

**1. CALL TO ORDER**

The meeting of the Technical Advisory Committee was called to order at 9:30 a.m. by Chair Chris Lopez at BB&K's office, 5th floor, Riverside.

**2. ROLL CALL**

**Members present:**

Doug Schulze, City of Banning  
Jacob Ellis, City of Corona  
Bryan Jones, City of Eastvale  
Chris Lopez, City of Hemet, Chair  
Grant Yates, City of Lake Elsinore  
Armando Villa, City of Menifee  
Mike Lee, City of Moreno Valley  
Kim Summers, City of Murrieta  
Aaron Adams, City of Temecula  
Gary Nordquist, City of Wildomar  
Danielle Coats, Eastern Municipal Water District  
Mathew Evans, March Joint Powers Authority  
Craig Miller, Western Municipal Water District

**Staff present:**

Haviva Shane, Legal Counsel  
Rick Bishop, Executive Director  
Barbara Spoonhour, Deputy Executive Director - Operations  
Andrew Ruiz, Chief Financial Officer  
Casey Dailey, Director of Energy & Environmental Programs  
Tyler Masters, Program Manager  
Anthony Segura, Senior Analyst  
Rachel Singer, Staff Analyst  
Daniel Soltero, Staff Analyst  
Suzy Nelson, Administrative Assistant

**Guests present:**

Louie Lacasella, City of Murrieta  
Imelda Huerta, City of Menifee  
Erin Sasse, League of California Cities  
A.J. Wilson, ICMS – League of Cities  
Brandi Becker, City of Riverside

**3. PLEDGE OF ALLEGIANCE**

Committee member Chris Lopez led members and guests in the Pledge of Allegiance.

**4. PUBLIC COMMENTS**

There were no public comments.

**5. MINUTES** (Menifee / EMWD) 13 yes; 0 no; 0 abstain; Item 5.A was approved. The Cities of Beaumont, Calimesa, Canyon Lake, Jurupa Valley, Norco, Perris, Riverside, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.

**A. Summary Minutes from the November 21, 2019, Technical Advisory Committee Meeting are Available for Consideration.**

**Action:** 1. *Approved the Summary Minutes from the November 21, 2019, Technical Advisory Committee meeting.*

**6. CONSENT CALENDAR** (Temecula / Lake Elsinore) 13 yes; 0 no; 0 abstain; Items 6.A thru 6.I were approved. The Cities of Beaumont, Calimesa, Canyon Lake, Jurupa Valley, Norco, Perris, Riverside, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.

**A. Finance Department Activities Update**

**Action:** 1. *Received and filed.*

**B. WRCOG Committees and Agency Activities Update**

**Action:** 1. *Received and filed.*

**C. Western Riverside Energy Partnership Program Activities Update**

**Action:** 1. *Received and filed.*

**D. Regional Streetlight Program Activities Update**

**Action:** 1. *Received and filed.*

**E. Single Signature Authority Report**

**Action:** 1. *Received and filed.*

**F. Regional Housing Needs Assessment (RHNA) Appeals Update**

**Action:** 1. *Received and filed.*

**G. TUMF Construction Cost Index Adjustment Implementation Process**

**Action:** 1. *Received and filed.*

**H. Approval of Memorandum of Understanding to Provide Continued Membership of the Riverside County Superintendent of Schools on WRCOG for Period of One Year.**

**Action:** 1. *Recommended that the Executive Committee approve a one-year extension to the MOW between WRCOG and the Riverside County Superintendent of Schools for the Superintendent to serve as an ex-officio member of the Executive Committee.*

**I. International City / County Management Association Activities Update**

**Action:** 1. *Received and filed.*

## **7. REPORTS / DISCUSSION**

### **A. Report from the League of California Cities**

Erin Sasse provided an update on current activities in the legislature. The Governor's office released the Budget for Fiscal Year 2020/2021. Entering into the second year of the Newsom Administration, this legislative year again promises to feature numerous, bold policy proposals from the Administration and Legislature addressing statewide and national issues such as housing, homelessness, transportation, healthcare access, and climate-related items.

On January 28, 2020, the League of California Cities is hosting a webinar addressing "Strategies for Addressing Homelessness: Policies and Enforcement Issues." Staff at all levels are encouraged to join, as this matter affects everyone at the city level.

Senate Bill (SB) 50 (Weiner) was amended to create an alternative planning process for jurisdictions to develop a "local flexibility plan" that, if approved, would exempt cities from many aspects with the exception of requiring fourplexes in single-family zones. After amendment, the League is still opposing SB 50 unless amended, as the "local flexibility plan" lacks the clarity needed to evaluate whether or not it was a viable plan.

**Action:**        1.        *Received and filed.*

### **B. Western Community Energy Activities Update**

Barbara Spoonhour reported that Western Community Energy (WCE) is a Community Choice Aggregation (CCA) Program which allows local jurisdictions the ability to come together and purchase energy for their respective communities while Southern California Edison (SCE) continues to be the service provider.

WCE is a separate Joint Powers Authority from WRCOG, established in August 2018, comprised of the Cities of Canyon Lake, Eastvale, Jurupa Valley, Hemet, Norco, Perris, and Wildomar. Six of the seven members will be launching in April and May 2020, seeing savings immediately.

WCE is an opt-out Program. The default plan offered by WCE is the Choice Plan, which is a 37% renewable mixture. Businesses and/or residents have the option to opt-up to the Choice Plus Plan, which would give them 100% green energy. At the last WCE Board of Directors Committee meeting the Board adopted its first rates, seeing a discount of 2% off of the total bill. There will be a savings of approximately \$6 million overall in the first year. Staff will be bringing back an annual comparison after launch, showing the savings versus what SCE would have charged.

Pre- and post-enrollment notifications will be sent to all businesses and residents starting February 2020 for the Cities of Norco, Perris, and Wildomar and in March 2020 to the Cities of Eastvale, Hemet, and Jurupa Valley.

For any new jurisdictions wanting to join prior to December 2020, they would be eligible to launch in January 1, 2022.

There are currently 20 CCAs in California, the largest being Clean Power Alliance (Los Angeles County) comprised of 29 cities and 2-counties. Desert Community Energy will be launching alongside WCE in April 2020.

Rick Bishop shared that 70% of SCEs territories are looking to be part of a CCA.

**Action:**        1.        *Received and filed.*

### C. Public Service Fellowship Activities Update

Rachel Singer reported that since inception of the Public Service Fellowship Program in 2016, there will have been four rounds and over 50 Fellows who have been trained. The Program is successful due to member agency and local university partnerships. WRCOG administers the Program and hosts monthly professional development sessions for the Fellows.

At the conclusion of the fourth round of the Fellowship Program, projected to be March 2020, there will be approximately \$300,000 remaining in the Program. The Program was originally funded through \$1.1 million in excess PACE revenues in 2016. An additional \$250,000 was allocated to the Program in 2019 through WRCOG's BEYOND Program carryover monies.

To discuss the future of the Program, the Fellowship Ad Hoc Committee convened two times to review staff's recommended funding options and programmatic adjustments. There were four potential options discussed to extend the longevity of the Program. After further evaluation, the Ad Hoc Committee endorsed the two-funding split between WRCOG and the host agency. The two-way split would extend the remaining \$300,000 of Program funds for an additional two rounds. While the two-way split preserves the short-term longevity of the Program, it is not a long-term solution. Staff plans to seek out alternative funding sources.

There are three prospective changes to the Program: 1) a 50/50 split of the cost of a Fellow; 2) the institution of a more robust onboarding and exiting process; and 3) a limitation of Fellows working a maximum of 30 hours per week. If approved, these changes would begin with round five and a 50/50 split of the cost of a Fellow would extend the remaining Program funds.

This matter was presented to the Administration & Finance Committee at its January 2020 meeting. That Committee expressed concerns about financial contributions under the 50/50 split. Staff was directed to inquire if participating universities would be interested in financially contributing to the Program. Staff has since reached out to university partners and the prospect of financial contributions does not seem likely.

- Actions:**
1. *Recommended that the Executive Committee require agencies applying for a WRCOG Fellow to contribute 50% towards the cost of that Fellow.*
  2. *Recommended that the Executive Committee require agencies applying for a WRCOG Fellow to provide a specific description of the tasks the Fellow is expected to work when applying for that Fellow.*
  3. *Recommended that the Executive Committee limit future Fellows to working no more than 30 hours per week.*
  4. *Recommended that the Executive Committee maintain WRCOG's policy of alternating Fellow placement to give priority to ensure that each agency can receive a Fellow in alternating years.*
  5. *Directed staff to reach out to UCR, CBU, and Cal State San Bernardino to further inquire if financial contribution is feasible.*
  6. *Implemented an Exit Interview for Fellows and host agency supervisors.*

*(Lake Elsinore / EMWD) 13 yes; 0 no; 0 abstain; Item 7.C was approved. The Cities of Beaumont, Calimesa, Canyon Lake, Jurupa Valley, Norco, Perris, Riverside, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.*

### D. Regional Energy Network Development Activities Update

Anthony Segura reported that over the past year, WRCOG, the San Bernardino Council of Governments (SBCOG), and the Coachella Valley Association of Governments (CVAG) have been coordinating, with the help of a consultant, to implement the creation of a Regional Energy Network (REN).

In December 2018, the Executive Committee approved the development of a REN with CVAG and SBCOG. Since that time WRCOG released a Request for Proposal seeking a consultant for REN development; in April 2019, Frontier Energy was selected. In August 2019, staff met with the CPUC to voice why a REN in this region should be created, separate from the SoCalREN. In December 2019, the CPUC approved a framework allowing for new RENs to be formed; they are no longer pilot programs.

The I-REN would implement three programs: 1) Public Sector, 2) Workforce Education & Training, and 3) Codes & Standards. The Public Sector Program would work with local governments to support energy upgrades for high usage municipal facilities. The Workforce Education & Training Program would consist of coordinating with community colleges and workforce development boards to train the region's workforce in the field of energy efficiency. A Codes & Standards Program would work with local building departments on the California Energy Efficiency Code (Title 24), which is updated every three years.

A formal Letter of Commitment to Cooperate needs to be developed amongst WRCOG, CVAG, and SBCOG and submitted to the CPUC with the I-REN Business Plan. This is anticipated to occur in July 2020. Launch of I-REN is anticipated for Fiscal Year 2021/2022.

Staff is requesting letters of support from member agencies in support of the REN development by February 13, 2020.

**Action:** 1. *Received and filed.*

## **E. PACE Programs Activities Update: Refunding of WRCOG-Issued Commercial Bonds**

Casey Dailey reported that PACE Programs provide property owners the opportunity to implement energy savings, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back from assessments revenues generated by placing a lien on the subject property's tax bill. The Program was initiated in December 2011 and was expanded in 2014 to allow jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers HERO, CaliforniaFIRST, PACE Funding, and Ygrene as residential PACE providers and Greenworks, CleanFund, and Twain as commercial PACE providers.

At the October 2019 Administration & Finance Committee meeting, Committee members received a presentation regarding refunding of existing PACE bonds. Since launching the WRCOG PACE Programs, WRCOG has issued approximately 1,300 PACE assessment-secured bonds with a current estimated value in excess of \$1.03 billion. Many of these bonds were issued when the bond market demanded higher interest rates. Since then, interest rates have decreased, creating an opportunity to refund outstanding bonds at lower interest rates.

On the advice of WRCOG's PACE team partners, (PFM – Financial Advisor, BB&K – Bond Counsel, DTA – Assessment Administrator, and Piper Jaffray & Co. – Bond Underwriter), WRCOG began the process of researching the possibility of refunding eligible WRCOG bonds in order to realize savings to WRCOG and minimize administrative costs. After analyzing which bonds to consider refunding, staff and PACE team partners have decided the commercial bonds are the best candidates to refund at this time. There are approximately \$8.3 million in commercial bonds that have been selected. There were three bids received and after multiple criteria was considered, staff recommends accepting the offer from First Foundation Bank.

The refunding of the outstanding prior commercial bonds is anticipated to generate approximately \$538,100 in aggregate net present value savings under current market conditions, or approximately 6.48% of the prior commercial bonds being refunded. First Foundation Bank's terms offered a 3.45% interest rate, a first-year savings extraction date of 2024, total aggregate savings estimated at over

\$700,000, and a debt service reserve fund of 20% of maximum annual debt service. The interest rate being competitive and locked in for 60 days, lower debt service reserve requirements, and an earlier savings extraction date would allow WRCOG to realize the maximum amount of savings at an earlier date than the other bids.

**Action:** 1. *Recommended that the Executive Committee adopt Resolution Number 02-20; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the issuance of refunding certain outstanding WRCOG limited obligation improvement bonds and other certain actions.*

*(Menifee / EMWD) 13 yes; 0 no; 0 abstain; Item 7.E was approved. The Cities of Beaumont, Calimesa, Canyon Lake, Jurupa Valley, Norco, Perris, Riverside, and San Jacinto, the County of Riverside, and the Morongo Band of Mission Indians were not present.*

## **8. REPORT FROM THE EXECUTIVE DIRECTOR**

Rick Bishop reported that at the next meeting there will be a more in-depth report on the PACE Program. The TUMF Program has hit a huge milestone in that its broke ground on its 100th project. The next eCommunicator will be based on a “look forward on 2020” versus a look back on 2019.

## **9. ITEMS FOR FUTURE AGENDAS**

Committee member Grant Yates requested staff to invite The Centre of Organization Effectiveness to a future Technical Advisory Committee meeting.

## **10. GENERAL ANNOUNCEMENTS**

Committee member Craig Miller provided a clarification to rumors on regulations regarding water providers. In June 2019, media incorrectly reported on water laws; there is, in fact, no law that makes it illegal to take a shower and do a load of laundry in the same day. There is no fine up to \$10,000 for exceeding 55 gallons of water, per person, per day, for indoor residential use.

## **11. NEXT MEETING**

**The next Technical Advisory Committee meeting is scheduled for Thursday, February 20, 2020, at 9:30 a.m., at WRCOG’s NEW office located at 3390 University Avenue, Suite 200, Riverside.**

## **12. ADJOURNMENT**

**The meeting of the Technical Advisory Committee adjourned at 10:36 a.m.**