energy.

© 2017 Southern California Edison. All rights reserved. Facebook is a trademark of Facebook, Inc. Twitter is a trademark of Twitter, Inc.

Programs are funded by California utility customers and are available on a first-come, first-served basis. Terms and conditions apply.



MAKE AN EASY TRANSITION TO NEW RATES.

As your energy partner, we're here to guide you with answers to help you make choices that best suit your needs.

Why Are Rate Simplifications Happening?

In 2014 and 2015, the California Public Utilities Commission (CPUC) adopted changes to the residential rate structure. The new tier structure shifts costs more evenly among all residential customers, based on your energy usage. As a result, you'll continue to see changes on your bill over the next few years.

How Will the Rate Simplifications Affect You?

Over the next few years, you may be transitioned to a Time-Of-Use (TOU) rate. We want to help you understand how the new rates will impact your bill—it could save you money on your monthly energy costs. TOU rates are available today, so go to our online rate comparison tool to see if you'll benefit from changing your rate.

How Will These Simplifications Help Californians?

The new rates distribute energy costs more fairly among all residential customers, based on their usage. Simplifying rates is intended, in part, to raise awareness and a better understanding of how energy is priced and to encourage conservation as the demand for energy grows here in Southern California. That will go a long way in sustaining California's energy future.

To find out more or use our rate comparison tool, visit on.sce.com/ratetool.

LEARN MORE ABOUT ENERGY RATES.

2244 Walnut Grove Ave., Rosemead, CA 91770



YOUR GUIDE TO ENERGY RATES.

Take charge of your options.



TIMELINE OF RATE CHANGES.

Over the next few years, most of our customers will transition to our Time-Of-Use (TOU) rate, giving you added control of your bill. Customers will always have the option to opt back in to tiered-rate pricing. Here is a timeline that shows you the next planned changes and when they will happen.

Find out more about Time-Of-Use rates on the next page.

2017

The rate tiers are modified—Tier 2 expands to include a portion of what was once Tier 3.

2017

A High Usage Charge is introduced for usage that exceeds 4x the allocated baseline.

The CPUC created this charge to encourage conservation.

2018

All residential customers begin to move to a TOU rate, but have the option to remain on tiered-rate pricing.

A RATE PLAN CAN HELP YOU SAVE MONEY.

Explore your rate options and find the one that fits your lifestyle.

A **Time-Of-Use (TOU) rate plan** may benefit you if most of your electricity usage is during mornings, late weeknights, or on weekends. Our TOU plans include a fixed monthly charge and different rates based on when you use energy as well as how much you use. You can decrease your bill by lowering your electricity use during on-peak hours when the cost of electricity is highest. By shifting your use of appliances that consume a high volume of energy to off-peak hours, you'll be using energy when the cost of electricity is less expensive.

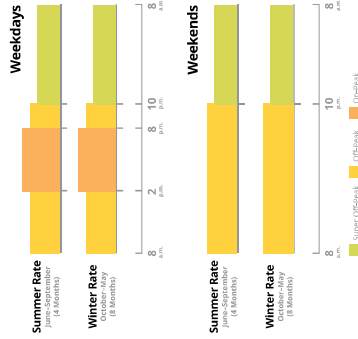
Our **Tiered Residential Rate Plan (Schedule D)** may benefit you if most of your electricity usage is on weekdays.¹ It is the plan currently serving most residential customers. This rate includes a monthly baseline charge* and a tiered rate that increases as your energy use increases.

Other Rate Plans That Can Make an Impact on Your Bill

You may be able to save with these additional options:

- **The Green Rate** supports local solar power by allowing us to purchase solar energy on your behalf
- **Electric Vehicle Rate Plans** can help drivers who charge their cars at home
- **Net Energy Metering** is designed for residents with homes equipped to generate solar energy

*Baseline Allocation represents the electricity necessary to supply a customer's 150 kilowatt (kW) of the reasonable needs of the average residential customer, such as lighting, cooking, heating, and refrigeration. Each tier has a certain amount of energy allocated to it—if you use more energy than is allocated to that tier, you move to the next, higher-priced tier.



WHAT ARE THE BEST WAYS TO LOWER YOUR ENERGY USE—AND YOUR BILL?

In addition to finding a rate plan that can help you save money, you can also manage your energy bill with these helpful tips, rebates, and energy-efficiency programs.

ENERGY-SAVING TIPS

- **Leave the oven off**—Cook with your grill or microwave to keep your home cooler
- **Give your air conditioner a rest**—When you can, cool your home with open windows and fans
- **Unscrew inefficient bulbs**—Replace your incandescent light bulbs with more efficient LEDs
- **Block out the sun**—Close your blinds to keep out the afternoon heat
- **Plug in smarter**—Use power strips for home electronics and turn them off when equipment is not in use
- **Keep your freezer full**—An empty freezer uses more energy to stay cold; pack your freezer with more food or even with gallon containers of water

MORE WAYS TO MANAGE YOUR ENERGY USE AND SAVE

- **Rebates and incentives**—Learn about several rebates and savings programs to better manage your energy costs at on.sce.com/rebates
- **My Account**—View your current statement, pay your bill, or look up usage and account history to stay informed and in control of your energy use and costs at on.sce.com/myaccount
- **Budget Assistant**—Set spending goals, track your costs online, and receive alerts on your projected bill; visit on.sce.com/ba for more details
- **Energy Savings Assistance Program**—We provide free energy-efficient appliances to help qualified customers save energy and reduce their bills; for more information, visit on.sce.com/esap

Visit on.sce.com/homeenergyguide to start making the most of these and other useful resources.



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Community Choice Aggregation Program Activities Update Including a Request for Action to Approve CCA Governance and Staffing Arrangement Documents As Well As Selection of Consultants to Provide CCA Operational / Staffing Services

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

Date: August 7, 2017

The purpose of this item is to present and review the draft Community Choice Aggregation (CCA) Joint Powers Agreement (JPA), Bylaws, and CCA operational and marketing services documents and contracts, and request that the Executive Committee consider approving recommendations provided below.

Requested Actions:

1. Approve the CCA Joint Powers Agreement and Bylaws.
2. Approve the draft agreement between WRCOG and the CCA for staffing services.
3. Direct and authorize the Executive Director to negotiate and enter into an agreement with The Energy Authority and EES Consulting to provide CCA Operational Services.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing the formation of CCAs as a way to lower energy costs and/or provide a "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue the feasibility of CCA for Western Riverside County. WRCOG, the San Bernardino Council of Governments (SBCOG), and the Coachella Valley Association of Governments (CVAG) have funded a joint, two-county feasibility study in response to the Executive Committee's direction; the study has recently been completed and was presented to the Committee previously.

Draft Joint Powers and Bylaws Agreements update: On July 12, 2017, the Administration & Finance Committee received a report on the draft CCA JPA and Bylaws documents (Attachments 1 and 2). Staff had previously released these documents for jurisdictions to send to their respective legal counsels for review. Staff received comments from five member jurisdictions and provided responses to the questions / comments during the Administration & Finance Committee meeting (Attachment 5), and also provided the opportunity for Committee members to provide direction on four key areas of CCA governance; purpose, voting, participating members, and dispute resolution. Upon discussion and direction, the Administration & Finance Committee directed staff to release the responses to all member jurisdictions indicating that final resolution of these four key areas should be left to the new CCA JPA members to determine.

The recommendation provided in this report is to approve the format of the CCA JPA and Bylaws documents so that staff can move forward with scheduling introductory meetings with member jurisdictions, using these documents to help jurisdictions gain a sense of how the CCA might operate as they gather information regarding whether to participate in a potential CCA. It is important to note that action by the Executive Committee does not bind WRCOG nor its member jurisdictions into joining the CCA. That action must be

taken by each member jurisdiction.

While a proposed timeline for CCA formation has been introduced, the intent is not to make member jurisdictions feel that it must join the CCA by a specific time or that it must join the CCA at all. Instead, the timeline serves as an iteration of next steps and anticipated schedule for WRCOG to adhere to as it strives to move CCA activities forward while at the same time providing informational briefings to member jurisdictions. The proposed timeline lays out an option within which the CCA could be operational within the subregion. Staff understands that there is still a great deal of educational outreach for WRCOG to complete with its members and is working to schedule meetings to present CCA information and background, etc., during Study Sessions, individual meetings, and/or Council / Board meetings. Once a jurisdiction indicates that it is interested in moving forward, staff will work with them on joining the CCA in a more focused manner.

Proposed CCA staffing services: Based on a recommendation provided from the CCA Ad Hoc Committee and Administration & Finance Committee, the proposed JPA (a separate entity from WRCOG) will initially operate under an administrative management agreement between the new CCA JPA and WRCOG for the provision of staffing and agency oversight services for as long as the CCA desires. Staff has worked with BB&K to develop the attached Scope of Services (Attachment 3), which ultimately will be finalized by a future CCA Board. As part of this staff report, a recommendation is also provided (see discussion below) regarding the selection of a consultant team to provide CCA support services.

Branding, marketing and outreach: On July 12, 2017, the Administration & Finance Committee approved a contract with a local marketing firm, The Creative Bar, to provide branding and marketing for the CCA Program. Outreach and marketing to the local jurisdictions, as well as to the community, is key in having the CCA be a success.

The Creative Bar will provide the following services:

- Branding: Program name, logo, core messaging
- Develop interactive website with translation and opt-out features
- FAQs and develop basic program collateral
- Public outreach and marketing plan (including multi-lingual, multi-cultural)
- Community engagement presentations, public workshops, event tabling, local sponsorships / memberships, key stakeholder meetings, etc.
- Press outreach / earned media (op-eds, featured stories, local radio and TV)
- Advertising campaign (paid media, social media, etc.)
- Develop call center script / call center live
- Prepare customer enrollment notices by phase, including NEM customers
- Manage customer enrollment printing and mailing
- Manage subsequent enrollments and develop ongoing community presence

CCA operational service assistance: WRCOG released an RFP for CCA Operational Service Assistance, which closed on April 6, 2017. The RFP was written in a manner whereby respondents could provide bids on all aspects of CCA operation for a potentially fully outsourced scenario. WRCOG and CVAG received nine proposals and interviewed six firms on May 23, 2017. On June 26, 2017, WRCOG and CVAG held a second interview with the proposers and are recommending that The Energy Authority (TEA), with the addition of EES Consulting, be recommended to the Executive Committee, authorizing the Executive Director to enter into negotiations and contracts for CCA operational services.

TEA and its subconsultants are being recommended for their expertise and experience with implementing CCAs in California (Peninsula Clean Energy, Redwood Coast Energy Authority, and Silicon Valley Clean Energy, to name a few), their ability to provide upfront capital and credit, and for establishing a team that will reduce the need for WRCOG to hire additional staff during the initial start-up. EES Consulting is being recommended for its expertise in regulatory filings, rate setting, and development of the Integrated Resource Plan.

The TEA proposal anticipates one-time upfront costs of approximately \$400,000, with an estimated annual

operating expense between \$5 million and \$8 million for its services. Through the agreement between WRCOG and the CCA, WRCOG will be able to utilize unallocated PACE funds to finance initial CCA costs; these costs would be recouped through the implementation of the CCA.

Costs do not include the start-up costs for working capital for the power procurement which is estimated between \$21 million and \$50 million, depending on the amount of customers the CCA provides services to. Only a portion of the funds (5% to 10%) will actually be needed at implementation. The remainder will be built up over time through a reserve that will be used to build credit worthiness for the CCA. This capital is needed to cover the first few months of initial operations (billing, etc.), staffing, legal, and internal operations until a revenue stream is realized through the payment of utility bills by customers. The majority of the initial funds needed for this phase of the Program will come from either CCA bonding and/or securing a loan. Other CCAs in California have successfully secured loans for the initial capital and have been able to repay the loans within the first three years. To assist the CCA with a successful launch, utilizing TEA's credit services will assist in lowering the amount of upfront capital needed to begin operations.

The following is an overview of the services that the TEA team, along with EES Consulting, will be presenting:

The Energy Authority

- Power procurement and credit support
- CAISO scheduling coordinator
- Portfolio planning & risk management
- Market & credit risk reporting
- Financial and technical analysis

Calpine

- Data management
- Call Center
- Billing administration
- Electronic data exchange
- Customer relationship management
- Reporting services

LEAN Energy

- Implementation support
- Program and policy development support

EES Consulting

- Rate setting
- Integrated Resource Plan development
- Regulatory reporting and tracking

Timeline: Staff is working to refine the proposed timeline (Attachment 4) for launch of the CCA and has a goal of launching Phase 1 by July 2018, and Phase 2 in early 2019. In its initial analysis, Phase 1 would consist of municipal accounts with 5% commercial, and Phase 2 would be the remaining accounts. Upon discussions with TEA, it may be more cost effective to change those Phases into groups of participating jurisdictions. This could mean setting jurisdictional enrollment periods (i.e., jurisdictions that joined through XXX would launch first and those jurisdictions that joined the CCA between XX and XX would launch after, and so on). This would allow jurisdictions time to analyze or watch the implementation of the CCA to determine if it's in its best interest to join. Staff wants to make it very clear that there are no requirements for all non-municipal utility jurisdictions within the subregion to join and that it is not asking the WRCOG Executive Committee to make that recommendation.

Staff also understands that there is still much educational work to complete with its members and is looking forward to presenting CCA efforts in a variety of municipal settings

Comments regarding CCA concerns: Recently, many jurisdictions received correspondence (attached) from The American Coalition for Sustainable Communities regarding the subregion's efforts to explore a Community

Choice Aggregation Program. Staff wanted to provide you with its responses to the comments made:

1. Comment: Exit Fee and/or Power Charge Indifference Adjustment (PCIA) is volatile and is not taken into account in the Study

WRCOG Response: *The Feasibility Study that WRCOG, Coachella Valley Associations of Governments (CVAG), and San Bernardino Council of Governments (SBCOG) conducted included very conservative numbers and did take into account the Exit Fee or PCIA.*

The California Public Utility Commission (CPUC) projects that CCAs and direct access providers will be a significant source of retail electric load in the coming years. In consideration of this shift from IOU to non-IOU provided sources of retail electricity, the CPUC has sought informal comments from the public on consumer choice and the role of the utility. In addition, the CPUC held workshops in 2016 to discuss how PCIA should be calculated and the inputs to the calculation. In early 2017, the IOUs filed a joint request with the Commission to change the PCIA rate structure, known as PAM (Portfolio Allocation Method). In furtherance of the recommendations from the PCIA workshops and in response to the IOU's PAM application, the CPUC instituted a rulemaking proceeding on June 29 to examine alternatives to the PCIA. As part of the order instituting the rulemaking, the CPUC dismissed the IOU's PAM application, but is allowing the IOUs to propose the PAM methodology as an alternative to PCIA.

Nothing has been concluded by the CPUC. The PCIA proceeding will be open until at least 2019. Although the CPUC may change the current PCIA methodology, it is unlikely to adopt the PAM alternative in light of the growth of CCA throughout the state and the State's reliance on CCA to provide competition in the retail electricity market given the IOUs' monopoly status. Furthermore, the CCA will have at least two years under the current PCIA formula. This will allow time to accumulate a larger financial reserve to stabilize CCA rates if needed until the PCIA comes down due to expiration of older and higher cost IOU PPA contracts.

2. Comment: AB 1110 anti-REC legislation - CCAs use renewable energy certificates (RECs) as a low cost method for keeping prices low and advertising low greenhouse gas (GHG) emissions.

WRCOG Response: *AB 1110 is not "anti-REC" legislation. AB 1110 and the accompanying regulations being developed by the CEC will require electricity retailers to disclose the emissions from greenhouse gases that are associated with their power sources. Retail providers, such as CCAs, cannot adjust their calculation of emissions from greenhouse gases from unbundled RECs, which in some cases could deter the purchase of unbundled RECs from unverified power sources. The WRCOG proposed CCA has not assumed unbundled RECs in the feasibility studies that have been performed. Thus, there is no impact on projected CCA cost savings.*

3. Comment: The JPA document does not protect the member jurisdictions general fund

WRCOG Response: *The Joint Exercise of Powers Act at Government Code section 6508.3 and Public Utilities Code section 366.2(c)(12) provide that members of a JPA, including a CCA JPA, do not take on the obligations and liabilities of the JPA unless they voluntarily assume them. This issue has been upheld by a California appellate court in the case of Tucker Land Company v. State of California, 94 Cal. App. 4th 1191 (2001) where the court held that JPA members are not personally liable for a judgment against a JPA. Thus, power resale liability are the sole responsibility of the JPA. A member agency that withdraws from a CCA JPA, however, will be responsible for any costs related to an outstanding power contract that has not been fulfilled on its behalf. Although we are unaware of any jurisdictions withdrawing from CCAs after a JPA has formed, it is likely that the member would withdraw upon the completion of all duties under the power contract, so that those costs are not paid for by the member's general fund.*

Prior Action:

July 12, 2017:

The Administration & Finance Committee recommended the Executive Committee 1) approve the CCA Joint Powers Agreement and Bylaws; 2) approve the draft agreement between WRCOG and the CCA for staffing services; 3) direct and authorize the Executive Director to negotiate and enter into an agreement with The Energy Authority and EES Consulting to provide CCA Operational Services; and 4) authorize and direct the Executive Director to enter into an agreement, substantially as to form, not to exceed \$100,000 with The Creative Bar for branding and marketing services.

Fiscal Impact:

WRCOG costs associated with CCA administration would be initially paid for from existing Agency carryover funds, and would be recouped from the CCA once it becomes operational. (An agreement between WRCOG and the CCA will identify responsibilities and mechanisms for cost recovery.)

Attachments:

1. Revised draft Joint Powers Agreement.
2. Draft CCA Bylaws.
3. Draft agreement between WRCOG and the CCA.
4. Proposed Timeline.
5. Response to Comments on the CCA JPA and Bylaws.
6. Correspondence from American Coalition for Sustainable Communities.

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Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 1

Revised draft Joint Powers
Agreement

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JOINT POWERS AGREEMENT COMMUNITY CHOICE ENERGY

This Joint Powers Agreement (“**Agreement**”), effective as of _____, 2017 (“**Effective Date**”) is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit A (“**Member Agencies**”). The term “**Member Agencies**” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

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

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

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

AGREEMENT

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

SECTION 1. FORMATION OF AUTHORITY

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

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

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

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

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

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

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

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

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

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

1.5.6 To lease any property;

1.5.7 To use and be sued in its own name;

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

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

1.5.10 To issue revenue bonds and other forms of indebtedness;

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

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

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

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

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

SECTION 2: GOVERNANCE

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

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

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

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

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

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

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

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

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

2.10 Officers.

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

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

2.10.3 Treasurer/Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom need be members of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may be appointed as the Treasurer and Auditor.

Such person or persons shall possess the powers of, and shall perform those functions required of them by California Government Code §§ 6505, 6505.5, and 6505.6, and by all other applicable laws and regulations and amendments thereto.

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

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

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

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

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

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

SECTION 3: PARTICIPATION IN AUTHORITY AND IMPLEMENTATION OF CCA PROGRAM

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

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

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

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

3.1.4 Payment of a membership payment, if any; and

3.1.5 Satisfaction of any conditions established by the Board.

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

3.3 Implementation of CCA Program.

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

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

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

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

SECTION 4: FINANCIAL PROVISIONS

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

4.2 Treasurer. The Treasury of the member agency whose Treasurer is the Treasurer for the Authority shall be the depository for the Authority. The Treasurer of the Authority shall have custody of all funds and shall provide for strict accountability thereof in accordance with California Government Code § 6505.5 and other applicable laws. The Treasurer shall perform all of the duties required in California Government Code § 6505 *et seq.* and all other such duties as may be prescribed by the Board.

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

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

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

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

occurring in the performance of an agreement, no Member Agency is jointly or severally liable for such injury.

SECTION 5: WITHDRAWAL AND TERMINATION

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

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

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

5.4 Continuing Liability. Except as provided by Section 5.2, upon the withdrawal or involuntary termination of a Member Agency, the Member Agency shall remain responsible for any claims, demands, damages, or liabilities arising from the Member Agency's membership or participation in the Authority through the date of its withdrawal or termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member Agency may remain liable, include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Member Agency's load and the administrative costs associated thereto. The Authority may withhold funds otherwise owed to the Member Agency or require the Member Agency to deposit sufficient funds with the Authority, as reasonably determined by the Authority to cover the Member Agency's costs described above. Upon notice by a Member Agency that desire to withdraw from the Authority, the Authority shall notify the Member

Agency of the minimum waiting period under which the Member Agency would have no costs for withdrawal if the Member Agency agrees to stay in for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member Agency elects to withdraw from the Authority before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset the actual costs to the remaining ratepayers served by the Authority, and may not include punitive damages that exceed actual costs.

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

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

SECTION 6: MISCELLANEOUS PROVISIONS

6.1 Dispute Resolution. The Member Agencies and Authority shall make efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Member Agency or Member Agencies and the Authority shall engage in nonbinding mediation in the manner agreed to by the Member Agency or Member Agencies and the Authority. In the event that nonbinding mediation does not resolve a dispute within 120 days after the demand for mediation is made, any Member Agency or the Authority may pursue any all remedies provided by law.

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

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

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

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

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

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

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

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

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[INSERT SIGNATURE PAGES]

EXHIBIT A

List of Member Agencies

EXHIBIT B

Administrative Services Agreement with the Western Riverside Council of Governments

Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 2

Draft CCA Bylaws

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BYLAWS FOR THE _____ ENERGY AUTHORITY

ARTICLE I FORMATION

These Bylaws are provided for the organization and administration of the _____ Energy Authority (“**Authority**”) which has been established pursuant to the _____ Authority Joint Powers Agreement (“**Agreement**”). These Bylaws supplement the Agreement.

ARTICLE II PURPOSES

The Authority is formed to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include, but are not limited to, the establishment of a Community Choice Aggregation Program known as the CCA Energy Program in accordance with the terms of the Agreement.

ARTICLE III BOARD OF DIRECTORS

Section 1. Board of Directors.

The Authority shall be governed by a Board of Directors composed of one representative of each of the Member Agencies. The Board shall have all the powers and functions as set forth in Section 1.5 of the Agreement. The governing body of each Member Agency shall appoint and designate in writing to the Authority one regular Director who shall be authorized to act for and on behalf of the Member on all matters within the power of the Authority. The governing body of each Member Agency shall also appoint and designate in writing to the Authority one alternate Director who may vote on all matters when the regular Director is absent for a Board meeting. Both the Director and the Alternate Director shall be members of the governing body of the Member Agency.

Section 2. Appointment

Each Director and Alternate Director shall serve at the pleasure of the governing body of the Member Agency that the Director represents and may be removed as Director or Alternate Director by such governing body at any time.

Section 3. Vacancy

If at any time a vacancy occurs on the Board, for whatever reason, a replacement shall be appointed by the governing body of the subject member to fill the position of the previous Director within ninety days of the date that such position becomes vacant.

ARTICLE IV OFFICERS AND TERMS OF OFFICE

Section 1. Officers

There shall be a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer.

- A. Chairperson. The Chairperson of the Authority shall be a Director. Duties of the Chairperson are to supervise the preparation of the business agenda, preside over Authority meetings, and sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board. The term of office of the Chairperson shall be for one year.
- B. Vice-Chairperson. The Vice-Chairperson shall be a Director. The Vice-Chairperson shall perform the duties of Chairperson in the absence of such officer. The term of office of the Vice-Chairperson shall be for one year.
- C. Secretary. The Secretary will supervise the preparation of the meeting minutes and the maintenance of the records of the Authority. The term of the Secretary shall be for one year. The Secretary does not need to be a Director.
- D. Treasurer and Auditor. The Treasurer shall have custody of all the money of the Authority and shall have all of the duties and responsibilities specified in Government Code § 6505.5. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The positions of Treasurer and Auditor may be combined into one position known as the Treasurer/Auditor of the Authority. Neither the Treasurer nor the Auditor needs to be a Director. The term of the Treasurer and Auditor shall be for one year. The Board may transfer the responsibilities of the Treasurer and Auditor to any person or entity permitted by law.
- E. Election of Officers. An annual meeting of the Board shall be held in [INSERT MONTH] of each year or as soon thereafter as possible to elect the officers of the Authority.
- F. Terms of Office. The elected Chairperson and Vice-Chairperson shall assume office at the close of the meeting of their election and each officer shall hold office for one year, or until his or her successor shall be elected.
- G. No Term Limits. There are no limits on the numbers of terms that an officer of the Authority may serve.
- H. Committees. The Board or the Chairperson may delegate specified functions or actions to a committee that may be established by the Board. Each duly established committee may establish any standing or ad hoc committees determined to be appropriate or necessary. The duties and authority of all committees shall be subject to the approval and direction of the Board.

ARTICLE V MEETINGS

Section 1. Regular Meetings

The Board by resolution shall establish the date, time and meeting location of all regular meetings of the Board. Special meetings may be called upon the request of a majority of the members of the Board or by the Chairperson.

Section 2. Open Meetings

The meetings of the Board, the Executive Committee and all other committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (California Government Code § 54950 *et seq.*).

ARTICLE VII VOTING

Each member of the Board shall have one vote on all matters unless otherwise provided by the Agreement or these Bylaws. Unless the Agreement or these Bylaws require a two-thirds vote, action on all items shall be determined by a majority vote of the quorum present and voting on the item.

ARTICLE VIII POLICY REGARDING CONFIDENTIAL INFORMATION DISCLOSED DURING CLOSED SESSIONS

It is vital that members of the Board divulge certain privileged information obtained in closed sessions at the Authority to their own governing bodies meeting in closed sessions. Thus, these Bylaws adopt the policy set forth in California Government Code § 54956.96, which authorizes the disclosure of closed session information that has direct financial or liability implications for that Member Agency to the following individuals.

- A. All information received by the governing body of the Member Agency in a closed session related to the information presented to the Authority in closed session shall be confidential. However, a member of the governing body of a Member Agency, or his/her duly appointed alternate to the Authority, may disclose information obtained in a closed session that has direct financial or liability implications for that Member Agency to the following individuals:
 - 1. Legal counsel of that Member Agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Member Agency.
 - 2. Other members of the governing body of the Member Agency present in a closed session of that Member Agency, as well as other persons that may be invited to attend the closed session by the Member Agency's governing body.

- B. The governing body of the Member Agency, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the Authority pursuant to this policy.

ARTICLE IX

EXECUTIVE DIRECTOR

Section 1. Duties.

In addition to those duties set forth in the Agreement, the duties of the Executive Director are:

- A. To administer all contracts.
- B. To have full charge of the administration of the business affairs of the Authority.
- C. To exercise general supervision over all property of the Authority.
- D. To accept, on behalf of the Authority, easements and other property rights and interests.
- E. To be responsible for the purchase of all supplies and equipment of the Authority.

Section 2. Contracts.

The Executive Director is authorized to contract and execute on behalf of the Authority, contracts for supplies, equipment and materials, and consultants not to exceed \$100,000.00, provided the contract relates to purposes previously approved and budgeted by the Board.

ARTICLE VIII

DEBTS, LIABILITIES AND OBLIGATIONS

As provided by Section 6.2 of the Agreement, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the individual Member Agencies.

ARTICLE IX

AMENDMENTS

These Bylaws and any amendments may be amended by the Board.

Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 3

Draft agreement between WRCOG
and the CCA

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IMPLEMENTATION AND MANAGEMENT SERVICES AGREEMENT
BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND THE [INSERT ENTITY NAME]

This Management Services Agreement (“**Agreement**”) is made and entered into by and between the Western Riverside Council of Governments (“**WRCOG**”) and the [INSERT ENTITY NAME] (“**Authority**”) and shall become effective upon the terms set forth herein. WRCOG and Authority are sometimes referred to in this Agreement individually as a “**Party**,” or collectively as “**Parties**.”

RECITALS

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

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

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

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

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

E. WHEREAS, WRCOG has the power to make and enter into contracts under Section 1.2.2 of the WRCOG JPA and Implementation Agreements pursuant to Article VIII of the WRCOG JPA; and

F. WHEREAS, the Authority is a public agency formed by a Joint Powers Agreement (“**Authority JPA**”) made and entered into on the ____ day of _____ 2017, pursuant to Government Code section 6500 *et seq.* and other pertinent provisions of law, by and between the County of Riverside and numerous cities located within Western Riverside County; and

G. WHEREAS, the purpose of the formation of Authority is to establish an independent public agency in order to exercise powers common to each Member Agency to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related and climate change programs related to a Community Choice Aggregation program (“**CCA Program**”), and to exercise all other powers necessary and incidental to accomplishing this purpose; and

H. WHEREAS, Authority now consists of [INSERT ENTITIES]; and

I. WHEREAS, Section 3.3 of the Authority JPA sets forth numerous powers of the Authority in carrying out its purposes, including the power to make and enter into contracts and to employ agents, consultants, attorneys and employees. Section 2.12 of the Authority JPA authorizes the Authority through its Board of Directors (“**Board**”) to appoint an Executive Director (“**Executive Director**”) and an attorney. Under Section 2.13, the Authority Board may also

contract with its member agencies for the use of employees of the member agencies on mutually agreeable terms and conditions; and

J. WHEREAS, Section 2.12 of the Authority JPA sets forth certain powers and duties of such Executive Director or other employees of the Authority to whom the Board delegates authority; and

L. WHEREAS, the Authority now desires to contract with WRCOG to provide an Executive Director and such other staff and consultants as required to assist the Authority in its obligations to implement the CCA Program to ensure a regional perspective.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. APPOINTMENT OF EXECUTIVE DIRECTOR. The Authority hereby retains WRCOG, acting through its Executive Director, to serve as the Authority Executive Director and staff of the Authority to fulfill the needs and requirements of the Authority, and WRCOG agrees to provide such services through such personnel as may be required by the Authority, all upon the terms set forth below.

2. DUTIES OF WRCOG. WRCOG shall administer, coordinate, and supervise the activities of the Authority as set forth in the Authority JPA, and shall act for the Authority in accomplishing its purposes set forth in Section 3.2 of the Authority JPA. The Authority Executive Director appointed in Section 1, above, acting either individually or through such personnel as he or she shall from time to time appoint, shall have and exercise all of those powers and responsibilities of the Authority enumerated in Sections 1.5 and 2.14 of the Authority JPA and of the Authority Executive Director enumerated in Section 2.12 of the Authority JPA.

3. OTHER PERSONNEL SERVICES. The Authority Executive Director may retain and appoint additional staff as may from time to time be necessary or convenient to fulfill the needs of the Authority. Such additional staff may be retained as WRCOG employees or contractors. If such additional staff are employees of the member agencies of the Authority, an

amendment shall be required to the agreement for staffing and services between the member agency and the Authority.

4. TERM; TERMINATION. This Agreement shall be effective for a three-year term as of the effective date of the certain document entitled [INSERT AUTHORITY JPA AGREEMENT NAME], dated _____, 2017, and only upon execution by both Authority and WRCOG. Once effective, this Agreement shall continue thereafter for successive three-year terms without further action by the Authority Board or WRCOG. This agreement may be terminated at any time by either party giving the other party six (6) months prior written notice.

5. COMPENSATION. In consideration of WRCOG's performance of the services as set forth herein and retention of consultants or incurring of other costs in the performance of this Agreement the Authority shall pay to WRCOG the sums specified in Exhibit A attached hereto. Such sums shall be paid at the times and in the manner specified in Exhibit A. In the event of the early termination of this Agreement under Section 4 above, the Authority shall, with respect to fixed compensation amounts such as personnel salaries and general overhead charges, pay WRCOG a pro rata proportion of the monthly payment represented by the proportion of days of the payment month which this Agreement remains in effect.

6. INDEMNIFICATION AND INSURANCE.

A. Authority shall defend, indemnify and hold the WRCOG, its officials, officers, consultants, 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 in connection with this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses, except for losses ultimately determined to be the result of the sole negligence or willful misconduct of WRCOG. Authority shall defend, at Authority'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, consultants, employees, agents or volunteers in any manner arising out of or in

connection with this Agreement. Authority and WRCOG shall reasonably cooperate in all aspects involving any defense made pursuant to this section. Authority shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding in any manner arising out of or in connection with this Agreement. Authority shall reimburse WRCOG and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Authority's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement.

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

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

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

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

If to the Authority:

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

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

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

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

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

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

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

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

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

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

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

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

DATE: _____

BY: _____

NAME: _____

[INSERT ENTITY NAME]

DATE: _____

BY: _____

NAME: _____

EXHIBIT A

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

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

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

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

Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 4

Proposed Timeline

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Implementation and Timeline

Who		Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019		
		J	A	S	O	N	D	J	F	M
		J	A	S	O	N	D	J	F	M
Program Governance/JPA Issues										
WRCOG	Work with COGs, their members and staff to determine program service territories, governance and mgmt. structure(s)									
WRCOG	Draft new or modify existing JPA Agreement(s) for one or more CCA agencies									
WRCOG	Draft and adopt CCA Ordinances/JPA resolutions (cities/counties)									
WRCOG	Determine CCE-related voting and need for extended or separate Board meetings									
WRCOG	Prepare CCE-related program policies and approve operating budget									
WRCOG	Develop CCA staffing plan(s); hire director(s) and any other staff once governance and structure is determined									
WRCOG	Consider CCA related committees (e.g. citizens advisory committee or technical committee)									
Implementation Services/Project Management										
All	Finalize vendor service contract(s); kick off meeting to establish team member roles, contacts, steps and timing									
WRCOG	Establish implementation goals, tasks, workplan and finalize timelines for formation and launch									
WRCOG	Confirm method of team communication/frequency; participate in team meetings/calls									
WRCOG	Finalize program budget(s) and establish chart of accounts to track expenses									
WRCOG	Support outreach to determine which municipalities will be part of initial program(s) [Submit Imp. Plan by December]									
WRCOG	Prepare reports, provide updates for City Council(s) and Board of Supervisors									
WRCOG	Develop and track performance metrics in collaboration with Client									
WRCOG	Support JPA Board meetings and all elements of program administration/operations									
WRCOG	Help develop admin/org infrastructure as needed (e.g. office space, equipment, insurance policies, etc)									
Communications/Marketing										
Creative Bar	Update FAQs and develop basic program collateral									
Creative Bar	Develop public outreach and marketing plan (including multi-lingual, multi cultural)									
Creative Bar	Branding: program name, logo, core messaging									
Creative Bar	Develop interactive website with translation and opt-out features									
Creative Bar	Community engagement-presentations, public workshops, event tabling, local sponsorships/memberships, key stakeholder meetings, et al									
Creative Bar	Press outreach/earned media (op-eds, feature stories, local radio and TV)									
Creative Bar	Implement advertising campaign (paid media, social media, et al)									
Creative Bar	Develop call center script/Call Center live									
Creative Bar	Prepare customer enrollment notices; by phase, including NEM customers									
Creative Bar	Manage customer enrollment printing and mailing									
Creative Bar	Manage subsequent enrollments and develop ongoing community presence									
Technical/Energy Services										
TEA	Update load data analysis, verify assumptions and generate load forecast									
TEA	Develop proforma model for operating budgets, forecasts, headroom calculations; determination of credit needs									
TEA	Determine power supply portfolio mix and product options, (i.e. default and voluntary products)									
TEA	Provide wholesale market, IOU generation / PCIA rates and energy risk management overview and training									
TEA	Develop and document Energy Risk Management Policy and initial procurement strategy; obtain Board approval									
TEA	Procure Phase 1 power requirements (energy, RA and RPS) using TEA's counterparty credit and contracts									
TEA	Initial rate design for Phase 1 customers									
TEA/Calpine	Meet with SCE to review timeline and customer enrollment plans									
TEA	Assist with SCE certification and complete all registrations for program compliance (CPUC, WREGIS etc)									
TEA	Build short-term load forecast model and setup transfer of SQMD load data to TEA									
TEA/Calpine	Prepare Utility Service Agreement, Deposits and Bond Posting									
TEA	CAISO SC setup (submit SC request letter, new SCID, setup digital certs), configure TEA's systems /draft desk procedures									
TEA	CAISO CRR registration (provide officer certification, risk policies, post \$500k minimum requirements, other CAISO requirements)									

Implementation and Timeline

Who		Q3 2017		Q4 2017		Q1 2018			Q2 2018		Q3 2018			Q4 2018			Q1 2019					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
TEA	Issue and manage power supply procurement process for Phase 2 loads (board approvals, RFPs, bid evaluation)																					
TEA	Negotiate and secure counterparty agreements (ISDAs, EEIs, WSPPs, et al)																					
TEA	Support rate design, rate setting and approvals (incl PCIA and utility cost comparisons, FiT and NEM tariffs, 100% voluntary product, etc)																					
TEA/Calpine	Confirm and assist with standard reporting requirements																					
Calpine	Automate data exchange between selected proposer and CCA																					
TEA/EES/TV	Develop initial assessment of local DER potential to support long-term procurement and IRP plans																					
EES/TV	Create Integrated Resource Plan in compliance with SB 350 and the goals of the CCE program (Initial IRP prepared in 2019)																					
Data Management/Call Center																						
Calpine	Finalize data management and call center plans																					
Calpine	Infrastructure and Application configuration																					
Calpine	CRM Install and Configuration																					
Calpine	EDI Certification (utility and bank)																					
Calpine	Scripting and FAQ Approval																					
Calpine	IFrame Approval and Configuration																					
Calpine	IVR Recordings																					
Calpine	Phone & IVR Programming																					
Calpine	Hiring Customer Service Representatives																					
Calpine	Training Customer Service Representatives																					
Calpine	CAISO/OMAR Configuration																					
Calpine	Call Center Live																					
Calpine	List of Phase 1 customers																					
Calpine	1st opt-out period (90 days out)																					
Calpine	2nd opt-out period (60 days out)																					
Calpine	Program rates and reports																					
Calpine	Utility account set up ("dead period")																					
Calpine	Account Switches/Program Live																					
Calpine	1st Full Billing Cycle																					
Calpine	3rd opt-out period (30 days post)																					
Calpine	4th opt-out period (60 days post)																					
Calpine	2nd Full Billing Cycle																					
Calpine	Settlement Quality Meter Data Reporting																					
Calpine	Billing Administration																					
Calpine	Customer Service																					
Finance/Banking																						
TEA	Clarify power supply credit requirements																					
TEA/WRCOG	Develop CCE operating budget (based on final votes/load) and annual budgets thereafter																					
TEA	Determine bank related services and need for additional operating capital																					
TEA/Calpine	Interview and select banking partner if different from existing bank partner																					
Calpine	Establish CCA deposit and lockbox accounts (Bank, SCE, Calpine)																					
TEA/Client	Establish fiscal management policies to augment risk mgmt policies																					
Calpine	Coordinate with data management vendor to ensure daily deposits and controls																					
TEA/Calpine	Determine plan for internal accounting and annual audits																					
Regulatory/Legislative																						
EES/BBK/WRCOG	Begin monitoring CCE-related regulatory and legislative activity and participating in statewide efforts																					

Who		Implementation and Timeline																				
		Q3 2017			Q4 2017			Q1 2018			Q2 2018			Q3 2018			Q4 2018			Q1 2019		
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
EES/BBK/WRCOG	Develop monthly regulatory and legislative reports for staff and Board leadership				ONGOING																	
EES/BBK/WRCOG	Closer to operations, begin deeper regulatory engagement by participation in proceedings and rulemakings at the CPUC																					
EES/BBK/WRCOG	Register with the CPUC and obtain party status for priority regulatory proceedings																					
EES/BBK/WRCOG	Ensure full regulatory/program compliance and related reporting																					

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Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 5

Response to Comments on the CCA
JPA and Bylaws

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**COMMENTS OF WRCOG MEMBER AGENCIES
REGARDING DRAFT JOINT POWERS AGREEMENT AND BYLAWS
Updated 7/12/13 with WRCOG Administration and Finance Recommendations**

City of Hemet

1. General Overall Comment: A city should understand the politics of other member agencies because there may be differing viewpoints on climate change, and the policy actions of the JPA could require actions that are inconsistent with the member agency's individual interests.

WRCOG Response: *WRCOG staff notes that the proposed JPA will not direct a member agencies' energy and climate change programs within its boundaries. The JPA's primary duty is purchase electricity on behalf of member agency ratepayers that remain opted into the CCA program. Member agencies may elect to participate in other CCA related programs, as established by the Board of Directors. Thus, participation in other programs by participating member agencies would be voluntary.*

2. General JPA Comment: The proposed JPA follows the broad requirements of the Joint Exercise of Powers Act.

WRCOG Response: *The purpose language is intended to be broad. It is consistent with other CCA JPAs and allows flexibility for the JPA to offer additional programs, should the CCA Board of Directors agree, without having to amend the JPA.*

The WRCOG Administration and Finance Committee directed to leave the Purpose broad so that the new CCA Board of Directors could make the determination if it wanted to be more specific.

3. JPA Section 1.4 (Purpose): The purpose statement is broad and includes energy efficiency, conservation and climate change programs. This may need to be clarified. The JPA would have broad jurisdiction over unspecified programs, and a city should be aware of and weigh the risks of the social and political implications of this.

WRCOG Response: *The purpose language is intended to be broad. It is consistent with other CCA JPAs and allows flexibility for the JPA to offer additional programs, should the CCA Board of Directors agree, without having to amend the JPA. Some examples of potential future projects could include applying for funds from the CPUC's Energy Efficiency Program, which provides ratepayer funds to implement local projects (i.e., additional rebates, low income programs, etc.), or invest in advancing electric vehicle infrastructure. While not all member agencies may want to participate in all of the CCA JPA's programs, allowing flexibility in the JPA is recommended. The issue in this case then becomes whether and how the JPA indemnifies those non-participating agencies.*

The WRCOG Administration and Finance Committee directed to leave the Purpose broad so that the new CCA Board of Directors could make the determination if it wanted to be more specific.

4. JPA Section 2.9 (Voting):
 - a. The language should be clarified to say that that all decisions, unless a higher vote threshold is specifically required, must be by a majority of a "quorum" of the members of the board – not just a majority of those present, which could be less than a quorum.
 - b. The JPA also later provides that some decisions require a higher standard for approval, such as a vote to expel a member agency or a vote to exercise eminent domain powers within the territory of a member agency.
 - c. Expulsion should be by at least a 2/3 vote of the membership of the Board (not just a majority or 2/3 of those "present").

WRCOG Responses:

- a. *The language provided in the draft CCA JPA document is formulated from WRCOG's JPA which requires a vote of the majority of those board members present constituting a quorum. This is consistent with other CCA JPAs. The existing WRCOG JPA doesn't specify those present, but states that a vote is based on the majority of a quorum.*
- b. *We recommend adding "unless otherwise required elsewhere in this Agreement" or collapsing the voting requirements in one section. **The WRCOG Administration and Finance Committee agreed with this recommendation.***
- c. *We agree to delete the expulsion voting option.*

5. JPA Section 5.4 (Continuing Liability): There will be significant liability for the City should it desire to exit the JPA after the time period for withdrawing without penalty. Thus, withdrawal may be financially infeasible or have significant costs on Hemet residents.

WRCOG Response: *The JPA agreement provides that an exiting member can wait out the contractual time period of all energy contracts entered into on its behalf when there are no remaining financial liabilities.*

6. JPA Section 6.3 (Indemnification): The JPA doesn't take into account Government Code section 895.2 stating that when public agencies enter into an agreement they are jointly and severally liable for injury caused by a negligent or wrongful act or omission occurring in the performance of such agreement. Further states that as worded, liability for a large jurisdiction would be the same as a small jurisdiction. Recommends the committee discuss a provision that allows apportionment among members. Financing could require joint and several liability, which could be satisfied through an individual agreement among the members rather than in the JPA agreement itself.

WRCOG Response: *The statute cited governs cooperative agreements between public agencies. In non-JPA cooperative agreements the agreement's indemnity provision usually allows for the apportionment of fault between the local agencies that are parties to the agreement. Most JPAs do not have the language proposed by the commenter, however, as The Joint Exercise of Powers Act at Gov't Code § 6508.3 and CCA law at Public Utilities Code § 366.2(c)(12) provides that members of a JPA do not take on the obligations and liabilities of the JPA unless they voluntarily assume them. Case law supports this position and a Marin Clean Energy liability analysis reviewed by BB&K also supports this.*

7. JPA Section 6.4 (Amendments to Agreement): It is unclear as to the approval required for an amendment. The agreement states that "This Agreement may be amended in writing with the approval of not less than two-thirds (2/3) of a vote of the Member Agencies." It's not clear if the intent of this section is to require the governing bodies of 2/3rds of the members to approve an amendment, or if a 2/3rds vote of the entire membership of the board is all that is needed to approve an amendment.

WRCOG Response: *An amendment must be approved by 2/3 vote of the member agencies, which all have one seat on the Board. If desired, language can be modified to reflect a vote of the Board. **The WRCOG Administration and Finance Committee directed to leave this decision up to the new CCA Board of Directors' discretion.***

8. JPA Exhibit B (WRCOG Agreement): “The WRCOG service agreement is not attached, so it cannot be commented on. Since it appears that WRCOG will be staffing this JPA, my first comment above is even more important as WRCOG performs many functions related to energy conservation and climate change. Your committee should give careful consideration to this issue to ensure that the lines are not blurred between what is a WRCOG function and what is a function of this JPA. JPA costs can be recouped from ratepayers, while WRCOG costs cannot.”

WRCOG Response: *A draft Agreement (Attached) has been prepared to show that WRCOG will act as an administrator. All WRCOG costs attributable to administering the JPA that are properly accounted for can be recouped from ratepayers.*

9. Bylaws - Article II (Purpose): Same comment re: broadness of agreement purpose language.

WRCOG Response: *The purpose language is intended to be broad. It is consistent with other CCA JPAs and allows flexibility for the JPA to offer additional programs, should the CCA Board of Directors agree, without having to amend the JPA. Some examples of potential future projects could include applying for funds from the CPUC’s Energy Efficiency Program, which provides rate payer funds to implement local projects (i.e., additional rebates, low income programs, etc.), or invest in advancing electric vehicle infrastructure. The WRCOG Administration and Finance Committee directed to leave the Bylaws broad so that the new CCA Board of Directors could make the determination if it wanted to be more specific.*

10. Bylaws - Article III, Section 3 (Vacancy): Bylaws provision (90 days) is inconsistent with the agreement (30 days) in terms of how long a member agency may take to fill a vacancy.

WRCOG Response: *These sections have been changed and are synced to provide 90 days to fill vacancies.*

11. Bylaws - general comment: The bylaws are very light on detail. They don’t touch on rules of decorum or parliamentary procedure or other items typically addressed in bylaws. Many of the provisions simply restate items that are already addressed in the Agreement. This may be intentional at this early stage, but it is worth pointing out.

WRCOG Response: *Although most CCA JPA bylaws provide a general outline of the powers and procedures of a JPA, they are drafted in such a way so that the Board can later provide more specificity on policy matters without having to amend the bylaws or JPA agreement. The WRCOG Administration and Finance Committee directed to leave the Bylaws broad so that the new CCA Board of Directors could make the determination if it wanted to be more specific.*

City of Jurupa Valley

1. JPA General Comment (Initial Participants): This Agreement does not distinguish between initial participants and members joining later as most CCA agreements do. The requirements are slightly different for the two types of parties, so it is clearer to distinguish clearly between them. This is especially important if one of our clients plans to be an initial participant.

WRCOG Response: *The proposed JPA does not contain different requirements for those member agencies that initially join the JPA versus members that join after formation. The commenter cites to the Silicon Valley CCA where there are different requirements for initial participants and those members joining later, which appears to be based on initial funding contributions by the initial participants toward JPA formation. Should the proposed JPA desire to have different requirements for initial member agencies and agencies that join later, the draft JPA can be modified to reflect these differences. The WRCOG Administration and Finance Committee directed that since neither WRCOG, nor the new CCA, is requiring and/or requesting funding contributions to leave the section as written.*

2. JPA Section 2.9 (Voting): This Agreement was not always consistent about when a 2/3 vote is required and when a majority vote will suffice. Most CCAs require a super-majority for amendment of the JPA, addition of new parties, incurring debt or issuing bonds, and certain aspects of the termination process (involuntary termination or shortening the timeframe for withdrawal).

WRCOG Response: *Section 2.9 of the JPA agreement specifies that a majority vote is required for all actions taken by the Board. Section 6.4 states that a supermajority vote is required to amend the JPA agreement. A supermajority vote is not required for the addition of new parties, incurring debt or issuing bonds, or termination of or withdrawal from the JPA. The WRCOG Administration and Finance Committee directed to leave this decision to the new CCA Board of Directors.*

3. JPA Section 5 (Withdrawal and Termination): Most of the necessary terms are here, including the continued liability for members who leave the Authority, but some additional details about the process – notice to the Authority, the voting requirement for terminating, how ex-members will pay for their continuing liability, etc. – should be fleshed out.

WRCOG Response: *Section 5.1 of the draft JPA agreement provides that notice of withdrawal from the Authority shall be given no less than 180 days to the Authority and each member agency. A supermajority vote is not required for terminating the JPA. Section 5.4 of the draft JPA agreement provides for how ex-member agencies pay for continuing liability either through the withholding of funds by the JPA or by requiring the member to deposit sufficient funds with the JPA as determined by the JPA to cover the member's costs.*

4. JPA Section 5.4 (Continuing Liability): You mentioned that our cities are concerned about the potential liabilities for leaving the JPA. This agreement allows for withdrawal prior to program launch with minimal penalties. After energy has been procured by the Authority, however, a member agency who wanted to leave the JPA would be liable for any losses incurred by the Authority in trying to dispose of the excess energy that the member agency no longer requires. Depending on the size of the member agency and the market for energy at that time, this could be a significant liability. As I understand it, if the Authority bought energy at a higher price and had to sell low, the departing member would be liable for the difference. Of course, it depends on the market, and some departures might be revenue neutral and incur less liability. In other respects (operation of the CCA, etc.), members will be well shielded from liability, and if the CCA were to default on a contract, for example, there would be no recourse against the member agencies.

WRCOG Response: *The Joint Exercise of Powers Act at Gov't Code § 6508.3 and CCA law at Public Utilities Code § 366.2(c)(12) provides that members of a JPA do not take on the obligations and liabilities of the JPA unless they voluntarily assume them.*

5. JPA Section 1.5.14 (Powers): One of the powers is to receive gifts. Is this standard language for a JPA?

WRCOG Response: *Yes, many JPAs include language that provides themselves the powers to receive gifts of property or funding from other member agencies.*

6. JPA Section 2.2 (Appointment of Directors): The Board consists of all electeds, some of which may lack technical knowledge of CCA. Because electricity is an essential commodity, there is a concern that members may lack technical knowledge.

WRCOG Response: *WRCOG staff and other consultants and counsel can advise the Board on technical issues. In addition, the JPA agreement allows the Board to establish a technical advisory committee should it desire to do so.*

7. JPA Section 2.6 (Executive Committee): Because of the size of the Board, is there a need to establish an executive committee?

WRCOG Response: *The JPA agreement does not establish an Executive Committee as does the WRCOG JPA agreement. The agreement, however, allows the Board to establish one if it later determines it is in the interests of the JPA to do so.*

8. JPA Section 2.10.1 (Chair and Vice-Chair): It states a one year term but then sounds like the positions only vacate if A and/or B happen.

WRCOG Response: *A chair and vice-chair are appointed annually. The position is vacated if (a) the person serving dies, resigns, or the Member Agency that the person represents removes the person as its representative on the Board, or (b) the Member Agency that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.*

9. JPA Section 2.12 (Executive Director): How will there be compensation for the Executive Director position?

WRCOG Response: *The JPA does not specify compensation for the Executive Director. Under the proposed structure, WRCOG would serve as the administrator to the CCA and the WRCOG Executive Director would serve as the CCA Executive Director. Once the CCA has decided to hire its own staff, this is a discussion and direction that will be made by the Board.*

10. JPA Section 2.13 (Initial Administration of Authority): How was a three year term of the WRCOG administration agreement decided? It says it can be extended, but nothing about being shortened if desired.

WRCOG Response: *The three year term is proposed by WRCOG staff consistent with the RCHCA administration agreement. This allows for a sufficient time period to get the CCA up and running and provide consistency with administration. As an alternative, the JPA could be silent on the term and defer that issue to negotiation and execution of the administration agreement. This would allow additional flexibility for the CCA Board. **The WRCOG Administration and Finance Committee directed to keep the three year term language.***

11. JPA Section 3 (Participation in and Implementation of CCA): How will the transition from SCE to CCA purchasing power occurs? Is it seamless?

WRCOG Response: *Once jurisdictions join the CCA, the CCA and its data management consultants will work with SCE on identifying the accounts, number of ratepayers and size of the load that is transitioning to the CCA. This process generally takes 6 months to complete. The transition for the ratepayer is seamless and the only noticeable change will be the CCA ratepayers' SCE bill identifying the kWh charge of the CCA and the individual SCE charges for transmission and billing.*

12. JPA Section 5.2 (Right to Withdraw Prior to Program Launch): This is a very important provision.

WRCOG Response: *Agreed, this section was added to ensure member agencies can withdraw without cost prior to program launch.*

13. JPA Section 6.2 (Liability): Can a member city be sued or only the Authority?

WRCOG Response: *A member city can always be sued. Pursuant to state law, however, the debts, obligations and liabilities of the JPA are limited to the JPA unless a member agency otherwise provides written consent. In most cases, the member agencies themselves and their general funds are not liable for the acts or omissions of the JPA. Furthermore, the JPA has the obligation to indemnify the members in the event of a lawsuit against any of them. Therefore, a member agency should be*

insulated from a lawsuit and the payment of damages associated with a lawsuit, so long as the member did not agree to take on the liabilities of the JPA or acted in any willful or reckless way in its participation in the JPA and the JPA has sufficient insurance coverage or other assets to satisfy any judgment..

14. Bylaws – Art. IV, Sec. 1.E (Election of Officers): What is the month that elections will be held annually?

WRCOG Response: *This month will be filled in as the JPA formation date is identified. Presumably, the election month will be the month that the JPA is first in existence.*

15. Bylaws – Art. VIII (Policy Regarding Confidential Information During Closed Sessions): Is this same section in the WRCOG agreement? I have never reported to my Council on closed session items as I thought I couldn't. It sounds like if they have "direct financial or liability implications for the member agency", I should be reporting out in closed session. Maybe we haven't had any items that fall into that category. If this is the case for WRCOG or for that matter, the CCA, can the member agency be notified when it is appropriate to report out please?

WRCOG Response: *Yes, this section is within the WRCOG JPA. The JPA can advise members of the Board of Directors when it is appropriate to report out to their agencies on certain closed session actions.*

16. Bylaws – Art. IX, Sec. 2 (Executive Director/Contracts): The \$100,000 amount seemed high until I realized it is for already budgeted items that have been approved by the Board. Does a limit need to be set for unapproved items, such as urgency needs?

WRCOG Response: *State law requires unbudgeted expenditures to be subject to a 2/3 vote of the governing body. The Board may establish procedures for urgency expenditures, however, such that approval can be made retroactive to an emergency expenditure.*

City of Norco

17. General JPA Comments: The City Council will be interested in the interrelationship between Sections 1.5.8 (incurring of indebtedness/loans), 1.5.10 (issuance of bonded indebtedness), 2.9 (majority vote), 4.6 (debts, liabilities not Member obligations), 5.1 (withdrawal subject to continuing liabilities) and 5.4 (continuing liabilities). The JPA provides that upon a majority vote, the Authority may incur both non-bonded and bonded indebtedness, the later for a term of up to 30 years.
- The language authorizes both revenue and non-revenue bonds. As to non-revenue secured debt, can a simple majority determine to bind the Authority (and potentially its individual Members) to a long term debt service obligation?
 - As to revenue bonds, I would expect that, at least until there is an operational history, Members would have to pledge back-up security even for revenue bonds. Is the debt service repayment an obligation of the Members, notwithstanding Section 4.6? Should a simple majority be able to incur indebtedness, as opposed to a super majority of some sort?
 - Upon withdrawal, can such debt service, or any other financial obligation of the Authority be an obligation of a Member, based upon Section 5.4, which includes losses from the resale of power or other contractual/debt obligations and based upon the "include, but not limited to" language? Are resale losses or other costs an obligation of each individual Member, rather than the Authority as a whole, unrelated to withdrawal and not withstanding Section 4.6?

WRCOG Responses:

- a. *The agreement, as written, provides that a simple majority vote can authorize the issuance of debt, both revenue and non-revenue. The draft agreement can be modified to require super-majority votes should the WRCOG and future JPA membership desire. **The WRCOG Administration and Finance Committee directed to leave this decision to the new CCA Board of Directors.***
- b. *The debt service obligation would not be the indebtedness of the members unless the members expressly agree to take on the debts and liabilities of the JPA or lending their credit to the JPA for purposes of a loan or bond issuance. Losses from the resale of power would be the liability of the JPA.*
- c. *Notwithstanding the Response above, a member withdrawing from the JPA would be liable for the its share of debt service or other outstanding financial obligations, including, but not limited to, energy payments related to long term contracts that have not expired.*

2. **General JPA Comment:** Should there be a binding dispute resolution mechanism included in the JPA?

WRCOG Response: *Member agencies of WRCOG and the future JPA can decide to modify the agreement to include a binding dispute resolution. Some members, however, may desire to have a non-binding mediation provision with the option of having a court decide a controversy. **The WRCOG Administration and Finance Committee agreed to leave the dispute resolution language in place because it is consistent with WRCOG's JPA. The new CCA members can choose to later modify the language once the CCA is created***

City of Wildomar

1. **JPA Section 1.4 (Purpose):** The purpose of the Agreement is “to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related and climate change programs (“the CCA Program”).” Consider clarifying the purpose of this proposed JPA. If it is just for the operation and implementation of a Community Choice Aggregation (CCA) program, this purpose statement seems unnecessarily broad. The purpose statement could be construed in the future as giving the JPA jurisdiction over issues other than energy production and distribution. Section 1.5.12 also indicates that the JPA would be authorized to implement programs other than the CCA Program related to climate change and energy.

WRCOG Response: *The purpose language is intended to be broad. It is consistent with other CCA JPAs and allows flexibility for the JPA to offer additional programs, should the CCA Board of Directors agree, without having to amend the JPA. Some examples of potential future projects could include applying for funds from the CPUC's Energy Efficiency Program, which provides rate payer funds to implement local projects (i.e., additional rebates, low income programs, etc.), or invest in advancing electric vehicle infrastructure. While not all member agencies may want to participate in all of the CCA JPA's programs, allowing flexibility in the JPA is recommended. The issue in this case then becomes whether and how the JPA indemnifies those non-participating agencies. **The WRCOG Administration and Finance Committee directed to leave the Purpose broad so that the new CCA Board of Directors could make the determination if it wanted to be more specific.***

2. **JPA Recital C:** States that Member Agencies have adopted an ordinance per Public Utilities code 366.2. The City has not done this yet. Section 3.3.1 says each Member Agency will adopt an ordinance per Public Utility code 366.2(c)(12). Will WRCOG prepare a model ordinance for this?

WRCOG Response: *Yes, WRCOG and legal is in the process of drafting a model ordinance for cities to review and comment on.*

3. JPA Section 4.5 (Initial Funding of Authority): Is there any cost to the City to join or participate in this program?

WRCOG Response: *No, however, the JPA has language in Section 3.1.4 that the Board of Directors has the ability to add membership payments if it so desires at any time in the future. This would be an item that would need to be proposed and voted on by the CCA Board of Directors.*

4. JPA Section 6.3 (Indemnification): The agreement does not address liability of member agencies under Government Code section 895.2, which says that a when public agencies enter into an agreement they are jointly and severally liable for injury caused by a negligent or wrongful act or omission occurring in the performance of such agreement. Government Code sections 895.4 and 895.6 allow the agencies to contractually agree to indemnity and contribution provisions that allow such liability to be apportioned among the members based on their respective degree of fault giving rise to the liability. We recommend that a provision be added so that if the JPA is found to be liable in tort, no individual member agency will have to shoulder the full liability for that tort (unless, of course, that member agency was solely responsible).

WRCOG Response: *The statute cited governs cooperative agreements between public agencies in non-JPA situations. In those agreements, the indemnities usually allow for the apportionment of fault. Most JPAs do not have the language proposed by the commenter, however, as the Joint Exercise of Powers Act and CCA statutes specifically state that member agencies do not take on the liability of the JPA unless they expressly agree to it. Case law supports this position and a Marin Clean Energy liability analysis reviewed by BB&K also supports this. Staff recommends adding the suggested provision. **The WRCOG Administration and Finance Committee agreed with staff's recommendation and it is now included in the document.***

5. JPA Exhibit B (Services Agreement): Was not included.

WRCOG Response: *A draft Agreement has been prepared to show that WRCOG will act as an administrator. All WRCOG costs attributable to administering the JPA that are properly accounted for can be recouped from ratepayers.*

6. Bylaws – Art. III, Sec. 3 (Vacancy): Inconsistent with the Agreement in terms of how long a Member Agency may take to fill a vacancy. The bylaws say 90 days and the Agreement says 30.

WRCOG Response: *These sections have been synced to provide 90 days to fill vacancies.*

Eastern Municipal Water District

1. General JPA Comments: Will the CCA impact the agreements and pricing that existing businesses and public agencies have with SCE? The District has a time of use agreement with SCE. Would WRCOG have the ability to continue the existing terms/fee schedule arrangements? The provisions of the CCA allow for ratepayers to participate in the CCA program or opt out (assuming that this initial program will include both residential and nonresidential customers).

WRCOG Response: *The ability to participate in a CCA is limited by statute to cities, counties or a JPA. Water districts and other special districts cannot participate in the CCA without special legislation. Therefore, the District's time of use agreements are unaffected by the CCA. It should be noted, however, that larger institutional customers, such as businesses and industrial users will be automatically enrolled in the CCA and may have special contractual arrangements with SCE that may be disrupted by enrollment. This is the case for direct access customers that are allowed to purchase wholesale energy from providers other than SCE. It is important that the JPA identify those users prior to launch and notify them before program launch about opting out, so there is no conflict with the user's existing contractual relationships.*

2. General Bylaws Comments: As the Bylaw Amendment only includes member from an incorporated municipality or county to participate on the Board of Directors will there be a technical group or some sort of advisory group that we (as one of the largest consumers and producers of electricity in the region) could participate in?

WRCOG Response: *The JPA allows the Board to establish advisory committees on an ad hoc basis. Some CCAs establish a ratepayer or technical advisory committee in the JPA agreement and others do so through individual board action.*

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Item 6.D

Community Choice Aggregation
Program Activities Update Including
a Request for Action to Approve CCA
Governance and Staffing
Arrangement Documents As Well As
Selection of Consultants to Provide
CCA Operational / Staffing Services

Attachment 6

Correspondence from American
Coalition for Sustainable
Communities

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Date: July 12, 2017

To: Council members considering joining or launching Community Choice Aggregation (CCA)

From: Paul Daniels, ACSC - FutureEarthUS@gmail.com

RE: *ACSC Bulletin: CCA Fatal Flaw Developments*

Dear Honorable Council Members:

Recent regulatory developments now render the economics contained in Community Choice Aggregation (CCA (CCE)) Business Plans and Feasibility Studies obsolete and potentially fatal, and may put your municipality in financial jeopardy. The two developments occurred mid-June 2017:

1) Exit fees levied by investor-owned utilities (IOUs) on all departing loads are now being litigated at the California Public Utilities Commission (CPUC). IOUs propose that these fees, known as PCIA (Power Charge Indifference Adjustment), be changed or that a new rate structure known as “PAM” (Portfolio Allocation Method) be implemented. LA CCE and ICP Business Plans’ Sensitivity Analysis state: *The level of the PCIA (and the amount of franchise surcharges) will impact the cost competitiveness of (CCA). In order to be cost-effective, (CCA) power supply costs plus PCIA and other surcharges must be lower than (IOU’s) generation rates.* The outcome of PCIA and PAM will likely not be known until mid-2018.

2) AB 1110 anti-REC legislation. CCAs use renewable energy certificates (RECs) as a low-cost method for keeping prices low and advertising low greenhouse gas (GHG) emissions. The recently released draft implementation for AB 1110, prepared by California Energy Commission, identifies that RECs can no longer be used for (misrepresented) GHG reductions and GHG emission rates. This puts CCAs on a level field with IOUs and means CCAs must procure more expensive “bundled” (true) renewable energy for their standard default product. Additionally, RECs will not be allowed in CCA’s 50% and 100% green energy products; the inherent cost issue of bundled energy is compounded by a lack of cost-effective renewable energy as CCAs enter the market en masse, as well as transmission constraints for that energy. The net is that renewable energy prices will increase significantly, changing the associated economics of CAA from what Business Plan authors could not know.

In the event that municipalities elect to join CCA in the interim, it should be noted that the JPA “financial firewall” does not protect individual municipalities from action against it by the JPA, nor insulate it from power contract resale liability, should the municipality attempt to subsequently opt out of CCA.

With respect to the above, the prudent course of action would be to delay further action on CCA until regulatory unknowns may be better quantified.

Sincerely,
Paul Daniels