Western Riverside Council of Governments
Technical Advisory Committee

AGENDA

Thursday, January 18, 2018
9:30 a.m.

NOTE NEW LOCATION

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

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

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

1. CALL TO ORDER (Alex Diaz, Chairman)

2. SELF INTRODUCTIONS

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS

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

5. MINUTES

A. Summary Minutes from the October 19, 2017, Technical Advisory Committee Meeting are Available for Consideration. **P. 1**

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

B. Summary Minutes from the August 17, 2017, Technical Advisory Committee Meeting are Available for Consideration. **P. 9**

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

6. CONSENT CALENDAR

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

A. Finance Department Activities Update ***Ernie Reyna*** **P. 15**

Requested Action: *1. Receive and file.*

B. Single Signature Authority Report ***Ernie Reyna*** **P. 21**

Requested Action: *1. Receive and file.*

C. Government Relations Department Update ***Jennifer Ward*** **P. 27**

Requested Action: *1. Receive and file.*

D. WRCOG Committees and Agency Activities Update ***Rick Bishop*** **P. 31**

Requested Action: *1. Receive and file.*

E. Grant Writing Assistance Program ***Christopher Tzeng*** **P. 43**

Requested Action: *1. Receive and file.*

F. Fiscal Year 2016/2017 Comprehensive Annual Financial Report ***Ernie Reyna*** **P. 93**

Requested Action: *1. Receive and file.*

G. Christian Lomeli – Videography / Graphic Design Contract ***Jennifer Ward*** **P. 199**

Requested Action: *1. Recommend the Executive Committee approve the Professional Services Agreement, substantially as to form, between the Western*

Riverside Council of Governments and Christian Lomeli, for graphic design and videography services for the Agency in an amount not to exceed $16,000 for Fiscal Year 2017/2018.

H. PFM Asset Management Contract ***Ernie Reyna*** **P. 217**

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

I. Cajalco Road / I-15 Interchange Memorandum of Understanding ***Christopher Gray*** **P. 243**

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

J. Environmental Department Activities Update ***Dolores Sanchez Badillo*** **P. 257**

Requested Action: *1. Receive and file.*

K. International City / County Management Association Activities Update ***AJ Wilson, California Senior Advisor*** **P. 259**

Requested Action: *1. Receive and file.*

L. Technical Advisory Committee 2018 Meeting Schedule ***Janis L. Leonard*** **P. 267**

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

7. REPORTS / DISCUSSION

A. Western Riverside County Active Transportation Plan Activities Update ***Christopher Gray, WRCOG*** **P. 273**

Requested Action: *1. Receive and file.*

B. Transportation Uniform Mitigation Fee (TUMF) Program Ad Hoc Committee Activities Update ***Christopher Gray, WRCOG*** **P. 277**

Requested Actions: *1. Recommend that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program.*

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

C. PACE Programs Activities Update ***Casey Dailey*, *WRCOG*** **P. 281**

Requested Action: *1. Receive and file.*

D. Regional Streetlight Program Activities Update ***Tyler Masters, WRCOG*** **P. 297**

Requested Action: *1. Receive and file.*

E. Western Riverside Energy Partnership Activities Update ***Tyler Masters, WRCOG*** **P. 301**

Requested Action: *1. Receive and file.*

F. Western Community Energy Activities Update ***Barbara Spoonhour, WRCOG*** **P. 337**

Requested Action: *1. Receive and file.*

8. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

9. ITEMS FOR FUTURE AGENDAS Members

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

10. GENERAL ANNOUNCEMENTS Members

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

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

12. ADJOURNMENT

Technical Advisory Committee **Item 5.A**
October 19, 2017
Summary Minutes

1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:33 a.m. by Chairman Alex Diaz at the County of Riverside Administrative Center, 5th Floor, Conference Room C.

2. ROLL CALL

Members present:

Alex Diaz, City of Banning (Chair)
Todd Parton, City of Beaumont (9:49 a.m. arrival)
Bonnie Johnson, City of Calimesa
Gary Thompson, City of Jurupa Valley
Michelle Dawson, City of Moreno Valley (10:39 a.m. departure)
Andy Okoro, City of Norco
Rob Johnson, City of San Jacinto (9:40 a.m. arrival)
Aaron Adams, City of Temecula (10:45 a.m. departure)
Danielle Coats, Eastern Municipal Water District
John Rossi, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Barbara Spoonhour, Director of Community Choice Aggregation
Jennifer Ward, Director of Government Relations
Chris Gray, Director of Transportation
Casey Dailey, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Christopher Tzeng, Program Manager
Cynthia Mejia, Staff Analyst
Janis Leonard, Administrative Services Manager

Guests present:

Jeff Potts, City of Corona
Rameeta Garewal, Michael Baker Intl.
Andrea Gonzalez, Riverside County Flood Control & Water Conservation District (Flood Control)
Edwin Quinonez, Flood Control
Richard Boon, Flood Control
Judi Nightingale, Riverside University Health System
Arnold San Miguel, Southern California Association of Governments (SCAG)
Casandra Duong, SCAG
Ma'Ayn Johnson, SCAG

3. PLEDGE OF ALLEGIANCE

Michelle Dawson, City of Moreno Valley, led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

AJ Wilson announced that the City Manager's Department of the League of California Cities is currently working on pension reform proposal. A first draft of the proposal was presented at the City

Manager's Department meeting. A pivotal part of the process is to ensure concurrence with the cities before meeting with the labor unions. Mr. Wilson will be sending out a copy of the white paper.

Additionally, a consulting firm recently approached the League soliciting its services for free, that its sponsors would pay the costs. There is no indication of who the sponsors are, so be careful if you hear from a consulting firm offering free services.

5. CONSENT CALENDAR *Due to a lack of quorum items are accepted as noted. The Cities of Beaumont, Canyon Lake, Corona, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Perris, Riverside, and Wildomar, the County of Riverside, the March JPA, and the Morongo Band of Mission Indians were not present.*

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

Action: *1. Tabled to the next meeting due to a lack of quorum.*

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

Action: *1. Received and filed by the Committee as a whole.*

C. Single Signature Authority Report

Action: *1. Received and filed by the Committee as a whole.*

D. Western Riverside Energy Partnership Activities Update

Action: *1. Received and filed by the Committee of the whole.*

E. Environmental Department Activities Update

Action: *1. Received and filed by the Committee of the whole.*

F. 1st Quarter Draft Budget Amendment for Fiscal Year 2017/2018

Action: *1. Recommended that the Executive Committee approve the 1st Quarter Draft Budget Amendment for Fiscal Year 2017/2018 by the Committee of the whole.*

G. Technical Advisory Committee 2018 Meeting Schedule

Action: *1. Tabled to the next meeting due to a lack of quorum.*

H. PACE Programs Activities Update

Action: *1. Received and filed by the Committee of the whole.*

I. Transportation Department Activities Update

Action: *1. Received and filed by the Committee of the whole.*

6. REPORTS / DISCUSSION

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

Richard Boon reported that the National Pollutant Discharge Elimination System Permit (Permit) is a regulatory framework established in 1972 in connection with the Federal Water Pollution Control Act, more commonly referred to as the Clean Water Act. A Permit is required for any discharge of a pollutant into any body of water in the United States from a point source.

Permits are issued and administered by Regional Water Quality Control Boards (RWQCB), which have a great deal of latitude under the statute in terms of what is put into the Permits.

Riverside is subject to three RWQCBs; the Colorado, Santa Ana, and San Diego, each of which have different perspectives on what the Permit should require of local government.

Local municipalities perform code enforcement activities, housekeeping activities to ensure sources of pollutants are not being created, conditional land development, public education and outreach, maintenance of infrastructure, and inspections of commerce and industry.

One key area of development for the Riverside County Flood Control and Water Conservation District is the new initiative in collaboration with WRCOG in creating an Alternative Compliance Program for land development. Instead of doing onsite mitigation of a project, agencies have the option of contributing to an offsite mitigation project, such as a stream rehabilitation project.

There are specific pollutant water body programs, such as that in Lake Elsinore to control excess nutrients; bacteria control in the middle Santa Ana River; and the emerging initiative in the Santa Margarita River watershed focused on nutrient control.

Permits are issued on a five-year basis. The Santa Ana Permit expired in 2015 and has been extended pending reissuance next year. The Permit for the Santa Margarita River watershed will be reissued next year. The Whitewater region is subject to a new Permit next year, as well.

A water quality improvement plan is near completion for the Santa Margarita River watershed. The goal for all programs is to obtain water standards. Flood Control is looking for ways to enhance existing County-wide programs, as well as region-wide projects such as stream rehabilitation.

There are new trash regulations, which are impactful to cities and counties. Cities are required to choose one of two compliance pathways. Track One requires fitting of full capture devices to all inlets draining prior to land use areas, and Track Two requires a customized program with structural or non-structural controls and monitoring which can be demonstrated as equivalent to Track One.

As a consequence to the Permits, claims have been made to the Commission on State Mandates contending that many of the new requirements go above and beyond what is prescribed in the federal regulations. There are 17 claims on the Commission's website pending caseload; 15 are MS4 Permit claims. Flood Control is scheduled to have its claim heard mid-2018. The two claims to watch are from Orange County, and will be heard on January 26, 2018.

Action: *1. Received and filed.*

B. Regional Housing Needs Assessment (RHNA) Overview

Ma'Ayn Johnson reported that SCAG is beginning its next RHNA cycle. RHNA is a projection of household needs for future population and household growth. It does not address the housing crisis as it currently stands.

The 5th RHNA Cycle coincides with local jurisdictions' housing elements. The final determination for the region was approximately 412,000 for the period of October 2013 through October 2021.

A regional determination process is prepared by the Department of Housing and Community Development (HCD). SCAG then develops a methodology and applies it to the region. SCAG is dependent on local input through a bottom-up process.

Four major components used for the 5th Cycle include projected household growth, market vacancy need, housing replacement need, and termination for excess vacancy credit. This last component may not be offered in the 6th Cycle.

Once RHNA allocation totals are determined, a social equity adjustment is applied.

SCAG created a 110% adjusted allocation approach in which regional fair share is determined in addressing social equity by using a formulated, fixed percentage.

Going into the 6th Cycle, the latest adoption date is October 2020; the period covered will include October 2021 through October 2029, and subject to HCD determination.

The local input cycle begins in the fall of 2018; October 1, 2018, is the last date local input data can be changed. On October 24, 2018, a scenario planning tool event will be held. On October 31, 2018, SCAG will hold a Toolbox Tuesday. One person from each city must be designated, through a City Council resolution, as the contact person for the local data input process.

Action: *1. Received and filed.*

C. Western Community Energy Activities Update

Barbara Spoonhour reported that a Community Choice Aggregation (CCA) Program provides consumers with energy choices and competitive or lower rates than the local utility is providing. There are several successful, operational CCAs throughout the state. The Coachella Valley CCA will be having its first Board meeting in October 2018 and launch in approximately May of 2019. The County of Los Angeles is expected to be operational early 2018.

WRCOG's CCA is titled Western Community Energy (WCE), and will be a stand-alone agency. WCE will utilize WRCOG's resources until it can operate on its own. A draft Joint Powers Agreement (JPA) and Bylaws have been drafted, as well as an ordinance a jurisdiction would have to adopt in order to participate in WCE. The Creative Bar was hired to prepare branding and marketing materials for WCE. Staff are currently in negotiations with The Energy Authority to manage WCE's portfolio. Staff have also been meeting regularly with each jurisdictions' elected officials and City Managers, as well as providing City Council presentations.

When a member jurisdiction decides to join WCE, it would adopt the JPA and ordinance. A second reading could be waived. WRCOG would then begin outreach and marketing to the community.

Once the governing board is established, it would adopt agency policies and an implementation plan, which would then be submitted to the California Public Utilities Commission (CPUC) for certification. WCE would work with Southern California Edison (SCE) on a data transfer plan, which would take six months to complete. Public outreach would begin and businesses and residents would be informed that WCE is an opt-out program; a total of four notifications are required by law. WCE would then begin servicing customers in six months.

If the WCE governing board is established in January 2018, it could launch in July.

Staff have been participating in Power Charge Indifference Adjustment (PCIA) meetings. PCIA is also referred to as an exit fee. SCE charges its customers for leaving; under law, the remaining customers are to be held harmless. SCE passes on a fee to cover those lost contracts. WRCOG is partnering with the Coachella Valley Association of Governments (CVAG) and the County of Los Angeles to share legal services costs in the upcoming CPUC proceeding, as well as technical consulting services. Once the County of Los Angeles, CVAG, and WRCOG initiate CCA Programs, this will take away approximately 60% to 70% of SCE's territory.

The CPUC issued a scoping memo, and there are two tracks WRCOG will be participating in. The first is the care and medical baseline; these provide 32% savings to low income families or those who require medical services in their home. SCE does not currently charge a PCIA to these customers; however, Investor Owned Utilities (IOUs) are looking to change this exemption. Approximately one-third of the region is in one of these programs.

Track two reviews the methodology of the PCIA; everyone agrees it is not just nor fair. The major IOUs prepare a calculation, submit it to the CPUC, which then approves it. At no point is anyone provided the opportunity to review the calculation. There is no transparency in this process. The upcoming proceeding is anticipated to help with this process.

Staff will be attending a number of upcoming workshops scheduled throughout the state. A Community Choice Aggregation Summit will be held in Santa Clara.

Committee member Aaron Adams indicated that there is an interest in the City of Temecula to explore this further. The next step is to schedule a City Council Public Hearing.

Committee member Gary Thompson indicated that the City of Jurupa Valley is not prepared to move forward. There is no business plan in place. The issue with the PCIA is also concerning. No one knows what the savings or costs will be.

Committee member Rob Johnson indicated that the City of San Jacinto is going live with its CCA in April 2018.

Rick Bishop indicated that the PCIA issue is a big issue. SCE staff have indicated that their need for a PCIA charge is approximately 3.3 cents per kilowatt. WRCOG's feasibility study provided for 4.4 cents per kilowatt. With the seven or eight existing CCAs, while there are no guarantees, each has been able to provide cost savings to consumers. There are benefits to having local elected officials having control over rate setting and investing revenues into renewable energy. Existing CCAs have been competitive, if not less costly, than what the IOUs are providing. Staff will be attending upcoming workshops and summits to learn more about best practices and risks, and overcoming obstacles. Approximately 85% of the state are either in a CCA, or are considering joining a CCA.

Launching WCE does not require member jurisdictions to join right away, or even at all. WCE is an optional program. Many jurisdiction in the south / southwest have expressed interest in joining WCE. There are economies of scale to be achieved if more than one jurisdiction joins WCE.

Committee member Todd Parton indicated that the City of Beaumont's City Council is interested yet still has concerns, and would like WRCOG staff to provide a presentation. Committee member Parton asked if, once timelines are established, could a jurisdiction join at a later date, and if the PCIA is subject to change.

Ms. Spoonhour responded that there is always an opportunity to join at a later date. Staff would like to bring new jurisdictions on board on a quarterly basis. There is also a potential for cities in San Bernardino County to join WCE. The PCIA in its design is scheduled to drop off

beginning in 2026 as SCE's contracts begin running out. A CCA could potentially buy out those contracts.

Action: *1. Received and filed.*

D. Public Service Fellowship Activities Update

Cynthia Mejia reported that the Fellowship program was created to retain local graduating students in the hopes of addressing the "brain drain" in the subregion. Round one placed 13 Fellows with member jurisdictions. Most of those Fellows are currently employed, eight of which are within Riverside County. Round two Fellows are in their fifth month of the Program, and working on various diverse and broad projects, such as policy analysis, legislative research, and project management.

WRCOG convenes a monthly networking meeting to hear what Fellows are working on, and diverse speakers share their background and roles in local government. WRCOG staff will be meeting with the Fellows' supervisors over the next month or so for additional feedback.

Committee members expressed their gratitude, interest, and support of this Program.

AJ Wilson indicated that the California International City / County Management Association may be very interested in providing support for this program, which could include additional resources.

Actions:

1. Recommended that the Executive Committee allocate $300,000 from Agency carryover funds for the remainder of the Public Service Fellowship, Round II.

2. Recommended that the Executive Committee allocate $400,000 from Agency carryover funds for the continuation of the Public Service Fellowship, with Round III commencing in January 2018.

Item 6.D was approved by the Committee as a whole. The Cities of Canyon Lake, Corona, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Perris, Riverside, and Wildomar, the County of Riverside, the March JPA, and the Morongo Band of Mission Indians were not present.

E. Regional Streetlight Program Activities Update

Tyler Masters reported that 11 jurisdictions have joined the Program, determining that it would be feasible to purchase the streetlights within their jurisdiction from Southern California Edison (SCE). Contracts for the Cities of Murrieta and Temecula have been reviewed and executed and forwarded to the California Public Utilities Commission (CPUC) for approval. The remaining nine jurisdictions are not too far behind in the process.

WRCOG released a Request for Proposals to identify the retrofit and ongoing operations and maintenance services earlier this year. An Evaluation Committee was convened, and Siemens was selected as the provider, given its experience in streetlight projects of this magnitude, and its costs. Siemens also has an established call center.

Staff have prepared a LightSuite document, which was approved by the Executive Committee last month. This document serves to support outdoor lighting and LED standards.

A Program participation package and financing agreements have been packaged and shared with member jurisdictions for review and comments.

Action: *1. Received and filed.*

F. Visioning Session Summary

Jennifer Ward reported that Visioning Sessions are held every couple of years to determine regional strengths, opportunity, weaknesses, and threats. The concern of mission creep comes up often. At this recent Visioning Session, a filter method was created to determine whether or not a new idea is relevant to WRCOG's mission.

The most prevalent topic discussed was the need for a regional economic development and branding initiative for Western Riverside County, combating against the negativity association with the "Inland Empire."

New ideas resulting from the Visioning Session will be vetted through the Committee structure.

Action: *1. Received and filed.*

7. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop had nothing to report.

8. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

9. GENERAL ANNOUNCEMENTS

There were no general announcements.

10. NEXT MEETING **The next regular Technical Advisory Committee meeting is scheduled for Thursday, November 16, 2017, at 9:30 a.m., in the County of Riverside Administrative Center, 5th Floor, Conference Room C.**

11. ADJOURNMENT **The meeting of the Technical Advisory Committee adjourned at 10:52 a.m.**

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Technical Advisory Committee **Item 5.B**
August 17, 2017
Summary Minutes

1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:37 a.m. by Chairman Gary Nordquist at the County of Riverside Administrative Center, 5th Floor, Conference Room C.

2. ROLL CALL

Members present:

Alex Diaz, City of Banning
Bonnie Johnson, City of Calimesa
Joe Indrawn, City of Eastvale
Gary Thompson, City of Jurupa Valley
Grant Yates, City of Lake Elsinore (9:43 a.m. arrival)
Kim Summers, City of Murrieta
Andy Okoro, City of Norco
John Russo, City of Riverside
Aaron Adams, City of Temecula (9:43 a.m. arrival)
Gary Nordquist, City of Wildomar (Chair)
George Johnson, County of Riverside
John Rossi, WMWD
Roger Meyer, Morongo Band of Mission Indians

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Community Choice Aggregation
Jennifer Ward, Director of Government Relations
Chris Gray, Director of Transportation
Tyler Masters, Program Manager
Crystal Adams, Program Manager
Christopher Tzeng, Program Manager
Dolores Badillo, Senior Staff Analyst
Andrea Howard, Senior Staff Analyst
Cynthia Mejia, Staff Analyst
Kyle Rodriguez, Staff Analyst
Josh Lewis, Intern
Janis Leonard, Administrative Services Manager

Guests present:

Karen Spiegel, City of Corona
Moises Lopez, City of Riverside
Araceli Ruiz, County of Riverside, District 1
Chika Ojukwu, County of Riverside, District 1
Matt Schenk, March Joint Powers Authority
Carrie Harmon, Riverside County Economic Development Agency (EDA)
Heidi Marshall, Riverside County EDA
Darcy Kuenzi, Riverside County Flood Control & Water Conservation District
Jeremy Goldman, Southern California Edison

3. PLEDGE OF ALLEGIANCE

Kim Summers, City of Murrieta, led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments

5. SELECTION OF TECHNICAL ADVISORY COMMITTEE CHAIR, VICE-CHAIR, AND 2ND VICE-CHAIR FOR FISCAL YEAR 2017/2018 (Note: agenda items were taken out of order.)

Rick Bishop indicated that WRCOG's Executive Committee leadership for this fiscal year is the City of Banning as Chair, the County of Riverside as Vice-Chair, and the City of Hemet as 2nd Vice-Chair. While there are no requirements within WRCOG's Bylaws or Joint Powers Agreement, the leadership of this Committee have historically followed that of the Executive Committee.

Action: *1. Selected Technical Advisory Committee elected Alex Diaz, City of Banning, as Chair, George Johnson, County of Riverside, as Vice-Chair, and Dave Brown, City of Hemet, as 2nd Vice-Chair for Fiscal Year 2017/2018.*

(Temecula / Jurupa Valley) 13 yes; 0 no; 0 abstention. Item 5 was approved by a unanimous vote of those members present. The Cities of Beaumont, Canyon Lake, Corona, Hemet, Menifee, Moreno Valley, Perris, and San Jacinto, the Eastern Municipal Water District, and March JPA were not present.

6. CONSENT CALENDAR *(Riverside / Calimesa) 13 yes; 0 no; 0 abstention. Items 6.A – 6.H were approved by a unanimous vote of those members present. The Cities of Beaumont, Canyon Lake, Corona, Hemet, Menifee, Moreno Valley, Perris, and San Jacinto, the Eastern Municipal Water District, and March JPA were not present.*

A. Summary Minutes from the June 15, 2017, Technical Advisory Committee Special Meeting are Available for Consideration.

Action: *1. Approved the Summary Minutes from the June 15, 2017, Technical Advisory Committee special meeting.*

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

Action: *1. Received and filed.*

C. Financial Report Summary Through June 2017

Action: *1. Received and filed.*

D. Regional Streetlight Program Activities Update

Action: *1. Recommended that the Executive Committee direct the Executive Director to negotiate and enter into a contract with Siemens for Streetlight retrofit and ongoing operations & maintenance services once jurisdictional streetlights have been acquired and retrofitted.*

E. Western Riverside Energy Partnership Activities Update Including Information on Additional Funding For SCE Direct Install Program

Action: *1. Received and filed.*

F. Environmental Department Activities Update

Action: *1. Received and filed.*

G. Amendment to the Appendix of the WRCOG Conflict of Interest Code

Action: *1. Recommended that the Executive Committee Adopt WRCOG Resolution Number 39-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending the Conflict of Interest Code pursuant to the Political Reform Act of 1974.*

H. PACE Programs Activities Update

Action: *1. Received and filed.*

7. REPORTS / DISCUSSION

A. Economic Development Initiative and Presentation from Riverside County EDA

Carrie Harmon provided information on EDA staff and their responsibilities. EDA services includes a business center located in downtown Riverside, provides technical services, conducts marketing services, and provides small business support, to name a few. EDA also has an Office of Foreign Trade, oversees the Riverside County Film Commission, a Center for Demographics, and collaborates on a Workforce Development Department.

The Business Solutions Team can assist in recruiting services, at no cost to the city or new business, and can include onboarding, criminal background checks, on the job training in which EDA pays half the employee's salary for six months, and many other services.

Priorities for the next fiscal year include expansion of EDA's services, launch an Infrastructure Investment Study, create a marketing and branding strategy for Riverside County, the opening of a Business Center in Southwest Riverside County, and work on bringing broadband to all of Riverside County, to name a few.

Jennifer Ward indicated that WRCOG has $250,000 in Agency carryover funds set aside for economic development.

Christopher Gray indicated that many jurisdictions have expressed interest in learning about the commuting habits of Riverside County residents, such as where they travel to for work outside of this County, and what types of industries they are working in.

The Committee discussed various options, including regional branding and marketing, development of a regional economic baseline, a regional commuting study, and creation of an economic development best practices workbook.

Action: *1. Recommended that staff focus on a Regional Commuting Study.*

(County / Wildomar) 13 yes; 0 no; 0 abstention. Item 7.A was approved by a unanimous vote of those members present. The Cities of Beaumont, Canyon Lake, Corona, Hemet, Menifee, Moreno Valley, Perris, and San Jacinto, the Eastern Municipal Water District, and March JPA were not present.

B. Transportation Uniform Mitigation Fee (TUMF) Programs Activities Update

Christopher Gray reported that the TUMF Ad Hoc Committee recently met to discuss the administration of the TUMF Program, the TMF Zone process, fee calculation issues, and eligible expenses under the Program.
The Ad Hoc Committee determined that WRCOG should continue administering the Program,

to leave the TUMF Zone process as is, and to adjust the Fee Calculation handbook to not charge for the first 3,000 square feet of retail and service uses.

Another meeting will be scheduled to discuss what types of TUMF-eligible projects could be expanded to include rail transit, signal coordination, and active transportation projects.

Each member jurisdiction is in the process of adopting updated TUMF Ordinances based upon the recent adoption of the updated TUMF Nexus Study.

Action: *1. Received and filed.*

C. Grant Writing Assistance Program Guidelines

Christopher Gray reported that the Grant Writing Assistance Program is meant to assist member jurisdictions in writing and applying for grants. WRCOG will hire a bench of consultants. A set of guidelines have been developed and are being presented today for approval. Participation does not preclude a jurisdiction from applying for grants on their own.

Action: *1. Approved the Grant Writing Assistance Program Guidelines.*

(Temecula / Wildomar) 13 yes; 0 no; 0 abstention. Item 7.C was approved by a unanimous vote of those members present. The Cities of Beaumont, Canyon Lake, Corona, Hemet, Menifee, Moreno Valley, Perris, San Jacinto, the Eastern Municipal Water District, and March JPA were not present.

D. Community Choice Aggregation Activities Update

Barbara Spoonhour reported that at its last meeting, the Executive Committee approved template Bylaws and Joint Powers Agreement (JPA) for a Community Choice Aggregation (CCA), a template agreement between WRCOG and the CCA for staffing services, approved an agreement with The Energy Authority to provide operational services, and directed the Executive Director to negotiate an agreement with EES to set rates and regulatory services.

The County of Los Angeles and two of its member jurisdictions have created its JPA and held its first Board meeting, and is expected to launch its CCA in May 2018. The City of San Jacinto is performing its data testing with Southern California Edison; San Jacinto Power should come online by the end of the year.

WRCOG has contracted The Creative Bar to provide outreach and marketing services, and to create a CCA name, logo and tagline of *Western Community Energy, Your neighborhood electric authority.*

In order to participate, the local jurisdiction must take formal action and adopt an ordinance. Staff would like phase one to include five or six jurisdictions. Jurisdictions can join at any time and are not obligated to join at all, if that is the jurisdiction's desire. Staff will be reaching out to jurisdictions to schedule meetings to discuss their interest in joining the CCA.

Action: *1. Received and filed.*

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that a visioning workshop of this Committee and the Executive Committee is being scheduled for late September or mid-October, and will also include members of the Planning Directors' and Public Works Committees.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Aaron Adams announced that he will be reaching out to colleagues in the Southwest portion of the County for a meeting related to capacity issues on the I-15 in that area.

11. NEXT MEETING **The next regular Technical Advisory Committee meeting is scheduled for Thursday, September 21, 2017, at 9:30 a.m., in the County of Riverside Administrative Center, 5th Floor, Conference Room C.**

12. ADJOURNMENT **The meeting of the Technical Advisory Committee adjourned at 10:50 a.m.**

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Finance Department Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide an update on the 2nd Quarter Budget Amendments review schedule for Fiscal Year (FY) 2017/2018, the annual TUMF compliance review for FY 2016/2017, the FY 2016/2017 carryover funds allocated to reserves, and the Agency financial report summary through November 2017.*

Requested Action:

1. Receive and File.

2nd Quarter Budget Amendment Schedule

December 31, 2017, marked the end of the second quarter for FY 2017/2018 and it is anticipated that the Finance Director's Committee will receive the report on January 25, 2018, the Administration & Finance Committee will receive the budget amendment report on February 14, 2018, the Technical Advisory Committee will receive the report on February 15, 2018, and the Executive Committee will receive the report on March 5, 2018.

Annual TUMF Review of Participating Agencies

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

FY 2016/2017 Carryover Funds Allocated to Reserves

WRCOG realized a total of $4 million in FY 2016/2017 carryover revenues (Agency net revenues) for the General Fund, of which $700,000 was previously allocated by the Executive Committee to continue the Public Service Fellowship Program (which places students from the University of California, Riverside and California Baptist University, at WRCOG member agencies for long-term work opportunities), and $500,000 was previously allocated to expand the Grant Writing Assistance Program, which provides a bench of consultants to provide members with expert assistance in seeking grant funding for projects of interest. On January 8, 2018, the Executive Committee approved allocating the remaining $2.8 million to General Fund Agency reserves, bringing the total amount of General Fund Agency reserves to $4.6 million. The Executive Committee also approved that $500,000 of these Agency reserves will be specifically set aside for a PACE Program reserve.

Financial Report Summary through November 2017

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

Prior Actions:

January 10, 2018: The Administration & Finance Committee received and filed.
January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – November 2017.

Item 6.A

Finance Department Activities Update

Attachment 1

Financial Report summary – November 2017

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending November 30, 2017

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

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

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Single Signature Authority Report**

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

Date: **January 18, 2018**

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

Requested Action:

1. Receive and file.

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

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

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

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

Prior Action:

January 10, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

1. WRCOG Contracts Activity report.

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Item 6.B

Single Signature Authority Report

Attachment 1

WRCOG Contracts Activity report

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

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

Prepared and Approved by

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Government Relations Department Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide a general update of 2017 accomplishments and ongoing activities taking place within the Government Relations Department, including the BEYOND Program, Public Service Fellowship, regional homelessness efforts, studies, member agency support and external relations, and event planning.*

Requested Action:

1. Receive and file.

BEYOND Framework Fund Program

The BEYOND Framework Fund Program launched in 2016, funding $1.8 million across 32 projects in its first round. To date, 18 Round I projects have been completed, 11 projects are anticipated to wrap-up in early 2018, and three projects have been approved as multi-year efforts. In early 2017, WRCOG launched a second Round of BEYOND, which includes a central category of guaranteed funding for each member agency, BEYOND Core; a category of funding for multi-jurisdictional efforts, BEYOND Team; and a category specifically dedicated to health-promoting projects, BEYOND Health. Round II of BEYOND is providing $3.8 million in funding. To date, 46 distinct projects have been approved, among these, 41 are receiving BEYOND Core funding, three are receiving BEYOND Team funds, and 14 are receiving BEYOND Health funds. At least five additional projects are anticipated to be added to the Round II portfolio, utilizing BEYOND Core funding. Central to the Program, all BEYOND-funded projects support one or more of the six Framework goal areas: Economic Development, Education, Health, Transportation, Water / Wastewater, and Energy / Environment.

Public Service Fellowship

The Public Service Fellowship Program, launched in 2016, aims to retain local talent to fulfill the subregion's need for a strong public sector workforce and to combat the often-mentioned "brain drain" that occurs when local students graduate and then leave the region to seek full-time employment elsewhere. The Fellowship is made possible with the help of higher educational partners, University of California, Riverside and California Baptist University. Staff are working to establish additional partnerships and expand the Program to include students from California State University, San Bernardino. The Program has been widely praised for cultivating exceptionally talented Fellow cohorts and addressing pressing needs member agencies experience to build capacity. In its pilot round, the Fellowship placed 13 Fellows with member agencies. Last year, the Program grew to include 19 Fellows. This year, the Fellowship will place up to 25 Fellows with WRCOG member agencies.

EXPERIENCE Feasibility Analysis

In early October 2017, the Executive Committee authorized an Agreement with PlaceWorks consultants to perform a Feasibility Analysis examining the potential for bringing an innovation hub and sustainability

demonstration center called “EXPERIENCE” to Western Riverside County. The Analysis will include an examination of up-to four potential host sites for EXPERIENCE and will conclude in late summer 2018, with a set of final recommendations and a listing of next steps, if applicable. On October 16, 2017, staff and consultants held an Analysis kick-off meeting. Since then, the project team has toured a variety of facilities with one or more elements similar to those envisioned for EXPERIENCE and have initiated the beginning phases of the Analysis. On Monday, January 22, 2018, the project team will facilitate the first of six steering committee meetings, to gain feedback from member representatives and other key stakeholders on the concept and Analysis.

Healthy Communities

Government Relations staff remain engaged with various regional healthy communities initiatives and provide support to member agencies wishing to be more involved in this arena. In 2017, a Healthy Development Checklist, a BEYOND Round I funded project lead by Riverside University Health System-Public Health (RUHS-PH), was completed. The Checklist is a tool developed for Riverside and San Bernardino Counties to address the particular health challenges faced in the Inland Empire, created in consultation with public health and planning professionals from across both Counties. The Checklist is intended to be used as a tool by local jurisdictions to work with developers to identify opportunities to improve the health impact of developments early in the planning phases. The Checklist does not add any compulsory requirements; instead it is offered as a low-cost alternative to a health impact assessment, while still providing a mechanism to understand the potential health implications of a new development and specific recommendations on how to optimize these. Using Round II BEYOND funding, RUHS-PH will host workshops across the region to familiarize local practitioners with the tool and explore various opportunities to implement the Checklist and achieve its objectives.

Member Agency Support and External Relations

Government Relations staff continue to remain in direct communications with staff from member agencies to track issues that may be suited for a regional approach. WRCOG continues to provide support for member agencies’ State of the City and other related events, as well as other requests received under WRCOG’s adopted Sponsorship Policy. For example, the Executive Committee recently provided sponsorship support for a regional food systems model study led by the City of Riverside and University of California, Riverside. Government Relations staff also continue to respond to member agency requests for the Executive Committee to take positions on legislation, as it relates to the WRCOG adopted 2017-2018 Legislative Platform, available on the website under the “About Us” tab.

Communications

WRCOG maintains a diverse network of communications platforms to keep its members, partners, and the public informed on its many activities. These include a bi-monthly eCommunicator newsletter; Facebook, Twitter, Instagram, LinkedIn, and YouTube social media channels; as well as press release distribution. Access to each of these is available on WRCOG’s website under the “Connect” tab.

Event Planning

WRCOG hosted a variety of events in 2017, including the 26th Annual General Assembly & Leadership Address featuring keynote speaker Dr. Robert Gates, the Future of Cities Conference, a bus tour of community development occurring in downtown Perris, a bus tour to educate the Public Service Fellows on the WRCOG subregion, and various workshops on economic development, homelessness, and health.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **WRCOG Committees and Agency Activities Update**

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

Date: **January 18, 2018**

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

Requested Action:

1. Receive and file.

Attached are summaries of actions and activities from recent WRCOG standing Committee meetings that have taken place since the last Technical Advisory Committee meeting.

Prior Action:

January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

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

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Item 6.D

WRCOG Committees and Agency Activities Update

Attachment 1

WRCOG Committees Activities Matrix (Action items only)

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WRCOG Committees Activities Matrix (Action Items Only)	Executive Committee	Administration & Finance Committee	Technical Advisory Committee	Planning Directors Committee	Public Works Committee	Finance Directors Committee	Solid Waste Committee
Date of Meeting:	12/4/2017	12/13/2017	Did not meet	12/14/2017	12/14/2017	Did not meet	Did not meet
Current Programs / Initiatives:							
Regional Streetlights Program	1) Adopted WRCOG Resolution Number 47-17; 2) Directed staff to file a Notice of Exemption with the Riverside County Clerk within five working days of approval of this proposed project.	n/a		n/a	n/a		
Property Assessed Clean Energy (PACE) Programs	1) Executive Committee received WRCOG PACE Program Summary; 2) conducted a Public Hearing regarding the inclusion of the City of Petaluma; 3) adopted WRCOG Resolution Number 46-17; 4) authorized the Executive Director to continue utilizing Baker Tilly to conduct future operational analyses / audits of its residential PACE Programs; 5) authorized the Executive Director to execute a Professional Service Contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed $140,000 for the Fiscal Year 2016/2017.	Received and filed.		Received and filed.	n/a		
Community Choice Aggregation (CCA) / Western Community Energy	Received and filed.	n/a		n/a	n/a		
TUMF	1) Approved the proposed updates to the TUMF Administrative Plan; 2) approved the updated TUMF Calculation Hnadbook; 3) approved the updated TUMF Improvement and Credit Agreement template; 4) Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Heacock Street Widening Project in the amount not to exceed $611,000; 5) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Right-of-Way Phase of the Heacock Street Widening Project in an amount not to exceed $311,000.	n/a		n/a	1/2) Recommended the Executive Committee to approve the TUMF Program Ad Hoc Committee's recommendation's to maintain the current administration and management structure of the TUMF Program as well as the TUMF Zone process; 3) Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address a few areas including, expanding the types of projects that can be funded, formalizing a process for each zone to prioritize projects and updating the criteria used to determine how projects are added to the program throught the Study.		
Fellowship	n/a	n/a		n/a	n/a		
New Programs / Initiatives:							
EXPERIENCE	n/a	n/a		n/a	n/a		

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Item 6.D

WRCOG Committees and Agency Activities Update

Attachment 2

Summary recaps from recent Committee meetings

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Western Riverside Council of Governments
Administration & Finance Committee Meeting Recap
December 13, 2017

Agency FY 2016/2017 Audit & Comprehensive Annual Financial Report (CAFR)

- Auditors from Rogers, Anderson, Malody, & Scott concluded financial audit for the Agency and issued an unmodified opinion on the FY 2016/2017 CAFR, the highest form of assurance indicating Agency financials are both in good form and the accounting practices are solid.
- WRCOG expects to be awarded for the fifth consecutive year with the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association.

HERO Program Update on Interest Rates & Dealer Fees

- This past spring, the HERO program launched a new program designed to offer lower interest rates to property owners, known as HERO Promotional Rates (HPR). Since launching a large amount of contractors are now participating, resulting in significant financial savings for property owners.
- WRCOG and Renovate America, PACE partner for the WRCOG and California HERO Programs, instituted a new opportunity for participating contractors to offer lower interest rate plans to PACE combined with the addition of a contractor "dealer fee", the HERO Program has seen successful adoption of these rate plans and low levels of customer complaints, and will continue to keep the Committee updated on progress.

Regional Homelessness Efforts

- WRCOG is engaged in regional efforts to address homelessness through adoption of the Riverside County Homelessness Statement of Principles and participation in numerous working groups, both internal and external to the subregion.
- Additionally, WRCOG will provide $306,000 in BEYOND funding to support regional homelessness efforts, primarily for the Western Riverside Homelessness Coalition (a partnership of northwest jurisdictions) and the Southwest Riverside County Homelessness Alliance (a partnership of southwest jurisdictions), along with numerous non-profit partners including Path of Life Ministries.
- The BEYOND Teams are progressing with coordinated outreach to the homeless population, advocating a messaging campaign of "responsible compassion," inventorying/mapping of county-side services for the homeless, provision of training to volunteers and public safety, and coordination of code and law enforcement.
- WRCOG staff are engaged with each BEYOND Team group to ensure their efforts are complementary and will provide regular status reports to the Committee.

FY 2016/2017 Carryover Funds Allocated to Reserves

- WRCOG experienced a total of $4 million in FY 16/17 carryover revenues, of which $700,000 was allocated by the Executive Committee to continue the Public Service Fellowship and $500,000 was allocated by the Executive Committee to expand the Grant Writing Assistance Program.
- The Committee recommended the remaining $2.8 million be allocated to Agency reserves, bringing the total amount of Agency reserves to $4.6 million (including contributions from prior fiscal years).
- The Committee also recommended that at least $500,000 of these Agency reserves be specifically set aside for a PACE Program reserve, and adjust this amount moving forward as recommended by staff and Public Financial Management, WRCOG's financial advisor.

Sponsorship Provided for Riverside Food Systems Modeling Study

- The Committee approved a total of $40,000 ($10,000 to be allocated each year for four years from the WRCOG Sponsorship budget beginning in FY 17/18) to support the collaborative grant

application for a Riverside Food Systems Modeling Study, an effort involving UC Riverside, the City of Riverside, and numerous educational, non-profit, health, and community based partners.

- The Study, which seeks to provide strategies that are regionally applicable, will increase the understanding of the regional food system to better promote public health, equity, and economic opportunities.
- WRCOG staff will coordinate with representatives from the Study to provide regular updates to the Committee to demonstrate how Western Riverside County can benefit from the findings and employ the strategies developed by this effort.

Western Riverside Council of Governments
Planning Directors Committee Meeting Recap
December 14, 2017

Healthy Development Checklist

- With funding from WRCOG's BEYOND Program, Riverside University Healthy System—Public Health (RUHS-PH), contracted with Raimi + Associates to develop the Healthy Development Checklist, a planning tool intended to make health an early consideration in the development process and reduce the need for more costly health impact assessments.
- RUHS-PH and Rami + Associates staff presented the completed Checklist, which was tailored to address the unique health challenges of the Inland Empire, with input from planners and health professionals across Riverside and San Bernardino Counties.
- RUHS-PH is utilizing additional funding from Round II of BEYOND to support implementation of the Checklist by hosting trainings and workshops throughout the region.

WRCOG Grant Writing Assistance Program Expanded

- Due to the popularity of the Program WRCOG launched in early 2017, the Executive Committee has allocated an additional $500,000 to provide funding for a bench of grant writing consultants to assist member jurisdictions with grant application. See the Program webpage for more information.

WRCOG Awarded Funding for Adaptation Toolkit

- WRCOG and the San Bernardino County Transportation Authority (SBCTA) submitted a successful joint application to Caltrans for $683,431 to develop a Regional Climate Adaptation Toolkit.
- The Toolkit will include city-level, climate-related transportation hazards and evacuation maps; a climate resilient transportation infrastructure (or green streets) guidebook; and a regional climate adaptation and resiliency template, to support Senate Bill 379 compliance.
- As a part of the grant, WRCOG and SBCTA will also establish a regional ARCCA (Alliance of Regional Collaboratives for Climate Adaptation) network.

Western Riverside Energy Partnership (WREP) Renewed

- WRCOG renewed its seventh contract with Southern California Edison (SCE) and SoCal Gas to administer the WREP Program, which helps municipalities advance energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.
- Participation in WREP also grants WRCOG and participant jurisdictions the opportunity to apply for funding through the SCE and SoCalGas Strategic Plan fund; WRCOG recently submitted an application for funding to offset a portion of the Agency's costs to fund the EXPERIENCE Feasibility Study, which will explore the opportunity of bringing an innovative, regional sustainability hub to Western Riverside County.

WRCOG Named Top Workplace in the Inland Empire

- For the second year in a row, the Press Enterprise has named WRCOG a Top Workplace!

Western Riverside Council of Governments
Public Works Committee Meeting Recap
December 14, 2017

TUMF Ad Hoc Committee Recommendations

- The PWC discussed recommendations from the TUMF Ad Hoc Committee that has been meeting since April 2017 to review a variety of topics related to TUMF, including the administration and management of the Program, Zone process, fee calculations, and the types of projects that can be funded. The PWC made the following recommendations to be considered by the Executive Committee:
    - Maintain the current administration and management structure of the TUMF Program.
    - Maintain the current structure of the TUMF Zone process.
    - Have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:
        - Expanding the types of projects that can be funded by TUMF, including active transportation projects.
        - Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
        - Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Annual TUMF Review of Member Agencies

- WRCOG is conducting reviews of TUMF collections by participating agencies for FY 2016/2017, which involves meeting with staff that are assigned to TUMF, and the random selection of remittance reports to review and verify that the correct land use type was used and that fees were calculated properly. Reviews concluded in December 2017 and final recap letters are expected to be distributed to each member agency in early 2018.

TUMF FY 2017/2018 Revenue Update

- Through the month of October, TUMF revenue collections are approximately $19 million. Below is a breakdown of revenue collections by zone for fiscal year 2017/2018:

Central Zone:	$7M
Hemet/San Jacinto Zone:	$1M
Northwest Zone:	$5M
Pass Zone:	$20K
Southwest Zone:	$6M
Total	**$19M**

Regional Transportation Summit Announcement

- The WRCOG Clean Cities Coalition is partnering with the City of Moreno Valley to host a Regional Transportation Summit on January 17, 2018 to feature latest trends in alternative fuels, transportation infrastructure, autonomous vehicles, funding for local jurisdictions, and other topics! Registration is free for WRCOG members and is available online here.

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Grant Writing Assistance Program**

Contact: **Christopher Tzeng, Program Manager, tzeng@wrcog.us, (951) 405-6711**

Date: **January 18, 2018**

The purpose of this item is to *provide an update on recent Grant Writing Assistance Program activities.*

Requested Action:

1. Receive and file.

WRCOG commenced the Grant Writing Assistance Program to assist member jurisdictions in grant writing on an as-needed basis as funding is available. The Program Guidelines were approved by the Executive Committee in September 2017, and WRCOG immediately received a number of requests to assist member jurisdictions with grant opportunities allowed in the Program. Based on the volume of requests, WRCOG requested additional funding for the Program to enable more assistance to member jurisdictions. The Executive Committee approved an additional $500,000 in funding to this Program in December 2017. In December, jurisdictions reached out to attain more information on receiving technical assistance for the SB 1 Local Partnership Program – Competitive Program.

Assistance and Awards Provided To-Date

In October 2017, the Program began assisting the Cities of Banning and Lake Elsinore on grant applications.

- The City of Banning submitted an application in November 2017 for the Mobile Source Air Pollution Reduction Review Committee Natural Gas Infrastructure Program to seek funding for its Compressed Natural Gas facility expansion. The City is still waiting confirmation on whether it was awarded the grant.
- The City of Lake Elsinore submitted a Caltrans Sustainable Transportation Planning Grant application in October 2017 for a city-wide Active Transportation Plan. The City is already planning a Go Human Demonstration Project through the Southern California Association of Governments that will occur in spring 2018. It was announced in early December 2017 that the City's grant had been selected and the City is being awarded $175,000.

The Cities of Hemet, Jurupa Valley, and Norco submitted interest forms for grant opportunities that are still pending. The City of Hemet is interested in grant funding to enhance its Mobility Hub – specifically infrastructure and housing funds to enhance the area around the planned Mobility Hub. The City of Jurupa Valley is interested in a planning or environmental report grant opportunity to conduct a study that looks into truck restrictions along a corridor in that City. The City of Norco is interested in active transportation opportunities to enhance its trails system.

Cities recently reached out for assistance on SB 1: Local Partnership Program – Competitive Grants. This program is not on the list of eligible programs WRCOG is offering assistance with, as it is more focused on infrastructure construction. However, after further discussion, WRCOG will provide assistance on the technical

quantification portion of the application. WRCOG requests that jurisdictions contact staff as soon as possible to discuss interest in quantification assistance.

WRCOG will provide updates, as appropriate, of ongoing grant assistance to WRCOG member jurisdictions. Attachment 1 lists grants submitted with assistance from this Program and pending assistance.

Background

WRCOG secured a bench of consultants to help jurisdictions prepare grant applications in five program areas (Active Transportation; Caltrans Sustainable Transportation and Adaptation Planning; Affordable Housing and Sustainable Communities; electric vehicle and alternative fuel readiness or funding related to Clean Cities activities; and any new planning grant opportunities). The Program aims to strengthen the region's overall competitiveness for statewide funding and to provide needed supplemental support to jurisdictions prevented from seeking grant funds due to limited capacity and/or resources. WRCOG initially allocated $200,000 towards this initial phase of the pilot Program, but recently added (as noted below) an additional $500,000 to ensure jurisdictions would be able to receive any needed assistance. Assistance is provided on a first-come, first-served basis. Please refer to the Guidelines (Attachment 2) for more information on Program logistics, also available online at http://www.wrcog.us/266/Grant-Writing-Assistance.

Based on comments from the Joint Committee Visioning Session in October 2017 and overall positive feedback on the Program, WRCOG proposed additional funding. The Executive Committee approved the additional funding at its December 4, 2017, meeting, so the Program now has a total of $700,000 available. The additional funding enables WRCOG to offer assistance with eligible grants to more members, and could allow WRCOG to expand the list of grant types eligible for assistance. WRCOG will hold further discussions and provide updates when it looks into expanding the grant types.

Steps to Request Assistance: To receive assistance, member agencies must submit an Application (Attachment 3). In order to ensure funds for this Program are utilized effectively and efficiently, the Application is meant to provide information on how the project will generate a competitive application. The Application is also to ensure the member agency reviews the minimum expectations for agency staff, as the consultant will need a small amount of assistance in getting the application commenced. Once the Application is submitted to WRCOG, it will be reviewed within seven calendar days and WRCOG staff will determine whether the request meets the Guidelines. If met, WRCOG will work with the applicant to select a proper consultant from the bench.

Recognizing grants eligible for assistance have varying grant cycles, while the Program operates on a "first-come, first-served" basis, WRCOG also welcomes member agencies to submit a Notice of Interest (Attachment 4). The Notice of Interest, not required but strongly recommended, will make WRCOG staff aware of the jurisdiction's intention to submit an Application when or before the grant opens and will help WRCOG better ensure that interested jurisdictions receive assistance with at least one application.

Grant Opportunities Summary Table

In addition to grant writing assistance, WRCOG provides regular updates on various grant opportunities that may be of interest to jurisdictions with the goal of returning as much grant funding to member agencies as possible. In the Grant Opportunities Summary Table (Attachment 5), there are two tables: Table 1 provides possible grant opportunities that WRCOG may be able to assist member agencies with grant writing; and Table 2 provides additional opportunities for agencies that cannot be facilitated by WRCOG, but might be of interest. The grant opportunities also have a "Level of Difficulty" to provide an indication of the level of support needed to develop applications. Lastly, "Success Rates" have been included to provide the number of applications awarded in relation to the number of applications submitted.

Prior Action:

January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Assistance Summary Tables.
2. Grant Writing Assistance Program Guidelines.
3. Grant Writing Assistance Application.
4. Grant Writing Assistance Interest Form.
5. Grant Opportunities Summary Table – 12/14/17.

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Item 6.E

Grant Writing Assistance Program

Attachment 1

Assistance Summary Tables

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Assistance Summary - PROVIDED

Jurisdiction	Description	Grant Program Applying for:	Anticipated Award	Funding Requested	Funding Awarded
Lake Elsinore	City-wide Active Transportation Plan.	Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	Winter 2018	$200,000	$175,000
All	Summary table provided to all WRCOG member agencies on bi-weekly basis.				
Banning	City is applying to attain funding for expansion of the City's CNG facility.	MSRC Natural Gas Infrastructure Grant	Winter 2018	$225,000	TBA
WRCOG	Develop localized guidelines, thresholds, and mitigation measures related to SB 743 for jurisdictions of Western Riverside County.	SCAG Sustainable Planning Grant	Spring 2017	$200,000	$200,000
WRCOG	WRCOG and SBCTA submitted a joint application for climate adaptation funding from Caltrans for development of a regional Climate Adaptation Toolkit.	Caltrans Sustainable Transportation Planning Grant - Adaptation Planning	Winter 2018	$500,000	TBA
WRCOG	Regional effort to research and evaluate emerging technologies that could change the way cities develop and operate in the future.	Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	Winter 2018	$500,000	TBA

Assistance Summary - PENDING

Jurisdiction	Description	Grant Program Applying for:	Anticipated Award	Funding Requested	Funding Awarded
Norco	City is interested in applying to ATP Cycle 4 in Spring 2018 to enhance its trails system.	Active Transportation Program - Cycle IV	Summer 2018	TBD	
Hemet	City is interested in attaining funding to enhance City's Mobility Hub and future TOD opportunities, and active transportation enhancements.	TBD			
Jurupa Valley	City is interested in a planning or environmental report grant opportunity to conduct a study that looks into truck restrictions along a corridor in their city.	TBD			
Temecula	City is interested in applying for SB 1: Local Partnership Program - Competitive Program. WRCOG is working to provide assistance on the quantification portion of the application	SB 1: Local Partnership Program - Competitive Program	Spring 2018	TBD	
Moreno Valley	City is interested in applying for SB 1: Local Partnership Program - Competitive Program. WRCOG is working to provide assistance on the quantification portion of the application	SB 1: Local Partnership Program - Competitive Program	Spring 2018	TBD	

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Item 6.E

Grant Writing Assistance Program

Attachment 2

Grant Writing Assistance Program Guidelines

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WRCOG Grant Writing Assistance Program Guidelines

Program Overview: The WRCOG Grant Writing Assistance Program (Program), launched in September 2017, is designed to assist members in preparing proposals for grant opportunities. WRCOG allocated funding for an initial pilot of the Grant Writing Assistance Program for its members. To provide a Program that best assists WRCOG members, WRCOG staff convened a Focus Group of member agency staff to provide feedback on Program specifics and develop Program Guidelines, which were approved by the WRCOG Executive Committee on September 11, 2017.

Grant Writing Consultants: WRCOG released a Request for Proposals (RFP) in March 2017 for consultants to serve on a "bench" to provide grant writing assistance to WRCOG member agencies. The bench of consultants is available to members on a first-come, first-served basis when funding opportunities for the selected grants become available. The consultants will assist members with the grant application process only, not with subsequent award management or project implementation. The following consultants were selected to assist our member agencies with grant preparation:

- Alta Planning + Design
- Blais & Associates
- KTUA
- National Community Renaissance
- WSP

Program Contact:
Christopher Tzeng
Program Manager, Transportation
Phone: (951) 955-8379
Email: ctzeng@wrcog.us
Website: http://www.wrcog.us/266/Grant-Writing-Assistance

Program Guidelines: The Guidelines define the parameters of the Program, including the following items:

1. Eligible grants;
2. Expectation of member agencies accepting assistance;
3. Linkage to other WRCOG programs;
4. Screening process; and
5. Process to request grant writing assistance.

#1 - Eligible grants: For this pilot, the Program focuses on a few select grant opportunities. Eligible grants are as follows:

- Active Transportation Program
- Caltrans Sustainable Transportation Planning Grant Program (Transportation Planning Grants & Adaptation Planning Grants)
- Affordable Housing and Sustainable Communities Program
- Clean Cities related grants
- New planning grant opportunities

To maintain flexibility with the Program, "new planning grant opportunities" are included so that other grant opportunities related to planning may be considered. This category enables members to request assistance if any grant opportunities that focus on planning grants become available – such as those that help fund General Plans, Specific Plans, or Community Plans.

*Ineligible Grants: The Program is **not** intended to assist infrastructure grant opportunities, i.e., TIGER, HSIP, FASTLANE, etc.*

Assistance with Clean Cities grants is available for WRCOG Clean Cities Coalition members only. Assistance is available for grant opportunities related to Clean Cities activities, such as electric vehicle charging stations and city / county fleet purchasing. Funding for assistance with these grants will be allocated from Coalition funds. WRCOG administers the Coalition on behalf of participating member agencies which pay specific Coalition dues. This Program can increase the Coalition's effectiveness by assisting Coalition members attain grant funding.

#2 - Expectation of member agency accepting assistance: WRCOG member agencies must submit a formal request using the Application for Grant Writing Assistance form to WRCOG. WRCOG will only authorize a consultant to provide assistance if a WRCOG member agency submits an Application to WRCOG for the eligible grant opportunities listed above.

In order for the Program to run effectively and utilize funds efficiently, the member agency accepting grant writing assistance must agree to the following:

- Define project parameters and provide consultant a basic project description
- Dedicate sufficient resources:
  - Obtain all necessary material on the information checklist provided by the consultant
  - Attend kick-off meeting to ensure consultant has needed information to prepare grant application
  - Respond to inquiries from the consultant in a timely manner
- Be the responsible party for grant submittal, including signatory on application and actual submittal of the application

It is expected that once the member agency is awarded the assistance for a grant application, and the consultant is selected to assist, all parties will participate in a kick-off meeting to discuss the proposal and share necessary information to begin work on the grant application. The consultant will prepare the grant application and all necessary exhibits, tables, etc., for review by the member agency staff. The member agency will then provide comments to be addressed by the consultant, and the consultant will then revise the application based on comments provided. Finally, the consultant will provide the member agency staff with a final draft for review and submittal.

#3 - Linkage to other WRCOG programs: To qualify for assistance through the Program, projects must meet the following specific criteria. First, grant proposals receiving assistance must show a nexus to the core components of WRCOG's Economic Development and Sustainability Framework (Framework). The Economic Development and Sustainability Framework is a foundational document for planning in Western Riverside County consisting of six core components adopted by the Executive Committee. In addition, grant proposals must also demonstrate a nexus to a regionally significant plan, such as WRCOG's Subregional Climate Action Plan, the Western Riverside County Active Transportation Plan, and/or the RCTC Long-Range Plan. Lastly, a grant proposal is preferred to be multi-jurisdictional, but is not mandatory – this is to align with many grant opportunities that favor larger, regional projects.

#4 - Process to request grant writing assistance:

1. Member agency submits an Application, formally requesting grant writing assistance with a specific grant. WRCOG will leave it to the discretion of the member agency how this request is made, whether it is through the elected body, WRCOG representative, or other party to act on behalf of the City. WRCOG will assume that if it receives a request for assistance from a member agency representative, that representative is authorized to act on behalf of the member agency.
    a. WRCOG prepared a Grant Writing Assistance Interest Form (Interest Form), to enable jurisdictions to indicate potential interest in receiving support for a specified grant funding category/categories, tentatively reserving a place in line for grant writing assistance. This is in lieu of the varying time tables for each grant opportunity and the first-come first-served nature of the assistance.
    b. An Interest Form is not required, but recommended for those wishing to apply for assistance with grant opportunities which become available later in the Program cycle.
2. WRCOG staff will review the applications within seven calendar days and determine whether the request meets the guidelines, as noted below.
3. If the Application meets the criteria set in these Guidelines, WRCOG will work with the applicant to select a proper consultant from the list of pre-approved consultants.
4. Kick-off meeting will be held with agency and consultant.

#5 - Screening process: In order to ensure funds for the Program are utilized effectively and efficiently, an Application must be submitted to WRCOG for review. Upon receipt the Application will be reviewed to ensure Program criteria, as outlined above, are met, demonstrating a nexus to the Framework as well as a regionally significant plan, and the project will generate a competitive application, as assessed by such factors as being multi-jurisdictional. WRCOG and consultants will also confirm, based on timing of Application receipt, whether there is sufficient time to develop a competitive grant application.

The criteria set in these Guidelines, serve as basic standards for proposals to be evaluated. The selection of proposals for grant writing assistance will be at the discretion of WRCOG based on available funding, and WRCOG reserves the right to decide which proposals receive grant writing assistance.

Tentatively, no member will receive assistance on more than two grants. This is a soft limit as it will be based on the number of applications received.

Nothing in this Program will be construed as limiting member agencies from hiring other consultants to prepare grants on their behalf.

Item 6.E

Grant Writing Assistance Program

Attachment 3

Grant Writing Assistance Application

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WRCOG Grant Writing Assistance Application

WRCOG Member Agency:

Agency staff contact information (consultant will contact this person to coordinate application)

Name:

Phone:

Email:

Grant program applying for (check one box per Application):

- ☐ Active Transportation Program
- ☐ Caltrans Sustainable Transportation Planning Grant Program
- ☐ Affordable Housing and Sustainable Communities Program
- ☐ Clean Cities related (electric vehicle, alternative fuels, etc.)
- ☐ New planning grant opportunities

Total amount requesting from Grant Program:

Brief project description (200 words max):

Is the proposed project multi-jurisdictional? ☐ Yes ☐ No

To be eligible for assistance, applicants must be able to help the consultant gather basic information for the application. Please check the boxes below to confirm applicant agency's ability to fulfill some of the potential requirements:

- ☐ Participate in a kick-off meeting. To include defining project parameters and providing consultant with a basic project description.
- ☐ Obtain all necessary material on the information checklist to be provided by the consultant. For example: provide internal data and information as required by the grant application.
- ☐ Respond to inquiries from the consultant in a timely manner.
- ☐ Be responsible for grant submittal, including application signature and physical submittal.

Please return completed Application as soon as possible to ctzeng@wrcog.us. WRCOG and Consultants will use discretion to determine if there is sufficient time to prepare a competitive grant application, based on when the Application is received.

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Item 6.E

Grant Writing Assistance Program

Attachment 4

Grant Writing Assistance Interest Form

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Grant Writing Assistance Program Interest Form

Return this form to ctzeng@wrcog.us or complete an **online form** as soon as possible.

- The funds available to support this pilot round of the Grant Writing Assistance Program (Program) will be distributed on a first-come first-served basis.
- The grants eligible for assistance have varying timetables throughout the year.
- To ensure equitable distribution of assistance, complete the below table to indicate potential interest in receiving support for a specified grant funding category/categories, tentatively reserving your agency's place in line for grant writing assistance.
- In the table below, please check up to two grant areas your agency might be interested in applying for assistance through the Program. If selecting two, please rank your order of preference for assistance by checking the appropriate box.
- WRCOG staff will use the form to assign the most equitable distribution of resources possible.
- Please note: Not submitting this form will NOT preclude your agency from requesting grant writing assistance later. And, submitting the form will NOT guarantee assistance.
- A Grant Writing Assistance Application (Application) will be required, with as much advance notice of the due date as possible. Consultants will use discretion to determine if there is sufficient time to prepare a competitive grant application, based on when the Application is received.
- For more information, please refer to the Program Guidelines.

Agency:

Contact Name:

Contact email:

Contact Phone:

Grant Writing Assistance Interest			
Grant Area	**Due Date**	**First Priority**	**Second Priority**
Caltrans: Sustainable Transportation Planning Grant and Adaptation Planning Grant	Due October 20, 2017	☐	☐
Active Transportation Program – California Transportation Commission	NOFA expected Spring 2018	☐	☐
Affordable Housing Sustainable Communities	NOFA expected October 2, 2017	☐	☐
Clean Cities Related Grants	Varying	☐	☐
New Planning Grant Opportunities	Varying	☐	☐

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Item 6.E

Grant Writing Assistance Program

Attachment 5

Grant Opportunities Summary Table – 12/14/17

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Blais & Associates
professional grant management

Western Riverside Council of Governments
Grant Opportunities and Forecast
December 14, 2017
*(**New** is noted for grants added in the past 14 days)*

WRCOG
Western Riverside Council of Governments

The grant opportunities beginning on the next page are part of WRCOG's emphasis to return as much grant funding to member agencies as possible. To that end, WRCOG may be able to assist member agencies with grant writing for the grant programs listed in Table 1. Please also see Table 2 for additional opportunities for your agency that cannot be facilitated by WRCOG, but might be of interest.

To help clarify the level of effort needed to develop the proposals, we have created a key for ready reference.

Key: Level of Difficulty (LOD)	
Simple	A simple level of difficulty indicates an application that may take 8 hours or less to develop, and can likely be accomplished "in-house" with minimal effort/allocation of internal resources.
Medium	A medium level of difficulty indicates an application process that will take a more substantial allocation of internal resources to accomplish, and might possibly require outside assistance (20-70 hours to develop application).
Complex	A complex level of difficulty indicates a VERY competitive opportunity, with a small success rate and intensive grant-development and positioning.

Additionally, we have included the "Success Rates" for each opportunity (if known). This statistic is indicated in **blue** in the "Notes" column, and provides the number of applications awarded in relation to the number of applications submitted (if known).*

*Success rates are not listed for "On the Horizon/NOFAs Not Released" section of Table 2.

Please contact Chris Tzeng, WRCOG Program Manager, at (951) 955-8379 for more information about grant writing assistance.

TABLE 1 Grant opportunities that *may* be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
The grants that might be eligible for WRCOG grant-writing assistance are:							
1	5/30/18 Transportation Improvements	**Active Transportation Program.** To increase the proportion of trips accomplished by biking and walking, and provide a broad spectrum of projects to benefit many types of active transportation users. Eligible Project Types in the Last Round (subject to change): • Community-wide bicycle, pedestrian, Safe Routes to School, or active transportation plans in disadvantaged communities. • Bikeways and walkways that improve mobility, access, or safety for non-motorized users. • Improvements to existing bikeways and walkways. • Elimination of hazardous conditions on existing bikeways and walkways. • Installation of traffic control devices to improve the safety of pedestrians and bicyclists. • Safe Routes to School projects that improve the safety of children walking and bicycling to school. • Secure bicycle parking at employment centers, park and ride lots, rail and transit stations, and ferry docks and landings for the benefit of the public. • Recreational trails and trailheads, park projects that facilitate trail linkages or connectivity to non-motorized corridors, and conversion of abandoned railroad corridors to trails.	California Transportation Commission	State	$240 million	Not required.	http://www.catc.ca.gov/programs/ATP.htm **Success Rate:** 11% 456 applications received; 50 applications funded at State level. **LOD: Medium – Complex** The effort is not extremely difficult, but it is time-intensive.

TABLE 1 Grant opportunities that *may* be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
2A	Spring 2018 Planning	**SB 1 Sustainable Transportation Planning Grant Program.** To develop **local plans** that encourage sustainable infrastructure improvements to reduce GHG, Vehicle Miles Traveled, and increase safety, and/or provide access to Public Transit. Expected Eligible Project Types (not limited to these): • Studies, plans or planning mechanisms that advance a community's effort to reduce single occupancy vehicle trips and transportation related GHG through strategies including advancing mode shift, demand management, travel cost, operational efficiency, accessibility, and coordination with future employment and residential land use. • Studies, plans or planning mechanisms that assist transportation agencies in creating sustainable communities and transit oriented development. • Community to school studies or Safe Routes to School plans. • Studies, plans or planning mechanisms that advance a community's effort to address the impacts of climate change and sea level rise. • Studies that promote greater access between affordable housing and job centers. • Context-sensitive streetscapes or town center plans • Complete streets plans. • Active transportation plans, including bicycle, pedestrian and trail master plans. • Bike and pedestrian plans with a safety enhancement focus, including Vision Zero plans. • Traffic calming and safety enhancement plans.	Caltrans	State	Minimum: $50,000 for DAC; $100,000 for All Others Maximum: $1,000,000	11.47%	http://www.dot.ca.gov/hq/tpp/grants.html Partnerships are highly encouraged **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 1 Grant opportunities that *may* be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**

2B	Spring 2018
	
	Planning
		SB 1 Adaptation Planning Grant.
		For climate change adaptation planning. Example of plans:
		• Climate vulnerability assessments.
		• Extreme weather event evacuation planning.
		• Resilience planning.
		• Transportation infrastructure adaptation plans.
		• Natural and green infrastructure planning (e.g. wetlands restoration along transportation corridors to protect transportation infrastructure from flooding and storm impacts).
		• Integration of transportation adaptation planning considerations into existing plans, such as climate mitigation or adaptation plan, Local Coastal Program (LCP), Local Hazard Mitigation Plan (LHMP), General Plan or other related planning efforts.
		• Evaluation of or planning for other adaptation strategies, such as:
		  o Providing transit shelters with shade, water, or other means of cooling in locations expected to see temperature increases.
		  o Planning for distributed energy and storage to provide decentralized energy system for safeguarding against loss of power and impacts to electric vehicles due to climate-related grid disruptions.
			Caltrans	State	Minimum: $100,000
					
					Maximum: $1 million
						11.47%	http://www.dot.ca.gov/hq/tpp/grants.html
							
							Partnerships are highly encouraged
							
							Success Rate: N/A. This is a new program
							
							LOD: Medium

TABLE 1 Grant opportunities that *may* be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
3	1/16/18 Housing	**Affordable Housing and Sustainable Communities.** To fund projects) that result in: the reduction of GHG emissions and vehicle miles traveled (VMT) and increased accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit. Eligible Capital Projects in Last Round (subject to change): • Affordable Housing Development (loan) (Bricks and Mortar). • Housing-Related Infrastructure (grant) (Required as Condition of Approval). • Sustainable Transportation Infrastructure (grant). • Transit, Bike Lanes, Sidewalks. • Transportation-Related Amenities (grant). • Bike Parking, Repair Kiosks, Urban Greening, Bus Shelters. Eligible Programs (3 Year Grants) in Last Round: • Active Transportation Programs. • Transit Ridership Programs. • Criteria Air Pollutant Reduction Programs. Project areas must include a **Qualifying Transit**, defined as a transit line serving the public that is operated by a public entity, or operated as a grant recipient from a public entity. All Project Areas MUST also include a Transit Station/Stop, which is served by at least one Qualifying Transit line departing 2 or more times during Peak Hours.	Strategic Growth Council	State	Maximum loan or grant or combination for Project Area is $20 million with a minimum award of at least $1 million for TOD Project Areas and at least $500,000 for ICP and RIPA Project Areas. Single Developer - $40 million.	Not required	http://sgc.ca.gov/Grant-Programs/AHSC-Program.html **Success Rate:** 29% 85 full applications received; 25 applications awarded. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
Grants which are not eligible for WRCOG grant writing assistance.							
1	Ongoing/ Reviewed quarterly Sports	**Baseball Tomorrow Fund.** • Grants are intended to provide funding for incremental programming and facilities for youth baseball and softball programs, not for normal operating expenses or as a substitute for existing funding or fundraising activities. • The funds may be used to finance a new program, expand or improve an existing program, undertake a new collaborative effort, or obtain facilities or equipment necessary for youth baseball or softball programs. • Grants are designed to be flexible to enable applicants to address needs unique to their communities.	Baseball Tomorrow Fund	Private	No maximum. Average award is $40,000	50%	www.baseballtomorrowfund.com **Success Rate:** 10% Approximately 400 applications are received annually; approximately 40 are funded. **LOD: Medium**
2	Deadline has expired but you may submit applications for future consideration GHG Reduction	**Volkswagen California Zero Emission Vehicle (ZEV) Investment Plan.** To support the growth of the Zero Emission Vehicle market; increase the availability of the ZEV infrastructure; increase awareness of ZEVs; and, increase access to ZEVs across California. https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/vw-zevinvest.htm	California Air Resource Board/ Electrify America	Private	Not identified.	Not required.	https://www.electrifyamerica.com/our-plan **Success Rate:** Unknown at this time. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
3	Rolling Deadline Transportation	**Accelerated Innovation Deployment (AID) Demonstration.** To accelerate the use of innovation in highway transportation projects. **NOTE:** Applications accepted on a rolling basis until funding is no longer available. Applicants should apply when the eligible project is ready to authorize within 12 months.	Federal Highway Administration	Federal	$1 million	20%	https://www.fhwa.dot.gov/innovation/grants/ **Success Rate:** Unknown at this time. **LOD: Medium**
4	Opened 09/01/17 Accepted first-come, first-served for one year. Economic Development	**CDBG Economic Development (ED) Over the Counter.** Funding to non-entitlement cities and counties. Projects consist of financial assistance to a single business or a large number of assisted businesses served by common infrastructure. The most common form of an OTC project is a single business with a single project where funds are provided as a loan from the jurisdiction/ grantee to and eligible borrower.	California Housing and Community Development	State	$10 million	Not stated.	http://www.hcd.ca.gov/grants-funding/nofas.shtml#current **Success Rate:** Unknown at this time. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
5	01/12/18 Transportation	**Transit and Intercity Rail Capital Program.** To fund projects that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Objectives: • Reduce greenhouse gas emissions; • Expand and improve rail service to increase ridership; • Integrate the rail service of the state's various rail operations, including integration with the high-speed rail system; and • Improve safety.	Caltrans	State	No maximum.	Not required.	http://www.dot.ca.gov/drmt/sptircp.html **Success Rate:** 14 projects were funded **LOD: Medium**
6	01/16/18 Housing	**Infill Infrastructure Program.** To provide grants for Capital Improvement Projects, in support of Qualifying Infill Projects as gap funding of infrastructure improvements that are an integral part of or are necessary to facilitate the development of new infill housing for specific residential or mixed-use projects.	CA Housing and Community Development	State	• Qualifying Infill Projects minimum: $500,000 in urban areas and $250,000 in rural areas. • Qualifying Infill Projects maximum: $5 million.	Not stated as required.	http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml **Success Rate:** Unknown at this time. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
7	01/22/18 Violence Prevention	**CA Violence, Intervention and Prevention Program (CalVIP).** To fund programs that are effective at reducing violence. Examples of eligible models: • Community Mobilization and Education • Cognitive Behavioral Therapy (CBT) • Mental Health • Public Health • Case Management • Diversion • Education/After-School • Recreation/Social • Employment/Job Training • Street Outreach/Intervention • Technology-Based Solutions	California Board of State and Community Corrections	State	$500,000 and each city that receives a grant must distribute 50% for grant fund to one or more community – based organizations.	Dollar for dollar.	http://www.bscc.ca.gov/s_cpgpcalvipgrant.php **Success Rate:** N/A. This is a new program. **LOD: Medium**
8	01/26/18 Education	***NEW!*** **21st Century Community Learning Center.** To support the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program serves Elementary and Middle/Junior High School Students in kindergarten to ninth grade. There are four program components for which funding can be used: Before School Programs, After School Programs, Summer Programs and Equitable Access Programs.	CA Department of Education	State	Varies based on formula.	Not required.	https://www.cde.ca.gov/fg/fo/profile.asp?id=4083 **Success Rate:** Varied from 8 to 30% among programs. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
9	01/26/18 Education	***NEW!*** **21st Century High School After School Safety and Enrichment Teen (ASSET) Program.** To provide local flexibility in the establishment or expansion of community learning centers that provide students in grades nine through twelve with academic enrichment opportunities and activities designed to complement students' regular academic program and that support college and career readiness, assist with literacy and related educational development services for families of these students, and provide a safe environment for students participating in their programs. The ASSETs after school grants may operate after school, and during any combination of before school, weekends, summer, intersession, and vacation.	CA Department of Education	State	$10.00 per participating student per regular school day, up to a maximum of $250,000 per year for high school students served. The minimum grant amount for ASSETs programs per school site is $50,000.	Not required.	https://www.cde.ca.gov/fg/fo/profile.asp?id=4082 **Success Rate:** 66 applications submitted; 16 applications funded. Success rate was 24 percent. **LOD: Medium**
10	01/29/18 Flood Planning	**Flood Emergency Response Projects Grant Program.** For the implementation of the Flood Emergency Response Program outside of the legal Delta. Funding will be prioritized through three sequential steps: 1. Planning & Coordination, 2. Training & Exercises, and 3. Facilities, Equipment, & Supplies.	CA Department of Water Resources	State	Not stated.	Not required.	http://www.water.ca.gov/floodmgmt/funding/flood-ER.cfm **Success Rate:** 23 applications were received; 20 applications were funded. Success rate was 87%. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
11	01/30/18 Transportation	**Trade Corridor Enhancement Program (CA Freight Investment Program merged with the TCEP).** To fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement as determined by the Commission. The following corridors are eligible for funding under this program: • Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties). • Central Valley (El Dorado, Fresno, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, and Yolo counties). • Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties). • Los Angeles/Inland Empire (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties). • San Diego/Border (Imperial and San Diego counties). • Other.	California Transportation Commission (CTC)	State/ Federal	No maximum.	30%	http://www.catc.ca.gov/activities/sb1/ **Success Rate:** N/A. This is a new program **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
12	01/30/18 Transportation	**SB1 Local Partnership Program - Competitive.** To reward counties, cities, districts, and regional transportation agencies in which jurisdictions have ***imposed fees*** solely dedicated to transportation improvements or that have voter-approved taxes/fees dedicated to transportation. NOTE this includes imposed fees, AND voter-approved taxes, tolls, or parcel/property taxes, etc. Eligible projects for both formula and competitive include, but are not limited to: A. Improvements to the state highway system B. Improvements to transit facilities C. The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment D. The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies E. Improvements to bicycle or pedestrian safety or mobility with an extended useful life F. Road maintenance and rehabilitation G. Other transportation improvement projects.	California Transportation Commission (CTC)	State	No maximum. For the competitive program, the CTC is seeking to fund very large projects and therefore they set the following **minimum** grant requests based on your population: Category 1: >1.5 million: $5 million Category II: 700,000-1,499,999: $3 million Category III: 300,000-699,999: $2 million Category IV: 100,000-299,999: $1 million Category V: <100,000: No minimum	Projects will require at least a 1:1 match of private, local, federal, or state funds except jurisdictions with a voter approved tax or fee which generates less than $100,000 annually need only provide a match equal to 50% of the requested funds.	http://catc.ca.gov/programs/SB1.html **Success Rate:** N/A. This is a new program. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
13	01/31/18 Urban Water	**Five Star and Urban Waters Restoration Grant Program.** To develop community capacity to sustain local natural resources for wetland, riparian, forest and coastal habitat restoration, wildlife conservation, community tree canopy enhancement, water quality monitoring and stormwater management. Projects should address the following five priorities: 1. On-the-Ground Restoration and Planning 2. Community Partnerships (must involve five or more partners) 3. Environmental Outreach, Education, and Training 4. Measurable Results 5. Sustainability **This program has multiple community involvement, outreach, and volunteer requirements.**	National Fish and Wildlife Foundation	Federal and Private	Minimum: $20,000. Maximum: $50,000.	1:1	http://www.nfwf.org/fivestar/Pages/2018rfp.aspx **Success Rate:** 2016: 65 projects were funded. 2015: 220 applications received, 58 projects funded. Success rate was 26 percent. **LOD: Complex**
14	01/31/18 Water	**Cooperative Watershed Management Program.** Phase I activities to develop a watershed group, complete watershed restoration planning activities, and design watershed management projects.	Bureau of Reclamation	Federal	$50,000 per year for two years.	Not required.	https://www.usbr.gov/watersmart/cwmp/index.html **Success Rate:** 2016: 7 applications were funded. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**

15	02/05/18
	
	Outdoor Recreation
		Land and Water Conservation Fund. To cooperatively acquire and/or develop outstanding properties in perpetuity for outdoor recreation purposes.
		Eligible projects include:
		• Create new parks within a half-mile of underserved communities.
		• Expand existing parks to increase the ratio of park acreage per resident in underserved areas.
		  • Use the Geographical Information Systems (GIS) Tools available at www.parks.ca.gov/SCORP to locate areas that have one of the following conditions:
		  o Neighborhood areas that have no park within a half-mile (use the "Park Access Tool").
		  o Communities or jurisdictions that have a ratio of less than three acres of parkland per 1,000 residents (use the "Park Access Tool" or the "Community Fact Finder".)
		  o Areas with an annual median household income that is less than $49,119.
		• Renovate existing or create new outdoor facilities within existing parks not currently under federal 6(f)(3) protection.
			California State Parks	Federal via State	$3 million	50%	http://www.parks.ca.gov/?page_id=21360
							
							Success Rate: 2016: 17 applications were funded.
							
							LOD: Medium

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
16	02/07/18 Water - Planning	**Drought Contingency Planning Grant.** To develop a new drought plan or to update an existing drought plan. Applicants may also request technical assistance from Reclamation for the development of elements of the Drought Contingency Plan.	Bureau of Reclamation	Federal	$200,000	50%	http://www.usbr.gov/drought/ **Success Rate:** 2017: 6 applications were funded. **LOD: Medium**
17	02/08/18 Water	***NEW!*** **Nonpoint Source.** To implement projects or programs that will help to reduce NPS pollution. Projects must address NPS Program Preferences list in Section D of the guidelines. CWA 319(h) Projects must: 1. Implement on-the-ground management measures (MMs) and/or management practices (MPs) that contribute to the restoration of NPS-impaired surface waters and groundwater by controlling NPS pollution. 2. Demonstrate water quality improvement as an outcome of the proposed project, specifically through quantifiable pollutant load or concentration reductions. Timber Fund: Implement forest management measures that demonstrate water quality improvements on forestlands in watersheds with State Responsibility Area.	State Water Resources Control Board	State	Minimum $250,000; Maximum $800,000.	25 percent. Eligible septic system upgrades or conversions require a 75 percent match.	https://www.waterboards.ca.gov/water_issues/programs/nps/319grants.shtml **Success Rate:** CWA 319(h): Success rate was 26%. Timber Fund: Success rate was 83%. 2017: 6 applications were funded. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
18	02/13/18 Water	**Drought Resiliency Project Grant.** For projects that will increase the reliability of water supplies; improve water management; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought. To provide funding for Drought Resiliency Projects that will: • Increase the reliability of water supply; • Improve water management; • Provide benefits for fish, wildlife, and the environment. Project Examples: • Developing or expanding small-scale surface water storage facilities such as off-stream storage ponds. • Installing water towers and storage tanks to store water for municipal and domestic use. • Installing recharge ponds or injection wells to increase recharge of surplus, inactive, or reclaimed water.	Bureau of Reclamation	Federal	Funding Group I: Up to $300,000 per agreement for a two-year project Funding Group II: Up to $750,000 per agreement for a project that can be completed within three years.	50%	http://www.usbr.gov/drought/ **Success Rate:** 2017: 39 applications were received, and 11 projects were funded. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
19	02/16/18 Transportation	***NEW:*** **Solutions for Congested Corridors Program.** To fund projects designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits. Will only fund the construction component of a project. **Local agencies are not eligible to apply. Only regional agencies and Caltrans are eligible to submit projects. If a city wants a project submitted, you need to contact WRCOG or Caltrans.**	CA Transportation Commission	State	No minimum or maximum.	Not required.	http://www.catc.ca.gov/programs/SB1.html **Success Rate:** N/A. This is a new program. **LOD: Complex**
20	02/28/18 Veteran Housing	**Homeless Providers Grant and Per Diem Program.** To provide transitional housing beds under VA's Homeless Providers GPD Program models. VA expects to fund 1,500 beds with this NOFA for applicants who will use one or a combination of the following housing models: Bridge Housing, Low Demand, Hospital-to-Housing, Clinical Treatment, and Service-Intensive Transitional Housing and Service Centers. Funding Priorities: VA has established the following funding priorities based on a gap analysis of existing and anticipated VA transitional housing needs within Continuums of Care (COC) nationwide. Applicants must identify and link their application to a specific COC.	Department of Veteran Affairs	Federal	A minimum of five transitional housing beds and no more than 40 beds per model, per medical center, per each applicant's Employer Identification Number (EIN) will be allowed. The per diem payment calculation may be found at 38 CFR 61.33.	Not required.	https://www.va.gov/homeless/gpd.asp **Success Rate:** Unknown at this time. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
21	03/02/18 Clean Vehicles and Mobility Strategies	***NEW!*** **MSRC Local Government Partnership Program.** To accelerate transition to cleaner vehicles and mobility strategies. For an MSRC funding contribution greater than $50,000, the following are eligible project categories: • Light-duty Zero Emission Vehicle Purchases or Leases • Medium & Heavy-Duty Zero Emission Vehicle Purchase • Near-Zero Emission Heavy-Duty Alternative Fuel Vehicle Purchases & Repowers • Electric Vehicle Charging Infrastructure (EVSE) Installation • Alternative Fuel Refueling Infrastructure New Construction or Expansion Smaller jurisdictions are also entitled to request MSRC funds for the following additional eligible project categories: • Traffic Signal Coordination and Synchronization Projects. • Bicycle Active Transportation Projects. • First Mile/Last Mile Strategies. o When implementing a project(s) from this subsection, jurisdictions are required to provide total project co-funding of at least 50%.	Mobile Source Air Pollution Reduction Review Committee	State	This is not a competitive program. The program sets aside a pro-rata share of MSRC funding for each city and county within the South Coast AQMD who participate in the AB 2766 motor vehicle registration fee program. • The maximum amount of funding any single city or county will receive is $3,000,000.	Dollar for dollar up to $3 million in MSRC funding. However, cities and counties that receive an annual allocation of AB 2766 Subvention Funds less than $50,000 are eligible to receive an MSRC Partnership match of $50,000.	http://www.cleantransportationfunding.org/rfp/view/2017-local-government-partnership-program **Success Rate:** N/A. This is a new program. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
22	First-come, first-served until 03/31/18 Transportation	**MSRC Major Event Center.** To facilitate implementation of new or expanded public transportation programs for event center destinations located in the South Coast Air Quality Management District. Eligible Entities include: Major event center, qualifying transportation provider or a County Transportation Commission. Eligible Projects include: • Applicants may propose a maximum of two consecutive event "seasons". • All bus and shuttle vehicles performing Event Center transportation services under this Program must be equipped with an engine that is certified at - *or cleaner than* – the EPA 2010 emissions standards and certified as such by the California Air Resources Board. All fuels and technologies certified to the 2010 emissions standards are acceptable. • For projects that propose expanded rail service, the MSRC requires that Tier 4 locomotives be used for all events beginning January 1, 2018. Tier 4 locomotives must also be used, if available, prior to January 1, 2018.	Mobile Source Air Pollution Reduction Review Committee	Regional via State	• $2.50 million for any single transportation service provider. • $1,500,000 for any single major event center. • The geographical funding minimum is $350,000 per county. • Reimbursement grant.	50%	http://www.cleantransportationfunding.org/rfp/view/major-event-center-transporation-program **Success Rate:** N/A. This is a new program. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
23	First-come, first-served until 06/29/18 or until funds are exhausted.	**Natural Gas Infrastructure Program.** To assist in the construction of natural gas refueling infrastructure within the South Coast Air Quality Management District. Examples of previously funded projects: 1. City of Los Angeles: ($350,000) To provide a time-fill CNG fueling station to provide fuel to ten (10) CNG vehicles. In addition, a limited fast-fill dispenser would be provided in order to provide "spot" fueling as needed. 2. Riverside Transit Agency ($1 million) The project consisted of three phases: 1) Planning, design, and technical specification development; 2) installation of underground gas lines; and 3) procurement, construction, and installation of station equipment.	Mobile Source Air Pollution Reduction Review Committee	State	• Maximums vary depending on the entity and fuel. • The geographical minimum is $500,000 per county.	50%	http://www.cleantransportationfunding.org/rfp/view/natural-gas-infrastructure-funding-opportunities **Success Rate:** Not applicable as this is a first-come, first-served incentive program. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
24	06/30/18 Water	***NEW!*** **Drinking Water for Schools.** To improve access to, and the quality of, drinking water in public schools. All projects must be located at schools within, or serving, a disadvantaged community (DAC). Eligible projects include but are not limited to: • Installation or replacement of water bottle filling stations or drinking water fountains with or without treatment devices capable of removing contaminants present in the school's water supply; • Installation of point-of-entry (POE), or point-of-use (POU) treatment devices for water bottle filling stations, drinking fountains, and other fixtures that provide water for human consumption, including up to three years of: replacement filters, operation and maintenance (O&M), and monitoring of POE or POU devices; • Installation, replacement, or repairs of drinking water fixtures and associated plumbing appurtenances that are necessary to address lead contamination identified by a school's public water system pursuant to the Lead Sampling of Drinking Water in California Schools program and that requires a corrective action.	State Water Resources Control Board	State	School: $25,000/$100,000 Entities: $25,000/ $1 million	Not stated as required.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/schools/ **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
25	10/01/18 Housing	**Community-Based Transitional Housing.** To encourage local communities to support housing that provides treatment and reentry programming to individuals who will benefit from those services. • Applicant must have a licensed partner facility operator. • The facility shall provide, or contract with another provider for, two or more additional services to residents. • Applicant may use program funds for the following purposes: o Discretionary law enforcement services o Community outreach efforts • Facility operators may use program funds provided by the applicant for the following purposes: o Providing facility residents with the services specified in the approved application for program funding. o Enhancing the security of the facility and its premises. o Community outreach and communications. o Start-up costs for the operation of the facility.	California Department of Finance	State	$2 million	Not required.	http://www.dof.ca.gov/Programs/Local_Government/Community_Based_Transitional_Housing/ **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
****On the Horizon/NOFA not yet released.****							
1	TBD Emission Reduction	**Volkswagen Settlement Mitigation Trust**. $381 million to California for NOx mitigation. Application and program details currently under development	California Air Resource Board	Private	TBD	TBD	https://www.arb.ca.gov/msprog/vw_info/vw-diesel-info/vw-diesel-info.htm
2	Winter 2017 Child Safety	**Kids Plate.** To support three significant child health and safety issues in California: 1. Unintentional childhood injuries; 2. Child abuse; and 3. Child care licensing and inspection. This year's focus will be on coalition development.	California Department of Public Health	State	TBD	TBD	https://archive.cdph.ca.gov/programs/Pages/KidsPlates.aspx
3	Expected Winter 2018 Water Efficiency	**Water Conservation Field Services Program – Lower Colorado Region.** For activities/projects that make more efficient use of existing water supplies through water conservation and efficiency. • Water management planning; • System Optimization Reviews (SOR); • Designing Water Management Improvements; and Demonstration projects.	Bureau of Reclamation	Federal	$100,000	50%	http://www.usbr.gov/lc/region/g4000/wtrconsv.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
4	Expected Winter 2018 Water	**Water and Energy Efficiency Grant.** To conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets, or carry out other activities to address climate-related impacts on water or prevent any water-related crisis or conflict.	Bureau of Reclamation	Federal	$300,000 for projects to be completed within two years. $1,000,000 for projects to be completed within three years.	50%	https://www.usbr.gov/watersmart/weeg/index.html
5	Expected Winter 2018 Water	**Small-Scale Water Efficiency Projects.** To support small-scale water management projects that have been identified through previous planning efforts.	Bureau of Reclamation	Federal	$75,000	50%	https://www.usbr.gov/watersmart/weeg/ssweg.html
6	Expected Winter 2018 Water	**Basin Studies LOI.** To evaluate the ability to meet future water demands within a river basin and to identify adaptation and mitigation strategies to address the potential impacts of climate change.	Bureau of Reclamation	Federal	Unknown	50%	https://www.usbr.gov/watersmart/bsp/index.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
7	February 2018 Water	**Groundwater Sustainability Program.** For grants, and loans, for planning and implementation projects that prevent or cleanup the contamination of groundwater that serves or has served as a source of drinking water. Examples of implementation projects include, but are not limited to: • Wellhead treatment; • Installation of extraction wells combined with treatment systems; • Centralized groundwater treatment systems; • Source area cleanup; • Groundwater recharge to prevent or reduce contamination of municipal or domestic wells; • Groundwater injection to prevent seawater intrusion; and • Groundwater well destruction.	CA State Water Resources Control Board	State	Planning: $100,000 to $21 million. Implementation: $500,000 to $50 million.	50%	https://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/groundwater_sustainability.shtml
8	Spring 2018 Water	**Title XVI Construction.** Funding for planning, design, and construction of congressionally authorized water recycling and reuse projects.	Bureau of Reclamation	Federal	$4 million	75%	https://www.usbr.gov/watersmart/title/index.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
9	Spring 2018 Water Studies	**Title XVI Feasibility Studies.** Funding for development of new Title XVI feasibility studies.	Bureau of Reclamation	Federal	$150,000 for feasibility studies to be completed within 18 months. $450,000 for feasibility studies to be completed within 3 years.	50%	https://www.usbr.gov/watersmart/title/index.html
10	June 2018 Transportation	**Highway Safety Improvement Grant.** To achieve a significant reduction in fatalities and serious injuries on all public roads. All proposed projects must lead to the construction of safety improvements.	Department of Transportation	State	$100,000 minimum and $10 million maximum.	10%	http://www.dot.ca.gov/hq/LocalPrograms/HSIP/apply_nowHSIP.htm
11	Fall 2018 Trails	**Recreational Trails Program.** For both non-motorized and motorized RECREATIONAL TRAILS and trail-related facilities. Eligible projects types are: acquisition, development or a combination of acquisition and development.	California State Parks	State	$50,000 minimum/ $1.5 million maximum	12%	http://www.parks.ca.gov/?page_id=24324

** Information presented is based on past guidelines. Requirements may change when new guidelines are published.

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Fiscal Year 2016/2017 Comprehensive Annual Financial Report**

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

Date: **January 18, 2018**

The purpose of this item is to *provide the Committee with a presentation on WRCOG's Fiscal Year 2016/2017 financial audit and Comprehensive Annual Financial Report (CAFR).*

Requested Action:

1. Receive and file.

WRCOG engaged Rogers, Anderson, Malody & Scott (RAMS) to conduct WRCOG's annual financial audit. The contract with RAMS is for three years with an option for two, one-year extensions. RAMS will be assisting WRCOG with the creation of the financial statements and the CAFR that meet all standards of the Governmental Accounting Standards Board.

WRCOG received the distinguished "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association for four consecutive years and all signs indicate that Fiscal Year (FY) 2016/2017 will also produce this distinguished award. The award recognizes that the Agency is transparent, has provided full disclosure of the financial statements, and that the users of the CAFR have all the information needed to draw a financial conclusion of the Agency.

WRCOG's auditors are providing an unmodified opinion on the FY 2016/2017 CAFR. An unmodified opinion is the highest form of assurance an auditing firm can provide to its client, and means that the audit and associated Agency financials are both in good form and the accounting practices are solid.

For any questions related to the audit, Terry Shea, Auditing Partner, RAMS, can be reached at (909) 889-0871 or terry@ramscpa.net.

Prior Actions:

January 8, 2018: The Executive Committee received and filed.
December 13, 2017: The Administration & Finance Committee received and filed.
October 26, 2017: The Finance Directors Committee received and filed.

Fiscal Impact:

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

Attachments:

1. FY 2016/2017 Comprehensive Annual Financial Report.
2. FY 2016/2017 Statement on Auditing Standards 114 Report.
3. FY 2016/2017 Generally Accepted Government Auditing Standards Report.

Item 6.F

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 1

FY 2016/2017 Comprehensive Annual Financial Report

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Fiscal Year 2016 / 2017

Comprehensive Annual Financial Report

Western Riverside Council of Governments
Riverside, CA

WRCOG
Western Riverside
Council of Governments

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

JUNE 30, 2017
TABLE OF CONTENTS

INTRODUCTION SECTION — PAGE

Letter of Transmittal i
Organizational Chart vi
List of Principal Officers vii
Certificate of Achievement for Excellence in Financial Reporting viii

FINANCIAL SECTION

Independent Auditor's Report 1
Management's Discussion and Analysis 4

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position 12
Statement of Activities 13

Fund Financial Statements

Balance Sheet – Governmental Funds 14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 17
Statement of Fiduciary Net Position 18

Notes to the Financial Statements 19

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund 45
Schedule of Funding Progress for Other Postemployment Benefits 46
Schedule of WRCOG's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date 47
Schedule of Plan Contributions 48
Notes to the Required Supplementary Information 49

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

JUNE 30, 2017
TABLE OF CONTENTS, (Continued)

FINANCIAL SECTION, (Continued)

Supplementary Information

Agency Fund:

Statement of Changes in Fiduciary Assets and Liabilities 50

STATISTICAL SECTION (UNAUDITED)

Statistical Section Overview 51

Net Position by Component 52

Changes in Net Position 53

Fund Balance of Governmental Funds 54

Changes in Fund Balance of Governmental Funds 55

Revenue by Funds 56

Demographic and Economic Statistics for the County of Riverside 57

Employment Statistics by Industry for Riverside County 58

Full-time Equivalent Employees by Function/Program 59

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Introductory Section

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October 31, 2017

TOP WORK PLACES 2016 THE PRESS-ENTERPRISE

To the Western Riverside Council of Governments and Citizens of Western Riverside County:

Letter of Transmittal

The Comprehensive Annual Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2017 is hereby submitted in accordance with the provision of Section 6505 of the Government Code of the State of California (the State). The report contains financial statements that have prepared in conformity with generally accepted accounting principles (GAAP) in the United States prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Western Riverside Council of Governments (WRCOG). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of WRCOG. All disclosure necessary to enable the reader to gain an understanding of WRCOG's financial activities have been included. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements.

Rogers, Anderson, Malody & Scott., LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview, and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRCOG for its CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

Profile of the Government

WRCOG was formed in November 1989 as a California Joint Powers Authority under the Government Code Section 6500 et.seq., of the State of California. WRCOG strives to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 17 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools and the Morongo Band of Mission Indians have seats on WRCOG Executive Committee, the group that sets policy for the Agency. WRCOG's many areas of activity cover such programs as transportation, energy, community growth and development, and environment.

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Major Initiatives

Transportation Uniform Mitigation Fee (TUMF) Program: WRCOG developed and administers the TUMF Program, a multi-jurisdictional fee program that ensures that new development in the subregion does not create additional congestion on regional highways. Fees paid by new residential and non-residential development will contribute to the construction of nearly $3 billion in transportation and transit improvements in Western Riverside County. The TUMF Program will construct 3,100 new lane miles, improve 47 interchanges, construct 39 bridges and 10 railroad grade separations, provide more than $61 million for regional transit improvements, and nearly $60 million for acquisition of sensitive habitat.

To date, WRCOG has received more than $700 million in TUMF revenue since program inception in 2003. 90 TUMF-funded projects have been completed; 12 are under construction; 9 are in engineering or right-of-way acquisition; and 23 are in the planning and environmental stages. The TUMF Program has funded and delivered more than $350 million in transportation projects since it began in 2003.

Property Assessed Clean Energy Program (PACE) Program: In 2011, WRCOG launched the HERO Program (also known as Property Assessed Clean Energy), a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion. The Program is the largest of its kind in the U.S.; as of the end of the fiscal year more than $949 million in applications have been approved. Nearly 14,600 residential projects have been completed, representing nearly $273 million in funding. These completed projects equate to over 203 GWh of kilowatt hours saved, and over 54,106 tons of greenhouse has (GHG) reductions occurring annually.

Program participants simply complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. The Program is a win-win at numerous levels. For property owners, energy and water conservation improvements will yield reduced utility bills and can improve property values. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce GHG emissions associated with energy use, and bring and retain needed jobs for area contractors.

The HERO Program has been so successful that it has now expanded statewide; 369 municipalities throughout California have joined the Program as of the end of the fiscal year, and more cities and counties are joining the Program each week.

Used Oil and Filter Collection Program: WRCOG's Regional Used Oil Program helps protect groundwater and the environment from the hazards of improperly disposed motor oil. WRCOG's Used Oil and Oil Filter Exchange events have been an effective tool in educating and facilitating the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate individuals who change their own oil, the Do-It-Yourselfer (DIYer), promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program where residents can drop-off other automotive and household hazardous products for free.

Western Riverside Energy Partnership (WREP): This Partnership originally consisted of WRCOG, Southern California Edison, and 12 member jurisdictions. In 2013, Southern California Gas

Gas Company joined the Partnership. The Partnership is designed to optimize opportunities for participating jurisdictions to achieve both short- and long-term sustainable energy savings, reduce utility bills, and enhance the level of comfort by retrofitting municipal buildings and facilities. A public outreach program encouraging residents in Western Riverside County to conserve energy is also part of the Partnership.

Clean Cities Coalition (Coalition): WRCOG's Clean Cities Coalition is nationally-recognized for its efforts to promote clean air by encouraging the use of alternative fuel vehicles and development of alternative fuel infrastructure, technologies and education. The Coalition hosts a number of educational forums and conferences, including an annual Environmental Youth Conference which brings together more than 200 middle school students to discuss and learn about sustainable lifestyles.

Solid Waste Cooperative: Under the leadership of the California Department of Resources Recycling and Recovery (CalRecyle), the state is nearly two-thirds of the way towards achieving ambitious waste diversion goals set forth by the Legislature. Since 1990, the partnership of the State, local governments, the waste industry, businesses, environmental groups, and millions of committed Californians has diverted more than 100 million tons of materials from landfills, and nearly 60 cities and counties have already met or exceeded the mandate to cut their trash in half.

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

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

Sustainability Framework: WRCOG's Sustainability Framework provides the foundation for a healthy communities planning movement in Western Riverside County. Implementation of ideas in the Framework can yield positive co-benefits in health and move the region towards a better quality of life. For example, recently, twelve cities in Western Riverside County joined together to develop a Subregional Climate Action Plan (CAP). The CAP goals include promoting economic development and job growth, energy and cost savings for residents and business owners, water efficiency and conservation, reduction in solid waste, improved air quality, and the promotion of active and healthy communities. The CAP strategies can be uniformly applied, or tailored as needed, for adoption by individual jurisdictions.

Beyond Program: At the end of Fiscal Year 2014/2015, WRCOG created a new program titled, "Beyond." For Fiscal Year 2016/2017, WRCOG *is allocating $2.3 million for use by WRCOG* member agencies through its "BEYOND" initiative. BEYOND is an economic development and sustainability local assistance funding program intended to help member agencies develop and implement projects that can improve the quality of life in Western Riverside County by addressing

critical growth components such as economy, water, education, environment, health, and transportation.

The cornerstone of BEYOND is WRCOG's Economic Development and Sustainability Framework. The Framework was approved by WRCOG's Executive Committee in 2012, and can be accessed on WRCOG's website at http://www.wrcog.cog.ca.us/community/sustainability. It serves, as the title implies, as a framework or guide that members can draw from in developing approaches to improve their communities. The premise of the Framework is that economic development, at its core, is tied to quality of life. While defining "quality of life" may be difficult, there is little debate that major contributing factors include critical components such as education, water, health, transportation, energy, and environment. When attention is given to each of these components, undoubtedly the subregion's quality of life improves, and as such economic desirability improves as well.

Fellowship Program: In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), and California Baptist University (CBU). The goal of this Program is to retain local students to fulfill the subregion's need for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students graduating from UCR and CBU to engage them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight, maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience. A representative from each University serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful

Financial Planning

A successful fiscal year always starts during the creation of the budget process. Management staff will begin to gather data and discuss planning of the budget around January of every year. Management will describe their needs in terms of increased line items and justify that with any increases they foresee in revenues for the upcoming fiscal year.

The first time the draft budget is presented publicly at WRCOG's sub-committee level. The Administration & Finance Committee, which is comprised of 11 of WRCOG's Executive Committee members, will review and discuss the budget, usually at its March or April meeting and make any recommendations and have it forwarded on to the Technical Advisory Committee (TAC), which is comprised of the City Managers and Agency Directors of WRCOG's member agencies . This meeting of the TAC usually occurs within the same month as the Administration & Finance Committee. After it is recommended for approval, the budget's next stop is at WRCOG's Executive Committee meeting (usually in June). Once approved by the Executive Committee, the budget is

approved by the General Assembly. The General Assembly is usually held at an off-site location and generally on the fourth Thursday of every June. The General Assembly is comprised of a majority of all City Councils, County Board of Supervisors, and other Board Members that represent WRCOG.

The budget itself is presented at the function level. It is displayed as follows: general government, transportation, energy, and environment. With the exception of the general government, each function is self-sufficient and able to fund its own expenditures through revenue generated. The general government; however, does not bring in enough revenue to cover all of the expenditures such as rent, legal, consulting, and payroll, and because of this, must charge overhead to offset the difference. The overhead is calculated during the budget process and allocated to each function in the most equitable method possible. This is usually based on the amount of revenue generated as a percentage of the total agency revenue.

The creation of the budget entries is part of the internal control process. One member of the Fiscal staff is to enter the journal, while another member approves. WRCOG's IT consulting firm is the only member of WRCOG that is allowed to assign functions within the accounting system. The goal of creating internal controls is to ensure that one person cannot create, approve, and issue a check, wire, or any other sensitive piece of information. WRCOG follows the policy that at least two, if not three, signatures are required to approve any check requests and the amount must be verified against the approved budget to ensure there are sufficient funds available to expend.

The Executive Committee of WRCOG has provided outstanding leadership and has provided staff with excellent resources, which are reflected in the programs delivered to the various members. WRCOG continues to be counted on to provide regional perspective while respecting local control.

WRCOG's Executive Committee approves all financial policies relevant to every aspect of the agency's accounting and as such, none of the policies approved during the year, or in year's past, had a significant impact on the current period's financial statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Western Riverside Council of Governments for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

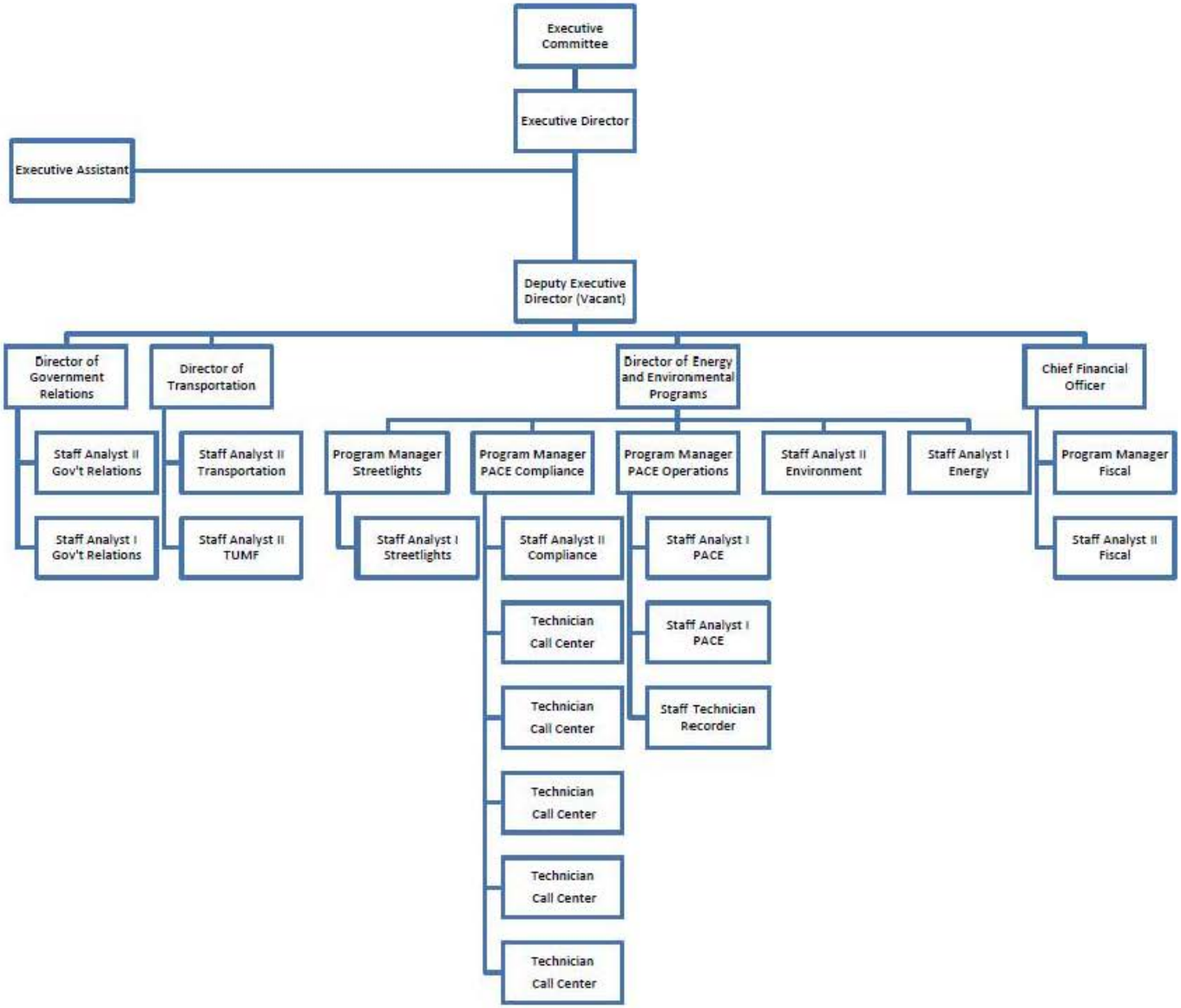
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincerely,

Ernie Reyna, CPA
Chief Financial Officer

Western Riverside Council of Governments

Organizational Chart 2017



Western Riverside Council of Governments

List of Principal Officials
As of June 30, 2017

Executive Committee Members

Name and Position	Title	Agency
Debbie Franklin	Chair	City of Banning
Chuck Washington	Vice Chair	County of Riverside, District 3
Bonnie Wright	2nd Vice Chair	City of Hemet
Jeff Hewitt	Member	City of Calimesa
Jordan Ehrenkranz	Member	City of Canyon Lake
Eugene Montanez	Member	City of Corona
Adam Rush	Member	City of Eastvale
Laura Roughton	Member	City of Jurupa Valley
Brian Tisdale	Member	City of Lake Elsinore
John Denver	Member	City of Menifee
Yxstian Gutierrez	Member	City of Moreno Valley
Kelly Seyarto	Member	City of Murrieta
Kevin Bash	Member	City of Norco
Rita Rogers	Member	City of Perris
Rusty Bailey	Member	City of Riverside
Crystal Ruiz	Member	City of San Jacinto
Mike Naggar	Member	City of Temecula
Ben Benoit	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
John Tavaglione	Member	County of Riverside, District 2
Marion Ashley	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water Dist.
David Slawson	Member	Eastern Municipal Water Dist.
Judy White	Member	Riverside County Superintendent of Schools
Robert Martin	Member	Morongo Band of Mission Indians

Management Staff

Rick Bishop, Executive Director
Chris Gray, Director of Transportation
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Jennifer Ward, Director of Government Relations

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Western Riverside Council of Governments California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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INDEPENDENT AUDITOR'S REPORT

Executive Committee
Western Riverside Council of Governments
Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the *Comptroller General of the United States*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of WRCOG as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WRCOG's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017, on our consideration of WRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

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This section of the Western Riverside Council of Governments (WRCOG) Comprehensive Annual Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2017. Management encourages readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to WRCOG's basic financial statements. WRCOG's basic financial statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The following required supplemental information has been included in this report:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Schedules of Funding Progress for Other Postemployment Benefits
- Schedule of WRCOG's Proportional Share of the Net Pension Liability and Related Ratios as of the Measurement Date
- Schedule of Plan Contributions

The following supplemental information has been included in this report:

- Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds
- Statistical Section

Government-Wide Financial Statements are designed to provide readers with a broad overview of WRCOG finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of WRCOG's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of WRCOG is improving or declining.

The *Statement of Activities* presents information showing how WRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected TUMF fees or expenses pertaining to earned but unused vacation and sick leave).

Fund Financial Statements WRCOG only utilizes governmental funds. The focus of governmental fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Like other state and local governments, WRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

WRCOG maintains two major governmental funds organized to their type (general and special revenue). The governmental fund statements present the financial information of each major fund in separate columns.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for the fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of funding progress, proportionate share of net pension liability, schedule of contributions, other post-employment benefits, plus budget and actual information.

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was $4.3 million and consisted of net investment in capital assets of $94 thousand, restricted net position of $12 thousand, and unrestricted net position of $4.2 million.

- At June 30, 2017, WRCOG's assets of $83.6 million plus deferred outflows of resources of $1.2 million exceeded its liability of $80.3 million and deferred inflows of resources of $109 thousand resulting in a net position of $4.3 million.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position – Net Position may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, WRCOG reported positive net position, with total assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $4.3 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2016 was $1.8 million and increased to $2.3 million at June 30, 2017.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. WRCOG reports a deferred outflow related to pensions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. WRCOG reports a deferred inflow also related to pensions.

The table below provides summarized data from the Statement of Net Position for WRCOG as of June 30, 2017, as compared to the prior year:

Statement of Net Position
As of June 30

	2017	2016
Current and other assets	$ 83,485,828	$ 95,112,835
Capital assets being depreciated	93,875	100,296
Total Assets	83,579,703	95,213,131
Deferred Outflows of Resources	1,197,115	791,771
Current and other liabilities	60,958,537	32,743,421
Long-term obligations	19,370,537	27,026,755
Total Liabilities	80,329,074	59,770,176
Total Deferred Inflows or Resources	109,364	266,755
Net Position:		
Net investment in capital assets	93,875	100,296
Restricted	11,702	26,481,732
Unrestricted	4,232,803	9,385,943
Total Net Position	$ 4,338,380	$ 35,967,971

WRCOG's total net position decreased by 88%, or $31.6 million, during fiscal year 2016-2017 compared to the prior year's increase of $4.6 million. Total liabilities increased 57%, or $29 million, during fiscal year 2016-2017 compared to the prior year, mostly due to the increase in TUMF projects started, but not yet completed and the associated dollars owed to WRCOG's Member Agencies. Current assets decreased from $95.1 million in FY 2015/2016 to $83.5 million, or 12%. This decrease in current assets is attributable to an increase in TUMF project reimbursements and transferring RTA's TUMF balance of $15M in the year. Also carryover funds were utilized for various agency activities. Below are the three components of net position and their respective fiscal year-end balances:

- **Net Investment in Capital Assets** represents 2.2%, or $94 thousand of WRCOG's total net position for fiscal year 2016-2017 compared to 0.3%, or $100 thousand, for fiscal year 2015-2016. The decrease is attributable to the depreciation of existing capital assets.

- **Restricted net position** accounts for 0.3%, or $12 thousand, of WRCOG's total net position for fiscal year 2016-2017 compared to 73.6%, or $26.4 million, for fiscal year 2015-2016. This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. All of the restricted net position applies to TUMF as the administration plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the Transportation Improvement Process (TIP). The jurisdiction located within that particular zone must demonstrate it has expended its own funds and is requesting reimbursement and has provided the appropriate supporting documentation.

- **Unrestricted net position** accounts for 97.6%, or $4.2 million, of WRCOG's total net position for fiscal year 2016-2017 compared to 26.1% or $9.4 million for fiscal year 2015-2016. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

Governmental Activities

Revenues: WRCOG's governmental activities rely on the following sources of revenue to finance ongoing operations:

- General revenue related to governmental activities primarily consists of fees, other revenues, and investment earnings. Investment earnings decreased from $509 thousand to $(13) thousand due to market losses from investments and investment management fees.

- Charges for services are revenues received related to the sponsorship of the PACE Program. WRCOG receives 1.463% of the amount financed for its participation in the program. In addition, the PACE Program recording fees are included in the revenue balance.

- Operating grants and contributions decreased by $714 thousand, or 2%, from $44.5 million in fiscal year 2015-2016 to $43.7 million in the current fiscal year. This decrease was due to the separation of PACE fees from Operating grants and contributions to Charges for Services. Total expenses increased from $50.2 million to $84.7 million due to an increased amount of PACE and TUMF expenses.

Expenses: Total program expenses for governmental activities were $84.7 million for the current fiscal year, an increase of 68.7%, or $34.5 million compared to prior fiscal year of $50.2 million. The increase in expenses is mostly attributable to a greater amount of TUMF Projects that were reimbursed during the fiscal year, as well as an increase in PACE related expenses.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2016-2017, as compared to the prior year:

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Revenues					
Program revenues:					
Charges for services	$ 9,316,452	17.6%	$ 9,779,134	$ 462,682	4.7%
Operating grants and contributions	43,773,262	82.5%	44,486,961	713,699	1.6%
General revenues:					
Other revenues	-	0.0%	36,112	36,112	100.0%
Investment earnings	(12,645)	-0.1%	509,228	521,873	102.5%
Total revenues	53,077,069	100.0%	54,811,435	1,734,366	**3.2%**
Expenses					
General government	4,028,482	4.8%	2,520,688	$ (1,507,794)	
Transportation	74,542,061	88.0%	41,631,788	(32,910,273)	-79.1%
Energy	5,622,980	6.6%	5,629,560	6,580	0.1%
Environmental	513,137	0.6%	423,667	(89,470)	-21.1%
Total expenses	84,706,660	100.0%	50,205,703	(34,500,957)	**-68.7%**
Change in Net Position	(31,629,591)		4,605,732	36,235,323	-59.8%
Net Position, Beginning of Year	35,967,971		31,362,239	(4,605,732)	
Net Postion, End of Year	$ 4,338,380		$ 35,967,971	$ 31,629,591	**87.9%**

Operating Grants and Contributions are revenues received from parties outside of WRCOG, such as state agencies, and are generally restricted to one or more specific programs. TUMF revenue is the largest governmental activities program revenue with $42.2 million recognized during the year, as compared to $42.6 million for fiscal year 2015-2016, which represents a decrease of 1% or $400 thousand.

FINANCIAL ANALYSIS OF FUND STATEMENTS

As previously noted, WRCOG uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of WRCOG's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing WRCOG's short-term financial requirements. In particular, the total fund balance less the non-spendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by WRCOG include the General and Special Revenue Funds.

The General Fund is the chief operating fund for WRCOG. At the end of the current fiscal year, the General fund's total fund balance was $12.6 million, as compared to $9.9 million for the prior fiscal year. The increase of $2.7 million, or (27%), was mostly a result of the increased amount of revenue over expenses for the PACE Program, which equated to a net increase of $4 million. The increase in PACE revenue was attributable to the program's continued expansion throughout the State of California and allowing more residents access to the program. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The non-spendable portion of fund balance was $167 thousand; the assigned portion was $3,426,691, which included the BEYOND Program of $3,305,419 and the Fellowship Program of $121,272, and the unassigned portion at $9 million. The current year's unassigned fund balance is 89% of the total general fund expenditures of $10.1 million, as compared to 90% of the total general fund expenditures for fiscal year 2015-2016. The total fund balance of the General fund for the current year is 125% of the total general fund expenditures as compared to 139% for the prior year.

GENERAL FUND FINANCIAL ANALYSIS

Revenues for the General Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Revenues					
Intergovernmental	$ 1,145,570	9.0%	$ 1,058,265	$ (87,305)	-8.2%
TUMF mitigation fees	1,689,574	13.2%	1,704,607	15,033	0.9%
PACE fees	9,028,003	70.8%	9,562,139	534,136	5.6%
Other revenues	894,488	7.0%	848,957	(45,531)	-5.4%
Investment income	261	0.0%	4,651	4,390	94.4%
Total revenues	$ 12,757,896	100%	$ 13,178,619	$ 420,723	87.2%

The decrease in intergovernmental revenue was attributable to a decreased amount funds from WRCOG's Used Oil Program. TUMF mitigation fees were higher because more permits were issued during the fiscal year resulting in an increased amount of revenue from the TUMF program. PACE fees increased significantly because the program expanded into new areas of California allowing more residents of the state to access and quality for the PACE loans. Lastly, investment income decreased slightly in the general fund due to fluctuations in the market and average cash balances upon fiscal year end.

Expenditures for the General fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Expenditures					
General government	$ 3,965,880	39.2%	$ 2,681,489	$ (1,284,391)	-47.9%
Energy	5,632,488	55.7%	5,647,563	15,075	0.3%
Environmental	513,137	5.1%	435,626	(77,511)	-17.8%
Total expenditures	$ 10,111,505	100.0%	$ 8,764,678	$ (1,346,827)	-65.4%

The increase of expenditures in the General Government was due to the increase in payroll related costs such as benefits to both current and retired employees and the rising cost of pensions. Expenditures in Energy was approximately even. Since the Program has gone statewide, expenditures have increased in such areas as payroll, consulting, and recording fees. Lastly, The Environmental Program experienced an increase in expenditures mostly due to an increase in employees for this department.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for year end, the fourth quarter amendments are presented at the July Administration & Finance Committee and approved at the August Executive Committee meeting.

Because of this timing, each category of the budget for revenue has some variation with the largest occurring with the intergovernmental revenues. When the final budget was presented to the Executive Committee, it was anticipated revenues in the General Fund would be $12.5 million; however, the actual amount was only $12.7 million, leaving a variance of $248 thousand.

On the expenditure side for the General Fund, it was anticipated expenditures would be $13.8 million; however, actual expenditures were only $10.1 million, leaving a variance of $3.7 million. This was mostly due to the Environmental Program's grant year which does not match up with WRCOG's Fiscal Year. The grant year causes expenditures to be carried forward into the next Fiscal Year.

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

As of June 30, 2017, WRCOG had capital assets of $93,875, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles.

Additional information to WRCOG's capital assets can be found on Note 4 to the financial statements.

Long-term liabilities have decreased from $27 million in FY 2015/2016, to $19.4 million in FY 2016/2017, or a decrease of 28%. The decrease in long-term liabilities can mostly be attributed to a decrease in refund liabilities from the TUMF Program. Refund liability represents amounts owed to developers for the pre-payment of TUMF fees. In some instances these TUMF fees are paid in advance, but the project is never started, and the developer requests a refund.

Additional information to WRCOG's long-term liabilities can be found on Note 5 to the financial statements

ECONOMIC FACTORS AND OTHER FACTORS

On June 22, 2017 WRCOG adopted the fiscal year 2017/2018 budget. The budget is presented by function, which includes: Administration, Transportation, Energy, and Environmental. Expenditures have shifted in that now the majority of budgeted expenditures are now in the Energy category because of the need for consulting services, payroll, and recording fees. The TUMF program, saw a decrease in revenues of 1.29% in Fiscal Year 2016/2017. Leading economic indicators suggest that the housing market has stabilized, which is helped balance the WRCOG budget.

CONTACTING WRCOG'S MANAGEMENT

This financial report is designed to provide a general overview of WRCOG's finances for all those with an interest in the government's finances and to show WRCOG's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 450, Riverside, California 92501.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 75,695,122
Receivables:	
Grants	711,716
Interest	4,710
Mitigation fees receivable	6,341,696
Due from other governments	6,313
Prepaid items	167,212
Net OPEB asset	559,059
Capital assets, net of accumulated depreciation	93,875
Total Assets	83,579,703
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,197,115
LIABILITIES	
Accounts payable	790,088
Due to other governments	59,423,224
Accrued wages and benefits	1,999
Unearned revenue	743,226
Non-current liabilities:	
Due within one year	17,473
Due in more than one year:	
Compensated absenses	157,261
TUMF liabitities	16,898,755
Net pension liability	2,297,048
Total Liabilities	80,329,074
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	109,364
NET POSITION	
Net investment in capital assets	93,875
Restricted for:	
Foundation	11,702
Unrestricted	4,232,803
Total Net Position	$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:				
Governmental activities:				
General government	$ 4,028,482	$ -	$ 512,876	$ (3,515,606)
Transportation	74,542,061	-	42,731,611	(31,810,450)
Energy	5,622,980	9,316,452	-	3,693,472
Environmental	513,137	-	528,775	15,638
Total Governmental Activities	$ 84,706,660	$ 9,316,452	$ 43,773,262	$ (31,616,946)

General Revenues:	
Investment income (loss)	(12,645)
Total General Revenues	(12,645)
Change in Net Position	(31,629,591)
Net Position, Beginning of Year	35,967,971
Net Position, End of Year	$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Balance Sheet – Governmental Funds
June 30, 2017

	Major Funds		Total
	General Fund	Special Revenue TUMF	Governmental Funds
ASSETS			
Cash and investments	$ 14,035,524	$ 61,659,598	$ 75,695,122
Receivables:			
Grants	711,716	-	711,716
Interest	10	4,700	4,710
Mitigation fees receivable	-	6,341,696	6,341,696
Due from other governments	6,313	-	6,313
Prepaid items	167,212	-	167,212
Advances to other funds	-	827,686	827,686
Total Assets	$ 14,920,775	$ 68,833,680	$ 83,754,455
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	$ 753,433	$ 36,655	$ 790,088
Due to other governments	-	59,423,224	59,423,224
Accrued wages and benefits	1,999	-	1,999
Unearned revenue	743,226	-	743,226
Advances from other funds	827,686	-	827,686
Total Liabilities	2,326,344	59,459,879	61,786,223
Fund Balances			
Nonspendable:			
Prepaid items	167,212	-	167,212
Restricted:			
Transportation projects	-	9,373,801	9,373,801
Foundation	11,702	-	11,702
Assigned:			
BEYOND Program	3,305,419	-	3,305,419
Fellowship Program	121,272	-	121,272
Unassigned	8,988,826	-	8,988,826
Total Fund Balances	12,594,431	9,373,801	21,968,232
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,920,775	$ 68,833,680	$ 83,754,455

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - Governmental Funds	$ 21,968,232
The net OPEB asset is not an available current financial resource and therefore is not reported in the governmental funds.	559,059
Capital assets, net of accumulated depreciation used in governmental activities, are not current financial resources and therefore are not reported in the funds.	93,875
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.	
TUMF liabilities	(16,898,755)
Compensated absences	(174,734)
Net pension liability	(2,297,048)
Deferred outflows and inflows of resources are not reported in the governmental funds:	
Deferred amounts related to pensions	1,087,751
Net Position of Governmental Activities	$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Major Funds		Total
	General Fund	Special Revenue TUMF	Governmental Funds
REVENUES			
Intergovernmental	$ 1,145,570	$ -	$ 1,145,570
TUMF mitigation fees	1,689,574	40,549,766	42,239,340
PACE fees	9,028,003	-	9,028,003
Other revenues	894,488	-	894,488
Investment income (loss)	261	(12,906)	(12,645)
Total Revenues	12,757,896	40,536,860	53,294,756
EXPENDITURES			
Current:			
General government	3,965,880	-	3,965,880
Transportation	-	82,703,352	82,703,352
Energy	5,632,488	-	5,632,488
Environmental	513,137	-	513,137
Total Expenditures	10,111,505	82,703,352	92,814,857
Net Change in Fund Balances	2,646,391	(42,166,492)	(39,520,101)
Fund Balances, Beginning of Year	9,948,040	51,540,293	61,488,333
Fund Balances, End of Year	$ 12,594,431	$ 9,373,801	$ 21,968,232

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ (39,520,101)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(6,421)
Prepaid OPEB costs are expensed in the governmental funds when paid but are amortized in the Statement of Net Position. This is the amount of the decrease in the net OPEB asset.	(122,072)
The payment of amounts pursuant to long-term TUMF agreements is recorded as an expenditure in the governmental funds. This transaction does not have an effect on the net position in the government-wide financial statements.	5,234,500
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Net change in compensated absenses	2,632
Net change in TUMF liabilities	2,925,306
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.	74,252
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	(217,687)
Change in Net Position of Governmental Activities	$ (31,629,591)

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Fiduciary Net Position
June 30, 2017

	Agency Fund
ASSETS	
Cash and investments	$ 506,005
LIABILITIES	
Deposits payable	$ 506,005

The accompanying notes are an integral part of these financial statements.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Western Riverside Council of Governments (WRCOG) was formed in 1989 under the California Government Code Section 6500 et. seq. WRCOG is a special district governed by twenty-four Executive Committee Members consisting of seventeen members from the cities in Western Riverside County (excluding the City of Beaumont), four Riverside County Supervisors, one member each from the Eastern and Western Municipal Water Districts, and one member from the Riverside County Superintendent of Schools.

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of WRCOG and any of its component units. Component units are legally separate entities for which WRCOG is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of WRCOG's operations so the accounts of these entities are to be combined with the data of WRCOG. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status.

Blended Component Unit

WRCOG Supporting Foundation (the Foundation). WRCOG has created a foundation to support its mission and objectives under IRC 509(a)(3) as an organization that is supervised and controlled in connection with a publicly supported organization. All contributions to the Foundation are exempt under section 501(c)(3) of the Internal Revenue Code. WRCOG executive committee members are the governing board of the Foundation, and management of WRCOG has operational responsibility for the component unit. The Foundation is reported as part of the General Fund in these financial statements.

B. Basis of Presentation

WRCOG's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities report information on all activities of WRCOG. All fiduciary activities are reported only in the fund financial statements.

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation, Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General assembly revenues and other items that do not meet the definition of program revenues are reported instead as general revenues.

Fund Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. WRCOG considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year end, except for cost reimbursement based grants where due to the nature of these grants 180 days after year end is used. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

D. Fund Classifications

WRCOG reports the following major governmental funds:

General Fund. The general fund is WRCOG's primary operating fund. It accounts for all financial resources of WRCOG, except those required to be accounted for in another fund.

Transportation Uniform Mitigation Fees (TUMF) Special Revenue Fund. This fund is used to account for the proceeds of Transportation Uniform Mitigation Fees which are legally restricted to expenditures for specified purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Classifications, Continued

Additionally, WRCOG reports the following fiduciary fund:

Agency Fund. WRCOG's agency fund is used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of revenues and expenses.

E. Financial Statement Elements

(1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for non-negotiable certificates of deposit and investment contracts that are reported at cost. These investments are not transferrable, and they have terms that are not affected by changes in market interest rate. Investment income includes interest earnings and the net increase (decrease) in fair value of investments. WRCOG categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(2) Interfund Balances and Transfers

Activities between funds that are representative of lending and borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

(3) Capital Assets

Capital assets, which include furniture and computers, are reported in the government-wide financial statements. WRCOG defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives varying from five to ten years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(4) Compensated Absences

A total of 10 days of vacation per year may be accumulated by each employee with three years of service, 15 days with four years of service, and 20 days with ten or more years of service. However, employees are not paid for their accumulated sick leave upon retirement until they have been employed for five years, at which time 50% of accumulated sick leave hours in excess of 240 hours is paid out. WRCOG accrued a liability for compensated absences, which meets the following criteria:

- WRCOG's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- The obligation relates to rights that vest or accumulate,
- Payment of the compensation is probable,
- The amount can be reasonably estimated.

Compensated absences not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

(5) Fund Balance – Governmental Funds

The following fund balance classifications describe the relative strength of the spending constraints on WRCOG's fund balances:

- Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- Committed fund balance – amounts constrained to specific purposes by WRCOG itself, using its highest level of decision-making authority (i.e., Executive Committee ordinance). To be reported as committed, amounts cannot be used for any other purpose unless WRCOG takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts WRCOG intends to use for a specific purpose. Intent is expressed by the Executive Committee.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(5) Fund Balance – Governmental Funds, Continued

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, WRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, WRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Executive Committee or management has provided otherwise in its commitment or assignment actions.

(6) Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from those estimates.

(7) Pensions

Information about the fiduciary net position of WRCOG's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions in the Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. This includes the measurement of pension expense and the net pension liability and deferred outflows/inflows of resources related to pensions. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(8) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category: deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item of this: deferred amounts related to pensions. For the fund level statements, deferred inflows of resources represent unavailable resources.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and investments	$	75,695,122
Fiduciary Funds		
Cash and investments		506,005
Total Cash and Investments	$	76,201,127

Cash and investments as of June 30, 2017, consist of the following:

Deposits and petty cash	$	37,620,740
Investments		38,580,387
Total Cash and Investments	$	76,201,127

A. Authorized Investments

The following investments are authorized under California Government Code and, where more restrictive, WRCOG's Investment Policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	100%	None
State of California Obligations	5 years	15%	None
Local Agency Obligations	5 years	15%	None
Repurchase Agreements	7 days	25%	20%
Commercial Paper	270 days	25%	10%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Time Certificates of Deposit	5 years	2%	None
Negotiable Certificates of Deposit	5 years	25%	None
Money Market Mutual Funds	N/A	20%	10%
Riverside County Treasurer's Pooled Investment	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$65 million **

** Limit set by LAIF governing Board, not California Government Code

NOTE 2 – CASH AND INVESTMENTS, (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end, the weighted average maturity of the investments contained in the Local Agency Investment Fund (LAIF) pool was approximately 270 days, and the Riverside County Investment Pool had a weighted average maturity of 1.10 years. WRCOG's investment policy recognizes the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

		Remaining Maturity		
Investment Type	Total	12 months or less	13 to 24 months	25 to 36 months
LAIF	$ 792,635	$ 792,635	$ -	$ -
Riverside County Treasurer's Pooled Investment Fund	2,236,147	-	2,236,147	-
U.S. Treasury Obligations	500,879	-	-	500,879
U.S. Agency Securities	22,934,747	3,315,632	8,713,475	10,905,640
Local Agency Obligations	535,241	-	535,241	-
Commercial Paper	2,085,216	2,085,216	-	-
Medium Term Notes	9,394,510	2,491,453	1,462,840	5,440,217
Money Market Account	101,012	101,012	-	-
Total	$ 38,580,387	$ 8,785,948	$ 12,947,703	$ 16,846,736

C. Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using market approach using quoted market prices.

NOTE 2 – CASH AND INVESTMENTS, (Continued)

C. Fair Value Classifications, Continued

Fair value measurements for investments are as follows as of June 30, 2017:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Obligations	$ 500,879	$ -	$ 500,879	$ -
U.S. Agency Securities	22,934,747	-	22,934,747	-
Local Agency Obligations	535,241	-	535,241	-
Commercial Paper	2,085,216	-	2,085,216	-
Medium Term Notes	9,394,510	-	9,394,510	-
Total Leveled Investments	35,450,593	$ -	$ 35,450,593	$ -
Investments not Subject to Hierarchy:				
LAIF	792,635			
Riverside County Treasurer's Pooled Investment Fund	2,236,147			
Money Market Account	101,012			
	$ 38,580,387			

Deposits and withdrawals to/from LAIF and the Riverside County Treasurer's Pooled Investment Fund are made on the basis of $1 and not fair value. As such, the measurement of fair value is uncategorized and not defined as a Level 1, Level 2 or Level 3 input. The balance of the money market account is considered a cash equivalent.

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the WRCOG's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	AA	AA-	A+	A	Not Rated
LAIF	$ 792,635	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ 792,635
Riverside County Treasurer's Pooled Investment Fund	2,236,147	N/A	-	-	-	-	-	-	2,236,147
U.S. Treasury Obligations	500,879	N/A	-	500,879	-	-	-	-	-
U.S. Agency Securities	22,934,747	N/A	858,881	22,075,866	-	-	-	-	-
Local Agency Obligations	2,620,457	N/A	-	-	535,241	-	-	2,085,216	-
Medium Term Notes	9,394,510	A	$ 104,448	349,796	$ 498,026	$ 883,585	$ 2,677,875	$ 4,880,780	-
Money Market Account	101,012	N/A	-	-	-	-	-	-	101,012
	$ 38,580,387		$ 963,329	$ 22,926,541	$ 1,033,267	$ 883,585	$ 2,677,875	$ 6,965,996	$ 3,129,794

NOTE 2 – CASH AND INVESTMENTS, (Continued)

E. Concentration of Credit Risk

Investments in any one issuer that represent five percent or more of the total WRCOG investments are as follows:

Concentration of Credit Risk

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Freddie Mac	U.S. Agency Securities	$ 8,899,923	23%
Fannie Mae	U.S. Agency Securities	$ 7,701,661	20%
Federal Home Loan Bank	U.S. Agency Securities	$ 4,296,979	11%

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the WRCOG's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure WRCOG deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of WRCOG's deposits with financial institutions, $37,851,901 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the WRCOG’s deposits as noted above.

NOTE 2 – CASH AND INVESTMENTS, (Continued)

G. Investment in State Investment Pool

WRCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

H. Investment in Riverside County Pooled Investment Fund

The Riverside County Treasurer's Pooled Investment Fund (RCTPIF) is a pooled investment fund program governed by the County of Riverside Board of Supervisors and Investment Oversight Committee and administered by the County of Riverside Treasurer and Tax Collector. Investments in RCTPIF are highly liquid, as deposits and withdrawals can be made at any time without penalty. RCTPIF does not impose a maximum investment limit. RCTPIF is not registered with the Securities and Exchange Commission. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by County Treasurer for the entire RCTPIF.

Information related to the RCTPIF may be obtained from the County of Riverside Administrative Office – 4080 Lemon Street, 4th Floor – Capital Markets – Riverside, California 92506 or the Treasurer and Tax Collector's office website at www.countytreasurer.org.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Advances to Other Funds

WRCOG's interfund receivables and payables represent amounts advanced from the TUMF Fund to the General Fund for OPEB costs. The advance is anticipated to be repaid over a ten year period which began in fiscal year 2014-15 with equal annual payments.

The composition of interfund balance as of June 30, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
TUMF	General	$ 827,686

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2017, is shown below:

	Beginning	Increases	Decreases	Ending
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and Computer Equipment	$ 384,413	$ 38,372	-	$ 422,785
Other Capital Assets	33,037	-	-	33,037
Total Depreciable Capital Assets	417,450	38,372	-	455,822
Less Accumulated Depreciation for:				
Furniture and Computer Equipment	(310,547)	(44,793)	-	(355,340)
Other Capital Assets	(6,607)	-	-	(6,607)
Total Accumulated Depreciation	(317,154)	(44,793)	-	(361,947)
Capital Assets net of Accumulated Depreciation	$ 100,296	$ (6,421)	$ -	$ 93,875

Depreciation expense of $44,793 was charged to the general government function of the governmental activities.

NOTE 5 – LONG-TERM LIABILITIES

A schedule of changes in the long-term liabilities for the year ended June 30, 2017, is shown below:

	Beginning	Additions	Reductions	Ending	Due within One Year
Governmental Activities:					
Compensated Absences	$ 177,366	$ 133,860	$ (136,492)	$ 174,734	$ 17,473
Refund Liability	11,670,561	440,736	(3,366,042)	8,745,255	-
City of Moreno Valley Agreement	10,128,000	-	(3,634,500)	6,493,500	-
City of Riverside Agreement	3,260,000	-	(1,600,000)	1,660,000	-
Net Pension Liability	1,808,565	793,695	(305,212)	2,297,048	-
Total Long-term Liabilities	$ 27,044,492	$ 1,368,291	$ (9,042,246)	$ 19,370,537	$ 17,473

Compensated absences will be liquidated primarily from the General Fund.

NOTE 5 – LONG-TERM LIABILITIES, (Continued)

A. Refund Liability

WRCOG maintains a listing of developers who are owed a refund for various reasons including expired permits, duplicate payments, and credit agreements entered into with the developer. Some of the refunds are included on the Transportation Improvement Plan (TIP) and some are not but are generally not paid out until the zone has enough money to repay the refund. Each zone within the TIP maintains its own refund amounts and as funds become available, the refunds are paid out. No interest is calculated on refunds granted back to the developer. The refunds will be liquidated from the TUMF Fund.

B. City of Moreno Valley Agreement

In 2011, WRCOG entered into an agreement with the City of Moreno Valley to fund a portion of the Nason/SR-60 Interchange Project. Pursuant to the agreement, the City incurred project-related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was $11,128,000. As of June 30, 2017, the remaining amount to be reimbursed to the City is $6,493,500. The liability will be liquidated from the TUMF Fund.

C. City of Riverside Agreement

In 2007, WRCOG entered into an agreement with the City of Riverside to fund the Magnolia Avenue/Union Pacific Grade Separation project. Pursuant to the agreement, the City incurred project related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was $15,660,000. As of June 30, 2017, the remaining amount to be reimbursed to the City is $1,660,000. The liability will be liquidated from the TUMF Fund.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES

WRCOG developed an ordinance and an administrative plan effective June 1, 2003, to implement the Transportation Uniform Mitigation Fee (TUMF). This ordinance and the administrative plan allows for the collection of mitigation fees over 25 years related to the planning and construction of a regional transportation system throughout the western region of Riverside County. The municipalities located within the western region of Riverside County (grouped by zones) and the County of Riverside collect these fees and remit them to WRCOG on a monthly basis. WRCOG is responsible for the administration of these fees, subject to certain restrictions, and approves plans that meet the goals (nexus) of the legislation.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES, (Continued)

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2017, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.58%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 46.39%, 46.39% and 1.64%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

NOTE 7 – EMPLOYEE BENEFITS

California Public Employees' Retirement System (CalPERS)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. WRCOG sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and WRCOG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Benefits Provided, Continued

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Classic	New Members
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.70%	2.00%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	12.768%	7.02%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2017, were $323,200. The actual employer payments of $305,212 made to CalPERS by the WRCOG during the measurement period ended June 30, 2016, differed from the WRCOG's proportionate share of the employer's contributions of $293,097 by $12,115, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Net Pension Liability

WRCOG's net pension liability for the cost-sharing plan covered by miscellaneous risk pools is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CalPERS' membership data for all funds
Post Retirement Rat Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries cale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Change in Assumptions

There were no changes in assumptions.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	Current Target Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	100%		

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2015 (VD)	$ 7,972,017	$ 6,163,452	$ 1,808,565
Balance at: 6/30/2016 (MD)	$ 8,945,076	$ 6,648,028	$ 2,297,048
Net changes during 2015-2016	$ 973,059	$ 484,576	$ 488,483

[1]Valuation Date (VD), Measurement Date (MD)

WRCOG's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. WRCOG's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Proportionate Share of Net Pension Liability, Continued

WRCOG's proportionate share of the net pension liability for the Plan as of the June 30, 2015 and 2016 measurement dates was as follows:

Proportion - June 30, 2015	0.0263%
Proportion - June 30, 2016	0.0265%
Change - Increase	0.0002%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents WRCOG's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability	$ 3,501,334	$ 2,297,048	$ 1,301,766

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2015-16 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to -0-. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2015), WRCOG's net pension liability was $1,808,565. For the measurement period ending June 30, 2016 (the measurement date), WRCOG incurred a pension income of $76,323.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

At June 30, 2017, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,474	$ 2,400
Changes in assumptions	-	99,091
Differences between projected and actual investment	515,739	-
Differences between employer's contributions and proportionate share of contributions	97,462	-
Change in employers proportion	250,240	7,873
Pension contributions subsequent to the measurement date	323,200	-
	$ 1,197,115	$ 109,364

The amount of $323,200 reported as deferred outflows of resources resulting from WRCOG's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2018	$ 209,595
2019	178,453
2020	242,920
2021	133,583
	$ 764,551

Payable to the Pension Plan

At June 30, 2017, WRCOG reported a payable of $-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

WRCOG provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

Tier	Date of Hire	Benefit
1	< 1/1/98	100% of premium (EE + dep.)
2	1/1/98 - 6/30/01	Cost of Kaiser coverage (EE + dep.)
3	7/1/01 - 9/1/04	Up to employee + 1 Kaiser premium
4	> 9/1/04	50% of weighted average of 4 top plans + 40% of weighted average for 1 dep. for 4 top plans. Vesting is 50% of premium at 10 years graded to 100% at 20 years.

In April 2012 WRCOG joined the Public Agencies Post-Retirement Health Care Plan, a multiple-employer trust administered by the Public Agency Retirement Services.

Funding Policy

Benefit provisions are established and may be amended by the Executive Committee. WRCOG contributes 100% of the cost of health insurance premiums for retirees. WRCOG intends to fund 100% of the future Annual Required Contribution (ARC). The ARC represents a level of funds that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize on an open basis any unfunded actuarial liabilities (or funding excess) over the remaining period of 20 years.

Annual OPEB Cost and Net OPEB (Asset) Obligation. The following table shows the components of WRCOG's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the WRCOG's net OPEB obligation to the Plan:

Annual required contribution (ARC)	$ 167,371
Interest on net OPEB obligation	(42,571)
Adjustment to the ARC	57,272
Annual OPEB cost	182,072
Contributions made	(60,000)
Decrease in net OPEB asset	122,072
Net OPEB (asset)/obligation, beginning of year	(681,131)
Net OPEB (asset)/obligation, end of year	$ (559,059)

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Funding Policy, Continued

WRCOG's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2017 and the two preceding years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
6/30/2015	$ 148,508	40%	$ (802,265)
6/30/2016	181,134	33%	(681,131)
6/30/2017	182,072	33%	(559,059)

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	$ 2,443,082
Actuarial value of plan assets	$ 1,783,503
Unfunded actuarial accrued liability (UAAL)	$ 659,579
Funded ratio (actuarial value of plan assets/AAL)	73.0%
Covered payroll (annual payroll of active employees covered by plan)	$ 1,708,005
UAAL as a percentage of covered payroll	38.6%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information indicating whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Methods and Assumptions, Continued

In the June 30, 2016 actuarial valuation, the following actuarial assumptions were made:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of pay, open
Remaining amortization period:	20 years
Actuarial assumptions:	
Inflation rate	2.75%
Interest discount	6.25%
Projected salary increase	3.00%
Healthcare cost trend	4.0% initially, increased to 7.5% the first year and reduced 1.5% over the next three years

Other Benefits

WRCOG also provides a deferred compensation plan under Section 457 of the Internal Revenue Code. As a result of changes in tax law, these benefits have been placed in a trust for the exclusive benefit of the employees requesting such deferrals.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

WRCOG has participated in various federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material.

NOTE 10 – RELATED PARTY TRANSACTIONS

WRCOG purchased services during the current year from the County of Riverside, which is also a member of WRCOG, for treasury services, rent, communication and accounting functions, which amounted to $298,324 and are included as expenditures in the General Fund.

NOTE 11 – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

In 2011, WRCOG launched the Property Assessed Clean Energy (PACE) Program, a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion.

Program participants complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. For property owners, energy and water conservation improvements will yield reduced utility bills. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce greenhouse gas emissions associated with energy use, and bring and retain jobs for area contractors.

The PACE Program has expanded statewide; nearly 150 municipalities throughout California have joined the Program. What makes the PACE Program particularly unique is that the financing is provided entirely by private investment funds to implement the Program.

Under the PACE Program, a contractual assessment is entered into by the property owner. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements, the issuance of the bonds that will finance the program, and the costs to administer the program. The assessments are billed and collected on the County property tax bill. Repayments made by the property owners flow through the County to the trustee to fund the debt service. WRCOG does not receive the special assessments. As the sponsor of the PACE program, WRCOG receives a percentage of the amount financed for its participation in the program.

During the year, WRCOG received 1.463% of the amount financed, for each assessment, in the residential program. A program management fee of $55 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a $25 annual administrative fee, per assessment, used to levy on county tax rolls.

For the commercial program, WRCOG received 1.15% of the amount financed, for each assessment, in the program. A program management fee of $95 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a $390 annual administrative fee, per assessment, used to levy on county tax rolls.

PACE revenues are broken out by two types: Program and Recording. For FY 16/17, Program revenue totaled $7,452,765, while Recording revenue totaled $1,491,290. Recording revenues are recouped from each bond assessment and charged to recover the amount paid to each County for recording, essentially offsetting the fees paid.

NOTE 12 – BEYOND PROGRAM

In June 2015, WRCOG launched the BEYOND Framework Fund Program (BEYOND), to provide local assistance funding to help its member agencies develop and implement plans and programs that can help improve the quality of life in Western Riverside County. BEYOND projects address critical growth components such as economic development, water, education, environment, energy, health, and transportation.

The BEYOND Program is funded by net PACE program revenues. In the fiscal year ending June 30, 2017, $2.3 million was allocated for Round II of the BEYOND Program. The $2.3 million is allocated to Member Agencies based on the City's population or a flat amount in the case of special districts. Funds are required to be expended pursuant to program guidelines. Funds are provided to member agencies on a reimbursement basis. During the year, reimbursements to various member agencies for projects approved by WRCOG totaled $554,261 from BEYOND Round I funding, while no funds for Round II were reimbursed. The remaining $3,305,419 is assigned within the General Fund for the BEYOND program.

NOTE 13 – FELLOWSHIP PROGRAM

In November 2015, WRCOG launched the Fellowship Program. The Fellowship Program is administered in partnership with the University of California, Riverside and California Baptist University. The purpose of the program is to encourage students to seek careers in public policy and local government. Based on available funding and member agency's needs, each member agency is provided with a student intern who is employed by WRCOG, to be used to support local government departments.

The Fellowship Program is funded by net PACE program revenues. In the fiscal year ending June 30, 2017 a total of $400 thousand was allocated to the Fellowship Program. During the year, reimbursements to various member agencies for hired interns approved by WRCOG totaled $278,728. The remaining $121,272 is assigned within the General Fund for the Fellowship Program.

NOTE 14 – RISK MANAGEMENT

WRCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters which are covered through the purchase of insurance policies.

At June 30, 2017, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to $5,000,000 per occurrence and $25,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to $1,000,000 per occurrence and $122,000 personal property.
- Workers Compensation: WRCOG is insured up to $1,000,000 per occurrence.
- Employee Dishonest Bond: WRCOG is insured up to $25,000 bond limit.
- Business Auto Policy: WRCOG is insured up to $1,000,000 liability limit.

In each of the past three fiscal years, WRCOG had no settlements that exceeded insurance coverage.

NOTE 15 – SUBSEQUENT EVENTS

WRCOG has received the first payment from the City of Beaumont related to the settlement between WRCOG and the City. WRCOG will continue to receive revenues from the settlement through a number of sources, including 3rd party claims. WRCOG will allocate the revenues based on the terms of the settlement agreement and any allocation approved by the WRCOG Executive Committee.

At the November 2017 Executive Committee meeting, a requested action will be taken to approve an additional $700,000 for the Fellowship program.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,096,000	$ 1,146,527	$ 1,145,570	$ (957)
TUMF mitigation fees	1,599,997	1,599,997	1,689,574	89,577
PACE fees	11,327,824	8,634,633	9,028,003	393,370
Other revenues	1,038,380	1,128,390	894,488	(233,902)
Investment income	-	-	261	261
Total revenues	15,062,201	12,509,547	12,757,896	248,349
Expenditures:				
Current:				
General government	6,570,515	6,652,543	3,965,880	2,686,663
Energy	6,290,789	6,621,504	5,632,488	989,016
Environmental	435,230	579,231	513,137	66,094
Total Expenditures	13,296,534	13,853,278	10,111,505	3,741,773
Net change in fund balance	$ 1,765,667	$ (1,343,731)	2,646,391	$ 3,990,122
Fund balance:				
Balance, beginning of year,			9,948,040	
Balance, end of year			$ 12,594,431	

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Funding Progress for
Other Postemployment Benefits
June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Simplified Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B - A)	(A / B)	(C)	[(B - A) / C]
6/30/2010	$ -	$ 1,537,589	$ 1,537,589	0.0%	$ 1,091,542	-140.9%
6/30/2013	1,561,336	2,004,792	443,456	77.9%	1,188,408	37.3%
6/30/2016	1,783,503	2,443,082	659,579	73.0%	1,708,005	38.6%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of the WRCOG's Proportionate Share
of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*
As of the Year Ended June 30, 2017

	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
Employer's Proportion of the Collective Net Pension Liability (1)	0.0265%	0.0263%	0.0229%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 2,297,048	$ 1,808,565	$ 1,421,911
Employer's Covered Payroll	$ 1,760,643	$ 1,616,828	$ 1,422,424
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	111.86%	111.86%	99.96%
Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	78.40%	79.82%

(1) Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

*Measement period 2013-14 (fiscal year 2014-15) was the first year of implementation.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Plan Contributions
Last Ten Years*
As of the Year Ended June 30, 2017

	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Contractually Determined Contributions	$ 323,200	$ 305,212	$ 294,471
Contributions in Relation to the Contractually Determined Contributions	323,200	305,212	294,471
Contribution Deficiency (Excess)	$ -	$ -	$ -
Employer's Covered Payroll	$ 2,062,647	$ 1,760,643	$ 1,616,828
Contributions as a Percentage of Covered Payroll	15.67%	17.34%	18.21%

Notes to Schedule:
Change in Benefit Terms: None
Change in Assumptions: None

*Measement period 2013-14 (fiscal year 2014-15) was the first year of implementation.

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

By state law, WRCOG's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. WRCOG's Governing Board satisfied these requirements. A budget is adopted for all expenditures by financial responsibility for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2017, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.58%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 46.39%, 46.39% and 1.64%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

The TUMF Fund does not have an adopted budget that is approved by the WRCOG General Assembly, therefore, the TUMF Fund does not present a budget to actual comparison.

NOTE 2 – FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

SUPPLEMENTARY INFORMATION

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and investments	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Total assets	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Liabilities				
Deposits	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Total liabilities	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005

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Statistical Section

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Statistical Section Overview
For the Fiscal Year Ended June 30, 2017

This section of the Western Riverside Council of Government's Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing WRCOG's financial condition.

Financial Trends: These schedules contain trend information to assist readers in understanding and assessing how WRCOG's financial position has changed over time.

Net Position by Component
Changes in Net Position
Fund Balances of Governmental Funds
Changes in Fund Balances in Governmental Funds

Revenue Capacity: These schedules contain information to help the reader asses WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.

WRCOG Revenues

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.

Demographic and Economic Statistics for Riverside County
Principal Employers of Riverside County

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

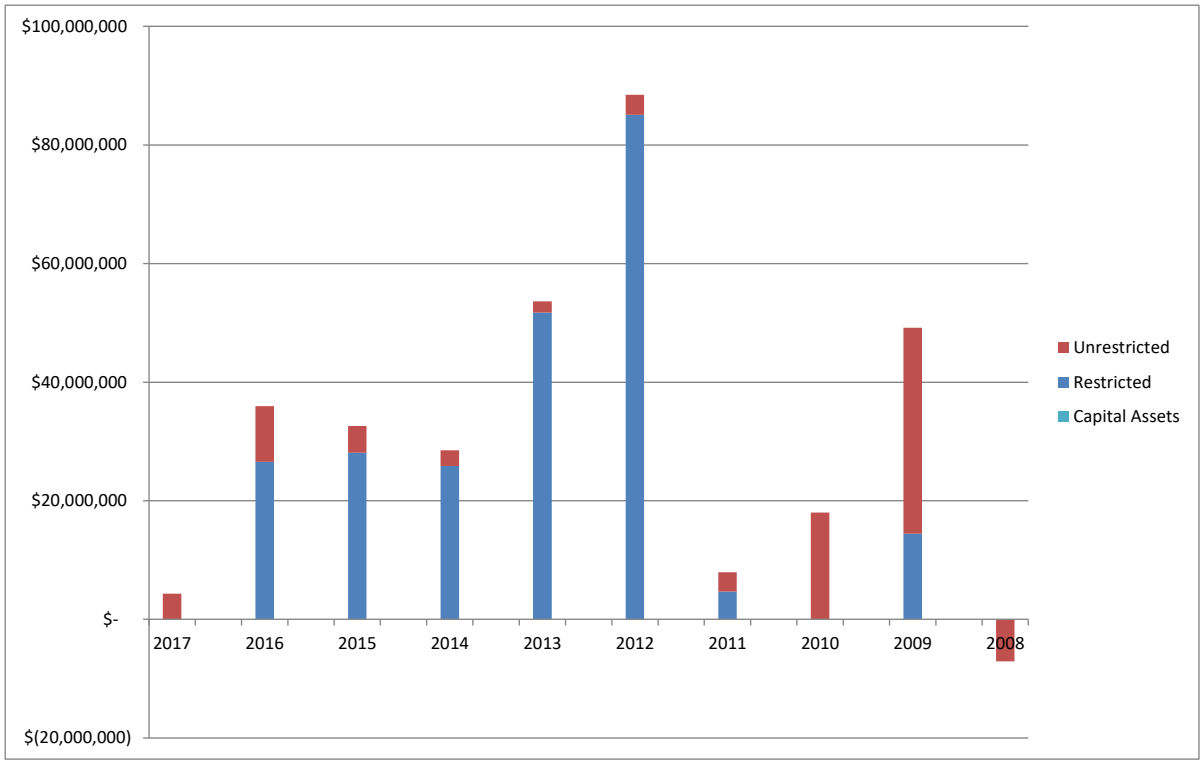
Full-time Equivalent Employees by Function/Program

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	$ 93,875	$ 100,296	$ 54,038	$ 30,021	$ 20,735	$ 32,918	$ 47,304	$ 60,690	$ 62,883	$ 81,512
Restricted	11,702	26,481,732	28,033,173	25,869,263	51,733,864	85,054,212	4,632,048	-	14,389,308	-
Unrestricted	4,232,803	9,385,943	4,556,290	2,632,813	1,880,401	3,361,861	3,279,968	17,953,134	34,711,008	(7,051,813)
Total governmental activities net position	$ 4,338,380	$ 35,967,971	$ 32,643,501	$ 28,532,097	$ 53,635,000	$ 88,448,991	$ 7,959,320	$ 18,013,824	$ 49,163,199	$ (6,970,301)

Source: Finance Department



WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	$ 4,028,482	$ 2,520,688	$ 2,031,313	$ 2,245,634	$ 2,401,116	$ 3,392,955	$ 1,974,339	$ 1,987,220	$ 2,021,169	$ 1,824,554
Transportation	74,542,061	41,631,788	26,481,732	54,779,449	50,187,717	21,194,918	18,983,962	43,206,326	35,250,572	53,691,970
Energy	5,622,980	5,629,560	4,926,278	2,445,533	1,608,694	476,844	20,033	22,812	25,522	26,968
Environmental	513,137	423,667	531,945	647,781	576,600	520,748	-	-	-	-
Total primary government expenses	84,706,660	50,205,703	33,971,268	60,118,397	54,774,127	25,585,465	20,978,334	45,216,358	37,297,263	55,543,492
Program Revenues										
Governmental activities:										
General government	512,876	513,188	349,268	420,810	528,756	63,102	1,515,581	1,495,290	1,256,051	1,306,450
Transportation	42,731,611	43,508,888	37,430,113	24,905,073	25,966,400	14,122,996	8,121,757	10,832,988	13,145,887	15,395,387
Energy	9,316,452	9,779,134	7,473,816	3,198,814	1,482,940	190,142	-	-	-	-
Environmental	528,775	464,885	620,836	618,415	619,388	712,040	-	-	-	-
Total primary government program revenues	53,089,714	54,266,095	45,874,033	29,143,112	28,597,484	15,088,280	9,637,338	12,328,278	14,401,938	16,701,837
Net (Expense)/Revenue										
Total primary government net expense	(31,616,946)	4,060,392	11,902,765	(30,975,285)	(26,176,643)	(10,497,185)	(11,340,996)	(32,888,080)	(22,895,325)	(38,841,655)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Other revenues	-	36,112	241,763	259,349	308,294	852,752	647,701	428,092	516,688	466,401
Investment income (loss)	(12,645)	509,228	552,021	706,876	(285,642)	806,546	638,791	1,310,611	4,798,161	9,382,064
Special Item	-	-	-	-	-	-	-	-	73,713,976	-
Total general revenues	(12,645)	545,340	793,784	966,225	22,652	1,659,298	1,286,492	1,738,703	79,028,825	9,848,465
Changes in Net Position	$ (31,629,591)	$ 4,605,732	$ 12,696,549	$ (30,009,060)	$ (26,153,991)	$ (8,837,887)	$ (10,054,504)	$ (31,149,377)	$ 56,133,500	$ (28,993,190)

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL FUND										
General fund:										
Nonspendable										
Prepaid items	$ 167,212	$ 90,762	$ 82,987	$ 70,111	$ 67,357	$ 36,386	$ 52,047			
Restricted										
LTF	-	-	-	581,358	578,909	591,273	650,397			
Foundation	11,702	11,690	-	-	-	-	-			
Assigned										
BEYOND Program	3,305,419	1,556,763								
Fellowship Program	121,272	400,000								
Unassigned	8,988,826	7,888,825	5,415,947	1,275,895	456,939	392,965	76,440			
Total general fund	$ 12,594,431	$ 9,948,040	$ 5,498,934	$ 1,927,364	$ 1,103,205	$ 1,020,624	$ 778,884			
General fund:										
Reserved								$ -	$ -	$ -
Designated								3,077,075	3,882,403	3,438,509
Undesignated								1,042,934	1,390,576	1,039,332
								$ 4,120,009	$ 5,272,979	$ 4,477,841
ALL OTHER GOVERNMENTAL FUNDS										
All other governmental funds:										
Committed										
TUMF	$ -	$ -	$ -	$ -	$ -	$ -	$ 72,530,712			
Restricted										
Transportation	9,373,801	51,540,293	53,379,614	49,094,887	65,104,205	95,670,753	-			
Foundation	-		11,695	11,604	20,550	11,370	48,346			
Assigned										
TUMF	-	-	-	-	-	-	31,175,659			
Tota	$ 9,373,801	$ 51,540,293	$ 53,391,309	$ 49,106,491	$ 65,124,755	$ 95,682,123	$ 103,754,717			
All other governmental funds:										
Reserved								$ 92,968,382	$ 126,416,225	$ 149,784,471
Undesignated								30,555,061	29,287,019	24,606,528
Total all other governmental funds								$ 123,523,443	$ 155,703,244	$ 174,390,999

Source: Finance Department

In FY 2011 WRCOG implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Prior year amounts in this presentation have not been revised to reflect this change.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Intergovernmental, net	$ 1,145,570	$ 1,058,265	$ 1,461,999	$ 1,350,596	$ 1,830,454	$ 1,216,550	$ 1,515,581	$ 1,495,290	$ 1,256,051	$ 1,306,450
TUMF mitigation fees	42,239,340	42,615,158	36,507,739	24,306,973	25,361,053	13,871,730	8,165,385	10,708,454	12,787,664	15,395,387
PACE fees	9,028,003	9,562,139	7,159,144	2,197,585	-	-	-	-	-	-
Other revenues	894,488	848,957	986,914	1,547,307	1,714,271	852,752	647,701	428,092	516,688	466,401
Investment income (loss)	(12,645)	509,229	552,021	420,526	(285,642)	806,546	638,791	1,310,611	4,798,161	9,382,064
Total revenues	53,294,756	54,593,748	46,667,817	29,822,987	28,620,136	16,747,578	10,967,458	13,942,447	19,358,564	26,550,302
Expenditures										
Current:										
General Government	3,965,880	2,681,489	2,070,885	2,191,112	2,321,713	3,969,631	3,650,185	3,832,989	3,638,627	3,441,956
Programs:										
Transportation	82,703,352	44,125,019	30,998,608	44,901,088	52,612,593	23,624,407	28,039,139	43,421,151	33,605,661	52,143,407
Energy	5,632,488	5,647,563	4,929,398	2,431,687	1,589,887	675,950	-	-	-	-
Environmental	513,137	435,670	534,027	638,549	564,061	653,485	-	-	-	-
Debt service	-	-	-	-	1,500,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	6,647	20,617	6,893	24,608
Total expenditures	92,814,857	52,889,741	38,532,918	50,162,436	58,588,254	28,923,473	31,695,971	47,274,757	37,251,181	55,609,971
Excess (deficiency) of revenues over (under) expenditures	(39,520,101)	1,704,007	8,134,899	(20,339,449)	(29,968,118)	(12,175,895)	(20,728,513)	(33,332,310)	(17,892,617)	(29,059,669)
Other financing sources (uses):										
Loan proceeds	-	-	-	-	-	1,500,000	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,500,000	-	-	-	-
Net change in fund balances	$ (39,520,101)	$ 1,704,007	$ 8,134,899	$ (20,339,449)	$ (29,968,118)	$ (10,675,895)	$ (20,728,513)	$ (33,332,310)	$ (17,892,617)	$ (29,059,669)
Debt service as a percentage of noncapital expenditures	0.0%									

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Revenue by Funds
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL FUND:										
Member dues:										
Banning	$ 3,941	$ 3,941	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 5,361	$ 5,361
Beaumont	-	-	5,255	5,255	5,255	5,255	5,255	5,255	2,486	2,486
Calimesa	1,049	1,049	1,102	1,102	1,102	1,102	1,102	1,102	1,739	1,739
Canyon Lake	1,406	1,406	2,256	2,256	2,256	2,256	2,256	2,256	3,410	3,410
Corona	20,290	20,290	25,886	25,886	25,886	25,886	25,886	25,886	35,226	35,226
Eastvale	7,171	7,171	-	-	-	-	-	-	-	-
Hemet	9,797	9,797	10,386	10,386	10,386	10,386	10,386	10,386	13,158	13,158
Jurupa Valley	12,710	12,710	-	-	-	-	-	-	-	-
Lake Elsinore	6,933	6,933	7,904	7,904	7,904	7,904	7,904	7,904	7,160	7,160
Menifee	10,491	10,491	10,147	10,147	10,147	10,147	10,147	10,147	-	-
Moreno Valley	25,780	25,780	25,413	25,413	25,413	25,413	25,413	25,413	30,749	30,749
Murrieta	13,794	13,794	17,954	17,954	17,954	17,954	17,954	17,954	12,880	12,880
Norco	3,573	3,573	4,482	4,482	4,482	4,482	4,482	4,482	6,058	6,058
Perris	9,215	9,215	8,173	8,173	8,173	8,173	8,173	8,173	7,624	7,624
Riverside	40,512	40,512	42,894	42,894	42,894	42,894	42,894	42,894	62,876	62,876
San Jacinto	5,889	5,889	5,504	5,504	5,504	5,504	5,504	5,504	5,111	5,111
Temecula	13,424	13,424	18,714	18,714	18,714	18,714	18,714	18,714	17,854	17,854
Wildomar	4,298	4,298	4,863	4,863	4,863	4,863	4,863	4,863	-	-
County of Riverside	48,136	48,136	43,520	43,520	43,520	43,520	43,520	43,520	68,788	68,788
County of Riverside - Office of Superintendent	17,000	17,000	17,000	17,000	17,000	17,000	-	-	-	-
Eastern Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	20,000	20,000
Western Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	20,000	20,000
Morongo Band of Mission Indians	17,000	9,500	10,000	10,000	-	-	-	-	-	-
Total Member dues	$ 306,410	$ 298,910	$ 299,410	$ 299,410	$ 289,410	$ 289,410	$ 272,410	$ 272,410	$ 320,480	$ 320,480
ALL OTHER GOVERNMENTAL FUNDS										
Transportation Uniform Mitigation Fee (TUMF):										
Banning	$ 40,930	$ 6,326	$ 54,738	$ 4,116	$ -	$ 89,603	$ 2,057	$ 36,319	$ 12,606	$ 214,394
Beaumont	-	-	-	-	-	-	-	-	-	69,222
Calimesa	103,835	10,359	133,217	65,387	1,310	1,144	22,963	154,051	-	31,478
Canyon Lake	18,525	20,583	27,055	22,642	4,117	1,028	6,169	2,259	2,313	44,576
Corona	1,153,262	2,743,488	1,989,728	114,644	104,773	1,272,328	215,876	109,292	422,457	1,420,435
Eastvale	1,249,621	1,705,338	1,241,685	1,438,152	1,478,348	665,522	434,531	-	-	-
Hemet	52,392	351,010	545,597	736,612	531,470	194,078	145,284	1,026,097	536,448	930,216
Jurupa Valley	2,400,109	2,302,649	1,738,387	242,216	112,044	32,901	-	-	-	-
Lake Elsinore	800,725	969,533	898,098	868,004	646,241	259,098	263,885	115,607	392,960	650,923
March JPA	765,627	222,482	239,874	-	227,695	-	-	156	-	471,254
Menifee	1,374,603	1,203,549	909,230	1,665,304	821,673	628,138	1,108,611	1,136,869	4,430,855	-
Moreno Valley	883,562	1,356,327	2,343,895	1,138,394	693,588	29,612	425,411	413,086	641,423	1,352,032
Murrieta	884,391	1,452,155	1,496,315	70,944	81,192	64,386	702,612	360,959	152,991	702,877
Norco	304,411	100,355	101,444	11,288	8,232	-	65,000	5,764	83,055	61,804
Perris	1,235,325	1,167,113	1,069,887	1,498,823	320,608	124,896	187,814	107,272	412,229	730,803
Riverside	3,113,205	1,852,839	1,461,429	594,363	1,365,025	955,549	837,989	299,033	1,000,099	3,512,286
San Jacinto	843,818	698,893	259,021	200,630	70,674	90,480	123,462	235,158	355,874	804,624
Temecula	810,938	809,664	679,386	227,028	1,772,534	944,090	1,288,039	940,530	1,746,599	924,949
Wildomar	826,659	384,865	83,178	219,722	1,032,017	16,451	30,063	310,670	4,625	-
County - Northwest	569,203	414,258	216,343	183,616	189,161	248,635	685,058	1,545,271	2,352,587	2,520,760
County - Southwest	863,473	636,493	1,529,926	1,288,379	1,622,276	598,885	367,429	639,407	2,575,582	1,800,925
County - Central	911,716	1,040,489	593,671	46,173	434,159	37,570	127,594	144,747	833,937	831,614
County - Pass	12,349	20,581	16,502	4,116	431,198	2,181	3,347	23,962	31,344	96,823
County - Hemet/San Jacinto	376,151	299,821	91,090	82,324	30,103	15,701	6,316	33,120	169,059	195,741
Regional Transit Authority	692,725	698,889	314,621	367,630	423,339	194,423	185,257	341,681	563,184	822,310
Riverside County Transportation Commission	19,594,830	19,769,172	17,480,991	10,899,357	11,978,440	5,494,327	5,438,916	6,603,169	10,548,866	15,402,495
WRCOG	1,689,574	1,704,607	2,076,008	974,049	1,027,871	505,866	544,408	663,267	2,453,241	1,549,402
MSHCP	667,382	673,319	602,662	369,011	407,929	191,743	194,668	223,217	358,564	491,465
Total TUMF	$ 42,239,340	$ 42,615,159	$ 38,193,977	$ 23,332,924	$ 25,816,019	$ 12,658,634	$ 13,412,759	$ 15,470,963	$ 30,080,898	$ 35,633,407

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years

Calendar Year	Population	Personal Income (thousands)	Per Capita Personal Income	Unemployment Rate
2017	2,390,702	$ 88,000,000	$ 37,888	5.80%
2016	2,317,924	89,500,000	31,762	6.90%
2015	2,329,271	83,500,000	31,344	8.40%
2014	2,292,507	76,289,477	30,815	9.80%
2013	2,227,577	70,376,019	29,986	11.50%
2012	2,239,620	67,024,780	29,927	13.20%
2011	2,189,641	63,900,000	29,035	14.70%
2010	2,125,440	63,228,086	29,748	13.40%
2009	2,077,183	64,503,728	31,053	8.50%
2008	2,031,625	61,023,518	30,037	6.00%

Sources: California State Department of Finance as of January 1
U.S. Department of Commerce Bureau of Economic Analysis
Riverside County Economic Development Agency

Represents most recent data available
Data not available solely for Western Riverside County

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Employment Statistics by Industry for Riverside County
Calendar Years 2015 and Nine Calendar Years

Industry Type	2016	% of Total Employment	2007	% of Total Employment
Agricultural service, forestry, fishing and other	131,600	18.6%	118,700	18.8%
Mining	300	0.0%	700	0.1%
Construction	60,000	8.5%	61,300	9.7%
Manufacturing	43,200	6.1%	51,700	8.2%
Transportation, warehousing, and public utilities	41,200	5.8%	23,000	3.6%
Wholesale trade	23,700	3.3%	21,000	3.3%
Retail trade	97,700	13.8%	92,800	14.7%
Professional & business services	66,400	9.4%	62,400	9.9%
Education & health services	102,000	14.4%	69,100	10.9%
Other services	22,600	3.2%	20,800	3.3%
Federal government, civilian	7,200	1.0%	6,100	1.0%
State government	17,400	2.5%	15,600	2.5%
Local government	95,600	13.5%	89,400	14.1%
Total	708,900	100.0%	632,600	100.0%

Source: State of California Economic Development Department

Represents most recent data available
Data not available solely for Western Riverside County

http://www.labormarketinfo.edd.ca.gov/county/river.html

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

	As of June 30									
Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Management services and administration	9.0	7.8	7.2	5.5	5.9	6.0	6.5	7.3	5.1	5.4
Transportation	3.5	5.5	4.9	4.9	5.8	5.0	6.3	6.5	7.7	7.4
Energy	15.3	8.3	7.2	4.6	3.1	2.2	3.2	3.2	3.2	3.2
Environmental	2.3	1.3	3.4	3.0	3.0	2.0	3.0	3.0	3.0	3.0
Total full time equivalents	30.0	22.8	22.7	18.0	17.8	15.2	19.0	20.0	19.0	19.0

Source: Finance Department

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Item 6.F

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 2

FY 2016/2017 Statement on Auditing Standards 114 Report

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To the Executive Committee
Western Riverside Council of Governments

We have audited the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2017, and have issued our report thereon dated October 31, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 15, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of WRCOG's solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

MEMBERS
American Institute of Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of Certified Public Accountants

STABILITY. ACCURACY. TRUST.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by WRCOG is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the 2017 fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

> Management's estimate of the fair value of investments is based on observable market inputs and information from WRCOG's safekeeping custodian banks. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the net pension liability and related deferred inflows of resources and outflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the asset for other post-employment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting WRCOG's financial statements relate to:

The disclosure of fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of net pension liability in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the postemployment benefits other than pensions (OPEB) in Note 8 of the financial statements identifies the annual OPEB cost and the funded status of the actuarial accrued liability. The information disclosed is based on actuarial information.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to WRCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 31, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with WRCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Western Riverside Council of Government's auditors.

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of plan contributions, the schedule of OPEB funding progress, and the General Fund budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. We were not engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Executive Committee, and management of WRCOG and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

October 31, 2017

Rogers, Anderson, Malody and Scott, LLP
735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of Western Riverside Council of Governments (WRCOG) as of June 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of WRCOG in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 31, 2017.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 15, 2017 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have a process to track the status of audit findings and recommendations.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.

- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.

- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

- All interfund and intra-entity transactions and balances have been properly classified and reported.

- Special items and extraordinary items have been properly classified and reported.

- Deposit and investment risks have been properly and fully disclosed.

- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

- All required supplementary information is measured and presented within the prescribed guidelines.

- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.

  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;

  - Additional information that you have requested from us for the purpose of the audit; and

  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;

  - Employees who have significant roles in internal control; or

  - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

- We *are* not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- WRCOG has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:

  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.

  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

- WRCOG has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Funding Progress for Other Post-Employment Benefits Plan, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

_____

Rick Bishop
Executive Director

_____

Ernie Reyna
Chief Financial Officer

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Funding Progress for Other Post-Employment Benefits Plan, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Ernie Reyna
Chief Financial Officer

Item 6.F

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 3

FY 2016/2017 Generally Accepted Government Auditing Standards Report

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Governmental Audit Quality Center

California Society of Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Executive Committee
Western Riverside Council of Governments
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements, and have issued our report thereon dated October 31, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WRCOG's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WRCOG's internal control. Accordingly, we do not express an opinion on the effectiveness of WRCOG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

STABILITY. ACCURACY. TRUST.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WRCOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WRCOG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Christian Lomeli – Videography / Graphic Design Contract**

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

Date: **January 18, 2018**

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

Requested Action:

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

Background

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

Fiscal Year 2017/2018 Professional Services Agreement

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

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

Prior Action:

January 10, 2018: The Administration & Finance Committee recommended the Executive Committee approve the Professional Services Agreement, substantially as to form, between the Western Riverside Council of Governments and Christian Lomeli, for graphic design and videography services for the Agency in an amount not to exceed $16,000 for Fiscal Year 2017/2018.

Fiscal Impact:

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

Attachment:

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

Item 6.G

Christian Lomeli – Videography / Graphic Design Contract

Attachment 1

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

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

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

2. RECITALS.

2.1 Consultant.

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

2.2 Project.

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

3. TERMS.

3.1 Scope of Services and Term.

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

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

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

3.2 Responsibilities of Consultant.

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

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

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

3.2.4 [Reserved].

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

3.2.6 [Reserved].

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

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

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

3.2.10 Insurance.

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

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

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

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

3.2.10.3 [Reserved].

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

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

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

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

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

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

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

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

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

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

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

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

3.3 Fees and Payments.

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

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

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

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

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

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

3.4 Accounting Records.

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

3.5 General Provisions.

3.5.1 Termination of Agreement.

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

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

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

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

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

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

jward@wrcog.us

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

3.5.3 Ownership of Materials and Confidentiality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Subcontracting.

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

[Signatures on following page]

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

WRCOG	**CONSULTANT**
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	CHRISTIAN LOMELI
By: _____	By: _____
Rick Bishop Executive Director	Christian Lomeli Consultant

Approved as to form:

By: _____

Steven C. DeBaun
General Counsel

EXHIBIT "A"
SCOPE OF SERVICES

General Assembly & Leadership Address Videos

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

1. "Executive Committee Tribute" Video: Approximately 3 to 4 minutes in length. This video highlights each of WRCOG's Executive Committee members to thank them for their service to WRCOG over the past year.

2. Promo Video: Short (30 second) video that incorporates clips/images from previous General Assemblies and announces 2018 Keynote Speaker, used to promote the event.

3. Other General Assembly Videos: WRCOG may request the production of other short videos for entertainment and informational purposes to be played at the event.

WRCOG Minute Videos

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

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

WRCOG Graphic Design

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

Office Hours

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

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EXHIBIT "B"
SCHEDULE OF SERVICES

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

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

EXHIBIT "C"
COMPENSATION

Classification	**Rate**
Principal	$30.00/Hr.
Non-Labor Expenses	
Mileage (local)	$0.545 per Mile

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **PFM Asset Management Contract**

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

Date: **January 18, 2018**

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

Requested Action:

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

Fiscal Year 2017/2018 Professional Services Agreement

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

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

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

Prior Action:

January 8, 2018: The Administration & Finance Committee recommended that the Executive Committee approve the Professional Services Agreement between the Western Riverside Council of Governments and PFM Asset Management, LLC, for the management of WRCOG's investment portfolio and financial advisory services for the Agency in an amount not to exceed $100,000 for Fiscal Year 2017/2018.

Fiscal Impact:

The fees paid to PFM will be for holding WRCOG's assets for various programs including TUMF and PACE and have been programmed into the Fiscal Year 2017/2018 Budget. Most of the fees will be offset by interest accrued through investments of funds.

Attachment:

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

Item 6.H

PFM Asset Management Contract

Attachment 1

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

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

1. PARTIES AND DATE.

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

2. RECITALS.

2.1 Consultant.

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

2.2 Project.

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

3. TERMS.

3.1 Scope of Services and Term.

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

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

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

3.2 **Responsibilities of Consultant.**

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

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

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

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

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

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

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

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

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

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

3.2.10 Insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

required insurance policies, at any time.

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

3.3 Fees and Payments.

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

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

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

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

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

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

3.4 Accounting Records.

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

3.5 General Provisions.

3.5.1 Termination of Agreement.

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

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

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

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

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

With a copy to:

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

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

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

3.5.3 Ownership of Materials and Confidentiality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Subcontracting.

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

3.7 Investment Advisor Provisions

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

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

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

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

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

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

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

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

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

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

3.8 **Municipal Advisor Provisions**

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

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

[Signatures on following page]

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

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

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

EXHIBIT "A"
SCOPE OF SERVICES

Investment Management Services

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

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

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

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

2. Perform Cash Flow Analysis to Determine Current and Future Liquidity Needs. Consultant will analyze and produce a cash flow forecast by modeling WRCOG's historical use of cash. The cash flow projection will enable WRCOG to ensure that it has sufficient liquidity for cash needs while determining which funds can be invested in longer-term securities for higher yields. Consultant will meet with WRCOG regularly to ensure that we understand your future cash needs and the impact of any one-time capital projects.

3. Develop and Implement WRCOG's Investment Strategy. Consultant will work with WRCOG to develop a long-term investment strategy that will form the framework for all the investment decisions. The strategy will incorporate WRCOG's Investment Policy, expected cash flow requirements and risk tolerance, and provide enough flexibility to allow WRCOG to meet realistic performance objectives. Consultant will implement the investment strategy and execute transactions on behalf of WRCOG.

4. Assist WRCOG in Selecting Appropriate Performance Benchmark. Consultant will work with WRCOG to select a benchmark that reflects WRCOG's investment objectives and risk-return preferences.

5. Monitor Portfolio for Opportunities to Improve Performance. Consultant's portfolio management team has developed extensive resources to assess and monitor the market and the performance of securities in the portfolios that we manage. Our investment professionals and our proprietary investment analysis tools will allow us to identify investment opportunities for WRCOG in securities with the highest return potential while limiting risk and volatility.

6. Perform Efficient Execution of Purchases and Sales of Securities with Approved Brokers or Dealers. As a registered investment advisor with the SEC, Consultant does not carry an inventory of securities, and, therefore, will shop aggressively to obtain the best price and execution on each transaction. Consultant maintains direct contact with the nation's largest dealers-particularly those that have been designated "Primary Dealers" by the Federal Reserve-and major regional banks and financial institutions so that we can obtain the best price on each transaction. Consultant pursues an aggressive and

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

7. Monitor the Creditworthiness of All Investments. Consultant will monitor the creditworthiness of all investments held in WRCOG's portfolio. We have a proven credit review process that relies on our own proprietary credit research as well as on the research of Nationally-Recognized Statistical Rating Organizations (NRSROs). Consultant's internal credit approval process includes an in-depth financial analysis of issuers, a formal written review, and approval by Consultant's Credit Committee. Once approved, an issuer is subject to regular review and updates, although market developments could trigger an immediate review. Consultant will seek to reduce risk by diversifying sectors and limiting exposure to each issuer in the portfolio.

8. Furnish WRCOG with Investment Reports. Consultant will provide WRCOG with comprehensive monthly and quarterly reports to keep staff and policy makers informed of the status of WRCOG's investments and strategy. Reports will detail holdings, transactions, market and amortized values, interest earnings, and performance. They are designed to help WRCOG staff easily book earnings and track portfolio activity. WRCOG will have online access to month-to-date transactions and a daily listing of portfolio holdings to keep them apprised of current investment activity.

9. Excellent Client Service through Our Dedicated Client Service Team. WRCOG's relationship will be the responsibility of Sarah Meacham, Director, as WRCOG's Engagement Manager and day-to-day contact. WRCOG would also have a dedicated Portfolio Strategist, Portfolio Manager, and Portfolio Trader. They are supported by 174 investment professionals who handle research, analysis, compliance, accounting, and reporting. Consultant will meet with WRCOG as often as necessary during the start-up period and quarterly thereafter to present in person investment results, updates on market trends, and to discuss with you any upcoming cash needs or changes to operating instructions.

Financial Advisory Services

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

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

e. Review of policies and procedures for the purchase of power;
f. Assist WRCOG in reviewing the structuring, sizing, timing, and negotiation of terms related to any financing mechanism.

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

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

PFM will provide services hereunder through the following key personnel:

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

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

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

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

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

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

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

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

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

EXHIBIT "8"
COMPENSATION

Investment Management Services

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

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

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

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

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

Financial Advisory Services

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

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

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

Consultant	Commercial Program	Residential Program
PFM Financial Advisors	See schedule below	$45

Commercial Program Fee Schedule	
Fee per Assessment	Assessment Amount
$750	Less than or equal to $250,000
$1,500	Less than or equal to $500,000
$3,000	Less than or equal to $1,000,000
$5,000	Greater than $1,000,000

ONGOING COSTS PER ASSESSMENT:

Annual Fee	$3.00 per outstanding assessment, as of June 30. Applies to assessments not originated in the prior fiscal year of July 1 through June 30.

PFM's proposed fee arrangement is designed to offer WRCOG transparency with respect to the amount of work PFM exerts while also properly compensating PFM for the assumed liability of serving as WRCOG's IRMA.

EXPENSES

In addition to the hourly fees outlined above, PFM shall be reimbursed for out-of-pocket expenses on an actual cost basis (i.e., we do not charge a multiplier on expenses). Such expenses include items such as travel, meals, postage, and express mail delivery services.

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

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

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

Date: **January 18, 2018**

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

Requested Action:

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

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

Cajalco Road / I-15 Interchange MOU

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

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

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

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

Prior Action:

January 10, 2018: The Administration & Finance Committee recommended that the Executive Committee approve a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and Credit/Reimbursement Agreement for the Cajalco Road / I-15 Interchange.

Fiscal Impact:

This item is informational only; therefore, there is not fiscal impact.

Attachment:

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

Item 6.I

Cajalco Road / I-15 Interchange Memorandum of Understanding

Attachment 1

Cajalco Road / I-15 Memorandum of Understanding

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

CAJALCO / INTERSTATE 15 INTERCHANGE PROJECT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TERMS

1.0 Incorporation of Recitals.

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

2.0 Agreements.

2.1 The TUMF Administrative Plan is incorporated herein by reference. The Parties acknowledge and agree that TUMF credits and reimbursements shall be subject to the terms and conditions of the TUMF Administrative Plan, in addition to the terms of this Agreement. In the case of a conflict, the TUMF Administrative Plan shall govern.

2.2 The Parties acknowledge and agree that AGENCY may enter into a credit agreement with the Developer substantially in the form provided in Exhibit A attached hereto prior to construction of the TUMF Improvements.

2.3 The Parties acknowledge and agree that RCTC and AGENCY may enter into a reimbursement agreement substantially in the form provided in Exhibit B attached hereto after the completion and acceptance of the TUMF Improvements by AGENCY.

2.4 In accordance with the TUMF Administrative Plan, reimbursements from RCTC to AGENCY shall not commence until a reimbursement agreement as described above has been executed between RCTC and AGENCY, and until all credits have been exhausted by Developer. Exhaustion of the credits shall be determined in accordance with the TUMF Administrative Plan.

2.5 AGENCY shall provide written notification to WRCOG and RCTC of its determination that all credits have been exhausted, and shall provide any information and back-up documentation regarding such determination as requested by WRCOG or RCTC.

2.6 RCTC approved a ten percent set aside for developer credit reimbursements, and has established a TUMF developer credit reimbursement account (the "**Account**"). Payments to AGENCY shall be made based on the amount available in the Account, and may be allocated by RCTC amongst multiple RCTC member agencies, in RCTC's sole discretion. Should the amount of credit reimbursement exceed the amount of available in the Account, AGENCY shall be paid in annual installment payments over multiple years until such time as the amount of the credit reimbursement is paid off in full. AGENCY understands and agrees that the amount of any annual installment payment may vary from year to year and may be reduced to zero based upon amounts available in the Account.

3.0 Miscellaneous.

3.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

3.2 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:
[INSERT]

To WRCOG:
[INSERT]

To RCTC:
[INSERT]

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

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

3.4 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

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

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

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

3.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

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

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

3.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding.

3.12 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with diligence to complete all covenants and conditions.

3.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

3.14 Entire Agreement. This Agreement contains the entire agreement between Parties and supersedes any prior oral or written statements or agreements between Parties regarding the limited subject matter stated within this Agreement.

[SIGNATURES OF PARTIES ON NEXT PAGE]

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

City of Corona

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

Western Riverside Council of Governments

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

Riverside County Transportation Commission

By: _____

Its: _____

Dated: _____

ATTEST:

By: _____

Its: _____

EXHIBIT "A"

DRAFT CREDIT AGREEMENT

[ATTACHED BEHIND THIS PAGE]

EXHIBIT "B"

DRAFT REIMBURSEMENT AGREEMENT

[ATTACHED BEHIND THIS PAGE]

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Environmental Department Activities Update**

Contact: **Dolores Badillo, Senior Analyst, dbadillo@wrcog.us, (951) 405-6735**

Date: **January 18, 2018**

The purpose of this item is to *provide an update on the Used Oil and Filter Exchange Program and events, and the status of community outreach activities.*

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 requires diversion of waste from landfills. 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 designed to assist member jurisdictions in educating and promoting proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW).

Used Oil and Filter Exchange Events

WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. The primary objective is to educate "Do It Yourself" (DIY) individuals who change their own oil, as well as promote recycling of used oil and oil filters to avoid these contaminants being disposed directly into the environment; therefore, an auto parts store is a great venue for these events. In addition to promoting used oil / oil filter recycling, staff provides information about the county-wide HHW Collection Program, which allows residents to drop-off other automotive and household hazardous products for free. Staff are now utilizing an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. Staff recently participated in the following Used Oil events in the subregion:

Date	Event	Location
11/18/2017	City of Riverside Used Oil Event	AutoZone 4980 La Sierra Ave.
12/2/2017	City of Perris Used Oil Event	O'Reilly 119 West Nuevo Rd.
12/16/2017	City of Eastvale Used Oil Event	AutoZone 14228 Schleisman Rd.
1/6/2018	City of Murrieta Used Oil Event	AutoZone 40950 California Oaks Rd.

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

Date	Event	Location	Time
1/20/2018	City of Banning Used Oil Event	AutoZone 3453 Ramsey Street Mission Blvd.	9:00 a.m. – 12:00 p.m.
1/27/2018	City of San Jacinto Used Oil Event	AutoZone 1540 S. San Jacinto Ave.	9:00 a.m. – 12:00 p.m.
2/3/18	City of Norco Used Oil Event	AutoZone 1404 Hamner Ave.	9:00 a.m. – 12:00 p.m.
2/17/18	City of Riverside Used Oil Event	AutoZone 7315 Indiana Ave	9:00 a.m. – 12:00 p.m.

Social Media Campaign

The Used Oil and Filter Exchange Program relies on marketing and promotion efforts to drive residents to the various events around the region. These events educate and increase awareness about local used oil collection and disposal resources. Staff has embarked on a digital advertising campaign for the Program that will focus on driving Facebook RSVPs to upcoming Used Oil Recycling Program events in January and February 2018. The lessons learned from this campaign can be applied to future outreach initiatives, either online or offline. A report on its effectiveness will be provided to the Committee at a later date.

Meetings and Conferences

Staff periodically attend and host meetings that focus on how agencies can promote and educate residents and businesses on the environmental and health benefits of recycling, legislation pertaining to waste and recycling, and best practices.

Household Hazardous Waste Information Exchange: Staff will attend a CalReycle-sponsored Southern California Household Hazardous Waste Information Exchange on January 18, 2018. The Exchange is a forum of Household Hazardous Waste professionals that share program ideas and exchange information among the industry. In general, products like oil, paint, pesticides, household cleaners, building materials and other special wastes found around a home are required to be disposed of or recycled properly to protect the public health and environment. Meetings take place every few months in northern and southern California, rotating locations hosted by different jurisdictions. This quarter's event will be hosted by the City of Anaheim.

Prior Action:

January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **International City / County Management Association Activities Update**

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

Date: **January 18, 2018**

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

Requested Action:

1. Receive and file.

ICMA

There has been an ongoing effort in ICMA to expand the support services available to members of the organization. The attached report reflects those efforts.

League of California Cities

League of California Cities City Manager's Department: The annual meeting of the League of California Cities City Managers Department will be held in Newport Beach on January 31, through February 2, 2018. There will be a special effort to address the issues related to recent issues facing the funding of the Public Employments Retirement System.

Issues related to next steps in addressing the fiscal crisis that can face us with funding public pensions are attached. There will be a session early in the conference to review the work of the City Managers Task Force and to discuss these alternatives and others.

Senior Advisor Support

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

Prior Action:

May 18, 2017: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

1. ICMA Career Stage Guide.

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Item 6.K

International City / County Management Association Activities Update

Attachment 1

ICMA Career Stage Guide

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Career Guides

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

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

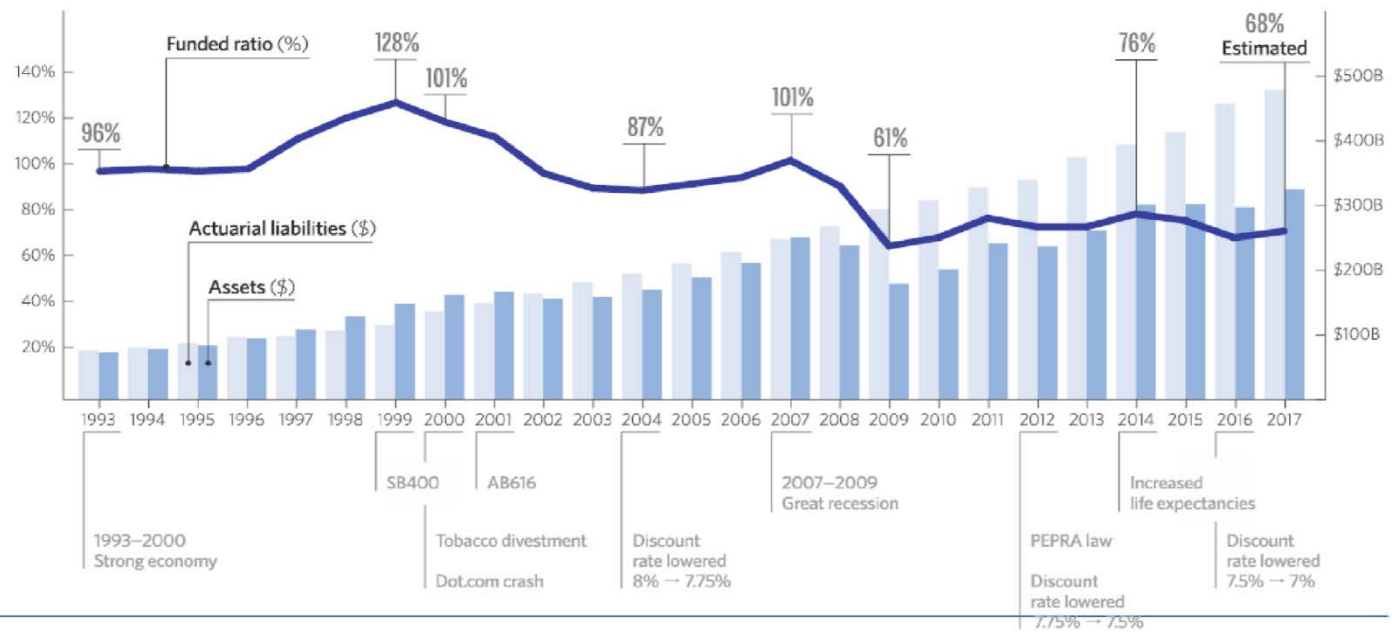
Explore more career resources at ***https://icma.org/career-resources-overview***

WHY IS THIS HAPPENING?

- CalPERS' Investment Portfolio ROI is decreasing ❖ Avg ROI over the past 10 years is only 4.4% ❖ ESG Policy and Divestment of certain Asset Classes
- Interest on U.S. Treasuries has Steadily Declined / Historically Low Rate
- CalPERS' Revenue Forecast for next 20 yrs = avg. of 6.6%
- Anticipating Negative Cash Flow for another 9-10 years

BASIC POSITIONS / ASSUMPTIONS

Historical Factors Impacting Funded Status (1993-2017)



CalPERS

1. **PENSION BENEFITS ARE IMPORTANT TO ATTRACT AND RETAIN HIGH-PERFORMING PUBLIC EMPLOYEES TO PROVIDE SERVICES.**
2. **SUPPORT A REASONABLE DEFINED BENEFIT PLAN TO BE SUPLEMENTED WITH DEFINED CONTRIBUTION SAVINGS PLANS SUCH AS 457 OR 401A.**
3. **EMPLOYEES ULTIMATELY SHOULD BE RESONSIBLE FOR ½ OF THE NORMAL COSTS OF THEIR DEFINED BENEFIT PLAN.**
4. **PUBLIC EMPLOYEE PENSIONS SHOULD BE PORTABLE ACROSS ALL PUBLIC AGENCIES**
5. **PENSION PLAN SHOULD BE DESIGNED TO ENABLE A 30 YEAR CAREER PUBLIC EMPLOYEE TO RECEIVE A MINIMUM OF 50% AND A MAXIMUM OF 75% OF THEIR INCLOME IMMEDIATELY PRIOR TO RETIREMENT**

WHAT ARE POSSIBLE ALTERNATIVE ACTIONS:

1. **ELIMINATE "CALIFORNIA RULE. (California Supreme Court)**
   BY COURT ACTION OR PUBLIC REFERENDUM.
   (Manning Allen vs City of Long Beach)
   (Marin vs. Marin Association Of Employees)
   (Cal Fire Local 2881 vs.

2. **REDUCE ALL PENSION BENEFITS <u>PROSPECTIVELY</u> TO PEPRA LEVELS.**

3. ELIMINATE ALL COLAS FOR PENSIONS ABOVE $$$$

4. CAP PENSIONS AT X% OF HIGHEST BASE COMPENSATION.

5. ADVANCE FUNDING of PENSION LIABILITES (100% Goal)

6. SUSPEND COLAS FOR EMPLOYER WHO DID NOT ACHIEVE 90% GOAL.

7. ALLOW EMPLOYERS TO CHANGE COLA SYSTEM.

PEPRA PROVISIONS

1. RETIREE BENEFITS BASED ON AVERAGE OF THREE HIGHEST YEARS
2. LESS GENEROUS FORMULAS
3. NO OVERTIME, VACATION, SICK LEAVE OR OTHER "PENSION SPIKING" PROVISIONS ARE ALLOWED.
4. PURCHASE OF AIR TIME ISD PROHIBITED.
5. EMPLOYERS CAN NO LONGER PAY EMPLOYEES SHARE.
6. EMPLOYERS AND EMPLOYEES CAN AGREE TO INCREASE EMPLOYEE SHARE ABOVE BASE.
7. PROHIBITS RETROACTIVE BENEFIT INCREASES
8. PROHIBITS EMPLIOERS FROM TAKING PENSION CONTRIBUTION "HOLIDAYS"

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Technical Advisory Committee 2018 Meeting Schedule**

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

Date: **January 18, 2018**

The purpose of this item is to *provide and obtain approval of the Technical Advisory Committee meeting schedule for 2018.*

Requested Action:

1. Approve the Schedule of Technical Advisory Committee meetings for 2018.

Attached are the proposed meeting dates for the 2018 Technical Advisory Committee (TAC) meetings. All TAC meeting dates are proposed for the third Thursday of the month, with the exception of being dark during the months of June and December. **Note: All TAC meetings will be held at WRCOG's new office located at 3390 University Avenue, Suite 450, in Riverside.**

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Schedule of Technical Advisory Committee meetings for 2018.

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Item 6.L

Technical Advisory Committee 2018 Meeting Schedule

Attachment 1

Schedule of Technical Advisory Committee meetings for 2018

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
SCHEDULE OF MEETINGS FOR 2018

WRCOG Standing Committees	Day	Time	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Technical Advisory Committee	3rd Thurs.	9:30 a.m.	18	15	15	19	17	**DARK**	19	16	20	18	15	**DARK**

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Western Riverside County Active Transportation Plan Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide an update to the Committee members on the Western Riverside County Active Transportation Plan (ATP).*

Requested Action:

1. Receive and file.

The ATP will identify challenges to and opportunities for creating a safe, efficient, and complete active transportation network that will expand the availability of active modes of transportation (walking and biking) for users both within the region and between neighboring regions.

Background

In 2010, WRCOG received funding from Caltrans to complete a regional Active Transportation Program. In May 2015, Caltrans awarded WRCOG a second round of funds through the Active Transportation Program in update the Plan. In early 2016, a contract was awarded to a consultant team led by Fehr & Peers to prepare this update.

The primary product of the ATP is a list of high priority trails, pathways, and routes for walking and biking that WRCOG member agencies can implement to increase mobility options within the region. The ATP will contain detailed descriptions of each facility with cost estimates that agencies can submit as part of grant applications completed with assistance from the WRCOG Grant Writing Program.

Development of the ATP

Existing Conditions: The first step of ATP development was an existing conditions analysis of the subregion for a review of local plans and projects planned / underway that provided more of an understanding of regional trends.

A key element of the Existing Conditions was a review of bicycle and pedestrian collisions. This collision analysis looked at trends, both in terms of number of collisions and locations. Some key takeaways from this analysis include:

- Collisions tend to occur most often around freeway interchanges.
- Significant clusters of activity occur in Corona, Riverside, Hemet, and Moreno Valley.
- Collisions tend to involve those under 18 and those older than 65.
- Over the five years analyzed (January 2009 through December 2013), over 26,000 traffic collisions were reported in Western Riverside County (14 per day). Of those, 1,452 involved a pedestrian, with 197

pedestrian fatalities and 312 pedestrians severely injured; 1,365 involved a bicyclist, with 48 bicyclists killed and 161 bicyclists severely injured.

This information was previously shared with WRCOG's Planning Directors, Public Works, and Technical Advisory Committees in 2017.

Regional Active Transportation Facilities Network: The focus of the regional facilities network is to develop a robust bicycle and pedestrian network, so that residents and visitors of Western Riverside County will have more choices in where and how to get to their desired destinations.

WRCOG and the project team worked closely with member agencies through an iterative process to develop a regional active transportation facility list and map. The team looked at important regional destinations, opportunities, and constraints existing in the region, and involved stakeholders, decision makers, and the community throughout to help develop the final recommendations. The result is a proposal for 24 regional active transportation facilities, supported by 44 local routes.

Each of the 24 regional facilities are supported by a comprehensive summary of the proposed route. These summaries include information on the facility type, length, design and statistics on existing conditions such as collisions along and near the route, demographics, and percent disadvantaged population that has access to the facility. The summaries also provide information on estimated construction costs, strategies for implementation, and funding opportunities.

The project team and WRCOG anticipate that these regional facility summaries will be a critical part of project implementation steps such as educating stakeholders on the project, obtaining support from residents, and, most importantly, applying for funding. The project team has been working with member agency staff, through the Planning Directors and Public Works Committees, as well as the Riverside County Active Transportation Network stakeholder group, to develop a Regional Network. The Regional Network projects were determined with input from prior local and regional plans, collision review, regional destinations analysis, and agency guidance. The goal of the Western Riverside County ATP is to focus on a subset of high priority, regional projects, of which the summaries enable local jurisdictions to be better positioned to apply for project funding.

Bicycle and Pedestrian Safety Education Workshops: In addition to development of the ATP, WRCOG also conducted Bicycle and Pedestrian Safety Education workshops to provide cyclists with knowledge of roadway laws and traffic cycling problem solving. To achieve this, the workshops focused on bike handling and traffic skills. The goal of these workshops is to educate bicyclists with the traits for successful bicycle transportation. The workshops were initially offered through the Riverside Community College District (RCCD) and workshops were conducted at Moreno Valley College (fall 2016) and Riverside City College (spring 2017). However, RCCD experienced some departmental changes, so WRCOG reached out to staff at the University of California, Riverside (UCR) to provide the workshops on-campus; workshops were held in fall 2017, and additional workshops are scheduled for winter 2018.

In addition to workshops on university and college campuses, workshops are also being offered to stakeholder groups. One workshop was held in fall 2017 with the Riverside Bicycle Club. WRCOG is also gauging the interest of the Eastside HEAL Zone in the City of Riverside. The HEAL Zone is an initiative through Kaiser Permanente designed to help combat obesity by making healthy choices accessible to more people through sustained policies and enhanced by education and promotion in underserved communities across Southern California. WRCOG will continue to work with the Eastside HEAL Zone so these workshops can be offered in that Zones.

Outreach: Throughout the development of the ATP, WRCOG and the project team have conducted outreach to provide updates and incorporate input from member agencies and stakeholders through WRCOG's Committee structure and stakeholder groups. WRCOG has provided updates to the following WRCOG Committees and the following months:

- Planning Directors Committee
  - 2016: February, April, July

- 2017: February, May

- Public Works Committee
  - 2016: April, June, November
  - 2017: February, April, May, June, September

- Technical Advisory Committee
  - 2016: May, July
  - 2017: October

Next Steps

WRCOG is currently reviewing the final ATP report and anticipates the final report will be presented through its Committee structure beginning in March 2018. As noted, the success of the ATP will rely on member agencies continuing to move the proposed projects forward and implementing components of the regional network. WRCOG will continue to assist member agencies in the implementation of the ATP through its existing methods and any innovative ways that may be brought forth. Currently, WRCOG offers grant writing assistance for the California Transportation Commission's Active Transportation Program application and the Caltrans Sustainable Transportation Planning Grant. The goal of the Western Riverside County ATP is to focus the regional ATP on a subset of high priority, regional projects, of which the Plan enables local jurisdictions to be better positioned to apply for project funding.

Prior Action:

October 19, 2017: The Technical Advisory Committee received report as part of Transportation Department Activities Update.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

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

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

Date: **January 18, 2018**

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

Requested Actions:

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

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March Joint Powers Authority participate in the Program through an adopted ordinance, collect fees from new development, and remit the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency.

Background

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

April 7, 2017 – Administration of the TUMF Program

At a January 2017 Workshop, RCTC approved an item to evaluate the pros and cons of transferring the TUMF Program from RCTC to WRCOG. After discussions with RCTC staff and legal counsel, it was determined that

any transfer of the TUMF Program would require mutual agreement between RCTC and WRCOG.

WRCOG staff initiated an effort to evaluate whether it would be appropriate for WRCOG to transfer the TUMF Program to RCTC. As part of this evaluation, staff provided a presentation at the April 2017 Ad Hoc Committee meeting on the history of the TUMF Program. Staff discussed the initial decision-making processes that influenced the development of the TUMF Program, linkages to Measure A, the desire for local control over revenues, cost-efficiencies that were built into the Program as it relates to the distribution of administrative and programming responsibilities, and zone structures and funding allocations. Discussion occurred on whether it would be more efficient to have RCTC administer the TUMF Program. Several members noted that this transfer of the TUMF Program would only make sense if there were a substantial benefit to the local agencies.

The consensus of the group was that was that WRCOG was operating the Program in an efficient manner; Program administrative expenses (including staff, overhead, and legal) were less than 3% since the inception of the Program. Committee members stated that the current form of the TUMF Program administration provides the benefit of local control, as WRCOG conducts administrative duties of the Program, while the member agencies prioritize and Program funds for projects through the Zone process. Because of these conclusions, Committee members noted no immediate benefits to local agencies should administration of the TUMF Program move to RCTC.

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

May 18, 2017 – TUMF Zone Boundaries

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

Staff presented a number of options regarding the TUMF Zone structure including a potential consolidation of TUMF Zones from five to three. Several members expressed a desire to maintain the current structure of the TUMF Zones as it provides a greater benefit of local control because a portion of the TUMF collected stays within the Zone that it was collected in.

The consensus of the group was to leave the current TUMF Zone process as it functions today.

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

Based on analysis of available data, staff developed potential options for the Ad Hoc Committee and Executive Committee to review and consider regarding a potential exemption. Staff conducted an analysis of shopping centers and determined that most shopping centers in the subregion are composed of large anchor tenants with a mix of smaller retail and service uses. In most instances, these smaller uses are ancillary and considered local serving since the anchor tenants are the main trip generator. WRCOG also determined that there have been a large number of TUMF collections for uses that are less than 3,000 square feet.

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

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

The Ad Hoc Committee also discussed the need to monitor this approach and provide a report within one year on its implementation and any recommended changes. Staff will be tracking the revenue loss from the square footage reduction and reporting to the WRCOG Committee structure in mid-2018. Staff will also provide findings on the impact the reduction in square footage has on the local economy.

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

November 15, 2017 – Nexus Study Project Criteria and Type

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

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

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

- *Should TUMF Zones engage in regular discussion of Zone priorities?* Members of the Ad Hoc Committee stated this exercise should be a priority as the purpose of the TUMF Program is to provide supplemental funding for projects that are shovel ready and provide a regional benefit.

- *Should WRCOG update the criteria for projects to be included in the Program, including some type of feasibility?* Currently, the TUMF Program does not review feasibility to determine whether a project can be included in the Nexus Study. Members of the Ad Hoc Committee suggested that if a feasibility criteria is developed, that the member agency be included in the discussions of removing a facility from the TUMF Network for concurrence.

- *Should WRCOG require some type of formal review but not approval of the TUMF Network by the Riverside County Transportation Commission (RCTC)?* During Nexus Study updates, staff provides regular updates to the WRCOG Committee structure, for which RCTC is a member of the Public Works Committee. Members of the Ad Hoc Committee questioned whether this potential requirement would provide efficiencies and determined that it not be option that WRCOG explore.

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

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

Prior Actions:

January 10, 2018: The Administration & Finance Committee 1) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc

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

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

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **PACE Program Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide the Committee with an update on the PACE Programs that WRCOG oversees. This includes the HERO Program, SAMAS PACE, CaliforniaFIRST, Spruce Finance, PACE Funding, and Greenworks Lending.*

Requested Action:

1. Receive and file.

WRCOG's PACE Programs provide financing to both residential and commercial 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 voluntary lien placed on the property tax bill.

2017 PACE Program Activities Update

From January through December 2017, WRCOG's PACE Programs completed the following projects:

PACE Program	Project Total	Total Amount Funded
California HERO	27,388	$692 million
WRCOG HERO	3,197	$77.7 million
SAMAS Commercial PACE	4	$402,269
CaliforniaFIRST Program*	107	$3,428,003
PACE Funding*	3	$38,340
Total	**30,699**	**$773,568,612**

**Program operates under the WRCOG PACE Umbrella*

Additional PACE Providers Update

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

In mid-June 2016, WRCOG staff distributed a solicitation to PACE providers to provide an opportunity for them, if interested, to operate their Program in the WRCOG subregion under the WRCOG PACE Umbrella. Under this structure, WRCOG would serve as the bond issuer. WRCOG would then retain oversight of the Program,

ensuring the application of consistent consumer protections among these Programs throughout the subregion, for example, and recording the assessments on the property.

Each interested Provider completed a lengthy questionnaire, complied to operate under the WRCOG Consumer Protections Policy, and interviewed with the Ad Hoc Committee prior to receiving Executive Committee approval. To date, the Executive Committee has approved the following PACE providers to operate under the WRCOG PACE umbrella in the subregion:

- CaliforniaFIRST
- Spruce Finance
- PACE Funding
- Ygrene
- Greenworks Lending

Opt Out Resolution: Member jurisdictions will always retain the right to include or exclude additional PACE Providers who are not participating under the WRCOG Umbrella.

If the Executive Committee adopts an additional provider, the Program will be automatically able to operate in each member jurisdiction, unless a jurisdiction takes action to prohibit their inclusion. If a jurisdiction desires NOT to include an additional provider, it must adopt a resolution (Attachment 1) to opt out of the Program. The opt out resolution has been provided as part of several committee agendas, and WRCOG staff has previously reached out to each jurisdiction to provide the resolution to city staff via email to raise awareness of new providers entering the subregion.

Operational Analysis Update

Current Renovate America Fiscal Year (FY) 2015/2016 Operational Analysis: Undertaking an operational analysis of WRCOG's PACE providers is part of WRCOG's PACE Consumer Protections and funding is provided by annual carryover revenues; the amount of the analysis is based on a sliding scale and determined by the size of the funding partner and the number of assessments selected for sampling. Staff initiated its first analysis of Renovate America in October 2016 to cover the FY 2015/2016. In June 2016, staff initiated a Response for Proposals process and in August 2016, the Executive Committee selected Baker Tilly to complete the analysis. On October 3, 2016, the Executive Committee approved a contract between WRCOG and Baker Tilly to perform an operational analysis of Renovate America for FY 2015/2016.

Over the past year, Baker Tilly has been working with WRCOG and Renovate America to complete its operational analysis of Renovate America. The final report is currently in draft form and all parties are working together to finalize the report. The final report will be presented to the Administration & Finance Committee in February 2018 and the Executive Committee in March 2018.

Future Operational Analyses: For the new PACE providers under the WRCOG Umbrella, the operational analysis would occur after one full fiscal year of operations. For the CaliforniaFIRST Program, administered by Renew Financial, would mean an analysis would be conducted for FY 2017/2018. Staff will bring forward at that time a contract for Committee review and approval. Reviews for the newly launched PACE Programs (PACE Funding and Spruce PACE) would take place in FY 2018/2019 for FY 2017/2018.

Consumer Protection Policy Update

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

On October 4, 2017, Governor Brown signed into law two PACE-related pieces of legislation: SB 242 and AB 1284. WRCOG supported SB 242, which established and codified enhanced consumer protections for PACE

Programs throughout the state, while AB 1284 created a framework for statewide oversight of PACE providers and contractors through the California Department of Business Oversight.

WRCOG is in the process of updating its CPP to be consistent with AB 1284 and SB 242, as well as incorporating certain changes adopted by PACE Nation's Consumer Protections Policy version 2.0. On January 10, 2018, the Administration & Finance Committee received an update on the final draft of the Consumer Protections Policy and it is anticipated to be considered for adoption at the February 2018 Executive Committee.

Some Key Changes to the Consumer Protection Policy Include:

1. **Right to Cancel**. WRCOG's CPP currently requires the property owner be given the right to cancel the contractual assessment on or before midnight of the third business day. With the addition of SB 242, if the financing is cancelled (unless the property owner waives their rights), the Home Improvement Contract between the property owner and the contractor will also be cancelled – effective January 1, 2018.

2. **Confirmed Terms Call**. If confirmation of terms was made in another language other than English, the provider will deliver in writing the disclosures, contract, and agreement including, but not limited to the following: assessment contract documents, financing estimate and disclosure, and right to cancel form – effective January 1, 2019. The legislation also adds additional verbal disclosures such as the Program is placing a lien on the property, and if the property owner misses their tax payment, the Program has a right to foreclose.

3. **Income verification and ability to pay**. A provider shall consider the monthly debt obligations of the property owner to determine a property owner's ability to pay the annual payment PACE assessment obligations using reasonably reliable 3rd party record – effective April 1, 2018.

4. **Prohibition on compensating contractors beyond the cost of a home improvement project**. Prohibits program administrator from providing direct / indirect cash payments or anything of a material value to a contractor or 3rd party that is in excess of the actual price charged. Additionally, the reimbursement is capped at $100 per each salesperson – effective January 2, 2018.

Prior Actions:

January 10, 2018: The Administrative & Finance Committee recommended the Executive Committee approve the revised WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Statewide SAMAS Commercial Program Handbook to change the existing lender consent requirements in these documents to a modified approach that would allow WRCOG and SAMAS legal counsels to analyze the mortgage documents and associated terms, conditions and covenants to determine if lender consent is necessary and that entering into the Assessment Contract would not violate the related mortgage terms.

January 8, 2018: The Executive Committee 1) received WRCOG PACE Summary; 2) accepted the City of Milpitas and the Town of Truckee as Associate Members of the Western Riverside Council of Governments; 3) adopted WRCOG Resolution Number 01-18; 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 4) adopted WRCOG Resolution Number 02-18; A Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Assessment

Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto.

Fiscal Impact:

This item is informational only; therefore, there is not fiscal impact.

Attachments:

1. WRCOG Additional PACE Providers Opt Out Resolution.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.

Item 7.C

PACE Programs Activities Update

Attachment 1

WRCOG Additional PACE Providers Opt Out Resolution

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE [FILL IN THE BLANK: CITY OF _____], CALIFORNIA, EXCLUDING [FILL IN NAME: _____] AS AN AUTHORIZED PROGRAM MANAGER OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENT CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY IMPROVEMENTS WITHIN THE BOUNDARIES OF THE CITY

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee") has established the "Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County" (the "WRCOG Program") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the Joint Exercise of Powers Agreement of the Western Riverside Council of Governments ("WRCOG"), originally made and entered April 1, 1991, as further amended to date (the "Joint Exercise of Powers Agreement"), and, as to the WRCOG Program, Implementation Agreements by and between WRCOG and its Regular Members, separate voluntary contractual assessment programs to assist property owners within the jurisdictional boundaries of the WRCOG Program Area (defined below), as to the WRCOG Program, with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure ("Authorized Improvements"), as further described in the program report adopted by the Executive Committee in establishing the WRCOG Program, that are permanently affixed to their property; and

WHEREAS, WRCOG initially appointed Renovate America to administer the WRCOG Program for residential properties and Samas Commercial for commercial properties; and

WHEREAS, subsequently Renovate America was authorized by the Executive Committee to be an additional provider for the WRCOG Program for commercial properties; and

WHEREAS, the City of _____ (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, on _____, 20___ this City Council adopted Resolution No. _____ entitled "Resolution of the City Council of the City of

_____, California, consenting to Inclusion of Properties within the City's Incorporated Area in the Western Riverside Council of Government Contractual Assessment Program to finance distributed generation renewable energy sources and energy efficiency improvements;" and

WHEREAS, on _____, 2016, the Executive Committee approved _____ as an additional program administrator (the "Additional Program Administrator") for the WRCOG Program; and

WHEREAS, the City desires to exclude the Additional Program Administrator from providing services within the incorporate boundaries of the City;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that the Additional Program Administrator shall not be authorized to provide services pursuant to the WRCOG Program to any properties in the incorporated area of the City.

2. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the WRCOG Executive Committee.

(Insert Voting Block for particular Member Agency City)

Item 7.C

PACE Programs Activities Update

Attachment 2

WRCOG HERO Snapshot

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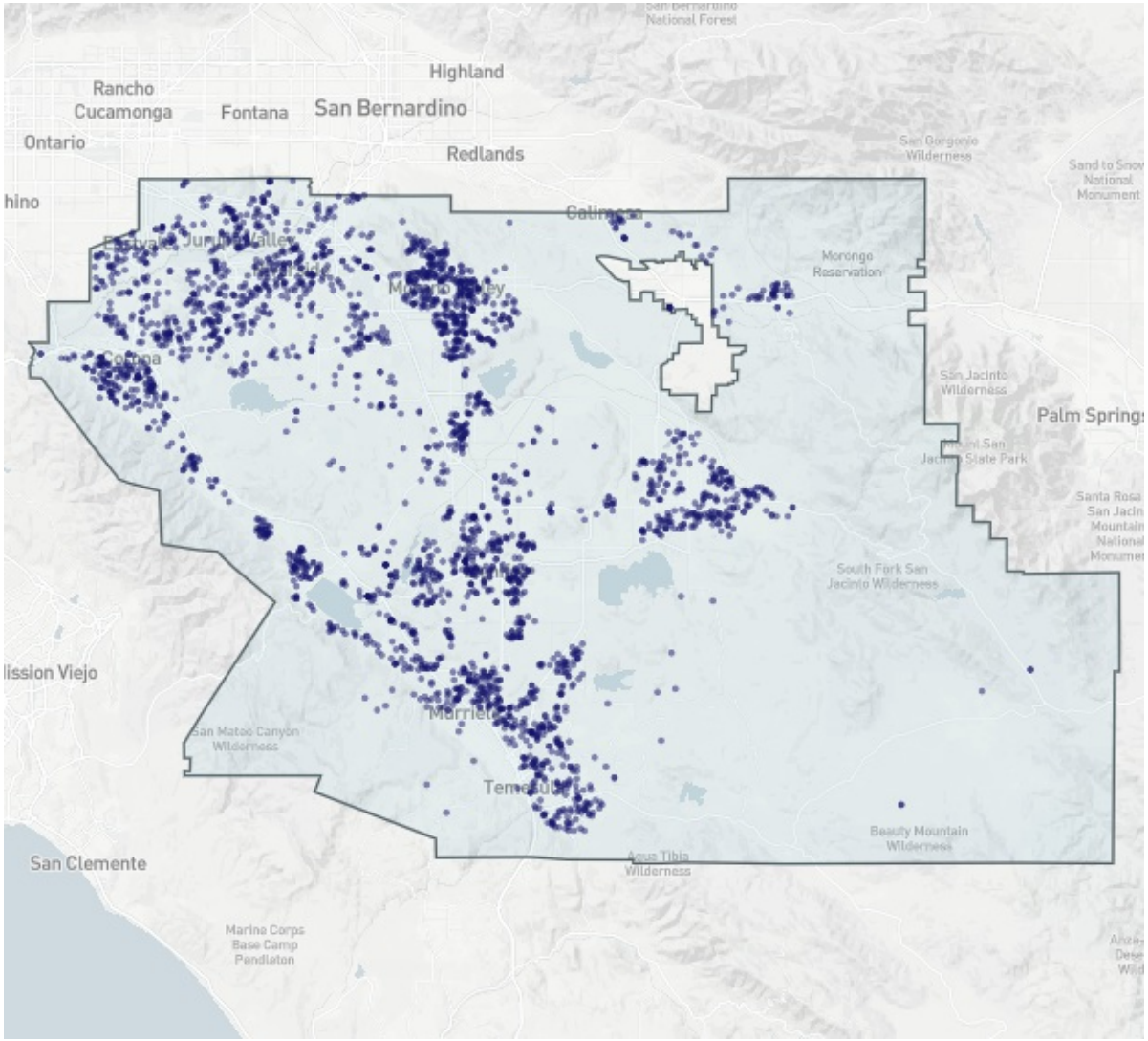
WRCOG - Western Riverside Council of Governments

3,197 Homes Improved

12/14/2011
HERO Launch Date

461,362
Housing Count

01/01/2017 - 12/31/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	3,963	$41.8M
Solar	1,743	$81.0M
Water	595	$6.63M

Lifetime Impact

Applications Submitted	7,640
Applications Approved	5,352
Funded Amount	$77.7M
Economic Stimulus	$135M
Jobs Created	660
Energy Saved	470M kWh
Emissions Reduced	128K tons
Water Saved	669M gal

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

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Item 7.C

PACE Programs Activities Update

Attachment 3

CA HERO Snapshot

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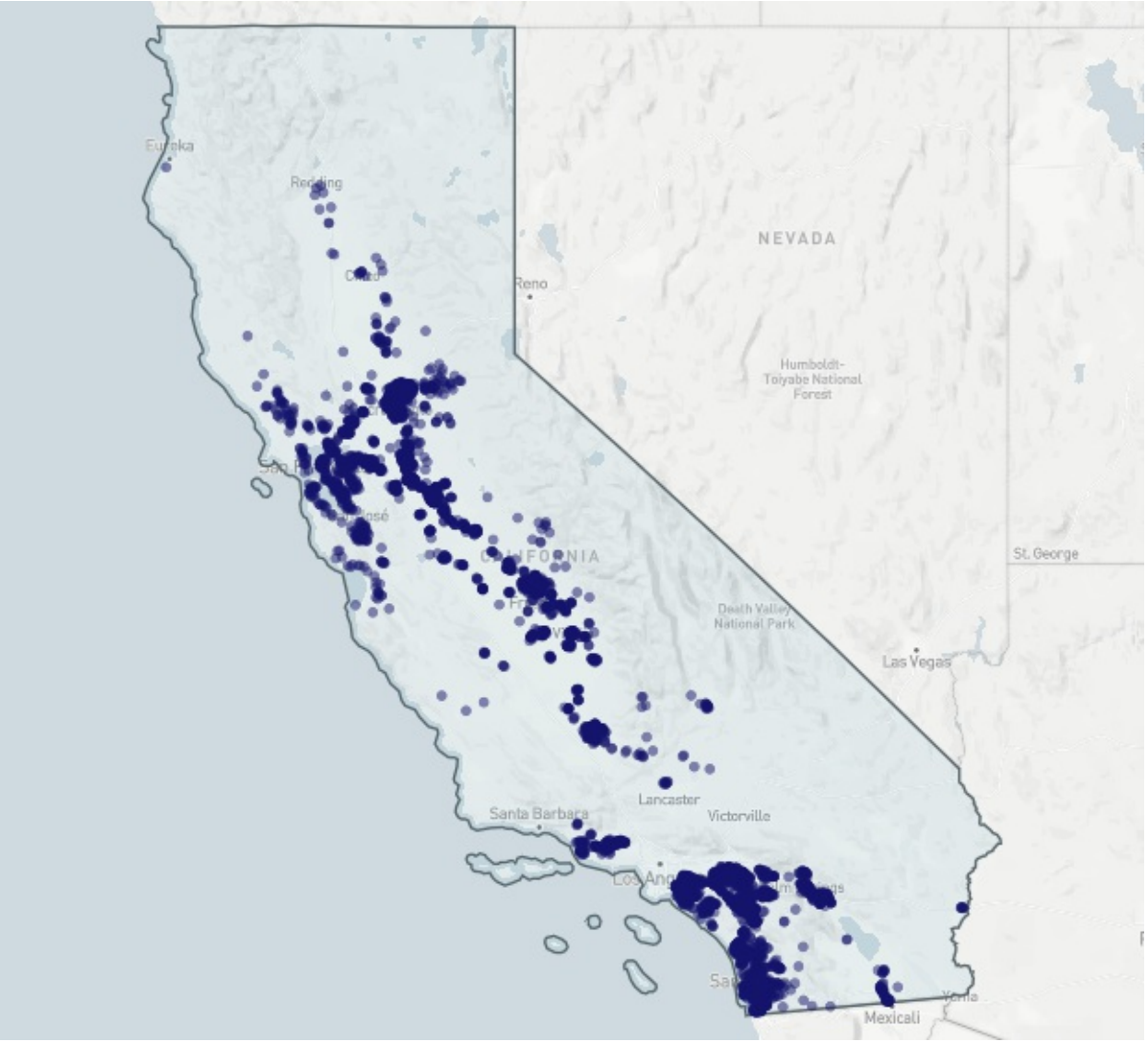
California - WRCOG Program

27,388 Homes Improved

12/14/2011
HERO Launch Date

8,995,515
Housing Count

01/01/2017 - 12/31/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	40.8K	$449M
Solar	13.5K	$619M
Water	3,316	$36.0M

Lifetime Impact

Applications Submitted	68.2K
Applications Approved	49.2K
Funded Amount	$692M
Economic Stimulus	$1.20B
Jobs Created	5,873
Energy Saved	4.01B kWh
Emissions Reduced	1.06M tons
Water Saved	3.58B gal

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

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Regional Streetlight Program Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide the Committee with an update on Western Riverside County Streetlight acquisition process schedule and Light Emitting Diode (LED) Procurement Request for Quotation (RFQ) process.*

Requested Action:

1. Receive and file.

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

Background

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

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

Regional Streetlight Acquisition Update

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

In 2017, three jurisdictions (Cities of Eastvale, Murrieta, and Temecula) Streetlight application have entered the CPUC's review process. Additionally, the Cities of Eastvale (approved 12/8/17) and Murrieta (approved 10/10/17) have received CPUC approval on their applications. The City of Temecula will receive their approval in Q1 / Q2 of 2018 and the reasoning for the longer approval process is that the City has an acquisition cost of over $5 million which will need to go through the formal filing process.

Staff will continue to keep WRCOG Committees updated as jurisdictions progress through the acquisition process.

Acquisition Process Schedule: The table below provides the estimated status for each jurisdiction participating in the Program. While the Cities of Eastvale, Murrieta, and Temecula have advanced to the CPUC for approval of streetlight acquisition, the eight remaining jurisdictions are awaiting SCE's submission of the Agreements to the CPUC. Staff estimates the next batch of WRCOG cities will advance to the CPUC in early 2018. The below timeline of acquisition approval activities is subject to change as SCE and CPUC progress through the approval processes. WRCOG staff will continue to update the progress as jurisdictions reach each milestone.

	City approves agreement to purchase streetlights	SCE executes agreement	SCE sends to CPUC	CPUC approves streetlight transfer	City approves program participation
Eastvale	4/12/2017	✓	✓	12/8/2017	Est. 2/28/18
Hemet	3/14/2017	✓			
JCSD	3/13/2017	✓			
Lake Elsinore	1/24/2017	✓			
Menifee	2/15/2017				
Moreno Valley	3/21/2017	✓			
Murrieta	3/7/2017	✓	✓	9/29/2017	12/19/2017
Perris	3/28/2017	✓			
San Jacinto	3/28/2017	✓			12/19/2017
Temecula	2/28/2017	✓	✓	Est. Q1 / Q2 2018	
Wildomar	3/8/2017	✓			

The City of Eastvale is in the process of taking an item to their City Council on the Program participation on February 28, 2018. During this meeting, staff will present the various Program documents representing various programmatic offerings that the City can enter into. The following Programmatic documents will be discussed and provided to the City for their meeting:

1. **Financing Resolution:** This document will be approved at City Council / Board meetings to authorize the financing. The Resolution will define a "Not to Exceed" amount including an amount adequate to cover any contingencies that may be identified during the true-up or retrofit process.
2. **Equipment Lease / Purchase Agreement:** Defines all of the lease definitions, city covenants, and details related to the terms of the lease. The financing terms will be updated prior to the closing date, to include the final amount borrowed, interest rate, and payment schedule.
3. **Escrow Agreement:** Governs the account that will be set up for the jurisdiction at Banc of America with the proceeds of the lease. Rather than the jurisdiction receiving monies at the closing, all funds will be deposited to the escrow account for payment of invoices submitted by the jurisdiction for payments made to SCE for acquisition and Siemens / WRCOG for retrofit services.
4. **Implementation Agreement:** This agreement is between the jurisdiction and WRCOG for program management services associated with the aggregated services provided for the acquisition, retrofitting and ongoing O&M.

5. **Paying Agent Agreement:** This agreement will identify Wells Fargo as the paying agent, whose role is to support the ongoing payments made to multiple parties under the Program. In an effort to streamline the processing needed by the cities, WRCOG / PFM set this up so that the jurisdiction would make single payments, semi-annually, to the paying agent for all components of the Program in which the jurisdiction is participating. Therefore, twice a year, in December and June, the jurisdiction will make a payment that will include the debt service (principal and interest) paid to Banc of America, as well as administrative services, O&M, and, in later years, re-lamp reserve. The paying agent will then disburse the funds in the schedule amounts to the correct parties without the jurisdiction having to schedule multiple payments.

Streetlight Request for Quotation (RFQ) LED Procurement

On September 21, 2017, WRCOG released an RFQ to solicit suppliers interested in providing WRCOG's member jurisdictions with LED lights for the replacement of jurisdiction-owned streetlights. The release of the RFQ for LED Procurement is the next step within the Regional Streetlight Program as many of the jurisdictions are in the process of acquiring their streetlights from SCE. One of the goals of the Program is to assist jurisdictions with the identification and installation of new LED technology and this RFQ meets that goal. The RFQ for LED Procurement went through several phases of addendums in order to provide interested proposers with enough time and information on the regions lighting specifications so that it can meet the needs of the members in Western Riverside County.

On December 21, 2017, the RFQ closed and WRCOG staff received proposals from 11 different lighting vendors expressing interest in providing lighting products for this regional program. Upon closing of the RFQ, staff has formed an evaluation committee consisting of WRCOG's financial consultants (PFM), WRCOG's O&M contractor (Siemens), and interested jurisdictions involved in the Program. The date for the evaluation committee to meet and discuss the RFQ proposals is set for January 16, 2018. The goal of the evaluation committee will be to discuss and determine the best qualified LED lighting fixture(s) that meet the region's street lighting needs. Staff will be providing an update to both to WRCOG's Technical Advisory and Executive Committee for final approval.

Prior Actions:

January 11, 2018: The Public Works Committee received and filed.
January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Western Riverside Energy Partnership Activities Update**

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

Date: **January 18, 2018**

The purpose of this item is to *provide the Committee with information on WREP's 2017 Programmatic overview.*

Requested Action:

1. Receive and file.

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

2017 Programmatic Overview

2017 City Tier Level Updates: During 2017, five WREP member cities have progressed to new tiers in the Partnership, unlocking additional savings. This progression has been achieved as the cities have completed the installation of various energy efficiency projects within their municipal facilities. The SCE tier structure is comprised of four levels: Value, Silver, Gold, and Platinum. While SoCal Gas does not operate a tier structure to provide member jurisdictions additional incentives for projects, the member jurisdictions do receive enhanced incentives for participating in the Partnership. SCE starts all partnership cities at Value level and in order to move on up in tier level status, member cities must complete several community requirements and implement energy efficiency projects to help reach their goal of kWh saved. In total, these five cities saved over 1.9 million kWh in municipal energy savings to reach their next tier level.

The following Cities listed below have achieved a higher tier status:

- City of Canyon Lake advances from Silver to Gold
- City of Norco advances from Silver to Gold
- City of Perris advances from Gold to Platinum
- City of Temecula advances from Gold to Platinum
- City of Wildomar advances from Value to Silver

One of the main goals of the WREP Partnership is to help participating member cities move up in their tier levels in order to achieve higher incentives on energy efficiency projects from SCE and SoCal Gas. Projects can include, but are not limited to, boilers, water heaters, pool covers, and gas appliances (stoves and dryer). WREP will continue to work with jurisdictional staff in 2018 to identify / implement energy projects as well as assist with community outreach programs to help each member move up the SCE tier level in order to receive higher incentives.

CPUC Recognition: In 2017, WREP received recognition from the California Public Utilities Commission (CPUC). The CPUC released a report noted as the Nonresidential Energy Efficiency Depth of Retrofit and Cost Effectiveness Analysis Report (DORCE). The purpose of the CPUC creating this report was to provide a performance indicator to highlight the various energy efficiency programs throughout the state of California. The Governor's Executive Order B-30-15 establishes a California greenhouse gas emissions reduction target of 40% below 1990 levels by the year 2030.

The DORCE examined 1) cost effectiveness of energy projects, 2) savings achieved (kWh), and 3) depth of the energy retrofit. Upon completion of this analysis, the CPUC listed WREP as 6th out of the 166 energy programs in the State of California (Attachment 1).

Direct Install: During the summer of 2017, SCE allocated over $2 million in funding to provide energy efficiency audits and installation of LED Tubes for their ongoing Direct Install (DI) Program. Direct Install is a no cost energy program offered by SCE that provides both commercial and municipalities with a no cost energy audit and installation of identified energy measures through an SCE certified consultant. In order for either commercial or municipalities to be eligible to participating in DI, a list of facilities under SCE accounts (account number) and service address are needed to enroll into the Program. In the past, SCE's Direct Install Program has installed energy efficient lighting, plug load occupancy sensor, open / close LED signage, and lighting occupancy sensor (wall mounted). The table below demonstrates the estimated energy savings and incentives (2013 - 2016) that member jurisdictions received through participation in DI:

WREP jurisdiction	Gross kWh savings	Gross kW savings
Calimesa	6,966	1.65
Canyon Lake	10,239	2.44
Hemet	142,863	33.87
Lake Elsinore	62,267	14.69
Menifee	2,568	1
Murrieta	73,569	16.82
Perris	50,576	12.03
Temecula	50,012	9.17
Wildomar	18,781	6.4
Total	**417,841**	**98.07**

For 2017, the Cities of Canyon Lake, Hemet, Moreno Valley, Murrieta, and Wildomar participated in the Direct Install Program for their municipal facilities and as a result of their participation, these jurisdictions have saved an estimated total of over 140,000 kWh.

WREP jurisdiction	Gross 2017 kWh savings	Gross 2017 kW savings
Canyon Lake	10,222.7	3.53
Hemet	58,061.68	18.3
Moreno Valley	50,234.8	17.66
Murrieta	11,491.92	3.41
Wildomar	19,322.88	6
Total	**149,333.78**	**48.9**

2017 Holiday Light & Energy Efficiency Starter Kit Giveaway: WREP closed 2017 with its 4th Annual LED Holiday Light Exchange and Energy Efficiency Starter Kit Giveaways, in coordination with its partners SCE and SoCal Gas. Staff attended five holiday-themed community events across Western Riverside County this past holiday season to provide residents with new LED holiday lights and energy efficiency kits (which included a low flow shower head and three faucet aerators). During the 2017 Holiday Program, staff provided over 900 holiday lights and over 80 energy efficiency kits, which represents assistance for over 450 households.

LED Holiday Light Exchanges took place at the following events:

City	Event	Date
Jurupa Valley	3rd Annual Tree and City Hall Lighting	12/1/17
Lake Elsinore	WinterFest	12/2/17
Hemet	Christmas Parade	12/2/17
Moreno Valley	Snow Day and Holiday Tree Lighting	12/2/17
Menifee	Christmas Tree Lighting Ceremony	12/9/17

The Holiday Program, originated in 2014, was developed to allow residents within SCE territory to exchange old incandescent holiday lights for new, energy efficient LEDs. In 2016, SoCal Gas joined the Program to promote their energy efficiency kits to their customers. To date, staff have attended 20 holiday community events, exchanged over 2,300 holiday lights, and provided 150 energy efficiency starter kits. This equates to benefits provided to over 1,100 households within Western Riverside County that have participated in the Holiday Light and Energy Efficiency Kit Program.

Prior Action:

January 8, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. CPUC Program Ranking.

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Item 7.E

Western Riverside Energy Partnership Activities Update

Attachment 1

CPUC Program Ranking

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A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-OF-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130

A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-OF-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130

A.4 PROGRAM RANKING

TABLE A-4: PROGRAM SCORE AND RESIDUAL RANKINGS

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-033	Automatic Energy Review for Schools Program	1	5	30	31	33	5	3	24	92	6
SCG3716	SW-IND-Deemed Incentives	2	1	135	133	104	1	1	134	136	110
SCG3715	SW-IND-Calculated Incentives	3	2	115	112	89	22	18	86	54	98
SDGE3118E/ SDGE3222	SW-COM-Savings by Design	4	14	16	9	51	124	65	125	127	94
SCE-13-SW-002G	Savings by Design	5	22	10	32	11	25	50	17	25	22
SCE-13-L-002R	Western Riverside Energy Leader Partnership	6	149	1	113	1	3	68	2	117	1
PGE21019	Enhanced Automation Initiative	7	3	146	157	111	4	2	143	162	61
PGE21029	Refinery Energy Efficiency Program	8	4	159	126	162	8	6	124	64	144
PGE210118	Furniture Store Energy Efficiency	9	97	2	69	3	7	24	4	16	5
SCE-13-TP-005	Lodging EE Program	10	61	8	14	19	12	34	8	17	4
SDGE3117E	Energy Savings Bid (Encumbered)	11	7	112	99	103	51	13	130	114	133
SCE-13-TP-012	Refinery Energy Efficiency Program	12	13	66	56	69	14	16	21	21	32
PGE2110014	Department of Corrections and Rehabilitation	13	42	31	6	87	70	38	94	37	129
PGE210113	Energy Fitness Program	14	62	11	45	9	13	9	55	68	41
PGE21035	Dairy Energy Efficiency Program	15	55	15	20	24	9	21	5	8	7
SCE-13-L-002D	City of Santa Ana Energy Leader Partnership	16	115	5	105	2	41	78	27	99	29
SCE-13-SW-003C	Industrial Deemed Energy Efficiency Program	17	23	53	100	20	75	73	62	124	38
SDGE3226	SW-COM Direct Install	18	133	4	10	13	94	144	43	90	21

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210114	Energy Savers	19	87	9	67	4	78	85	90	61	91
SCE-13-L-003B	California Dept. Of Corrections and Rehabilitation EE Partnership	20	98	7	2	114	36	81	34	42	93
PGE210115	Rightlights	21	100	6	40	5	109	143	56	78	36
PGE210120	Monitoring-Based Commissioning	22	6	136	157	90	2	4	64	116	37
PGE21031	Agricultural Calculated Incentives	23	20	68	111	30	16	80	3	30	3
SCE-13-L-003F	State OF California Energy Efficiency Partnership	24	86	12	35	12	62	110	38	84	14
PGE211010	Fresno	25	71	32	58	17	37	19	65	75	51
SCG3710	SW-COM-Calculated Incentives	26	12	110	131	57	38	96	10	22	15
SCE-13-TP-006	Food & Kindred Products	27	24	73	43	98	53	30	54	62	62
PGE210122	Casino Green	28	60	34	7	95	100	17	149	143	134
SCE-13-L-002B	City of Long Beach Energy Leader Partnership	29	101	17	57	10	17	22	32	111	10
PGE210141	Lincus Commercial Mid-Market Program	30	164	3	2	62	56	103	51	129	8
PGE211025	Savings by Design (SBD)	31	18	103	117	58	45	42	93	57	122
PGE211012	Madera	32	84	26	52	16	39	25	50	48	64
SCE-13-L-003G	UC/CSU Energy Efficiency Partnership	33	88	28	4	140	136	83	148	160	114
SCG3719	SW-AG-Calculated Incentives	34	10	120	136	68	131	133	107	146	73
PGE211014	Mendocino County	35	132	13	62	6	49	88	44	72	42
SCE-TP-027	Monitoring-Based Commissioning	36	8	153	157	135	10	5	161	159	138
SCE-13-L-002T	West Side Energy Leader Partnership	37	135	14	13	38	90	102	48	43	50
PGE210111	Lodgingsavers	38	74	36	12	86	153	128	154	140	156
PGE211019	San Mateo County	39	114	22	39	21	76	64	69	89	43

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21021	Industrial Calculated Incentives	40	9	139	102	163	68	92	71	7	159
SDGE3220	SW-COM-Calculated Incentives-Calculated	41	11	126	121	107	54	46	75	34	108
PGE2110011	California Community Colleges	42	65	48	11	118	107	115	96	36	126
SCE-13-SW-002B	Commercial Calculated Program	43	25	90	82	84	71	59	98	52	103
PGE21032	Agricultural Deemed Incentives	44	15	119	110	106	31	7	141	100	150
SDGE3223	SW-COM-Deemed Incentives-Commercial Rebates	45	35	75	76	73	20	23	26	40	34
PGE2110051	Local Government Energy Action Resources (LGEAR)	46	138	19	41	15	47	97	28	49	33
PGE21022	Industrial Deemed Incentives	47	26	89	106	55	32	33	18	59	19
SCE-13-TP-014	Commercial Utility Building Efficiency	48	31	81	89	63	33	43	19	23	31
SCE-13-SW-002C	Commercial Deemed Incentives Program	49	39	74	92	53	44	26	84	80	74
SCE-13-L-002Q	Ventura County Energy Leader Partnership	50	143	18	65	8	74	120	41	77	28
PGE211021	Sierra Nevada	51	125	27	64	14	58	67	59	102	39
SCE-13-L-002G	Community Energy Leader Partnership	52	110	33	28	37	61	29	77	63	54
SCE-13-SW-003B	Industrial Calculated Energy Efficiency Program	53	21	108	85	116	110	132	68	19	117
SCE-13-SW-002D	Commercial Direct Install Program	54	140	21	24	28	128	141	114	44	132
SCE-13-L-002J	Desert Cities Energy Leader Partnership	55	134	24	23	34	117	136	78	31	107
PGE211022	Sonoma County	56	99	37	66	23	86	79	89	71	87
PGE2110012	University of California/California State University	57	54	61	26	97	139	91	135	123	106
PGE21038	Wine Industry Efficiency Solutions	58	70	54	27	72	77	94	63	51	60

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-TP-015	Industrial Gasses	59	58	59	15	124	34	49	29	15	100
PGE21027	Heavy Industry Energy Efficiency Program	60	41	78	37	130	108	130	23	14	77
PGE211023	Silicon Valley	61	109	35	46	32	73	69	73	96	48
SCE-13-L-003D	County of Riverside Energy Efficiency Partnership	62	137	29	91	7	83	162	9	45	16
PGE210310	Dairy Industry Resource Advantage Pgm	63	72	56	30	75	65	48	91	93	71
SCE-TP-031	Management Affiliates Program	64	107	39	21	54	93	111	83	50	85
PGE21018	Energysmart Grocer	65	28	102	73	117	30	20	101	125	58
SCE-13-TP-007	Primary and Fabricated Metals	66	38	91	60	112	69	89	39	39	76
PGE2227	Cement Production and Distribution Energy Efficiency	67	152	23	2	165	66	125	15	4	160
PGE210311	Process Wastewater Treatment EM Pgm For Ag Food Processing	68	44	83	118	43	21	44	13	28	11
PGE211015	Napa County	69	105	45	70	25	103	82	106	86	104
PGE21011	Commercial Calculated Incentives	70	32	101	86	94	59	86	25	10	56
SCE-13-L-002S	City of Adelanto Energy Leader Partnership	71	158	20	5	99	148	142	159	161	152
PGE211007	Association of Monterey Bay Area Governments (AMBAG)	72	113	43	54	35	52	45	53	73	44
PGE211016	Redwood Coast	73	121	40	42	39	114	104	99	60	101
SCE-13-TP-009	Comprehensive Chemical Products	74	53	72	48	93	96	123	52	47	86
SCE-TP-028	Monitoring-Based Persistence Commissioning Program	75	79	58	25	88	85	149	6	3	65
SCE-13-TP-018	School Energy Efficiency Program	76	92	51	79	31	146	139	137	131	136

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE211020	Santa Barbara	77	123	42	18	61	72	72	95	55	128
SCE-13-SW-004B	Agriculture Calculated Energy Efficiency Program	78	45	84	139	26	80	113	31	147	13
PGE211011	Kern	79	130	38	22	52	88	95	104	70	120
SCE-13-L-002P	South Santa Barbara County Energy Leader Partnership	80	157	25	16	42	19	61	22	41	20
SCE-TP-037	Private Schools and Colleges Program	81	119	47	51	46	40	98	16	26	17
SCE-13-L-003E	County of San Bernardino Energy Efficiency Partnership	82	129	44	19	64	84	77	81	87	75
SCE-TP-0608	Coin Operated Laundry Program	83	136	41	71	22	152	151	131	121	97
SCE-13-L-003A	California Community Colleges Energy Efficiency Partnership	84	112	50	8	139	46	60	36	35	66
SCG3793	3P-IDEEA365-Instant Rebates! Point-OF-Sale Foodservice Rebate Program	85	52	82	157	18	119	100	119	109	119
PGE21017	Boiler Energy Efficiency Program	86	47	93	128	41	28	40	11	148	2
SCG3766	3P-SAVEGAS	87	16	143	157	108	87	41	136	132	137
PGE211009	East Bay	88	80	67	97	40	97	53	110	122	95
PGE21012	Commercial Deemed Incentives	89	34	114	96	109	15	14	46	38	84
PGE211024	San Francisco	90	118	55	87	27	130	114	109	115	88
SCE-13-TP-008	Nonmetallic Minerals and Products	91	48	94	47	146	113	117	85	33	140
SCG3711	SW-COM-Deemed Incentives	92	43	105	135	48	116	129	79	79	57
SCG3758	3P-Preps	93	91	64	36	92	6	56	1	1	18
PGE21026	Energy Efficiency Services For Oil Production	94	17	150	145	127	43	55	57	139	12
SCE-13-L-002L	Orange County Cities Energy Leader Partnership	95	85	71	109	36	145	66	157	88	162

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SDGE3231	SW-IND-Calculated Incentives-Calculated	96	30	123	94	152	122	146	49	29	111
SDGE3233	SW-IND-Deemed Incentives	97	57	92	90	83	91	31	126	145	68
PGE211018	San Luis Obispo County	98	145	49	34	59	104	107	113	66	135
SCE-13-L-003C	County of Los Angeles Energy Efficiency Partnership	99	77	77	103	49	147	109	138	135	116
PGE210112	School Energy Efficiency	100	96	69	38	100	48	76	42	83	46
PGE211013	Marin County	101	124	60	72	47	121	84	127	113	124
SCE-13-TP-003	Healthcare EE Program	102	63	96	59	126	18	15	87	101	79
PGE210116	Small Business Commercial Comprehensive	103	49	109	114	79	129	135	103	138	53
SDGE3162	3P-NRes02 - SaveGas - Hot Water Control	104	19	147	157	115	26	37	47	104	27
SCG3757	3P-Small Industrial Facility Upgrades	105	40	122	122	91	158	161	121	157	52
PGE210126	K-12 Private Schools And Colleges Audit Retro	106	144	57	33	74	120	108	128	110	125
SCE-13-TP-011	Oil Production	107	27	134	116	137	79	75	60	56	82
PGE2110013	State of California	108	67	95	104	67	81	74	61	98	40
PGE2189	Cool Controls Plus	109	66	97	74	102	133	150	45	9	123
PGE210110	Monitoring-Based Persistence Commissioning	110	51	107	95	101	98	126	33	32	45
SDGE3221	SW-COM-Calculated Incentives-RCX	111	33	131	115	133	29	11	108	154	30
SCE-13-L-002E	City of Simi Valley Energy Leader Partnership	112	142	62	17	113	134	62	142	103	153
SCE-13-L-002K	Kern County Energy Leader Partnership	113	159	52	29	65	55	57	37	11	112
SCE-13-L-002C	City of Redlands Energy Leader Partnership	114	139	65	78	50	67	87	66	120	23

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE21042	Lighting Innovation	115	37	130	147	81	11	8	20	46	26
SCE-13-L-002N	San Joaquin Valley Energy Leader Partnership	116	102	80	81	76	89	12	147	95	154
PGE21016	Air Care Plus	117	78	100	68	122	27	52	14	6	115
PGE21036	industrial Refrigeration Performance Plus	118	50	121	101	129	154	137	160	137	158
SCE-13-L-002H	Eastern Sierra Energy Leader Partnership	119	165	46	49	45	42	90	30	24	59
SCE-13-L-002M	San Gabriel Valley Energy Leader Partnership	120	104	87	93	70	137	36	158	69	163
SCE-13-L-002F	Gateway Cities Energy Leader Partnership	121	156	63	63	56	112	131	88	67	83
PGE21025	California Wastewater Process Optimization	122	69	111	119	77	106	124	67	27	55
PGE21028	Industrial Compressed Air Program	123	29	149	157	121	95	121	76	155	9
SCE-TP-025	Retail Energy Action Program	124	93	99	132	44	57	28	92	134	67
SCE-13-TP-021	Enhanced Retrocommissioning	125	83	104	61	151	63	112	12	2	146
SCE-13-TP-017	Energy Efficiency for Entertainment Centers	126	131	79	44	119	82	70	102	85	102
PGE2183	Comprehensive Retail Energy Management	127	82	106	75	132	24	10	82	12	141
PGE2201	California High Performance Lighting Program	128	103	98	157	29	159	157	139	165	78
PGE210125	California Preschool Energy Efficiency Program	129	154	70	53	85	138	148	120	106	118
PGE2198	Data Centers Cooling Controls Program	130	64	124	88	154	35	32	58	18	105
PGE2214	Energy Efficiency Program for Entertainment Centers	131	141	88	50	125	64	119	7	5	72
SCE-13-L-002O	South Bay Energy Leader Partnership	132	153	76	84	60	141	93	152	82	161

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
SCE-13-SW-004C	Agriculture Deemed Energy Efficiency Program	133	89	116	129	66	135	106	140	156	113
PGE210124	Ozone Laundry Energy Efficiency	134	59	129	157	80	115	118	72	107	47
PGE210131	PECI Aercx	135	151	85	55	110	99	140	35	76	25
SCE-13-TP-004	Data Center Energy Efficiency	136	90	118	98	128	127	71	146	105	147
PGE21039	Comprehensive Food Process Audit & Resource Efficiency Pgm	137	56	138	107	159	162	153	164	74	166
SDGE3239	SW-AG-Deemed Incentives	138	111	113	77	147	143	147	112	20	155
PGE2191	Medical Building Tune-Up	139	75	128	108	149	60	35	80	58	69
PGE210117	Energy-Efficient Parking Garage	140	76	132	134	96	150	155	115	108	90
SCG3720	SW-AG-Deemed Incentives	141	68	137	124	131	102	54	132	97	131
PGE2220	Assessment, Implementation, and Monitoring (AIM) Program	142	36	165	157	161	101	39	155	151	99
SCE-13-L-002A	City of Beaumont Energy Leader Partnership	143	161	86	80	82	123	101	133	144	96
SCE-13-SW-005B	Lighting Innovation Program	144	95	125	143	71	92	51	117	152	49
PGE210123	Healthcare Energy Efficiency Program	145	128	117	83	150	140	145	97	94	92
SCE-TP-008	Comprehensive Beverage Manufacturing & Resource Efficiency	146	46	161	157	155	126	58	162	150	149
PGE210133	Staples Low Pressure Irrigation Di	147	116	127	142	78	118	99	105	81	121
PGE210129	Nexant Aercx	148	120	133	120	123	50	63	40	13	109
PGE2204	SmartVent for Energy-Efficient Kitchens	149	73	157	157	143	23	27	70	128	24

Itron Program ID	Itron Program Name	Score Rank					Residuals Rank				
		DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved	DORCE	Cost Effectiveness	Depth of Retrofit	Technologies Addressed	Savings Achieved
PGE210128	Enovity Smart	150	94	151	140	136	144	158	116	126	81
SCE-13-TP-010	Comprehensive Petroleum Refining	151	126	140	126	144	155	160	118	119	80
SCE-13-SW-002F	Nonresidential HVAC Program	152	122	141	130	142	142	127	145	149	127
SDGE3224	SW-COM-Deemed Incentives-HVAC Commercial	153	117	145	123	153	125	122	111	65	142
PGE210119	LED Accelerator	154	106	154	146	138	165	163	165	164	164
PGE210210	Industrial Recommissioning Program	155	81	162	138	166	160	156	156	141	145
SCE-TP-018	Chemical Products Efficiency Program	156	108	152	157	134	151	138	129	153	63
SCE-13-TP-013	Cool Schools	157	146	144	127	148	105	47	123	91	139
SCE-13-TP-020	IDEEA365 Program	158	150	142	157	105	111	105	100	118	70
PGE21006/PGE21015	Commercial HVAC	159	127	158	137	156	161	164	144	112	143
SDGE3237	SW-AG-Calculated Incentives-Calculated	160	148	156	157	141	132	159	74	53	89
PGE2242	Cool Cash	161	155	148	157	120	156	165	122	158	35
PGE21037	Light Exchange Program	162	160	155	144	145	166	154	166	166	165
PGE210130	RSG AERCX	163	147	163	157	158	157	134	151	130	148
SCE-L-004D	Energy Leader Partnership Program	164	162	164	157	160	149	116	150	133	151
SCE-13-SW-001E	Residential HVAC Program	165	163	160	141	157	163	152	163	163	157
SCG3712	SW-COM-Nonres HVAC	166	166	166	157	164	164	166	153	142	130

Western Riverside Council of Governments
Technical Advisory Committee

Staff Report

Subject: **Western Community Energy Activities Update**

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

Date: **January 18, 2018**

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

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing the formation of CCAs as a way to provide local control in rate-making, and potentially lower energy costs and/or provide a "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue a separate agency for the implementation of CCA for Western Riverside County.

California Public Utilities Commission Draft Resolution E-4907

On December 8, 2017, WRCOG staff received notification that the California Public Utilities Commission (CPUC) was going to hear an item on Draft Resolution E-4907 at its January 11, 2018, meeting, which has now been extended until its February 8, 2018 meeting. Due to the timelines outlined in the Draft Resolution, if adopted by the CPUC, Western Community Energy would be prohibited from serving customers until 2020. WRCOG sent the attached letter (Attachment 1) to the Commissioners and staff prior to the holidays and is in the process of requesting meetings and conference calls to discuss the Draft Resolution with CPUC Commissioners and staff.

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

The following provides an update of WRCOG staff's coordinated efforts, impacts to the timelines and jurisdictions, as well as communication and meetings staff has been having with a variety of agencies.

Coordinated efforts: Staff continues to work with Los Angeles County and the Coachella Valley Association of Governments (CVAG) to submit joint formal comments, which are due January 11, 2018. Due to the timing of the staff report and the comment due date, staff will transmit a copy of the formal comments to the Committee members prior to the meeting. In addition, staff has been working with its consultants in having constructive

conversations with SCE to determine if a compromise can be reached regarding Resource Adequacy requirements and the proposed timeline. Within the formal comments, WRCOG will be providing potential solutions that we hope the CPUC staff will take under consideration.

Timeline and Draft Resolution impacts: In discussions with our consultants, it is deemed the most cost effective way to establish the initial Western Community Energy Governing Board is to have approximately five to six jurisdictions (Phase 1) join WCE, instead of waiting for all eligible jurisdictions to determine whether or not they wish to participate. These five or six jurisdictions would represent approximately 160,000 accounts or 2.2 million MWs of energy need. It was anticipated that there was a potential to have these jurisdictions join in early 2018 and begin servicing customers by fall of 2018. This approach also allowed other jurisdictions to join WCE any time and then those jurisdictions would begin servicing load approximately 6 months later.

However, this timeline is now jeopardized, hindered by the Draft CPUC Resolution, should it be approved. Under the Draft Resolution, if WCE forms and submits its Implementation Plan to the CPUC for certification after February 1, 2018, WCE would not be able to serve load until 2020. In addition, if any jurisdictions joined WCE after it has submitted its initial Implementation Plan, those jurisdictions would not be able to launch until 2021. This is a huge setback for the Program.

Communications efforts: The following is a listing of communications WRCOG has participated in and plans on participating in regarding the Draft Resolution:

- January 10, 2018, WRCOG staff and its consultants held a productive conference call with SCE Procurement staff. CPUC staff indicated that they would try to hold a public meeting after all formal comments and reply to comments has been received and prior to the CPUC Commissioner meeting. Staff will notify the Committee members if this public meeting gets scheduled.
- January 10, 2018, WRCOG staff, along with Mayor Ben Benoit (City of Wildomar) and Councilmember Kelly Seyarto (City of Murrieta) had a productive conference call with the CPUC's Division Head.
- January 10, 2018, WRCOG Executive Committee Chair Debbie Franklin created an SCE negotiations Ad Hoc Committee to work through the Draft Resolution issues with SCE.

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

- On December 19, 2017, staff provided a presentation to the Murrieta City Council. It is anticipated that the item will return to a February 2018 Council meeting for some type of action.
- Staff is working to schedule a presentation to Beaumont City Council in late January or early February 2018.

Power Charge Indifference Adjustment (PCIA) Update

There is an upcoming, two-day workshop regarding the PCIA, commonly referred to as "Exit Fees," intended to provide a forum for a data-based discussion of cost responsibilities and going-forward solutions.

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

Workshop Location:

California Public Utilities Commission
Auditorium
505 Van Ness Avenue
San Francisco, CA
January 16, 2018, 10:30 a.m. to 5:00 p.m.
January 17, 2018, 10:00 a.m. to 4:00 p.m.

Prior Actions:

January 10, 2018:	The Administration & Finance Committee created an SCE negotiations Ad Hoc Committee to work through the Draft Resolution issues with Southern California Edison.
January 8, 2018:	The Executive Committee received and filed.
December 4, 2017:	The Executive Committee received and filed.
November 6, 2017:	The Executive Committee received and filed.
October 19, 2017:	The Technical Advisory Committee provided direction on establishing potential enrollment periods to join Western Community Energy.
August 7, 2017:	The Executive Committee 1) approved the CCA Joint Powers Agreement and Bylaws template, recognizing that it is a draft document to be finalized at a later time by the CCA; 2) approved the template agreement between WRCOG and the CCA for staffing services; 3) directed and authorized the Executive Director to negotiate and enter into an agreement with The Energy Authority to provide CCA Operational Services; and 4) directed the Executive Director to negotiate an agreement with EES for rate setting and regulatory services as described herein and direct legal counsel to submit a request for an opinion from the FPPC regarding conflict of interest concerns with said contract.
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:

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

Attachment:

1. WRCOG Response Letter to CPUC on Draft Resolution E-4907.

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Item 7.F

Western Community Energy Activities Update

Attachment 1

WRCOG Response Letter to CPUC on Draft Resolution E-4907

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December 20, 2017

President Picker and Honorable Commissioners
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: California Public Utilities Commission Draft Resolution E-4907

Dear President Picker and Honorable Commissioners:

On behalf of the Western Riverside Council of Governments (WRCOG) regarding Draft Resolution E-4907 (Draft Resolution), scheduled for Commission adoption on January 11, 2018, I request that Draft Resolution be removed from the Commission's January agenda for the reasons discussed in this letter.[1] We are deeply troubled by the timing and implications of the Draft Resolution, which proposes to institute a new registration system for CCAs. We further request that Commissioners and Energy Division staff meet with WRCOG and the elected officials of its interested member agencies in the next two weeks.

WRCOG is a joint powers authority (JPA) representing 18 cities, the County of Riverside, two regional water districts, the County Superintendent of Schools, and the Morongo Band of Mission Indians. WRCOG's members work together to make government more efficient, and to pursue unique ways of improving quality of life while respecting distinct community values. WRCOG's diverse initiatives are considered by many as regional, state, and national best practices.

WRCOG is currently in the process of forming a CCA, called Western Community Energy, which would serve up to 180,000 accounts in its first year at an average annual load of 2.2 million MW. WRCOG has been deliberate in its approach to CCA consideration; our examination of CCA feasibility dates back to 2015 when we partnered with the Coachella Valley Association of Governments (CVAG) and the San Bernardino Associated Governments (SANBAG) to co-fund a study to assess regional CCA feasibility. Upon completion of the Feasibility Study, the WRCOG's Executive Committee voted to proceed with the formation of a separate JPA for the region to administer Western Community Energy. Cities are in the process right now of joining this JPA, which is expected to launch in August 2018. However, under the Draft Resolution, Western Community Energy would be delayed in its launch for another two years, until January 1, 2020.

The timing associated with the Draft Resolution's introduction and adoption is alarming. The Draft Resolution was agendized on Friday, December 8, 2017, and proposes an expedited comment and adoption timeline of one month. The ability to meaningfully participate in an open, administrative process is eliminated due to this unreasonably short timeframe. There are a significant number of issues on which to comment, including review of stranded cost data. During the holidays, many city councils, particularly those in smaller communities, have reduced their public meetings. Because of

[1] This letter is an ex parte request for the Commission to remove the agenda item and grant meetings with WRCOG staff and its representative officials. WRCOG reserves the ability to file a formal comment letter by December 29, 2017 with detailed discussion of the legal and policy issues raised herein.

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this, it is simply not practical for us, within one month, to obtain formal and meaningful comment from our member agencies by the December 29, 2017 comment deadline and schedule meetings with the Commission to discuss the Draft Resolution's impacts on CCAs.

Even more perplexing are the supposed problems with the Resource Adequacy (RA) planning process that the Draft Resolution concludes are in need of fixing. The Draft Resolution alleges that CCA formation and expansion threatens RA planning in that emerging and expanding CCAs do not adequately participate in the Commission's process. Further, the Draft Resolution makes the bold assertion that IOU costs will be stranded with no analysis of how the Energy Division reached its conclusions and if or how the data was analyzed. The factual record on which this is based consists of "confidential" PG&E market data that has not been made available for public or third party review. Yet to date, eight CCAs have formed and participated in the RA planning process without any negative feedback from the Commission or the IOUs. Therefore, the RA "problem" cannot be readily scrutinized or verified by the public and thus there is no showing of why the registration process and CCA implementation delays are warranted. Without further discussion and analysis, the Draft Resolution effectively functions as and can be considered a "CCA freeze," something that the California Legislature recently declined to pursue.

In addition, the Draft Resolution proposes a formal meet and confer process without any indication of why the current process is not working. Since 2015, WRCOG has met and continues to meet with several interested cities to move its CCA implementation forward. This has included numerous public meetings, with 39 presentations to potential members in the last six months alone. Throughout this process, WRCOG has maintained a strong working relationship with Southern California Edison (SCE), having met with its President and Vice Presidents (including the VP of Power Procurement to discuss the IOU PAM proposal), and monthly meetings with SCE staff. WRCOG has been diligent in its CCA planning efforts and has prioritized giving cities the opportunity to discuss with their constituents the impacts of a CCA. Under this Draft Resolution, WRCOG will now be penalized for not rushing through the CPUC's processes and for prioritizing a transparent, thorough CCA consideration effort. This sends a terrible message to those who are committed to a diligent examination of CCAs.

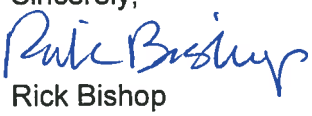
Not only does the proposed registration significantly delay WRCOG's implementation, a two-year delay will likely result in higher implementation costs due to a substantially extended schedule and lost opportunity costs based on current pricing in the power market. To date, WRCOG has expended over $400,000 on its feasibility study, governing documents, outreach, program development and consultant costs. Our governing board recently selected several firms for CCA implementation services and power procurement. Under the proposed registration system, however, those contracts would be interfered with and put on hold. This results in an inefficient use of public funds, particularly when WRCOG has relied on the statutory grant of authority from the Legislature to form a CCA.

Lastly, the Draft Resolution contains significant legal issues. The Commission's Rules of Practice and Procedure encourage legal review of an item upon a Commissioner agendizing it on his or her own motion. In this case, it does not appear that such a review was done and that it was written hastily as evidenced by formatting errors and typos. The Draft Resolution relies on unsubstantiated data that has not been reviewed by the public or verified in third party review. It does not analyze or consider alternatives to the RA planning process. It also appears to deal with RA planning issues and stranded costs issues that can and should be addressed in other open Commission proceedings, such as the RA proceeding and the PCIA proceeding. For these reasons, among others, the Draft Resolution appears to be in conflict with applicable state law, such as the Administrative Procedure Act.

We encourage the Commission to immediately remove the item from the Commission's January 11, 2018 calendar and meet with the CCA community to discuss RA planning and CCA formation issues. Deletion of the item should be done prior to numerous entities having to submit costly and lengthy written comments. Should the Commission decline to take the item off the agenda, we encourage individual Commission members to vote no.

We look forward to working with you and your staff on this item. If you have any questions, please contact me at (951) 258-5047 or rbishop@wrcog.us.

Sincerely,



Rick Bishop
Executive Director

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