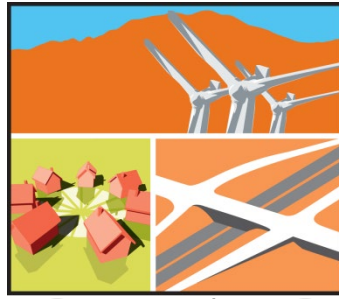


**EXECUTIVE COMMITTEE MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL.
PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.**



CVAG

EXECUTIVE COMMITTEE AGENDA

MONDAY, JUNE 27, 2022

Regular Session

4:30 p.m.

Pursuant to Assembly Bill 361 and the findings made by CVAG, this meeting will only be conducted via video/teleconferencing.

INSTRUCTIONS FOR PUBLIC PARTICIPATION

Members of the public may use the following link:

<https://us02web.zoom.us/j/85162316830?pwd=SIROmMVMY2ZPQ1Brc1prbW1BNkhZz09>

Password: 026015

One Tap Mobile: +16699009128,,85162316830#

Dial In: +1 669 900 9128

Webinar ID: 851 6231 6830

Password: 026015

***This will provide listening access and ability to address the
Executive Committee when called upon.***

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127.

Public Comment is encouraged to be emailed to the Executive Committee prior to the Meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1.	<u>CALL TO ORDER</u> – Chair Christy Holstege, Councilmember, City of Palm Springs	
2.	<u>ROLL CALL</u> – Jennifer Nelson	
A.	Member Roster	<u>5</u>
3.	<u>PLEDGE OF ALLEGIANCE</u>	
4.	<u>AGENDA MODIFICATIONS (IF ANY)</u>	
5.	<u>PUBLIC COMMENTS ON AGENDA ITEMS</u>	
	This is the time and place for members of the public to address the Executive Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.	
6.	<u>CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS</u>	
7.	<u>CONSENT CALENDAR</u>	
A.	Approve the June 6, 2022 Executive Committee Meeting Minutes	<u>6</u>
B.	Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of CVAG committees	<u>13</u>
C.	Authorize the updating of the signature cards and signatories for CVAG investments and banking, Subject to General Assembly Approving the Rotation for the 2022/2023 Chair	<u>14</u>
D.	Receive and file the Single Audit for Federal Awards for the fiscal year ended June 30, 2021 and the Auditor’s Communication on Internal Control Matters (SAS 115)	<u>15</u>
E.	Appoint Agua Caliente Band of Cahuilla Indians Chairman Reid Milanovich and La Quinta City Manager Jon McMillen to serve on the CVAG Finance Committee for the term that runs from July 1, 2022 through June 30, 2025	<u>32</u>
F.	Authorize the Executive Director to take the necessary steps to accept up to two surplus vehicles from the County of Riverside for use by the CV Housing First program	<u>34</u>
G.	Appoint Coachella City Manager Gabriel Martin to serve as CVAG’s representative on Riverside County’s Emergency Medical Care Committee for a three-year term that ends on June 30, 2025	<u>36</u>
H.	Authorize the Chairs of CVAG’s Executive and Public Safety Committees to sign a letter of support for Assembly Bill 847, which establishes additional regulations to govern the manufacture or sale of Mylar and celebratory foil balloons	<u>39</u>
I.	Adopt Resolution 2022-04, authorizing CVAG to act as lead applicant for funding from	<u>46</u>

CalRecycle for the Used Oil Recycling Program; and authorize the Chair to execute Amendment No. 4 with HF&H Consulting for a not to exceed amount of \$45,160 through June 30, 2023

7.1 ITEM(S) HELD OVER FROM CONSENT CALENDAR

8. DISCUSSION / ACTION

A. CVAG Officer Rotation for FY 2022/2023 – Jennifer Nelson

54

Recommendation: Nominate the representative from the City of Coachella to serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs to serve as FY 2022/2023 Vice Chair

B. CVAG Fiscal Year 2022/23 Budget – Claude Kilgore

55

Recommendation: Approve Resolution No. 2022-005 adopting CVAG's 2022/2023 Fiscal Year Annual Budget, Salary Schedule, and Allocated Positions

C. Inland Regional Energy Network Agreements, Governance and Programs – David Freedman

58

Recommendation: 1.) Authorize the Executive Director to finalize and execute the Programs and Budgets Agreement, Memorandum of Agreement, and Governance & Operations Charter for the Inland Regional Energy Network (I-REN) Program; and 2.) Delegate the Chair of the Energy & Environmental Resources Committee, or when absent the Vice Chair and then the Executive Director or his designee, as the CVAG voting representative on the I-REN Executive Committee

D. CV Sync Update and Contract Amendment for Construction Management Services – Eric Cowle

110

Recommendation: Authorize the Executive Director to execute Amendment No. 1 to the agreement with TKE Engineering, Inc. for a total not-to-exceed amount of \$7,458,648 for construction management services during Phase II of CV Sync through March 2025; and authorize the Executive Director and/or Legal Counsel to make clarifying changes/revisions before contract execution

9. INFORMATION

a) Executive Committee Attendance

117

b) Update on Western Coachella Valley Flooding and Blowsand Projects

118

c) Riverside County's Coordinated Response to Asylum Seekers

121

d) Exploration of an Energy Infrastructure Financing Option

122

e) Update on Property Assessed Clean Energy (PACE) program

135

f) Funding Agreements for the CV Housing First Program

137

g) Annual Point-in-Time Count of Unsheltered Individuals

139

- h) **“The Path Forward” and a Recap of Collaborative Efforts Implemented in the Coachella Valley** [145](#)
- i) **Funding Resources for Homelessness Programs** [146](#)
- j) **Cooling Center Plans for Summer 2022** [160](#)

10. LEGISLATIVE ITEMS – Emmanuel Martinez and Erin Sasse, League of California Cities

- a) Update on Federal and State Advocacy Efforts [161](#)
- b) Update from the League of California Cities [164](#)

11. PUBLIC COMMENTS ON NON-AGENDA ITEMS

This is the time and place for members of the public to address the Executive Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes.

12. ANNOUNCEMENTS

The next meeting of the **Executive Committee** will be held on Monday, September 26, 2022, at 4:30 p.m. via Zoom webinar.

The next meeting of the **General Assembly** will be held on Monday, June 27, 2022, at 6 p.m. via Zoom webinar.

12. ADJOURNMENT

ITEM 2A**EXECUTIVE COMMITTEE
2021-2022 ROSTER**

Jurisdiction	Members
City of Indio, Past Chair	Waymond Fermon Mayor
Twenty-Nine Palms Band of Mission Indians	Darrell Mike Tribal Chair
Torres Martinez Desert Cahuilla Indians	Joseph Mirelez Tribal Vice Chair
Cabazon Band of Cahuilla Indians	Brenda Soulliere Tribal Member
Agua Caliente Band of Cahuilla Indians	Reid Milanovich Chairman
City of Indian Wells	Dana Reed Mayor
City of Cathedral City	Ernesto Gutierrez Mayor
City of Palm Desert	Kathleen Kelly Councilmember
City of La Quinta	Linda Evans Mayor
City of Blythe	Joseph DeConinck Vice Mayor
County of Riverside	Kevin Jeffries , 1st District Supervisor Karen Spiegel , 2 nd District Supervisor Chuck Washington , 3 rd District Supervisor V. Manuel Perez , 4 th District Supervisor Jeff Hewitt , 5 th District Supervisor
City of Rancho Mirage	Ted Weill Councilmember
City of Desert Hot Springs	Scott Matas Mayor
City of Coachella, Vice Chair	Steven Hernandez Mayor
City of Palm Springs, Chair	Christy Holstege Councilmember

ITEM 7A

EXECUTIVE COMMITTEE MINUTES OF MEETING June 6, 2022



The audio file for this committee meeting can be found at: <http://www.cvag.org/audio.htm>
Any handouts distributed during the meeting will be placed in the meeting file.

1. CALL TO ORDER

The Executive Committee meeting was called to order by Chair Christy Holstege, Councilmember, City of Palm Springs, at 4:30 p.m. via a Zoom webinar, which was pursuant to Assembly Bill 361 and the findings made by CVAG, this meeting will only be conducted via video/teleconferencing.

2. ROLL CALL

A roll call was taken, and it was determined that a quorum was present. Those in attendance were as follows:

MEMBERS PRESENT

Tribal Member Brenda Soulliere
Councilmember Christy Holstege
Mayor Steven Hernandez
Mayor Dana Reed
Mayor Ernesto Gutierrez
Councilmember Kathleen Kelly
Mayor Linda Evans
Vice Mayor Joseph DeConinck
Supervisor Jeff Hewitt
Supervisor V. Manuel Perez
Councilmember Ted Weill
Mayor Scott Matas
Tribal Chair Reid Milanovich
Tribal Vice Chair Joseph Mirelez

MEMBERS NOT PRESENT

Mayor Waymond Fermon
Supervisor Kevin Jeffries
Supervisor Karen Spiegel
Supervisor Chuck Washington
Tribal Chair Darrell Mike

OTHERS PRESENT

Charlie McClendon
Paul Vallandigham
Paul Slama

AGENCY

Cabazon Band of Mission Indians
City of Palm Springs
City of Coachella
City of Indian Wells
City of Cathedral City
City of Palm Desert
City of La Quinta
City of Blythe
County of Riverside 5th District (*Arrived at Item 6*)
County of Riverside 4th District (*Arrived at Item 5*)
City of Rancho Mirage
City of Desert Hot Springs
Agua Caliente Band of Cahuilla Indians
Torres Martinez Desert Cahuilla Indians

AGENCY

City of Indio
County of Riverside 1st District
County of Riverside 2nd District
County of Riverside 3rd District
Twenty-Nine Palms Band of Mission Indians

AGENCY

City of Cathedral City
County of Riverside
County of Riverside

Margaret Park-Robinson
Jon McMillen
Luke Rainey
Pat Cooper
Jeff Van Wagenen
David Salgado
Deborah McGarrey
Shannon Ayala
David Knudsen
Anne Mayer
Sherry Barkas
Erin Sasse
Alan Pace

Agua Caliente Band of Cahuilla Indians
City of La Quinta
City of Desert Hot Springs
County of Riverside
County of Riverside
SCAG
SoCal Gas
Davis Farr
RCTC
RCTC
Desert Sun
League of California Cities
Petra Geosciences

STAFF PRESENT

Tom Kirk
Erica Felci
Claude Kilgore
Jonathan Hoy
Eric Cowle
Gustavo Gomez
Emmanuel Martinez
Jennifer Nelson
Allen McMillen
David Freedman
Peter Satin
Joanna Stueckle
Kevin Broadie
Mike Jenkins, Legal Counsel

3. PLEDGE OF ALLEGIANCE

Mayor Ernesto Gutierrez, City of Cathedral City, led the Executive Committee in the Pledge of Allegiance.

4. AGENDA MODIFICATIONS (IF ANY)

Mike Jenkins, Legal Counsel, updated the committee on updates to Item 8A, noting the additional information was available after the agenda was posted. Given the urgency of legislative action, it was recommended the committee approve to include the additional information on Assembly Bills 1778 and 2438.

IT WAS MOVED BY COUNCILMEMBER KELLY AND SECONDED BY MAYOR EVANS TO APPROVE THE AGENDA MODIFICATION REGARDING ITEM 8A.

THE MOTION TO CARRIED WITH 12 AYES AND 7 MEMBERS ABSENT

**MAYOR FERMON
TRIBAL CHAIR MIKE
TRIBAL VICE CHAIR MIRELEZ**

**ABSENT
ABSENT
AYE**

TRIBAL COUNCILMEMBER SOULLIERE	AYE
TRIBAL CHAIR MILANOVICH	AYE
MAYOR REED	AYE
MAYOR GUTIERREZ	AYE
COUNCILMEMBER KELLY	AYE
MAYOR EVANS	AYE
VICE MAYOR DECONINCK	AYE
SUPERVISOR JEFFRIES	ABSENT
SUPERVISOR SPIEGEL	ABSENT
SUPERVISOR WASHINGTON	ABSENT
SUPERVISOR PEREZ	ABSENT
SUPERVISOR HEWITT	ABSENT
COUNCILMEMBER WEILL	AYE
MAYOR MATAS	AYE
MAYOR HERNANDEZ	AYE
COUNCILMEMBER HOLSTEGE	AYE

5. PUBLIC COMMENTS ON AGENDA ITEMS

None.

6. CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS

Executive Director Kirk gave an update on RCTC's grand opening of the State Route 60 new truck lanes between Coachella Valley and western Riverside County.

7. CONSENT CALENDAR

IT WAS MOVED BY MAYOR GUTIERREZ AND SECONDED BY MAYOR EVANS TO APPROVE THE CONSENT CALENDAR.

- A. Approve the April 25, 2022 Executive Committee Meeting Minutes**
- B. Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of CVAG committees**

THE MOTION TO CARRIED WITH 14 AYES AND 5 MEMBERS ABSENT.

MAYOR FERMON	ABSENT
TRIBAL CHAIR MIKE	ABSENT
TRIBAL VICE CHAIR MIRELEZ	AYE
TRIBAL COUNCILMEMBER SOULLIERE	AYE
TRIBAL CHAIR MILANOVICH	AYE
MAYOR REED	AYE
MAYOR GUTIERREZ	AYE
COUNCILMEMBER KELLY	AYE
MAYOR EVANS	AYE
VICE MAYOR DECONINCK	AYE
SUPERVISOR JEFFRIES	ABSENT
SUPERVISOR SPIEGEL	ABSENT
SUPERVISOR WASHINGTON	ABSENT

SUPERVISOR PEREZ	AYE
SUPERVISOR HEWITT	AYE
COUNCILMEMBER WEILL	AYE
MAYOR MATAS	AYE
MAYOR HERNANDEZ	AYE
COUNCILMEMBER HOLSTEGE	AYE

7.1 ITEM(S) HELD OVER FROM CONSENT CALENDAR

None.

8. DISCUSSION / ACTION

A. Riverside County Transportation Commission (RCTC) Update Assembly Bill 2237 – David Knudsen, RCTC External Affairs Director

Emmanuel Martinez introduced RCTC External Affairs Director David Knudsen, who provided an updated report on Assembly Bills 2237, 1778 and 2438. Member discussion ensued. Mr. Knudsen and RCTC Executive Director Anne Mayer responded to member questions and comments.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY CHAIRMAN MILANOVICH TO OPPOSE ASSEMBLY BILLS 2237, 1778 AND 2438 UNLESS AMENDED, AND DIRECT CVAG STAFF TO COORDINATE WITH MEMBER JURISDICTIONS ABOUT OPPOSING THE LEGISLATION AND SENDING LETTERS

THE MOTION TO CARRIED WITH 14 AYES AND 5 MEMBERS ABSENT.

MAYOR FERMON	ABSENT
TRIBAL CHAIR MIKE	ABSENT
TRIBAL VICE CHAIR MIRELEZ	AYE
TRIBAL COUNCILMEMBER SOULLIERE	AYE
TRIBAL CHAIR MILANOVICH	AYE
MAYOR REED	AYE
MAYOR GUTIERREZ	AYE
COUNCILMEMBER KELLY	AYE
MAYOR EVANS	AYE
VICE MAYOR DECONINCK	AYE
SUPERVISOR JEFFRIES	ABSENT
SUPERVISOR SPIEGEL	ABSENT
SUPERVISOR WASHINGTON	ABSENT
SUPERVISOR PEREZ	AYE
SUPERVISOR HEWITT	AYE
COUNCILMEMBER WEILL	AYE
MAYOR MATAS	AYE
MAYOR HERNANDEZ	AYE
COUNCILMEMBER HOLSTEGE	AYE

B. Next Steps on the Portola Avenue Interchange at Interstate 10 – Jonathan Hoy

Jonathan Hoy presented the staff report and member discussion ensued.

IT WAS MOVED BY SUPERVISOR PEREZ AND SECONDED BY COUNCILMEMBER WEILL TO AUTHORIZE THE FOLLOWING STEPS IN ORDER TO SUSPEND THE PORTOLA AVENUE INTERCHANGE AT I-10 PROJECT AFTER COMPLETION OF THE PLANS, SPECIFICATIONS AND ESTIMATE (PS&E) PHASE:

1. APPROVE AMENDMENT NO. 3 TO THE REIMBURSEMENT AGREEMENT BETWEEN CVAG, THE CITY OF PALM DESERT, AND THE COUNTY OF RIVERSIDE; AND
2. APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN CVAG AND THE CITY OF PALM DESERT REGARDING REIMBURSEMENT AGREEMENT TO RETURN THE REMAINING BOND PROCEEDS ON DEPOSIT FOR THE PROJECT.

THE MOTION TO CARRIED WITH 14 AYES AND 5 MEMBERS ABSENT.

MAYOR FERMON	ABSENT
TRIBAL CHAIR MIKE	ABSENT
TRIBAL VICE CHAIR MIRELEZ	AYE
TRIBAL COUNCILMEMBER SOULLIERE	AYE
TRIBAL CHAIR MILANOVICH	AYE
MAYOR REED	AYE
MAYOR GUTIERREZ	AYE
COUNCILMEMBER KELLY	AYE
MAYOR EVANS	AYE
VICE MAYOR DECONINCK	AYE
SUPERVISOR JEFFRIES	ABSENT
SUPERVISOR SPIEGEL	ABSENT
SUPERVISOR WASHINGTON	ABSENT
SUPERVISOR PEREZ	AYE
SUPERVISOR HEWITT	AYE
COUNCILMEMBER WEILL	AYE
MAYOR MATAS	AYE
MAYOR HERNANDEZ	AYE
COUNCILMEMBER HOLSTEGE	AYE

C. **CVAG's Audit for Fiscal Year 2020/21 and Related Reports – Claude Kilgore**

Claude Kilgore introduced the item, and Shannon Ayala from Davis Farr presented the audit results.

IT WAS MOVED BY TRIBAL VICE CHAIR MIRELEZ AND SECONDED BY MAYOR EVANS TO RECEIVE AND FILE THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND THE AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

THE MOTION TO CARRIED WITH 14 AYES AND 5 MEMBERS ABSENT.

MAYOR FERMON	AYE
TRIBAL CHAIR MIKE	AYE
TRIBAL VICE CHAIR MIRELEZ	ABSENT
TRIBAL COUNCILMEMBER SOULLIERE	ABSENT
TRIBAL CHAIR MILANOVICH	AYE
MAYOR REED	AYE
MAYOR GUTIERREZ	AYE
COUNCILMEMBER KELLY	AYE
MAYOR EVANS	AYE

VICE MAYOR DECONINCK	AYE
SUPERVISOR JEFFRIES	AYE
SUPERVISOR SPIEGEL	ABSENT
SUPERVISOR WASHINGTON	ABSENT
SUPERVISOR PEREZ	AYE
SUPERVISOR HEWITT	AYE
MAYOR WEILL	AYE
MAYOR MATAS	AYE
MAYOR HERNANDEZ	AYE
COUNCILMEMBER HOLSTEGE	AYE

D. Preview of CVAG’s Budget for Fiscal Year 2022/23 – Claude Kilgore

Claude Kilgore presented a detailed staff report.

No action was taken as this was an informational item.

9. INFORMATION

- a) Executive Committee Attendance
- b) CVAG Regional Arterial Program – Project Status Report
- c) Bicycle/Pedestrian Safety Program - Project Status Report
- d) Status of I-10 Interchange Projects
- e) CVAG Meeting Calendar for Fiscal Year 2022/23
- f) Inland Regional Energy Network Update
- g) Revitalizing the Salton Sea: Recap of State and Regional Efforts
- h) Update from the Riverside County District Attorney’s Office
- i) Rollout of the 9-8-8 Mental Health Crisis Hotline in Riverside County
- j) CalPERS Unfunded Accrued Liability

These items were placed in the agenda packet for members’ information.

10. LEGISLATIVE ITEMS – Emmanuel Martinez and Erin Sasse, League of California Cities

- a) Update on Federal and State Advocacy Efforts
- b) Update from the League of California Cities

Erin Sasse, League of California Cities, provided updates on funding efforts and legislative items.

No action was taken on these informational updates.

11. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None.

12. **ANNOUNCEMENTS**

The next meeting of the **Executive Committee** will be held on Monday, June 27, 2022, at 4:30 p.m. via Zoom webinar.

The next meeting of the **General Assembly** will be held on Monday, June 27, 2022, at 6 p.m. via Zoom webinar.

13. **ADJOURNMENT**

There being no further business, Chair Holstege adjourned the meeting at 5:45 p.m.

Respectfully submitted,

Jennifer Nelson
CVAG Executive Assistant/Clerk

ITEM 7B

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Remote Teleconference/Virtual Meetings Pursuant to Assembly Bill 361

Contact: Jennifer Nelson, Executive Assistant/Clerk (jnelson@cvag.org)

Recommendation: Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of CVAG committees

Background: All meetings of CVAG's standing committees are subject to the Ralph M. Brown Act (Gov. Code §§ 54950 *et seq.*), and must be open and public so that any member of the public may attend and participate in the meetings.

Starting in March 2020, Governor Newsom issued a series of executive orders aimed at preventing the spread of COVID-19, as it was determined that social distancing was an important factor addressing the pandemic. Among these were Executive Orders N-25-20, N-29-20 and N-35-20 (collectively, the "Brown Act Orders") that waived the teleconferencing requirements of the Brown Act to allow legislative bodies to meet virtually.

On June 11, 2021, the Governor issued Executive Order N-08-21 to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, this order rescinds the Brown Act Orders, effective September 30, 2021. On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which effective October 1, 2021, allows legislative bodies to meet virtually provided the legislative body makes specific findings.

Specific Findings Required under AB 361:

The CVAG Executive Committee has previously made the following findings pursuant to AB 361:

1. A statewide state of emergency is currently in place;
2. State or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; and
3. Meeting in person would present imminent risks to the health or safety of attendees.

With this item, staff is recommending the CVAG Executive Committee confirm these findings still exist and continue remote/ virtual meetings, pursuant to AB 361. CVAG staff will also be soliciting feedback from its member jurisdictions about the use of virtual meetings. Staff anticipates conducting a survey this summer that is similar to the one conducted last year, which showed 71% of the respondents supported continuing with virtual meetings.

Fiscal Analysis: There are no additional costs to CVAG hosting virtual meetings. Committee members are paid the same stipends as they would in person.

ITEM 7C

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Authorization to Update Signature Cards

Contact: Claude T. Kilgore, Director of Finance/ Administration (ckilgore@cvag.org)

Recommendation: Authorize the updating of the signature cards and signatories for CVAG investments and banking, Subject to General Assembly Approving the Rotation for the 2022/2023 Chair

Background: On at least an annual basis, usually due to a change in CVAG's Chair and/or employee turnover, CVAG seeks authorization to update the appropriate signatories and signature cards for CVAG investments. This request supersedes any prior Executive Committee action related to the matter.

With the Executive Committee's approval of the staff recommendation, the signature cards will be updated as follows:

- 1) Bank Signature Cards, County of Riverside Journal Voucher Requests and Wire Transfer Requests, Authorized Persons for the Local Investment Account Fund (LAIF) and California Asset Management Program (CAMP) to the following CVAG employees and CVAG Chair:

Name	Title	Type
As Approved	CVAG Chair	New
Tom Kirk	Executive Director	Existing
Erica Felci	Assistant Executive Director	Existing
Joanna Stueckle	Management Analyst – Administration	Existing
Claude T. Kilgore	Director of Finance/Administration	Existing

Fiscal Analysis: There is no fiscal impact.

ITEM 7D

Coachella Valley Association of Governments Executive Committee June 6, 2022



STAFF REPORT

Subject: CVAG's Single Audit for Fiscal Year 2020/21 and Related Correspondence

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Receive and file the Single Audit for Federal Awards for the fiscal year ended June 30, 2021 and the Auditor's Communication on Internal Control Matters (SAS 115)

Background: CVAG's Financial Statements Audit Procurement Policy, adopted on June 3, 2002, requires CVAG to obtain from qualified auditing firms, proposals to perform CVAG's annual financial audit every five years. In June 2021, CVAG hired the audit firm of Davis Farr LLP – a firm with an impressive history of professional work in the Coachella Valley – for engagement as CVAG's, as well as the Coachella Valley Conservation Commission's and Desert Community Energy's, independent auditor for the five fiscal years starting with Fiscal Year 2020/21. The firm has an impressive history of professional work in the Coachella Valley.

At the June 6th meeting of the Executive committee, Davis Farr LLP overviewed an Unmodified Opinion, the highest form, of the annual audit over CVAG's Basic Financial Statements as of June 30, 2021, and related statements and notes as well as provided a letter to the CVAG Executive Committee Members outlining Significant Audit Findings as promulgated by AU-C Section 260, "The Auditor's Communication with Those Charged With Governance." The Executive Committee voted to receive and file the reports, and staff noted that due to timing, the single audit would follow at a later date.

Davis Farr has now concluded the required Single Audit Report on Federal Awards, which again received the highest form of such CPA opinion. Davis Farr also issued their report on their consideration of CVAG's internal control over financial reporting and their tests of CVAG's compliance with certain provisions of laws, regulations, contracts, and grant agreements as well as other matters. The audit team helped identify recommendations related to the timing of certain journal entries, and how certain multi-year expenses are tracked. These audit team recommendations were discussed by the Finance Committee when it met in May to review and discuss the audit. CVAG staff concurred with the need to fine-tune its approach related to the timing of transportation reimbursements from member agencies and related Measure A accruals and is currently undertaking such steps as it moves to close FY 2021/22..

A copy of the reports listed in the attachments were circulated to the Finance Committee prior to disbursement of the Executive Committee agenda and any Committee feedback received will be communicated with the Finance Committee Chair and presented to the Executive Committee, if necessary.

Fiscal Analysis: The professional fees associated with the audit services were previously budgeted and there is no additional financial impact.

Attachments:

1. CVAG's Single Audit Report on Federal Awards for the year ended June 30, 2021
2. Auditor's Communication on Internal Control Matters (SAS 115)

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Single Audit Report on Federal Awards

Year Ended June 30, 2021

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Single Audit Report on Federal Awards

Year Ended June 30, 2021

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**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

Executive Committee
Coachella Valley Association of Governments
Palm Desert, 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Coachella Valley Association of Governments (the Association), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated May 24, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* to be a significant deficiency. The reference number of the related finding is 2021-001.

Executive Committee
Coachella Valley Association of Governments
Palm Desert, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

CVAG's Response to Findings

CVAG's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. CVAG's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarr LLP

Irvine, California
May 24, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Coachella Valley Association of Governments
Palm Desert, California

Report on Compliance for Each Major Federal Program

We have audited the Coachella Valley Association of Governments (the Association) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended June 30, 2021. The Association's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Executive Committee
Coachella Valley Association of Governments
Palm Desert, California

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Association as of and for the year ended June 30, 2021, and have issued our report thereon dated May 24, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in material respects in relation to the financial statements as a whole.

DavisFarr LLP

Irvine, California

June 15, 2022 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is May 24, 2022

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Program Identification Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Transportation</u>				
Passed through the California Department of Transportation:				
Highway Planning and Construction Cluster:				
Active Transportation Program (ATP)	20.205	08-6164R	\$ 1,269,584	\$ -
Congestion Mitigation and Air Quality (CMAQ)	20.205	08-6164F15	<u>224,340</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>1,493,924</u>	<u>-</u>
Total Expenditure of Federal Awards			<u>\$ 1,493,924</u>	<u>\$ -</u>

See Note to Schedule of Expenditures of Federal Awards.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Note to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

Scope of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the Coachella Valley Association of Governments under programs of the federal government for the year ended June 30, 2021. All financial assistance received directly from federal agencies is included in the accompanying Schedule. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Association did not use the 10% de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance.

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | 2021-001 |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 1. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? | No |

4. Identification of major programs:

CFDA Number
20.205

Name of Federal Program or Cluster
United States Department
of Transportation
Highway Planning and
Construction Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section II - Financial Statement Findings

2021-001 Journal Entries Detected During the Audit

Auditing standards require the auditors to include an internal control recommendation when there are prior period adjustments and material audit adjustments. During our audit, there were two material journal entries detected as a result of audit procedures. There was one prior period adjustment recorded by CVAG.

The journal entries detected as a result of audit procedures were to record accounts payable and the related expenses in the TUMF Fund for \$260,000 and the Signal Sync Fund for \$119,000 and to record Due from Other Governments and Unavailable Revenue for \$119,000 in the Signal Sync Fund.

Recommendation

We recommend CVAG establish procedures to, whenever possible, identify adjustments in the reporting period in which the related transactions occurred. It is recognized this is not always possible and on occasion CVAG accounting procedures will properly identify adjustment in subsequent periods.

Management Response

Management recognizes that it not always possible to identify adjustments in the reporting period in which the related transactions occurred and that on occasion CVAG accounting procedures will properly identify adjustment in subsequent periods. Management also recognizes that the lack of timely billing of member agencies and related organizations to CVAG may cause for material audit adjustments unknown to CVAG at the time of financial statement closing process. Management further recognizes that while it does not control how other agencies perform their billing, there are other steps that CVAG can take to ensure expenditures are recorded in the proper period. Management has already begun to implement such procedures related to accounts payable and other processes by notifying member agencies and vendors to provide invoices in a timely manner for closing of accounts payable. In addition, Management understands that accounting estimates may be required from time-to-time and intends to utilize recent and relevant information to make such estimates when there is a lack of timely billing of member agencies and related organizations.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2021.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section IV – Summary of Prior Audit Findings and Current Status

There are no prior year audit findings.

Executive Committee
Coachella Valley Association of Governments
Palm Desert, California

In planning and performing our audit of the financial statements, we considered Coachella Valley Association of Governments' internal control over financial reporting (internal control) as a basis for designing 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 Coachella Valley Association of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Coachella Valley Association of Governments' 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

(1) Prior Period Adjustments and Material Audit Adjustments

Auditing standards require the auditors to include an internal control recommendation when there are prior period adjustments and material audit adjustments. During our audit, there were two material journal entries detected as a result of audit procedures. There was one prior period adjustment recorded by CVAG.

The journal entries detected as a result of audit procedures were to record accounts payable and the related expenses in the TUMF Fund for \$260,000 and the Signal Sync Fund for \$119,000 and to record Due from Other Governments and Unavailable Revenue for \$119,000 in the Signal Sync Fund.

Recommendation

We recommend CVAG establish procedures to, whenever possible, identify adjustments in the reporting period in which the related transactions occurred. It is recognized this is not always possible and on occasion CVAG accounting procedures will properly identify adjustment in subsequent periods.

Management's Response

Management recognizes that it not always possible to identify adjustments in the reporting period in which the related transactions occurred and that on occasion CVAG accounting procedures will properly identify adjustment in subsequent periods. Management also recognizes that the lack of timely billing of member agencies and related organizations to CVAG may cause for material audit adjustments unknown to CVAG at the time of financial statement closing process. Management further recognizes that while it does not control how other agencies perform their billing, there are other steps that CVAG can take to ensure expenditures are recorded in the proper period. Management has already begun to implement such procedures related to accounts payable and other processes by notifying member agencies and vendors to provide invoices in a timely manner for closing of accounts payable. In addition, Management understands that accounting estimates may be required from time-to-time and intends to utilize recent and relevant information to make such estimates when there is a lack of timely billing of member agencies and related organizations.

Also, as a service to you, we identified other matters that are not considered material weaknesses or significant deficiencies but have been provided to CVAG to enhance its existing internal controls and systems.

(2) Timely Billing

During our audit, there were several audit adjustments noted due to lack of timely billing of member agencies and related organizations. CVAG currently performs certain billing procedures on an annual basis.

Lastly, the material audit adjustments noted above in Finding 1, were a result of late invoices received from member agencies and vendors related to the year under audit. While we note that CVAG does not control how other agencies perform their billing, there are other steps that can be taken to ensure expenditures are recorded in the proper period.

Recommendation

We recommend CVAG management implement procedures to ensure financial reporting is completed in a timely manner. We also recommend CVAG implement procedures to bill member agencies on a more frequent basis than annually, ideally quarterly. Additionally, we recommend CVAG notify member agencies and vendors to provide invoices in a timely manner for closing of accounts payable. If an invoice is not expected to be received in a timely manner, we recommend CVAG management estimate the amount of expenses based on work completed through June 30. We understand there were certain extenuating circumstances in the current year contributing to delays in the financial reporting process.

Management Response

Management recognizes that it not always possible to identify adjustments in the reporting period in which the related transactions occurred and that on occasion CVAG accounting procedures will properly identify adjustment in subsequent periods. Management also recognizes that the lack of timely billing of member agencies and related organizations to CVAG may cause for material audit adjustments unknown to CVAG at the time of financial statement closing process. Management further recognizes that while it does not control how other agencies perform their billing, there are other steps that CVAG can take to

ensure expenditures are recorded in the proper period. Management has already begun to implement such procedures related to accounts payable and other processes by notifying member agencies and vendors to provide invoices in a timely manner for closing of accounts payable. In addition, Management understands that accounting estimates may be required from time-to-time and intends to utilize recent and relevant information to make such estimates when there is a lack of timely billing of member agencies and related organizations.

CVAG's Response to Findings

CVAG's responses to the findings identified in our audit are described above. CVAG's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

DavisFarr LLP

Irvine, California
May 24, 2022

ITEM 7E

Coachella Valley Association of Governments Executive Committee June 27, 2022



STAFF REPORT

Subject: **Rotation of the Finance Committee Members**

Contact: Jennifer Nelson, Executive Assistant/Clerk (jnelson@cvag.org)

Recommendation: Appoint Agua Caliente Band of Cahuilla Indians Chairman Reid Milanovich and La Quinta City Manager Jon McMillen to serve on the CVAG Finance Committee for the term that runs from July 1, 2022 through June 30, 2025

Finance Committee: Nominated Chairman Milanovich and sought a city manager volunteer (Meeting of May 31)

Background: The CVAG Executive Committee established an Audit Committee on April 30, 2018 that is made up of three city managers and three Executive Committee members. The Audit Committee historically meet prior to the start of audit fieldwork to suggest any particular review areas for the engagement as well as to review, receive, and file the independent auditor's report over the combined annual financial report. After CVAG transitioned its Technical Advisory Committee into an informal working group, the Audit Committee began to take on more financial oversight. In order to reflect these additional responsibilities, the CVAG Executive Committee in September 2019 renamed it the Finance Committee and formally expanded the committee's responsibilities.

At the Finance Committee meeting on February 20, 2020, CVAG staff sought direction from the Finance Committee on how to select members moving forward each fiscal year. The Committee recommended that the two longest serving members – one elected official and one city manager – should be rotated off on a yearly basis, which means that each member will serve for three years. This allows the Committee to retain working knowledge and work cohesively while gaining new input.

At the Finance Committee meeting on May 27, 2020, the Finance Committee discussed the rotation and decided on the following schedule based on the Committee's membership at that time: (FY listed is last year on Committee):

- FY 2019/20 – Indio Councilmember Lupe Ramos-Amith and Coachella City Manager Bill Pattison
- FY 2020/21 – La Quinta Mayor Linda Evans and Desert Hot Springs City Manager Chuck Maynard
- FY 2021/22 – Indian Wells Mayor Richard Balocco and Rancho Mirage City Manager Isaiah Hagerman

Over the years, the positions have rotated and the current roster is as follows:

- FY 2021/22 – Indian Wells Councilmember Richard Balocco and Rancho Mirage City Manager Isaiah Hagerman
- FY 2022/23 – Palm Desert Mayor Pro Tem Sabby Jonathan and Palm Springs Finance Director Nancy Pauley
- FY 2023/24 – Cathedral City Councilmember Raymond Gregory and Torres Martinez Tribal Administrator Shawn Isaac

At the May 31 meeting of the CVAG Finance Committee, staff sought nominations of an elected official and a city manager to replace the outgoing members on the CVAG Finance Committee, who are Councilmember Balocco and City Manager Isaiah Hagerman. In order to ensure regional representation and give all jurisdictions an opportunity to serve on the Finance Committee, staff recommended that the two vacant positions be filled from jurisdictions not currently on the Finance Committee. The Finance Committee nominated Agua Caliente Band of Cahuilla Indians Chairman Reid Milanovich, and directed staff to solicit a volunteer from the city, county and tribal managers. La Quinta City Manager Jon McMillen has since confirmed his interest in serving on the CVAG Finance Committee.

Staff is recommending both are appointed to the Finance Committee for the term that runs from July 1, 2022 through June 30, 2025.

Fiscal Analysis: There is no fiscal impact.

ITEM 7F

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Acceptance of Surplus Vehicles for the CV Housing First Program

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Authorize the Executive Director to take the necessary steps to accept up to two surplus vehicles from the County of Riverside for use by the CV Housing First program

Homelessness Committee: Concurred (Meeting of June 15th)

Background: Riverside County has been a longtime partner in the CVAG-led regional homelessness program, most recently in supporting the CV Housing First program. In addition to the County's annual general fund contribution, CVAG staff has frequently collaborated with County staff about additional opportunities, including grants and partnerships, that can benefit the program and the services provided to the CV 200 clients.

Earlier this year, County staff notified CVAG staff that the County's Fleet Services was planning to surplus was planning a number of vehicles, some of which were described as being in fair to good condition. On May 24, 2022, at the recommendation of Supervisor V. Manuel Perez, the Riverside County Board of Supervisors authorized its Director of Purchasing and Fleet Services to work with county departments to locate and donate two surplus county vehicles for use by the CV Housing First program.

Currently, CV Housing First staff use their personal vehicles to visit crisis stabilization units, meet with clients and conduct outreach outside of the mobile access center. While CVAG reimburses for mileage at the maximum rate allowed by the Internal Revenue Service, the unique working conditions and extensive client interaction means the number of miles driven each month far exceeds all other CVAG departments. CVAG staff also have a need to transport clients to an appointment and, when a bus connection can't be achieved, CVAG uses ride share services in order to avoid having clients in their cars. On occasion, staff is asked to transport a client or their belongings, leading to additional wear and tear on the car interiors.

CVAG staff is recommending that the Executive Director be authorized to accept up to two vehicles for the program. This will likely include a truck, which can be used to transport client belongings or furniture between units, and a car, which would be primarily used for case management scenarios. With authorization, the final vehicles will be determined based on coordination with County staff and an evaluation of the vehicles' conditions.

Fiscal Analysis: The County is offering the surplus vehicles at no cost to CVAG. CVAG staff will use the surplus vehicles in lieu of their personal vehicles, which should limit the mileage reimbursement costs. CVAG has general liability insurance coverage that includes the costs of vehicles.

Staff will monitor any maintenance needs. Should larger repairs be needed in the future, staff would return with a recommendation that CVAG surplus the vehicles.

ITEM 7G

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: CVAG Representative on Riverside County's Emergency Medical Care Committee

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Appoint Coachella City Manager Gabriel Martin to serve as CVAG's representative on Riverside County's Emergency Medical Care Committee for a three-year term that ends on June 30, 2025

Public Safety Committee: Concurs (Meeting of June 13th)

Background: The 17-member Emergency Medical Care Committee (EMCC) advises the Board of Supervisors on all aspects of emergency medical care within the County and reports to the Board on observations and recommendations concerning the feasibility and content of emergency medical care programs within the County. Committee members are appointed by the Board of Supervisors for staggered three-year terms. Members serve without compensation.

EMCC meetings are usually held quarterly. Per Riverside County Board of Supervisors Resolution 2013-062, CVAG shall nominate a city manager to represent the organization on the EMCC. Randal Bynder, then-City Manager from the City of Rancho Mirage, served as the CVAG representative starting in 2013. After Mr. Bynder retired, Mark Scott, then-City Manager from the City of Indio, became the representative. Mr. Scott retired mid-term. In 2021, the CVAG Executive Committee, at the recommendation of the Public Safety Committee, appointed Indio City Manager Bryan Montgomery to serve the remainder of the term.

The current term ends on June 30, 2022. CVAG staff reached out to Mr. Montgomery about his interest in a second term, and he suggested the position should be offered to other city managers. The CVAG Executive Director relayed this to city, tribal and county executives at a roundtable meeting on June 1, and Coachella City Manager Gabriel Martin expressed an interest in the position. The CVAG Public Safety Committee at the June meeting nominated Mr. Martin as the next appointee, who will serve until June 2025.

Fiscal Analysis: There is no cost to CVAG for the EMCC appointment.

Attachment: Riverside County EMS Agency Administrative Policy 8201



Administrative Policy

8201

Effective

April 1, 2019

Expires

March 31, 2020

Policy:

Emergency Medical Care Committee

Approval: Medical Director

Reza Vaezazizi, MD

Signed

Applies To:

EMS System

Approval: Deputy EMS Administrator

Trevor Douville

Signed

PURPOSE

The purpose of this policy is to define the membership, rules of operation, and functions of the local Emergency Medical Care Committee (EMCC).

AUTHORITY

[California Health and Safety Code - Division 2.5, Chapter 4, Article 3, Sections 1797.270 - 1797.276](#)

[Resolution 2013-052 of the Board of Supervisors of the County of Riverside](#)

Emergency Medical Care Committee

The Board of Supervisors of the County of Riverside originally established the local EMCC on October 15, 1985. The composition of the EMCC was last amended by Resolution 2013-052, dated March 12, 2013.

The Riverside County Emergency Medical Care Committee shall consist of seventeen members, all nominated members are to be appointed by the Board of Supervisors and the composition of this committee is as follows:

1. One Emergency Department Physician, practicing in a hospital located within Riverside County nominated by the Prehospital Medical Advisory Committee (PMAC);
2. One representative from the [Hospital Association of Southern California \(HASC\)](#) to be the Vice President of the Inland Regional Office;
3. One Physician representative of the [Riverside County Medical Association \(RCMA\)](#) nominated by that organization;
4. One representative from the County contracted emergency ground ambulance provider that serves a majority of the County's Exclusive Operating Areas (EOAs);
5. One representative from the Ambulance Association of Riverside County nominated by that organization;
6. One representative from the County's permitted air ambulance providers nominated by the air ambulance permitted providers;
7. One Fire Chief representing the [Riverside County Fire Chiefs Association \(RCFCA\)](#) nominated by that organization;
8. One city manager from the [Coachella Valley Association of Governments \(CVAG\)](#) nominated by that organization;
9. One city manager from the [Western Riverside Council of Governments \(WRCOG\)](#) nominated by that organization;
10. One representative of the Riverside County Law Enforcement Agency Administrators' Association (RCLEAAA) nominated by that organization;
11. One prehospital representative of PMAC nominated by that committee;
12. One representative of the [Riverside County Fire Department](#); appointed by the Riverside County Fire Chief; and
13. One member-at-large from Riverside County Supervisorial [District 1](#);
14. One member-at-large from Riverside County Supervisorial [District 2](#);
15. One member-at-large from Riverside County Supervisorial [District 3](#);
16. One member-at-large from Riverside County Supervisorial [District 4](#);
17. One member-at-large from Riverside County Supervisorial [District 5](#).

Nominated members and members-at-large shall serve a three year term with staggered expiration dates so that no more than one-third of the membership may require replacement or reappointment at any one time. The Committee shall choose its chairperson and vice-chairperson annually, and shall determine the time and place for regular meetings of the Committee.

A quorum shall consist of one more than half the number of filled committee positions. Action taken shall require the affirmative vote of a majority of those present. The Chairman votes only in case of a tie.

The Committee shall perform the functions of an Emergency Medical Care Committee defined by the California Health and Safety Code, Division 2.5, Chapter 4, Article 3, Sections 1797.274 and 1797.276:

The emergency medical care committee shall, at least annually, review the operations of each of the following:

- a. Ambulance services operating within the county.*
- b. Emergency medical care offered within the county, including programs for training large numbers of people in cardiopulmonary resuscitation and lifesaving first aid techniques.*
- c. First aid practices in the county.*

Every emergency medical care committee shall, at least annually, report to the authority, and the local EMS agency its observations and recommendations relative to its review of the ambulance services, emergency medical care, and first aid practices, and programs for training people in cardiopulmonary resuscitation and lifesaving first aid techniques, and public participation in such programs in that county. The emergency medical care committee shall submit its observations and recommendations to the county board or boards of supervisors which it serves and shall act in an advisory capacity to the county board or boards of supervisors which it serves, and to the local EMS agency, on all matters relating to emergency medical services as directed by the board or boards of supervisors.

The Committee shall serve in an advisory capacity for the Board of Supervisors concerning all aspects of emergency medical care within the County and report to the Board in conjunction with its review of the various aspects of the emergency medical care within the County. The Committee shall report to the Board of Supervisors its observations and recommendations concerning the feasibility and content of emergency medical care programs within the County in conjunction with cities within the County, other counties, the State and the United States.

Except for Supervisorial appointees, each organization may designate an alternate to serve in the event of an absence by that organization's primary member.

The EMCC shall prepare an annual report to the Board of Supervisors on the current and anticipated condition of Emergency Medical Services (EMS) and EMS system operation within the County.

ITEM 7H

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Public Safety Concerns Related to Mylar Balloons

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Authorize the Chairs of CVAG's Executive and Public Safety Committees to sign a letter of support for Assembly Bill 847, which establishes additional regulations to govern the manufacture or sale of Mylar and celebratory foil balloons

Public Safety Committee: Concurs and directed staff to return with a model ordinance that limits the sale and/or possession of Mylar balloons in order to address power outages in the Coachella Valley (Meeting of June 13)

Background: At the May 9, 2022 meeting of the Public Safety Committee, La Quinta Councilmember John Peña noted there is increasing public safety concerns as it relates to Mylar balloons and power outages, and asked CVAG staff to return with additional information. CVAG staff coordinated with both Southern California Edison (SCE) and Imperial Irrigation District (IID), which both have a focus on raising public education and awareness about mylar balloons, and followed up with the Public Safety Committee at the June 13 meeting.

Mylar balloons are made with Mylar nylon, a non-biodegradable material, and are typically coated with a metallic finish that conducts electricity. These balloons are a common feature at celebratory events such as birthdays or graduations, and they stay inflated for two weeks or longer. When they are not sufficiently weighted and are released into the air, Mylar balloons have the potential to contact power lines, which can result in power outages and fires.

Since 1990, California has prohibited the release of Mylar balloons into the air in an effort to help reduce power outages. In 2018, state lawmakers passed Assembly Bill 2450, which requires manufacturers of Mylar balloons to permanently mark each balloon with a warning about the risk of fires if a balloon contacts an electrical power line. Still, power outages related to the release of Mylar balloons remains a problem. In the first couple months of 2022 alone, IID reported five outages caused by these balloons, impacting 1,672 customers. IID notes that the outages also result in a loss of power to customer medical devices and equipment, can cause damage to IID's and customers' equipment, and cause fire risks.

A number of utilities are now supporting Assembly Bill 847, which is legislation authored by Assemblymember Bill Quirk (D-Hayward) that is now making its way through the state Senate. As proposed, AB 847 would require the Office of Energy Infrastructure Safety implement regulations to govern the manufacture or sale of celebratory foil balloons, such as requiring balloons to pass a standard by the Institute of Electrical and Electronics Engineers that tests balloons at electric distribution voltages without causing an electrical fault. AB 847 would also ban the sale of Mylar balloons in 2026 if they cannot pass the standards and requirements.

Some California municipalities have already enacted bans to limit the use of Mylar balloons, including limits on the sale or prohibiting them in public parks. At the June 13 meeting of the Public Safety Committee, IID Government Affairs and Communications Officer Antonio Ortega provided the Committee with an overview of the regional concerns and detailed efforts to circulate a model ordinance among cities about limiting the sale or possession of Mylar balloons. The presentation sparked a robust conversation among the Public Safety Committee members, who expressed concerns with the number of power outages and equipment damage that has been caused by Mylar balloons. They also noted the environmental and sustainability issues with Mylar balloons, including the fact that animals may eat discarded materials.

The Public Safety Committee directed staff to refine IID's draft ordinance, and asked for it to be brought back for consideration in the fall. Given that this topic had also come up during the June meeting of the Energy & Environmental Resources Committee, staff anticipates circulating the draft ordinance to both committees for policy consideration. In the meantime, Public Safety Committee members expressed support for the phased-out timeline that AB 847 details, and voted to recommend that CVAG send a letter of support for the legislation. A copy of the letter is attached.

Fiscal Analysis: There is no cost to CVAG for this informational update. The development of a model ordinance can be covered under existing staff time, should the Public Safety Committee endorse a regional approach to addressing Mylar balloons.

Attachments:

1. Letter of support for AB 847
2. IID's conceptual model ordinance to limit the use of Mylar balloons

June 27, 2022

Assemblymember Bill Quirk
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0020

Re: Support for Assembly Bill 847

Assemblymember Quirk:

On behalf of the Coachella Valley Association of Governments (CVAG), we are writing in support of Assembly Bill 847 and the efforts to better regulate celebratory foil balloons. CVAG recognizes that Mylar balloons create public safety and environmental concerns, and supports the multi-year approach to phase in alternative balloon materials that meet safety standards and requirements.

CVAG is a joint powers authority made up of the Cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; the County of Riverside; and four Tribal Nations: Agua Caliente Band of Cahuilla Indians, Cabazon Band of Cahuilla Indians, Torres Martinez Desert Cahuilla Indians, and Twenty-Nine Palms Band of Mission Indians. CVAG has a number of policy committees, including those that address both public safety and environmental concerns.

Our region is served by both Southern California Edison and Imperial Irrigation District, and we echo the concerns that both utilities have expressed regarding Mylar balloons. When metallic balloons are released into the air, they will often come into contact with high voltage power lines that result in power surges, outages, and damage to equipment due to the metallic coating of the balloons which is a conductor for electricity. These preventable incidents are not just an inconvenience, they impact our residents' lives and stop businesses from operating.

Since 1990, California has prohibited the release of Mylar balloons into the air in an effort to help reduce power outages. In 2018, state lawmakers passed Assembly Bill 2450, which requires manufacturers of Mylar balloons to permanently mark each balloon with a warning about the risk of fires if a balloon contacts an electrical power line. Still, power outages related to the release of Mylar balloons remains a problem. In the first couple months of 2022 alone, IID reported five outages caused by these balloons, impacting 1,672 customers. IID notes that the outages also result in a loss of power to customer medical devices and equipment, can cause damage to IID's and customers' equipment, and cause fire risks. These balloons also have impacts for our environment, including dangers from animals eating the discarded, popped balloons once they have landed.

We appreciate that AB 847 attempts to address these concerns through a multi-year, phased approach. The bill would require that the Office of Energy Infrastructure Safety implements regulations to govern the manufacture or sale of celebratory foil balloons, such as requiring balloons to pass a standard by the Institute of Electrical and Electronics Engineers that tests balloons at electric distribution voltages without causing an electrical fault. AB 847 would also ban the sale of Mylar balloons in 2026 if they cannot pass the standards and requirements.

Our region is also considering additional regulations. However, it is easy for an individual to purchase a balloon in one community and bring it to a celebration in a different community. Therefore, a broader, statewide standard may be better approach to this public safety concern.

We hope the Legislature joins us in supporting AB 847. If you have any questions, please don't hesitate to contact CVAG Executive Director Tom Kirk at (760) 346-1127 or at tkirk@cvag.org.

Sincerely,

Christy Gilbert Holstege, Esq.
CVAG Chair

Waymond Fermon
CVAG Public Safety Chair

CC: Assemblymember Eduardo Garcia, District 56
Assemblymember Chad Mayes, District 42
State Sen. Melissa Melendez, District 28

SUGGESTED DRAFT ORDINANCE

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF _____, CALIFORNIA
AMENDING TITLE ____ OF THE COUNTY CODE, BY ADDING CHAPTER ____ TO
PROHIBIT THE SALE OF MYLAR BALLOONS AND POSSESSION OF SUCH ON PUBLIC PROPERTY**

WHEREAS, metallic balloons, also known as Mylar Balloons, have been acknowledged by the State of California as a health and safety hazard when they come in contact with, or come close to, high voltage power lines; and

WHEREAS, the Imperial Irrigation District ("IID"), the electric utility serving Imperial County and parts of Riverside County, owns and operates high-voltage power lines; and

WHEREAS, it is common knowledge that electricity between two lines can arc when conductive material from Mylar Balloons become entangled or come in contact with or come close to such transmission lines, causing power outages, explosions, downed power lines, and damaged infrastructure; and

WHEREAS, IID Regulation Number 23 makes it unlawful for a person to cause interference with or pose a threat to the reliability of IID's transmission or distribution lines or create a safety hazard to the public by encroaching upon the District's rights-of-way; and

WHEREAS, Mylar Balloon related outages has caused the ratepayers and taxpayers to incur costly repairs and suffer many hours of potentially dangerous outages affecting residents; and

WHEREAS, California state law prohibits the release of Mylar Balloons into the air and requires an object of sufficient weight to be affixed to each balloon at the time of sale or distribution to counter the lift capacity of the balloon, as well as requiring permanent warning notices regarding the conductivity and danger of Mylar Balloons along with the manufacturer's name to be placed on said balloons (See California Penal Code Section 653.1 and California Business and Professions Code Section 22942); and

WHEREAS, while state law implements prohibitions and requirements to mitigate Mylar Balloons from coming into contact with power lines, it is the desire of this County Board of Supervisors to implement additional measures to minimize the existence of threats to the health and safety of residents of the County caused by Mylar Balloons.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF ____:

SECTION 1. The above Recitals are true and correct.

SECTION 2. Chapter ____ is hereby added to Title ____ of the Imperial County Code, to read as follows:

CHAPTER ____

MYLAR BALLOONS

Sections:

- _____ Purpose and Findings
- _____ Definitions
- _____ Mylar Balloons-Sale Prohibition
- _____ Mylar Balloons-Prohibition of Possession on County Property
- _____ Violation and Penalties
- _____ Severability
- _____ Effective Date

_____ **Purpose and Findings.** In enacting this Chapter, it is the purpose and intent of the Board of Supervisors to further the current state law prohibitions and local regulations relating to the sale and possession of Mylar Balloons and to protect the County's residents and local electric infrastructure from damages caused by Mylar Balloons coming into contact with or close to high voltage power lines.

_____ **Definitions.** The following definitions shall apply to the provisions of this Chapter;

"County" shall mean the County of _____.

"Mylar Balloon" shall mean metallic balloons made of electrically conductive materials filled with helium or a gas which is lighter than air.

"Sell" shall mean to transfer ownership, offer for sale, expose or display for sale, solicit offers to sell or trade for the exchange of money or valuables.

_____ **Mylar Balloons - Sale Prohibited.**

A. The sale of Mylar Balloons, with the exception of the provisions of Subsection C of this Section, whether or not inflated with helium or a gas lighter than air is prohibited.

B. It shall be unlawful for any person, firm, corporation or entity to sell or offer to sell any Mylar Balloon whether or not inflated with helium or a gas which is lighter than air.

C. Balloons made of electrically conductive materials that are affixed or mounted to a post or other decorative structure at the point of sale and are filled with air only are exempt from the provisions of this Chapter.

_____ **Mylar Balloons – Possession on County Property Prohibited.** It shall be unlawful to hold, possess, carry, or transport Mylar Balloons, as defined herein, while on property owned or administered by the County of Imperial. This Section shall not apply to hot air balloons or balloons used by governmental entities or for proven scientific or education sanctioned projects

_____ **Violation and Penalties.** Violations of the provisions of this Chapter shall be subject to civil penalties as set forth herein.

Civil Enforcement. The provisions of this Chapter may be enforced through the issuance of administrative citations and the imposition fines in an amount not to exceed FIVE HUNDRED DOLLARS (\$500) per violation.

_____ **Severability.** If any section, subsection, clause or phrase of this Ordinance is declared invalid or otherwise void by a court of competent jurisdiction, it shall not affect the remaining provisions thereof. In this regard, the Board of Supervisors finds and declares that it would have adopted this measure notwithstanding any partial validity thereof.

_____ **Effective Date.** This Ordinance shall take effect and shall be in full force THIRTY (30) Days from the date of its adoption.

Passed by the Board of Supervisors of the County of Imperial on the ____ day of ____, 2021.

Chairman of the Board

ATTEST:

County Clerk

ITEM 7I

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Used Oil Program Resolution and Contract Amendment

Contact: Elizabeth Barnwell, Management Analyst (ebarnwell@cvag.org)

Recommendation: Adopt Resolution 2022-04, authorizing CVAG to act as lead applicant for funding from CalRecycle for the Used Oil Recycling Program; and authorize the Chair to execute Amendment No. 4 with HF&H Consulting for a not to exceed amount of \$45,160 through June 30, 2023

Energy & Environmental Resources Committee: Concurred with the adoption of the resolution, and noted that a contract amendment may be added prior to Executive Committee's approval (Meeting of June 9)

Background: CVAG annually applies for funding from the California Department of Resources Recycling and Recovery (CalRecycle) for the Used Oil Recycling Program. The program is run in partnership with local auto parts stores and participating cities, allowing people to safely dispose of used oil and used oil filters. In exchange for recycling, the participants get a new filter for free.

The resolution authorizing CVAG to apply for funding on behalf of the member jurisdictions needs to be renewed. In April 2016, CVAG adopted Resolution 16-002, authorizing CVAG to act as lead applicant to CalRecycle in a regional used oil payment program application on behalf of participating jurisdictions beginning in Fiscal Year 2016/2017. Resolution 16-002 was effective for five years and expired on April 25, 2021. For CVAG to continue to apply for CalRecycle funding, a new resolution is needed.

The resolution was presented for the Energy and Environmental Resources Committee's review at the June 9 meeting. At the time, staff noted that it was still working with its consultant on the used oil program – HF&H Consulting – to finalize how the program would operate for the coming fiscal year. Staff is now recommending a contract amendment for the 2022/2023 program year, with HF&H continuing to provide nearly all services it has contracted for in the past, including extensive community engagement on local radio and social media as well as a local drawing contest that encourages families to participate. CVAG staff and HF&H are planning a total of seven events for the 2022/2023 cycle as it has seen increased interest in public recycling events since the COVID-19 pandemic restrictions have been lifted.

The one change to HF&H's scope involves day-of event staffing. They will plan and coordinate all events, but do not have sufficient staff capacity to handle the on-site logistics. CVAG staff has identified an opportunity coincide these events with the ongoing tire recycling program, for which CVAG contracts with the Southern California Mountains Foundation. The Foundation has expressed interest in covering the staffing needed for the day-of events, and CVAG staff will present a contract for those services when its committees meet in the fall 2022.

Fiscal Analysis: Amendment No. 4 is for a not to exceed amount of \$45,160 through June 30, 2023. The Used Oil Recycling Program is fully funded by a grant from CalRecycle, including

consultant contract costs, event costs, CVAG staff time and community outreach. Historically, the City of Palm Desert has provided additional funding each year to cover the cost of radio advertising, promotional items, and related printing costs for outreach in the city.

CVAG receives funds through CalRecycle's Used Oil Payment Program in cycles. The proposed budget for the 2022/2023 program is attached.

Attachments:

1. Resolution 2022-04
2. Amendment No. 4 with HF&H
3. Proposed Budget and Scope of Work

RESOLUTION 2022-04

**AUTHORIZATION FOR THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS (CVAG) TO
ACT AS THE LEAD APPLICANT TO CALRECYCLE IN A REGIONAL USED OIL PAYMENT
PROGRAM APPLICATION ON BEHALF OF ITSELF AS LEAD AGENCY AND THE PARTICIPATING
JURISDICTIONS BEGINNING WITH FISCAL YEAR 2022/2023**

WHEREAS, pursuant to Public Resources Code § 48690 the Department of Resources Recycling and Recovery (CalRecycle) has established the Used Oil Payment Program (OPP) to make payments to qualifying jurisdictions for implementation of their used oil programs; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the Used Oil Payment Program; and

WHEREAS, the Used Oil Payment Program allows regional participation; and

WHEREAS, CalRecycle's procedures for administering the Used Oil Payment Program require, among other things, a regional applicant's governing body to declare by resolution certain authorizations related to the administration of the Used Oil Payment Program.

NOW, THEREFORE, BE IT RESOLVED that the Coachella Valley Association of Governments authorizes the submittal of a Used Oil Payment Program regional application on behalf of itself as Lead Agency and the participating agencies/jurisdictions (see attached listing); and

BE IT FURTHER RESOLVED that the Signature Authority is hereby authorized to revise the list of participating agencies as necessary with each yearly application; and

BE IT FURTHER RESOLVED that the Executive Director, or his/her designee, is hereby authorized and empowered to execute in the name of the Coachella Valley Association of Governments all documents necessary to implement and secure said payments to support our Used Oil Collection Program.

BE IT FURTHER RESOLVED that this Resolution is effective until rescinded by the signature authority and/or this governing body.

The foregoing Resolution was passed by the Executive Committee this 27th day of June 2022.

Christy Gilbert Holstege, Esq.
CVAG Chair

ATTEST:

Tom Kirk, Executive Director

List of Participating Jurisdictions
In CalRecycle's
Used Oil Payment Program
with CVAG on behalf of itself as Lead Agency and the
Participating Jurisdictions Beginning with Fiscal Year 2022/2023

Applicant:

Coachella Valley Association of Governments

Lead Agency

Participants:

City of Blythe
City of Cathedral City
City of Coachella
City of Desert Hot Springs
City of Indian Wells
City of Indio
City of La Quinta
City of Palm Desert
City of Palm Springs
City of Rancho Mirage

**AMENDMENT NUMBER FOUR
TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
HF&H CONSULTANTS, LLC
FOR THE
USED OIL RECYCLING PROGRAM**

This **AMENDMENT NUMBER FOUR** is made and entered into this ____ day of ____ 2022, by and between **Coachella Valley Association of Governments**, a California joint powers agency ("**CVAG**"), and **HF&H CONSULTANTS, LLC** ("**CONSULTANT**"), and is made with reference to the following background facts and circumstances. All other terms and conditions shall remain the same as stated in the original Agreement dated September 26, 2016 for the Used Oil Recycling Program.

1. This Amendment Number Four extends the term of the Agreement to June 30, 2023, with an option to extend one additional year.
2. This Amendment Number Four replaces Exhibit A. Scope of Work in its entirety with the attached Exhibit A. Scope of Work for FY 2022/2023.
3. This Amendment Number Four increases the total amount payable under this Agreement for FY 2022/2023 to a not-to-exceed amount of \$45,160.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Four to be executed by their duly authorized representatives on this date:

**COACHELLA VALLEY ASSOCIATION OF
GOVERNMENTS**

HF&H CONSULTANTS, LLC

By: _____
Christy Gilbert Holstege, Esq., Chair

By: _____
Laith Ezzet, Senior Vice President

HF&H CONSULTANTS, LLC

COST PROPOSAL TO THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS TO PROVIDE USED OIL RECYCLING PROGRAM ASSISTANCE

JUNE 16, 2022

HF&H will perform the scope of work as contained in the workplan (see table 2). HF&H will plan for and organize seven (7) Used Oil and Oil Filter Collection Events, perform seven (7) virtual Certified Collection Center site visits, prepare and submit the application for OPP Cycle funds, and prepare the Annual Report, as detailed in table 2. HF&H staff will attend, in person, the first used oil filter event to provide training to CVAG staff and/or Southern California Mountains Foundation staff on event day procedures.

In order to offset the reduced Oil Payment Program (OPP) Grant Funds, CVAG will organize the drawing contest and contract for day of event staffing with the Southern California Mountains Foundation to provide one (1) representative for each event. CVAG and/or the Southern California Mountains Foundation will be responsible for receiving and storing event supplies and equipment, bringing supplies and equipment to the AutoZone site on event day, coordinating with AutoZone employees and management on event day, completing Certified Collection Center site visits at event location, completing attendee surveys during the event, paying for and/or obtaining receipts for oil filters at the conclusion of the event, and providing copies of surveys and receipts from events to HF&H by email.

Our proposed billing rates and budgets for the project are shown in the tables below. Out-of-pocket travel expenses will be billed at actual cost and are included in the budget below. The budget does not include purchasing giveaways, printing, radio promotion, or filter exchange reimbursement.

HF&H will perform the scope of work for FY 2022/23. An option to extend the contract for an additional year by mutual agreement has been included below and may be discussed at the end of the first contract year. The ability to extend will depend on the level of grant funding received in OPP 13 and 14.

Table 1 Proposed HF&H Consulting Budget

Year	Billing Rate	Annual Budget	FY 2021/2022 Annual Report	Total Budget
FY 2022-23	\$145	\$45,160	\$4,900	\$50,060
FY 2023-24	\$152	\$47,418	N/A	\$47,418

**Table 2 CVAG Used Oil Program - HF&H Consultants Workplan
FY 2022-23**

TASK DESCRIPTION	Engagement Director & Advisor	Project Manager	Support Staff	Total Hours
Used Oil Filter-Exchange Events				
1. Pre- Event Coordination				
A. Prepare annual event budget and advertising strategy	2	2	4	8
B. Coordinate advertising opportunities and event preferences with CVAG cities		2	14	16
C. Drawing Contest - Prepare Submission Form Only		2	14	16
D. Obtain vendor quotes		2	12	14
E. Develop event schedule with participating cities		1	6	7
F. Prepare and submit special land use permits and certificates of insurance		2	12	14
G. Coordinate promotional item purchase and distribution		2	4	6
H. Design campaign flyer/posters and other print media. Coordinate production and distribution to stores and other targeted locations.		<u>2</u>	<u>20</u>	<u>22</u>
Task 1: Hours	2	15	86	103
Task 1: Budget				\$ 14,935
2. Used Oil Filter Exchange Events (7 events)				
A. Contact/coordinate with event sites			10	10
B. Coordinate promotional item purchase and distribution		2	4	6
C. Coordinate on-site equipment		1	8	9
D. Provide staff training at one event			8	8
E. Onsite Translators			<u>74</u>	<u>74</u>
Task 2: Hours		3	104	107
Task 2: Budget				\$ 15,515
3. Project Measurement and Monitoring (i.e. Record Event Data)	2	6	12	20
Task 3: Budget				\$ 2,900
4. Additional Advertising				
A. Order radio commercials and/or remotes for each event		1	6	7
B. Advertise event in Coachella utility bill one time			4	4
C. Maintain email list and send upcoming event announcements			<u>4</u>	<u>4</u>
Task 4: Hours		1	14	15
Task 4: Budget				\$ 2,175
5. Seven (7) Virtual Certified Center Inspections	0	0	4	4
Task 5: Budget				\$ 580
6. Grant Application and Report Assistance	1	8	50	59
Task 6: Budget				\$ 8,555
7. Provide Support at Meetings as Requested by CVAG				
A. Prepare and Present Annual Results (if requested by CVAG)		Optional Task - Time and materials		
B. Additional meetings on request		Optional Task - Time and materials		
Task 7: Budget				\$ -
Total Hours	5	33	270	308
Average Hourly Rate				\$ 145
Total Professional Fees				\$ 44,660
Travel Expenses				\$ 500
Total FY 2022/23 Fees and Expenses*				\$ 45,160
Fees to complete 2021/22 Annual Report				\$ 4,900
Total Fees and Expenses*				\$ 50,060

* Excludes printing, radio, promotion items and oil filters

**Table 3 Proposed Total Grant Program Budget
FY 2022-23**

Row	Item	2022/2023 Proposed Budget
1	Projected OPP Funds Available (1)	\$ 94,239.10
2	Oil Recycling Containers	\$ -
3	Not Offered	
4	Funnels and Shop Rags	\$ 900.00
5	Adapt Consulting - Shop Rags Only	
7	Ziploc Bags	\$ -
8	Ziploc Bags (Carryover)	
9	Event Flyers and Posters (2)	\$ 1,726.00
10	The Printing Place - 1,600 Color Flyers	\$ 1,093.00
11	The Printing Place - 14 Color Posters	\$ 633.00
12	Drawing Contest (CVAG to organize and facilitate Contest)	\$ 575.00
13	The Printing Place 800 B&W Flyers	\$ 230.00
14	Peach Jar	\$ 345.00
15	Radio Event Advertising (2)	\$ 8,970.00
16	The Eagle 106.9 for La Quinta and Palm Springs	\$ 575.00
17	KPLM - Big 106 for Palm Springs and La Quinta	\$ 460.00
18	KRHQ - Q102.3 Classic Rock for Palm Springs and La Quinta	\$ 345.00
19	KUNA - 2023 All Events	\$ 5,750.00
20	KUNA - Radio Remote at Coachella	\$ 1,380.00
21	River Rat Radio - Blythe	\$ 460.00
22	Additional Advertising	\$ 863.00
23	City of Coachella Billing Insert	
24	New Oil Filters (CVAG Invoices) (3)	\$ 6,684.00
25	Coachella - 358 filters	\$ 4,296.00
26	Blythe - 17 filters	\$ 204.00
27	Cathedral City - 50	\$ 600.00
28	Palm Desert - 35 filters	\$ 420.00
29	DHS - 25 filters	\$ 300.00
30	La Quinta - 50 filters	\$ 600.00
31	Palm Springs - 22 filters	\$ 264.00
32	HF&H (4)	\$ 45,160.00
33	Estimated CVAG Administrative Expenses	\$ 100.00
34	Estimated CVAG Staff Time (5)	\$ 7,500.00
35	Southern California Mountains Foundation	
36	Predicted Expenditures	\$ 72,478.00
37	HF&H Cost for FY 2021/2022 Annual Report	\$ 4,900.00
38	Total Funding Required for FY 2022/2023	\$ 77,378.00
39	Remaining Funds Available	\$ 16,861.10
40	Predicted OPP 14 Funds	\$ 55,338.00
41	Predicted 2023/2024 Funds	\$ 72,199.10

(1) Assumes \$38,901.10 remaining after FY 2021/2022 and an OPP 13 award of \$55,338.

(2) Based on FY 2018/19 actual expenditures adjusted for inflation by 15%.

(3) New predicted expenditures based on \$12 filter coupons.

(4) HF&H's budget includes planning and organization for 7 events, OPP 14 application, 2023/2024 annual report, translators for 7 events and training staff for 1 event.

(5) CVAG's Staff time includes bringing all materials to the events, staffing events, performing 7 Certified Collection Center site visits, and organizing the drawing contest.

ITEM 8A

Coachella Valley Association of Governments Executive Committee June 27, 2022



STAFF REPORT

Subject: CVAG Officer Rotation for FY 2022/2023

Contact: Jennifer Nelson, Executive Assistant/ Clerk (jnelson@cvag.org)

Recommendation: Nominate the representative from the City of Coachella to serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs to serve as FY 2022/2023 Vice Chair

Administrative/ Personnel Committee: Confirmed the rotation of officers (Meeting of April 21)

Background: The CVAG Executive Committee annually provides a nomination for the CVAG officers to the General Assembly, which meets each June. In 2019, the CVAG Executive Committee discussed the need for a more formal process of choosing the incoming officers. This led to an update to the CVAG By-Laws, which established a rotation that would elect a member jurisdiction's representative rather than a specific individual. The By-Laws also state that *"Based on a recommendation of the Administrative/Personnel Committee, the Executive Committee may in making its nominations deviate from the strict rotation set forth above if determined to be in CVAG's best interests."*

CVAG's officers are now based on jurisdiction and not individual elected officials. The rotation was last updated at the 2021 General Assembly meeting to reflect additional tribal members. The approved rotation is as follows: *Agua Caliente Band of Cahuilla Indians, Indio, Cabazon Band of Mission Indians, Torres Martinez Desert Cahuilla Indians, Twenty-Nine Palms Band of Mission Indians, Palm Springs, Coachella, Desert Hot Springs, Rancho Mirage, Riverside County's Fourth Supervisorial District, Blythe, La Quinta, Palm Desert, Cathedral City, Indian Wells, Riverside County's Fifth Supervisorial District.*

CVAG's current officers are the representative from the City of Palm Springs serving as CVAG Chair and the representative from the City of Coachella serving as Vice Chair.

The By-laws include a stipulation that requires 75 percent attendance or more of the Executive Committee meetings "in the previous year." The City of Coachella has missed one Executive Committee meeting held in this fiscal year, and the City of Desert Hot Springs has had perfect attendance – meaning both meet the threshold. This item was presented to the Administrative/Personnel Committee at its April 2022 meeting, and the Committee confirmed the representative from the City of Coachella should serve as FY 2022/2023 Chair and the representative from the City of Desert Hot Springs should serve as the FY 2022/2023 Vice Chair.

CVAG staff will present the Executive Committee's recommendation to the General Assembly when it meets later in the evening on June 27, 2022.

Fiscal Analysis: There is no additional fiscal impact as CVAG officers receive the same per diem as other members.

ITEM 8B

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: CVAG Fiscal Year 2022/23 Budget

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Approve Resolution No. 2022-005 adopting CVAG's 2022/23 Fiscal Year Annual Budget, Salary Schedule, and Allocated Positions

Finance Committee: Approved moving the proposed FY 2022/2023 budget forward to the Executive Committee for review and consideration (Meeting of May 31)

Background: The CVAG Finance Committee met on May 31 to review CVAG's preliminary budget for the Fiscal Year 2022/23. Following this, staff presented an in-depth review of the budget to the Executive Committee on June 6, 2022. With the exception of updating the document to reflect the new name of the Cabazon Band of Cahuilla Indians, staff did not receive any additional comments or updates since the meeting.

The budget is now being presented to the Executive Committee for recommendation of adoption. Upon the Executive Committee's recommendation, the budget will be presented for adoption at the General Assembly meeting on June 27, 2022.

CVAG staff notes that, due to timing of when the draft budget was finalized and distributed to Committees and the Fiscal Year 2020/21 audited financial statements were issued, there are minor differences in FY2020/21 actuals as presented for informational and comparative purposes within the budget book. These items included expenses recorded in FY 2020/21 column for CV Link and CV Sync, as well as revenue for Desert Community Energy (DCE) that would net out in FY 2021/22 estimated column. As these items net out in the estimated FY 2021/22 column provided for comparative purposes, they in no way affect any FY 2022/23 budgeted figures previously presented.

The CVAG Fiscal Year 2022/23 Budget can be found online:

https://cvag.org/library/pdf_files/admin/CVAG%20Financials%20Reports%20FY_2022_2023/CVAG_Budget20222023.pdf

Fiscal Analysis: The fiscal analysis is included within the budget itself.

Attachment: CVAG Resolution No. 2022-005

RESOLUTION NO. 2022-005

**A RESOLUTION OF THE
GENERAL ASSEMBLY OF THE
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
ADOPTING THE FISCAL YEAR 2022/23
ANNUAL BUDGET, SALARY SCHEDULE, AND
ALLOCATED POSITIONS**

THE GENERAL ASSEMBLY OF THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, the Coachella Valley Association of Governments was established under Joint Powers Agreement established on or about November 1973 under and pursuant to Government Code Section 6500 et seq. and other pertinent provisions of law; and

WHEREAS, under Section 4.1 of the Joint Powers Agreement as amended, the General Assembly shall adopt an annual budget for the ensuing fiscal year; and

WHEREAS, this budget pertains to Fiscal Year July 1, 2022, through June 30, 2023; and

WHEREAS, the Administrative/Personnel Committee and the Executive Committee have recommended an 8.6 percent cost of living increase effective July 1, 2022 on the existing base membership dues for the current fiscal year; and

WHEREAS, the Administrative/Personnel Committee and the Executive Committee have recommended a 3.5 percent cost of living increase to the Fiscal Year 2021/22 salary schedule effective July 1, 2022, inclusive of positions created during the 2021/22 fiscal year; and

WHEREAS, CVAG is undertaking a Classification and Total Compensation Study that will be presented to the CVAG Administrative/Personnel Committee on or about September 2022 with recommendations concerning the salary schedule and allocation of CVAG personnel positions; and

WHEREAS, CVAG's Executive Committee has delegated to its Administrative/Personnel Committee the task of implementing the Classification and Total Compensation Study; and

WHEREAS, the Fiscal Year 2022/23 Budget was presented to the General Assembly at a duly noticed public meeting for its consideration and adoption.

NOW THEREFORE BE IT RESOLVED as follows:

1. The General Assembly adopts the Fiscal Year 2022/23 Annual Budget.
2. The General Assembly adopts the CVAG Salary Schedule and allocation of positions as presented in the 2021/2022 Fiscal Year budget plus a 3.5% cost of living adjustment.
3. The General Assembly acknowledges that the Administrative/Personnel

Committee is empowered to and may modify the personnel classification system and the salary schedule based on the outcome of the Classification and Total Compensation Study within the limits of the personnel expenses as set forth on the Overall Agency Summary in the Fiscal Overview on page 19 under budget line "Salaries" of the Fiscal Year 2022/23 Annual Budget.

PASSED AND ADOPTED, by the General Assembly of the Coachella Valley Association of Governments, County of Riverside, State of California on June 27, 2022.

By: _____
Christy Gilbert Holstege, Esq
CVAG Chair

Witnessed By: _____
Tom Kirk
Executive Director

ITEM 8C

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Inland Regional Energy Network Agreements, Governance and Programs

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: 1.) Authorize the Executive Director to finalize and execute the Programs and Budgets Agreement, Memorandum of Agreement, and Governance & Operations Charter for the Inland Regional Energy Network (I-REN) Program; and 2.) Delegate the Chair of the Energy & Environmental Resources Committee, or when absent the Vice Chair and then the Executive Director or his designee, as the CVAG voting representative on the I-REN Executive Committee

Background: As previously reported, CVAG has been collaborating with Western Riverside Council of Governments (WRCOG) and San Bernardino Associated Governments (SANBAG) to start the Inland Regional Energy Network (I-REN). The California Public Utilities Commission (CPUC) approved the I-REN application and business plan in November 2021. CVAG staff have worked with the program's partnerships to draft the governing documents needed to launch I-REN programming; however, final details remain. With this item, CVAG staff is recommending authority be provided to the Executive Director to finalize and execute the governing documents – allowing the work on programs to begin in earnest this summer -- and confirm the representation on the I-REN Executive Committee.

Staff of the three member Councils of Governments (COG) have worked with SoCalGas – which the CPUC designated as the fiscal and contracting agent for I-REN – to finalize a Programs and Budgets Agreement (Programs Agreement). Southern California Edison is also party to the Programs Agreement. The Programs Agreement establishes the fiscal authority of SoCal Gas and defines how I-REN funds are to be transferred from one agency to another, setting out the roles and deliverables of SoCalGas and WRCOG in invoicing, reporting and payments.

Additionally, the staffs have reached agreement on the I-REN governance structure, which was previewed in a presentation at the February meeting of the Energy & Environmental Resources Committee. The governance structure is detailed in a Memorandum of Agreement (MOA) and a Governance & Operations Charter (Charter).

The MOA assigns authority to approve all contracts and agreements to a new I-REN Executive Committee that will consist of representatives – up to three from each COG, selected by that COG – and will meet on a quarterly basis. The MOA will also grant WRCOG the authority to be the administrative lead COG for I-REN, with responsibility for managing all invoicing, purchasing and contracts. WRCOG's Executive Director will have the authority to take actions and execute agreements on behalf of WRCOG as the Administrative Lead COG following the approval of such actions and agreements by the I-REN Executive Committee. WRCOG will also serve as primary regulatory contact manager for I-REN and oversee its day-to-day operations.

The Charter is an exhibit to the MOA that defines roles and responsibilities and delineate scopes of authority of each member COG and their respective staffs carrying out I-REN activities. Each

member COG will be responsible for leading one of the three sectors: Public sector, Workforce Education & Training sector, and Codes & Standards sector. CVAG will lead on developing and implementing I-REN's Codes & Standards sector, and WRCOG and SANBAG will share lead responsibility for developing and implementing the Public Sector and Workforce Education & Training sectors. Although there will be a lead COG for some sectors, each COG will be involved in the development of I-REN's programs in each sector and each COG will be responsible for implementing programs within their jurisdictions. Additionally, the Charter provides additional details on the I-REN Executive Committee's structure, composition and duties. The Charter also establishes processes and channels for effective and transparent communication and decision making and will accommodate future expansion of programs and capacity to scale.

The Programs Agreement was provided by SoCalGas and reflects its standards terms as the CPUC's designated fiscal agent for I-REN. Staff of the three member COGs reviewed similar MOAs and Governance & Operations Charters before drafting those documents. Respective legal counsel for the three member COGs have reviewed all the agreements, which include their edits and suggestions. At the June 9 meeting, the Energy & Environmental Resources Committee recommended the Executive Committee approve the Programs Agreement, MOA and Charter and authorize the Executive Director, in consultation with Legal Counsel, to negotiate and take such action necessary and appropriate to finalize and execute such agreements, including any exhibits, schedules, certificates, and ancillary documents.

I-REN Governance

As noted above, I-REN will be governed by a new Executive Committee, which will hold open and public meetings on a quarterly basis and consist of representatives from each member COG. The I-REN Executive Committee will have the final responsibility to make all executive decisions regarding overall I-REN prioritization, managing portfolio-level budgets, program design, authorizing relevant CPUC regulatory filings, and authorizing of any procurements.

Each member COG will have three votes on the I-REN Executive Committee. Each COG's governing board will determine how its voting power will be exercised, including the number of representatives it will have on the Executive Committee and whether its representatives will be elected officials, staff members, or a combination of elected officials and staff members. Decisions will be made based on majority of the total votes cast on a matter, with each member COG having its full three votes independent of the number of its representatives present at the meeting. For example, if one COG had only one representative present at the meeting, that COG member would still get three votes. If another COG had three representatives present, each would get one vote, totaling three votes for that COG.

At the February 2022 meeting, CVAG staff outlined various options for the Energy & Environmental Resources Committee's consideration. The consensus from the Committee was to allow the Energy & Environmental Resources Committee to review and provide direction on all items being considered at the I-REN Executive Committee, and delegate voting on such items to the Energy & Environmental Resources Committee Chair, or, in the Chair's absence, to the CVAG Executive Director and/or the Executive Director's designee. At the June 9 meeting, the Energy and Environmental Resources Committee further clarified that if the Chair is not available, the Energy and Environmental Resources Committee Vice Chair shall attend on CVAG's behalf before this role is delegated to the Executive Director and/or his designee. Staff supports this direction and is recommending it be formalized with a vote.

Fiscal Analysis: There is no cost to CVAG for the adoption of the governing documents. Staff time dedicated to I-REN is covered through the I-REN budget, which is nearly \$65.6 million through the 2027. This funding comes from customers of Investor-Owned Utilities (IOUs) such as SCE and

SoCalGas through the on-bill Public Goods Charge levied by the IOUs. The I-REN Executive Committee will, as part of its budget process, determine amounts to be allocated in furtherance of I-RENs programs.

The I-REN budget provides for additional administrative support. In order to properly manage the upcoming programming, recruitment of additional CVAG staff members to work on I-REN programs is underway.

Attachments: Draft Programs and Budgets Agreement, Draft Memorandum of Agreement, and Draft Governance & Operations Charter

**INLAND REGIONAL ENERGY NETWORK
ENERGY EFFICIENCY
PROGRAMS AND BUDGETS AGREEMENT
FOR YEARS 2022-2027**

THIS INLAND REGIONAL ENERGY NETWORK – ENERGY EFFICIENCY PROGRAMS AND BUDGETS AGREEMENT FOR YEARS 2022-2027 (hereinafter, and as further defined below, the “Programs Agreement”) is entered into and made effective, subject to Section 7.13, as of **[CURRENT DATE]**, 2022 (the “Effective Date”), by and among:

The Western Riverside Council of Governments (the “WRCOG”), a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 et. seq.) (the “Act”) and that certain Joint Power Agreement entered into on [April 1, 1991], as amended from time to time (the “WRCOG JPA”), by and among the WRCOG Agencies (as defined in Section 2.21) on behalf of itself as well as in its capacity as the I-REN Authorized Agent (as defined in recital R3.); and

Southern California Gas Company (“SoCalGas”), an investor-owned, California public utilities corporation, with its principal place of business in Los Angeles, California, and a wholly owned subsidiary of Semptra Energy, a California Corporation; and

Southern California Edison (“SCE”), an investor-owned, California public utilities corporation, with its principal place of business in Rosemead, California, and a wholly owned subsidiary of Edison International, a California corporation; and

For purposes of Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Articles XIII and XVI only, the Coachella Valley Association of Governments (the “CVAG”), a joint exercise of powers authority established pursuant to the Act and that certain Joint Power Agreement entered into on or about November 1973, as amended from time to time (the “CVAG JPA”), by and among the CVAG Agencies (as defined in Section 2.8); and

For purposes of Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Articles XIII and XVI only, the San Bernardino Associated Governments (the “SANBAG”), a joint exercise of powers authority established pursuant to the Act and that certain Joint Power Agreement entered into on June 8, 1973, as amended from time to time (the “SANBAG JPA”), by and among the SANBAG Agencies (as defined in Section 2.17).

RECITALS

R1. On February 26, 2021, the WRCOG filed a motion with the Commission to recognize the consortium of the WRCOG, the CVAG and the SANBAG (collectively, the “Constituent COGS”) as a regional energy network (a “REN”) (as originally introduced by the Commission in its decision, *Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education and Outreach* (D.12-05-015)) to be known as, the Inland Regional Energy Network (the “I-REN”), and to approve the I-REN’s proposed energy efficiency rolling portfolio business plan and budget (the “Business Plan & Budget”) concerning the proposed program areas and certain administrative costs associated therewith incorporated into such motion, as further described herein. This motion was made in accordance with various decisions of the Commission, including *Decision Re Energy Efficiency Goals for 2016 and Beyond and Energy Efficiency Rolling Portfolio Mechanics* (D.15-10-028), *Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings* (D.16-08-019), *Decision Addressing Energy Efficiency Business Plans* (D.18-05-041), and *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation* (D.19-12-021).

R2. On November 22, 2021, the Commission issued its decision, *Approval of Inland Regional Energy Network Energy Efficiency Business Plan* (D.21-11-013) (the “Decision”), pursuant to which, among other

things, the Commission (i) approved the I-REN as a REN and as a full energy efficiency program administrator, (ii) approved the Business Plan & Budget by authorizing energy efficiency funding in the aggregate amount of Sixty-Five Million Five Hundred Seventy-Seven Thousand Nine Hundred Thirty-Two Dollars and Zero Cents (\$65,577,932.00) for the years 2022 through 2027, (iii) appointed SoCalGas to serve as the fiscal and contracting agent utility for the I-REN, and (iv) instructed SoCalGas and SCE to coordinate administratively with respect to the collection and distribution of electric funds supporting the I-REN's activities.

R3. Pursuant to that certain Memorandum of Agreement (the "MOA") (including the I-REN Governance and Operations Charter attached as Exhibit C thereto and incorporated therein by reference), dated as of [] **[TO BE DATED PRIOR TO THIS PROGRAMS AGREEMENT]**, 2022, by and among the Constituent COGS, and in accordance with Section 3.1, the Constituent COGS, by and through each of their respective executive committees, have agreed, adopted and approved that the WRCOG be the authorized Administrative Lead COG, fiscal agent, purchasing and contracting entity, and the primary regulatory contact manager for the I-REN as well as the authorized agent for and on behalf of the Constituent COGS under this Programs Agreement (the WRCOG, acting in such capacity and performing such roles is referred to herein as, the "I-REN Authorized Agent").

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, each of the WRCOG, on behalf of itself and the Constituent COGS, SCE and SoCalGas agree as follows:

ARTICLE I Documents

Section 1.1 This base document (including its Recitals) along with the Exhibits expressly listed below, as well as any documents expressly incorporated herein, collectively form, and are referred to throughout and hereinafter as, the "Programs Agreement." The Parties intend that this Programs Agreement be read and interpreted as a single and unified document, without giving interpretive precedence to where a provision is located in the Programs Agreement. The Exhibits are as follows:

Exhibit A-1: the I-REN Public Sector Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit A-2: the I-REN Workforce Education and Training Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit A-3: the I-REN Codes & Standards Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit B Maximum Contract Sum and IOU Maximum Contribution **[TO BE PROVIDED BY IOUs]**

Exhibit C Security Incident Response Provision **[TO BE PROVIDED BY IOUs]**

Exhibit D Computing System and Security Review and Obligations **[TO BE PROVIDED BY IOUs]**

Exhibit E Monthly Invoicing and Reporting Requirements

Exhibit F Energy Efficiency Policy Manual Version 6, April 2020

Exhibit G Time & Materials Hourly Rate Schedule

Exhibit H Commission Approved JCMs

Exhibit I The MOA (including the Charter)

Exhibit J Program Coordinating Committees [**TBD**]

Exhibit K Description of I-REN Service Territory [**TBD**] [**MAP OF 3 COG'S JURISDICTIONS TO BE PROVIDED**]

Section 1.2 This Programs Agreement constitutes the complete and exclusive statement of understanding among the Parties and supersedes any previous agreements, amendments, written or oral, and all communications among the Parties relating to the subject matter herein. To the extent that there is any conflict of, or inconsistency in, interpretation between this Programs Agreement and the Decision (or any other decision of the Commission), the Decision (or such decision of the Commission) shall be given interpretive priority. To the extent that there is a direct and explicit conflict between the body of the Programs Agreement and the Implementation Plan, as approved by the Commission, the Implementation Plan shall control. Captions and Section headings used in this Programs Agreement are for convenience only and are not intended to be used in interpreting this Programs Agreement.

ARTICLE II

Definitions

The terms and phrases in this Article 2, in quotes and with initial letter(s) capitalized, shall have the meanings set forth below whenever used in this Programs Agreement.

Section 2.1 “Administrative Lead COG” means WRCOG serving in its capacity as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN.

Section 2.2 “Authorized Work” means any and all goods, services, materials and deliverables and related obligations to be performed and undertaken by an administrator or implementor of an I-REN Program, pursuant to a contract between a Subcontractor (or Third-Party Contractor), on the one hand, and an I-REN Constituent Agency, on the other hand, as approved by the WRCOG, in its capacity as the I-REN Authorized Agent, in conformance with an Implementation Plan, this Programs Agreement and the Decision or as otherwise authorized by the Commission.

Section 2.3 “Business Day” is the measurement period of time, for purposes of this Programs Agreement, from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.

Section 2.4 “Calendar Day” is the measurement period of time, for purposes of this Programs Agreement, from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Programs Agreement are Calendar Days.

Section 2.5 “CEDARS” means the California Energy Data and Reporting System.

Section 2.6 “CFA” means that certain Co-Funding Agreement, dated as of the Effective Date, by and between SCE and SoCalGas, pursuant to which SCE and SoCalGas have agreed to work together to coordinate administratively with respect to the collection and distribution of utility rate-payer funds supporting the I-REN's activities and to appoint SoCalGas as the lead fiscal and contracting agent utility for the I-REN.

Section 2.7 “Commission” means the California Public Utilities Commission.

Section 2.8 “CVAG Agencies” means, collectively, the following member, local government agencies and tribal governments of the CVAG as of the Effective Date (which may thereafter change from time to time): the County of Riverside, the City of Coachella, the City of Indio, the City of La Quinta, the City of Indian Wells, the City of Palm Desert, the City of Rancho Mirage, the City of Cathedral City, the City of Palm Springs, the City of Desert Hot Springs, the City of Blythe, the Agua Caliente Band of Cahuilla Indians, the Cabazon Band of Mission Indians and the Torres Martinez Tribe; “CVAG Agency” means any individual member, local government agency or and tribal government thereof.

Section 2.9 “Customer” or “Customers” means, whether singular or plural, whether residential, commercial or otherwise, those persons or entities receiving electrical service from SCE (i.e., electric utility ratepayers) or natural gas service from SoCalGas (i.e., natural gas utility ratepayers), who pay the ‘public goods charge,’ pursuant to Section 381 of the California Public Utilities Code, or the ‘gas surcharge,’ pursuant to the Sections 890-900 of the California Public Utilities Code, respectively, in each case, for public purposes programs, including energy efficiency programs approved by the Commission.

Section 2.10 “EM&V Activities” means those evaluation, measurement and verification activities undertaken by the I-REN or any I-REN Constituent Agency, including data collection, Commission evaluation activities, as well as process, market and sector analysis for I-REN Program planning and implementation pursuant to the Decision and other Commission requirements.

Section 2.11 “Incentive” has the meaning used in the Commission’s Energy Efficiency Policy Manual, Version 6, April 2020, as may be supplemented or updated from time to time.

Section 2.12 “Implementation Plan” means the document filed by the WRCOG on behalf of I-REN and approved by the Commission, which addresses the design and implementation of the work and activities of one or more I-REN Programs, including the description of the I-REN’s implementation strategies and tactics, program processes, program targets and deliverables conforming to the Decision or other written Commission decisions or directives, and attached to this Programs Agreement as one of its Exhibit As. For future Implementation Plan amendments and updates, once the Commission has approved the revised Implementation Plan, such approved Implementation Plan shall be attached as an Exhibit A and shall be automatically incorporated herein. Any subsequent changes or modifications by the Commission to an Implementation Plan shall also be automatically incorporated into and attached as an Exhibit A and shall be incorporated herein. As between Implementation Plans, the most recent Commission-approved Implementation Plan shall be controlling.

Section 2.13 “I-REN Constituent Agencies” means, collectively, the Constituent COGS, the WRCOG Agencies, the CVAG Agencies and the SANBAG Agencies; “I-REN Constituent Agency” means any individual member, local government agency(ies) thereof (including any constituent agency of the same).

Section 2.14 “JCM” means those certain Joint Cooperation Memorandums to be jointly filed with the Commission annually by the Parties as a Tier 2 Advice Letter pursuant to the Decision and as approved by the Commission during the term of this Program Agreements, as may be amended and updated from time to time.

Section 2.15 “Parties” means, collectively, the WRCOG, SCE and SoCalGas. CVAG and SANBAG have executed this Programs Agreement only for purposes of agreeing to Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Sections XIII and XVI hereof, but are otherwise not considered Parties hereto; “Party” means, individually, each of the WRCOG, SCE or SoCalGas.

Section 2.16 “Program Expenditures” means actual (i.e., no mark-up for profit, administrative or other indirect costs), reasonable expenditures by any of the I-REN Constituent Agencies in solely targeted and direct support of an I-REN Program or Commission-approved EM&V Activity.

Section 2.17 “SANBAG Agencies” means, collectively, the following member, local government agencies of the SANBAG as of the Effective Date (which may thereafter change from time to time): [_____]; “SANBAG Agency” means any individual member, local government agency thereof. Notwithstanding the foregoing, the Party’s agree that the Utilities will only have to recognize those constituents of the SANBAG Agencies (and any Authorized Work relating thereto) that comport in all respects with the Decision and its reference to the “San Bernardino Council of Governments.”

Section 2.18 “Subcontractor” means a person or an entity (or any subcontractor thereof) contracting directly with any of the I-REN Constituent Agencies to furnish services or materials as part of or directly related to an I-REN Program and this Programs Agreement.

Section 2.19 “Third-Party Contractor” is a person or an entity participating in any of the I-REN Programs to furnish services or materials as part of or directly related to an I-REN Program. To be a Third-Party Contractor, the following conditions must be met: (1) the person or entity is not an employee, Subcontractor, or agent of any I-REN Constituent Agency, (2) the person or entity does not have a contractual relationship with any I-REN Constituent Agency relating to any of the I-REN Programs, and (3) the person or entity’s participation in the I-REN Programs is not controlled, directly or indirectly, by any I-REN Constituent Agency.

Section 2.20 “Utility” means SCE or SoCalGas, individually; “Utilities” means SCE and SoCalGas, collectively.

Section 2.21 “WRCOG Agencies” means, collectively, the following member, local government agencies of the WRCOG as of the Effective Date (which may thereafter change from time to time): The County of Riverside , the City of Banning, the City of Beaumont, the City of Calimesa, the City of Canyon Lake, the City of Corona, the City of Eastvale City of Hemet, the City of Jurupa Valley, the City of Lake Elsinore, the City of Menifee, the City of Moreno Valley, the City of Murrieta, the City of Norco City of Perris, the City of Riverside, the City of San Jacinto, the City of Temecula, the City of Wildomar, the Eastern Municipal Water District, the Western Municipal Water District, and the Riverside County Superintendent of Schools; “WRCOG Agency” means any individual member, local government agency thereof.

ARTICLE III

I-REN Authorized Agent and I-REN Programs

Section 3.1 Appointment of I-REN Authorized Agent.

(a) By the approval of this Programs Agreement by each of the Constituent COGS, and in accordance with the MOA, each of the Constituent COGS hereby irrevocably appoints and constitutes the WRCOG as its respective exclusive agent, proxy and attorney-in-fact, with full power of substitution, to act on behalf of the Constituent COGS for the purposes specified herein (including the Recitals hereto) as the I-REN Authorized Agent including the full power and authority to act on the Constituent COGS behalf with respect to this Programs Agreement as well as the I-REN and the I-REN Programs, including, without limitation, to act as the I-REN’s authorized Administrative Lead COG, fiscal agent, purchasing and contracting entity, and primary regulatory contact manager, and to bind the Constituent COGS to the rights and obligations described herein. The Constituent COGS, by approving this Programs Agreement, further agree that such exclusive agency, proxy and attorney-in-fact and the powers and immunities granted to the I-REN Authorized Agent hereunder (i) are coupled with an interest, are therefore irrevocable without the consent of the I-REN Authorized Agent, and (ii) shall be binding upon the successors, heirs, executors, administrators and legal representatives of each of the Constituent

COGS and shall not be affected by, and shall survive, the bankruptcy, dissolution or liquidation of any of the I-REN Constituent Agencies.

(b) All decisions, actions, consents and instructions by the I-REN Authorized Agent shall be binding upon all of the Constituent COGS, and none of the Constituent COGS shall have the right to object to, dissent from, protest or otherwise contest any such decision, action, consent or instruction. The Utilities shall be entitled to rely on any decision, action, consent or instruction of the I-REN Authorized Agent as being the decision, action, consent or instruction of the Constituent COGS, and each of the Utilities are hereby relieved from any liability to any person for acts done by them in accordance with any such decision, act, consent or instruction.

(c) The I-REN Authorized Agent shall have such powers and authority as are necessary to carry out the functions assigned to it under this Programs Agreement. Without limiting the generality of the foregoing, the I-REN Authorized Agent shall have full power, authority and discretion to: (i) consummate the transactions contemplated by this Programs Agreement; (ii) negotiate disputes arising under, or relating to, this Programs Agreement; (iii) receive and disburse the payments it receives from SoCalGas pursuant to Section 7.6, whether to Third-Party Contractors, Subcontractors, the I-REN Constituent Agencies or otherwise; (iv) withhold any amounts received under this Programs Agreement or otherwise to satisfy any and all obligations or liabilities incurred by the I-REN Authorized Agent in the performance of its duties hereunder; (v) execute and deliver any amendment or waiver to this Programs Agreement (without the prior approval of the other Constituent COGS); and (vi) take all other actions to be taken or refrain from taking such action by or on behalf of the Constituent COGS in connection with this Programs Agreement.

(d) By the approval of this Programs Agreement and the MOA, each of the Constituent COGS hereby, severally, but not jointly, agrees to indemnify and hold harmless the I-REN Authorized Agent and its partners, managers, officers, agents and other representatives from and against any losses, liabilities, costs, claims, damages, expenses (including reasonable attorneys' fees and costs of other skilled professionals and in connection with seeking recovery from insurers), judgments, fines and amounts incurred by such persons arising out of actions taken or omitted to be taken by the WRCOG when acting in the capacity as the I-REN Authorized Agent except for those arising out of the WRCOG's gross negligence or willful misconduct.

(e) The Constituent COGS agree not to amend or modify the MOA without the written prior consent of the Utilities to the extent such amendment or modification would cause any of the Constituent COGS to be in breach of this Programs Agreement or otherwise adversely affect the obligations of any of the Constituent COGS, or the rights of the Utilities, hereunder.

Section 3.2 The I-REN's goal is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout San Bernardino and Riverside counties. In order to achieve this goal, pursuant to and in accordance with this Programs Agreement, the Decision, other Commission decisions, the Commission approved Business Plan & Budget, the JCM, and the applicable Implementation Plans, the WRCOG, acting as the I-REN Authorized Agent, shall implement the following I-REN programs (collectively, as approved by the Commission, the "I-REN Programs," and each, individually, an "I-REN Program"):

(a) I-REN Public Sector Program. The goal of this I-REN Program is to build capacity and knowledge in order to enable local governments to effectively leverage energy efficiency services and to demonstrate best practices in accordance with the I-REN Public Sector Program Implementation Plan. This I-REN Program will serve the I-REN Constituent Agencies, including cities, school districts, water districts, special districts, and tribal communities. This I-REN Program will target, but not be limited to, upgrades to existing public buildings and facilities with high energy use and older equipment. There will also be a focus on community-serving buildings such as community centers, libraries, senior centers, schools, and fire and police buildings. Through energy efficiency projects in these facilities, I-REN can provide benefits to disadvantaged, low income, and other vulnerable communities where these facilities

serve as cooling centers offering protection from the region's extreme heat. This I-REN Program provides a range of offerings and services that include, but are not limited to, technical assistance and strategic energy planning, including a public building NMEC program, a resource program.

(b) I-REN Codes & Standards Program. The goal of this I-REN Program is to work closely with local building departments and the building industry to support, train, and enable long-term streamlining of energy code compliance in accordance with the I-REN Codes & Standards Program Implementation Plan. This I-REN Program will assist its local government agencies to better understand and enforce energy building codes and will also assist its local government agencies in development and implementation of reach codes and model ordinances. This I-REN Program will support the Inland Empire region's building industry to better conform to and implement the building codes. This I-REN Program could include but is not limited to identifying gaps in code compliance and working with the statewide IOU C&S Program to ensure that CAEECC-vetted, statewide and consistent support is provided to their constituents. The I-REN will leverage opportunities to support code compliance and enforcement to ensure that the staffs of local government building departments have adequate knowledge and awareness of energy-savings measures.

(c) I-REN Workforce Education & Training Program. The goal of this I-REN Program is to ensure that there is a trained workforce to support and realize energy efficiency savings goals across sectors in accordance with the I-REN Workforce Education and Training Program Implementation Plan. This I-REN Program will serve as a vital link between workforce skills and training providers such as community colleges and employers to build a more robust market and increase the number of skilled energy efficiency contractors in Inland Empire region. The Program will promote job market recovery and progress toward statewide goals regarding energy efficiency, air quality, and support for hard-to-reach, underserved, rural, tribal, and disadvantaged communities. This I-REN Program intends to create a robust local network of trainings to increase capacity, knowledge and awareness of energy efficiency and the number of skilled energy efficiency workers in the Inland Empire region.

(d) Subject to Article IV, including any changes that would directly or indirectly modify any material provision of this Programs Agreement, any future energy efficiency programs of the I-REN that are approved by the Commission pursuant to a future Commission decision and implemented in accordance with a Commission approved Implementation Plan, which such plan will be attached hereto as an additional Exhibit A.

ARTICLE IV

Roles and Deliverables

Section 4.1 Utilities. Pursuant to and in accordance with the Decision, the CFA, and this Programs Agreement, SoCalGas shall act as the fiscal and contracting agent utility for the I-REN in order to disburse Commission authorized funds pursuant to a valid invoice and based on the Business Plan & Budget to the I-REN Authorized Agent and conduct general management and monitoring activities in compliance with Commission directives. The Utilities' role shall encompass all of the usual fiscal and management functions as set forth in this Programs Agreement, including fiscal oversight and monitoring, and as otherwise determined by the Commission. The Utilities will be responsible for timely payments to the I-REN Authorized Agent for Authorized Work completed in accordance with an applicable Implementation Plan and as set forth in this Programs Agreement. Other than expressly described herein, the Utilities shall have no role in, or obligations with respect to, the I-REN Program design or implementation other than to transfer the funds described herein.

Section 4.2 I-REN Independent Authority. Pursuant to Commission decision, *Decision Approving 2013-2014 Energy Efficiency Programs And Budgets* (D.12-11-015), for initial authorization of Regional Energy Network and *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation* (D.19-12-021), and Energy Efficiency Policy Manual Version 6 dated April 2020 (Exhibit F), and within the confines of the applicable I-REN Programs and Implementation Plans approved by the Commission, the WRCOG, as the I-REN Authorized Agent, on

behalf of the I-REN amongst and between the Constituent COGS, has the independent authority to design, manage, deliver, and oversee the I-REN Programs, without the Utilities' direction as it relates to design and delivery of such I-REN Programs. The WRCOG, as the I-REN Authorized Agent, on behalf of I-REN, shall be independently accountable to the Commission for delivering the results outlined in I-REN's Implementation Plans, and neither SCE nor SoCalGas will have any responsibility or liability for WRCOG's failure to implement any I-REN Programs in accordance with Commission decisions, directives, policies, or rules.

Section 4.3 WRCOG Authority in I-REN Governance. The Constituent COGS have each executed the MOA, a copy of which is attached as Exhibit I and which is incorporated herein by reference, pursuant to which the WRCOG has been appointed as the I-REN Authorized Agent of the Constituent COGS in order to administer the I-REN and the I-REN Programs in accordance with this Programs Agreement.

Section 4.4 Modification of the Program by the Commission. The Parties each acknowledge and agree that this Programs Agreement and any I-REN Program shall at all times be subject to the authority and discretion of the Commission, including, but not limited to, review, modifications and denials, as the Commission may direct from time to time in the exercise of its jurisdiction. If the Commission modifies an I-REN Program, the Parties shall amend this Programs Agreement as necessary to incorporate such changes. Such corresponding amendment shall specify any changes, including without limitation, the Implementation Plans, increases or decreases in overall I-REN Program funding, or such other modification or change as directed by the Commission.

Section 4.5 Modification of the Program by the Parties. The WRCOG and the Utilities each acknowledge that the Utilities' function does not extend to the I-REN Program design or modification, or the effectiveness of the WRCOG's delivery of Authorized Work under this Programs Agreement. Without limiting the generality of the foregoing, the Utilities and the WRCOG may collaborate on and agree to I-REN Program designs, implementation strategies or modifications. If the WRCOG desires to modify an Implementation Plan, it must notify the appropriate Utility(ies) and Commission staff by providing the proposed modifications. With Commission approval, the WRCOG may modify the Implementation Plan by documenting the changes in the California Energy Data and Reporting System (CEDARS) website, maintained by the Commission. If the WRCOG wishes to eliminate an existing I-REN Program or propose a new program, the WRCOG must file an advice letter or take other action as directed by the Commission to obtain Commission approval.

Section 4.6 I-REN Program Start Up.

(a) Program Data, Invoicing and Reporting Tool. The WRCOG shall attend a workshop that provides training on the use of Utility invoicing and reporting, protocols and procedures, including the use of various invoicing and reporting tools (collectively, "IR Tools"). The WRCOG will attend IR Tool training as determined by SoCalGas in consultation with the WRCOG.

(b) Reporting

(i) IR Tools. After SoCalGas provides the WRCOG training on the IR Tools, the WRCOG will utilize the IR Tools, which serve three primary purposes:

(A) Enable the WRCOG to provide SoCalGas with required I-REN Program information that supports the costs incurred;

(B) Provide SoCalGas the capability to access the I-REN Program information for the purpose of fiscal management and coordination; and create reports; and

(C) Provide miscellaneous reporting support for the Utilities' internal and Commission reporting requirements.

(ii) Submission of Information into IR Tools. The WRCOG will update invoicing and reporting information using the IR Tools on a monthly basis in accordance with requirements set forth in this Programs Agreement. The WRCOG will work collaboratively with SoCalGas in tailoring the required files and data for each I-REN Program.

(iii) Monthly Invoicing and Reporting. All required monthly invoice reports can be generated via the IR Tools. The WRCOG will be responsible for implementing, adhering to, and the submission of, the items as described in Exhibit E of this Programs Agreement. The invoice reporting requirements may be amended from time to time, at which time SoCalGas will notify the WRCOG of the changes and issue a new Exhibit E. The WRCOG shall implement these modifications in a timely manner and they will be reflected in future invoice documentation.

(iv) Utilities' Regulatory Reporting and Filing. The WRCOG will timely implement, adhere to, and submit the items as requested by the Utilities for Commission regulatory reporting, filing or data request purposes. The WRCOG acknowledges that the Utility may, in its sole discretion, require the WRCOG to provide such other reports or documentation that the Utilities deem appropriate or necessary ("Ad Hoc Reports"). The WRCOG will comply with any request for such Ad Hoc Report(s) within a reasonable time or within the time requested by the Utility.

(v) I-REN Regulatory Reporting and Filing. Subject to each Utility's internal compliance, confidentiality and disclosure policies, the Utilities will cooperate and timely submit items as requested by the WRCOG for Commission regulatory reporting, filing or data request purposes. The Utilities acknowledge that the WRCOG may reasonably request the Utilities to provide such other reports or documentation that the WRCOG deems appropriate or necessary for the purpose of Commission regulatory reporting, filing or data request.

(vi) The WRCOG acknowledges that to the extent any authorized entity seeks to audit an I-REN Program, including the use of funds relating thereto, the Utility(ies) may direct the seeking entity to the WRCOG directly or require the WRCOG to provide any and all documentation or records required. The Utilities may make any of the records they develop and maintain accordance to this Programs Agreement, as well as any information obtained from any of the I-REN or the I-REN Constituent Agencies, available to the Commission upon request of the Commission.

(vii) The WRCOG agrees to the following I-REN monthly invoice and cost accounting schedule as follows:

Deliverable(s)	Due Date(s)
The WRCOG to prepare and submit monthly invoices and supporting documentation to SoCalGas.	Monthly, by the 15th Calendar Day for Authorized Work completed the preceding month.
The WRCOG to prepare and submit quarterly invoice estimate for accrual to SoCalGas.	Quarterly by the 10th Calendar Day for the month of March, June, September and December of each calendar year.

Deliverable(s)	Due Date(s)
The WRCOG to prepare and submit relevant reporting data to SoCalGas.	As SoCalGas or WRCOG requests and/or requires, as set forth in this Programs Agreement.

(c) Particular I-REN Programs may have additional or different requirements and/or deadlines as communicated to the WRCOG, on behalf of the I-REN, in writing by SoCalGas. Any Commission-approved changes to the Implementation Plan shall be incorporated herein in accordance with this Article IV

(d) Relationship of the Parties. Each Party is an independent contractor vis-à-vis the other, and neither this Programs Agreement nor the exercise of any of the duties of the Parties pursuant to this Programs Agreement shall be deemed to create any joint venture, partnership, fiduciary, agency or employment relationship between the Parties. Nothing in this Agreement is intended to convey any rights or benefits upon any third party other than as expressly set forth herein.

ARTICLE V

Maximum Contract Sum

Section 5.1 The Maximum Contract Sum committed to this Programs Agreement from the Utilities is set forth in Exhibit B of this Programs Agreement. Exhibit B reflects the I-REN's Commission authorized Business Plan & Budget from the Decision for each I-REN Program year from 2022 through 2027. Exhibit B may be amended and updated to reflect the latest Commission-approved I-REN budget or budget changes and the Utilities' maximum funding contribution for each I-REN Program year without a need for formal amendment. Notwithstanding the foregoing, WRCOG shall provide the Utilities (1) notice of any request to the Commission to update, change, or extend its current authorized I-REN budget that increases the maximum funding contribution of the Utilities; and (2) notice of any Commission-approved changes to the I-REN budget to be incorporated into Exhibit B. The parties understand and agree that there will be no carry-over for unspent and uncommitted budget from one program year to the following program year.

Section 5.2 Except as otherwise set forth in an Implementation Plan, and future Commission written decisions, and unless the fund-shifting rules established by the Commission are changed, the WRCOG, as the I-REN Authorized Agent, has the sole discretion to re-allocate the I-REN Program budgets amongst and between individual projects supported by Authorized Work, subject to Commission approval. The WRCOG shall timely notify the Utilities of any approved fund shift or budget change. Any Commission-approved I-REN budget changes shall be automatically incorporated into and attached to Exhibit B and shall be incorporated herein.

Section 5.3 Cost Caps. The WRCOG shall use its best efforts to cap administrative costs at ten percent (10%) of the Maximum Contract Sum per year, and marketing and outreach costs to a maximum of six percent (6%) of the Maximum Contract Sum per year. The WRCOG acknowledges that it is the desire of the Commission to keep administrative and marketing costs as low as possible.

ARTICLE VI

Utilities' Relationship

Section 6.1 SoCalGas will serve as the primary utility administrator for this Programs Agreement, in compliance with Commission directives and the CFA, and shall act as a fiscal agent with responsibility for the timely distribution of funds to the WRCOG (as the I-REN Authorized Agent) for Authorized Work.

Section 6.2 SCE's rights are coextensive of the rights of SoCalGas under this Programs Agreement and are in no way limited by SoCalGas.

Section 6.3 As between SCE and SoCalGas the terms of their CFA shall control. The CFA may be amended by mutual agreement of the Utilities without notice, consent, or consultation from the WRCOG. Nothing in the CFA, or any amendment to it, shall affect any right or obligation of the WRCOG with respect to the Utilities.

ARTICLE VII

Invoicing, Reporting and Payments

The WRCOG shall deliver monthly invoices to SoCalGas by the 15th Calendar Day of each month for Program Expenditures incurred for Authorized Work completed in the preceding month. SoCalGas shall review the invoices concurrently with SCE to ensure (1) that the costs incurred are allowable costs related to I-REN Program activities that are consistent with the applicable Implementation Plan and (2) that sufficient Commission budgetary authorization exists. The following invoicing, reporting and payment requirements are applicable to each payment request pursuant to an invoice, which must be in accordance with the applicable project's scope of work for an I-REN Program and/or Commission-approved I-REN EM&V Activity:

Section 7.1 Time and Material Basis. All Authorized Work will be performed on a "time and material basis" and subject to the general provisions set forth below. In the event Authorized Work is performed on a basis other than time and materials, the Parties shall agree on general provisions for invoicing and reporting such Authorized Work and incorporate such provisions into this Programs Agreement by amendment prior to the consummation of any such Authorized Work and prior to the WRCOG invoicing the Utilities for the same.

Section 7.2 Energy Efficiency Incentive. Subject to Article IX, the WRCOG (as the I-REN Authorized Agent) will invoice the Utilities for funding to cover energy efficiency Incentives paid to a Customer (or such Customer's authorized contractor) for such Customer's energy efficiency improvement. The Utilities and WRCOG agree that the activities covered by the Incentive may be invoiced by the WRCOG in a manner other than on a 'time and materials' basis. Funding for the Incentive shall be invoiced by the WRCOG to SoCalGas along with completed energy efficient project and installed measure data identifying electric and/or gas Incentives. Notwithstanding the foregoing, consistent with Section 9.1, the Utilities have no obligation to pay for Incentive costs provided to a Customer that previously received Incentives for the same measure(s) through another ratepayer-funded program.

Section 7.3 General Provisions

(a) All charges shall be directly identifiable, with reasonably supported, written documentation, and required for the Authorized Work.

(b) The WRCOG shall notify SoCalGas' representative(s) responsible for the Programs Agreement at such time that it becomes reasonably apparent that the forecasted cumulative charges may exceed any budgets authorized under the Decision or applicable projects then in process (or otherwise forecasted) pursuant to the applicable Implementation Plan (whether by task, total amount authorized, or both). The WRCOG shall not proceed with or be reimbursed for any Authorized Work performed, either beyond the effective period of the Programs Agreement, or exceeding the authorized amounts of the Programs Agreement absent a written, pre-authorized change order or amendment by the Commission.

(c) The WRCOG shall notify SoCalGas' representative responsible for the Programs Agreement as soon as possible upon the occurrence of any fund-shifting or re-allocation of the budget amongst and between outstanding individual projects supported by Authorized Work.

(d) Labor-Related Costs Under Time and Material Basis. To the extent applicable, the WRCOG shall invoice SoCalGas at the fixed hourly rates for the applicable labor categories stated in Exhibit G for time spent directly engaged in performance of the Authorized Work by any of the I-REN Constituent Agencies'. Such fixed hourly rates will be updated per I-REN Constituent Agencies' fiscal year and shall be inclusive of all the I-REN Constituent Agencies' overhead costs (including all taxes and insurance), administrative and general fees. All labor-related costs shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.

(e) The fixed hourly rates provided by the WRCOG for the respective fiscal year are specified in Exhibit G and may change at the discretion of the applicable I-REN Constituent Agencies from time to time; provided, that, the WRCOG shall, as soon as practicable, notify SoCalGas in writing of any change to the labor rates in Exhibit G, and such change shall be automatically incorporated into the Programs Agreement without need for a formal amendment. The Utilities neither endorse nor approved the fixed hourly rates.

(f) Expenses. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary. This prohibition on mark-ups shall be observed by all Subcontractors and Third-Party Contractors and shall be incorporated into any contracts by and between such persons and an I-REN Constituent Agency, such that, the applicable Subcontractor or Third-Party Contractor is not receiving payment relating to services that it did not directly provide. In furtherance of the foregoing, no I-REN Constituent Agency, Subcontractor or Third-Party Contractor, shall give, and no such person shall accept, any portion, split or percentage of any charge made or received in rendering any services (or goods) other than for services actually performed (or goods directly manufactured).

(g) Material Costs. Material costs shall be charged at cost without mark-up and substantiated with an invoice stating the unit price, quantity, and other information as required to identify the Authorized Work.

(h) Subcontract Costs and Subcontractors. Subcontracted Authorized Work shall be charged at the rates actually paid by the I-REN Constituent Agencies, not to exceed the rates set forth in the applicable contract between the I-REN Constituent Agency and the Subcontractor, or this Programs Agreement for the Authorized Work by the I-REN Constituent Agencies. The WRCOG shall provide SoCalGas the Subcontractor invoices (incorporating any Third-Party Contractor costs) for any invoice that includes Subcontractor costs. With respect to the Utilities, the WRCOG shall at all times be responsible for the Authorized Work, and for the acts and omissions of Subcontractors and persons directly or indirectly engaged by the Subcontractors, including Third-Party Contractors. All expenses shall be charged at cost, without mark-up.

(i) Out-of-Pocket Expenses. Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, computer time and in-house technical software are deemed to be included in the I-REN Constituent Agencies' overhead costs and will not be reimbursed.

(j) Travel Costs. Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available or in accordance with I-REN Constituent Agencies' travel cost policy. A copy of an airfare receipt indicating the final expense for the trip taken and applicable supporting documents showing the starting point, travel destination, departure and return dates, and the purpose of the trip are required for each air travel reimbursement. Automobile travel from the offices of the I-REN Constituent Agencies' agents or representatives to any I-REN Program job site, function or activity shall be paid at the fixed mileage rate stated in the Programs Agreement or, if not stated, at the applicable Internal Revenue Service standard mileage reimbursement rate or a reimburseable rate set by I-REN Constituent Agency's travel cost policy. Either a mileage log showing miles driven for each trip or a

Google/MapQuest, or their equivalent, printout showing the travel path is required for each mileage reimbursement request.

(k) Records. The WRCOG shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. The Utilities reserve the right to audit and copy any applicable documents related to the Authorized Work, including, hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the purchase order number and the WRCOG's vendor number provided by the Utilities when applicable. In addition, the WRCOG shall cooperate in any audit of the I-REN Programs, any action or activity related to this Programs Agreement or the Decision undertaken by the Commission or other authorized entity, if applicable.

(l) Key Personnel. The WRCOG will appoint a Programs Agreement representative ("WRCOG Representative") who will be the primary contact between SoCalGas and the WRCOG, and who will be authorized to act on behalf of the WRCOG, as the I-REN Authorized Agent. Such appointment shall be communicated in writing to SoCalGas as soon as reasonably practicable following execution of this Programs Agreement. The WRCOG shall promptly notify SoCalGas of the intended reassignment or proposed replacement of the WRCOG Representative who will be submitting invoicing and reporting information to SoCalGas. No other key personnel shall undertake the aforementioned tasks without prior written notice to SoCalGas.

(m) Activities Outside of Program Scope. SoCalGas, as lead fiscal manager, for itself and on behalf of SCE, shall not be required to pay or reimburse the WRCOG or any other person for any activities undertaken that do not constitute Authorized Work as contemplated hereunder or are otherwise outside of the scope of an I-REN Program or this Programs Agreement, and the WRCOG may not include any costs or expenses for any such activities on an invoice submitted pursuant to this Programs Agreement.

Section 7.4 Invoicing Requirements: The WRCOG shall provide the following: Monthly electronic copy invoices are required by the **15th Calendar Day of each month** for Authorized Work completed in the preceding month with supporting documents described herein. These invoices and supporting documents are for Authorized Work performed by the I-REN Constituent Agencies and all of their respective Subcontractors (and their respective Third-Party Contractors). Each invoice shall indicate the sub-total expense for each of the I-REN Programs and itemized each I-REN Program expense in "Administrative," "Marketing" and "Direct Implementation." Each invoice shall include but not be limited to the following details: identify the contractor name, type (e.g., Third-Party Contractor or a Subcontractor), hiring I-REN Constituent Agency, contract start and end dates, details on any intermittency between the contract start and end dates, program start date, program end date (date program will no longer be offered to the public or criteria used to decide whether to end the program), customers eligible for the program (gas or electric, market segment, other criteria), value of contract, and any other data reasonably required by the Utilities.

Section 7.5 **[CERTAIN EXPENSES – UNDER REVIEW]**

Section 7.6 Invoicing Procedures:

(a) The WRCOG shall transmit to SoCalGas the monthly invoice files as directed by SoCalGas during the initial training for the IR Tools. The invoice file transmission will take place via a secured file transfer protocol (SFTP) provided by SoCalGas to protect customer or proprietary information.

(b) SoCalGas concurrently with SCE shall review the monthly invoice within 15 Business Days of receipt of an invoice from the WRCOG to determine if the invoice complies with the

requirements set forth in this Programs Agreement; provided, however, that for any monthly invoices relating to any Prior Expenses received on or after the Execution Date for Authorized Work conducted during the period from January 1, 2022 through the Effective Date as further set forth in Section 7.12, SoCalGas and SCE shall have 30 Business Days to determine if the invoice complies with the requirements set forth in this Programs Agreement and thereafter make any reimbursements with respect thereto.

(c) Monthly Narrative. The WRCOG shall include with the monthly invoices a monthly narrative that includes a discussion on the following I-REN Program activities occurring during the month:

- (i) Administrative activities;
- (ii) Marketing activities;
- (iii) Direct Implementation activities;
- (iv) Other activities which support the review and approval of the WRCOG's invoices and that fall within the scope of the Decision.

(d) Invoice Deficiencies. In the event SoCalGas determines that the WRCOG's invoices or any of the invoices of any Third-Party Contractors or Subcontractors that are included for payment do not meet the invoicing requirements of this Programs Agreement, lack accounting transparency, and/or lack sufficient material document support, SoCalGas will notify the WRCOG of the deficiencies and the WRCOG shall correct such deficiencies promptly. SoCalGas has the right to review and approve the data and methods used to develop the invoice documentation. However, the failure to conduct such review or grant such approval shall not relieve the WRCOG from its responsibilities and obligations under this Programs Agreement.

Section 7.7 Payment. SoCalGas shall pay undisputed charges within fifteen (15) Business Days of invoice approval. SoCalGas has the right to withhold payment of particular charges that SoCalGas disputes in good faith, pending the resolution of the dispute, and SoCalGas will provide the WRCOG with notice of the amounts being withheld and the reasons for the dispute. Any withholding of disputed amounts by SoCalGas shall not be deemed a breach of the Programs Agreement by SoCalGas.

Section 7.8 Final Invoice. The final invoice with respect to any I-REN Program shall be marked "FINAL" and must be received by SoCalGas within ninety (90) Calendar Days after December 31, 2027 (the "Cut-Off Date"). SoCalGas shall not be liable for payment of any invoices that are submitted to SoCalGas at any time after the Cut-Off Date.

Section 7.9 Additional Invoice, Payment and Reporting Requirements. Additional invoice, payment and reporting requirements may be set forth for each scope of work with respect to individual projects supported by Authorized Work.

Section 7.10 Ratepayer Benefit, Tracing, Segregation of Funds. The Parties agree that ratepayer-funded programs must directly benefit Customers in the service territory from which the funds are collected. The I-REN Programs implemented pursuant to this Programs Agreement are funded in whole or in part by funds collected from SoCalGas' and SCE's Customers for public purpose programs, and therefore must directly benefit SoCalGas' and SCE's Customers. For purposes of clarification:

- (a) No I-REN Constituent Agency shall use I-REN Program funds for activities outside the Utilities' service territories or for the benefit of persons or entities other than Customers.

(b) No I-REN Constituent Agency shall use I-REN Program funds for activities in any non-joint Utility territory until such time that the WRCOG has determined to the reasonable satisfaction of the Utilities that the WRCOG can trace and segregate Program funds in order to avoid using Program funds for (i) electric program activities outside SCE territory and/or (ii) gas program activities outside SoCalGas territory.

(c) The WRCOG shall not submit any invoice seeking reimbursement for money that does not directly benefit SCE's Customers (for electricity programs) or SoCalGas' Customers (for gas programs). The Utilities are not required to pay any such invoice (or portion of such an invoice) unless the activities and services paid for by such invoice directly benefit the Utilities' customers. If an invoice (or portion of such an invoice) is paid by SoCalGas to WRCOG that is discovered to not meet this requirement, the WRCOG, upon request, shall refund to SoCalGas the amount paid for such activities that do not meet this requirement, or at SoCalGas' option, SoCalGas may offset those amounts against future payments owed to the WRCOG pursuant to the Programs Agreement.

Section 7.11 Audits.

(a) The WRCOG shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. The Utilities and the Commission shall have the right to audit the WRCOG and the I-REN at any time during the term of this Programs Agreement and for five (5) years thereafter. In addition, each I-REN Constituent Agency shall cooperate in any audit of this any action or activity related to this Programs Agreement or the Decision undertaken by the Commission. An audit may include, but is not limited to, a review of financial records relating to the Authorized Work, I-REN Program marketing material, I-REN Program implementation documents, funds spent to date, tracing of expenditure of ratepayer funds to a Utility's Customers, information relating to the substantiation of I-REN Program expenditures, Incentives paid to date, Customers given Incentives to date, lists of employees and respective duties, lists of Third-Party Contractors and/or Subcontractors and their respective responsibilities or service provided.

(b) The Utilities may, in their sole discretion and at any time, request information or data relating to an I-REN Program, Authorized Work or this Programs Agreement, and the WRCOG shall provide such information in the format and within the time requested by the Utilities.

Section 7.12 The WRCOG shall not retain any ratepayer funds erroneously paid under this Programs Agreement. If, at any time, the Utilities discover that an amount was paid to the WRCOG in error, either through subsequent review or audit by SoCalGas, SCE, the Commission audit, or by another means, the amount erroneously paid to the WRCOG may, at the option of the Utility, be used to offset future payment(s) due to the WRCOG or must be repaid by the WRCOG to the Utility.

Section 7.13 **Prior Authorized Work.** To the extent that the Constituent COGs have caused any Authorized Work to be commenced or completed (or have otherwise contracted for the same) and have incurred Program Expenditures incurred for such Authorized Work on or after January 1, 2022 and prior to the Effective Date ("Prior Expenses"), strictly in accordance with the Decision and an Implementation Plan, each of the Constituent COGs hereby represents and warrants that all of the obligations and duties set forth in this Programs Agreement with respect to such person, had such agreement been in effect during such time, were fully complied with in all material respects. Provided that the foregoing remains true and correct, SoCalGas and SCE agree to treat such Prior Expenses in accordance with this Article VII.

ARTICLE VIII
Committees and Meeting Requirements

The Utilities and the WRCOG shall, as soon as practicable after the execution of this Programs Agreement, form Coordinating and/or Technical Committees consistent with the intent of the approved JCM. The roles and responsibilities for these committees are set forth in the applicable JCM. Meeting requirements for the Coordinating and Technical Committees are also set forth in Exhibit J. Additional coordination requirements between the Utilities and the WRCOG that are specific to an I-REN Program are set forth in that Program's Implementation Plans or approved JCM.

ARTICLE IX

Incentives and Cooperation

Section 9.1 If an I-REN Program participant has been identified as a Customer that has previously received Incentives either through another ratepayer-funded program, or through any other funding source, then no I-REN Constituent Agency shall, thereafter, knowingly provide an Incentive to such I-REN Program participant for the same measure, product or service. Without limiting the foregoing, the Parties shall cooperate in identifying Customers and I-REN Program participants who are ineligible for further Incentives due to prior participation in a program administered by a Utility.

Section 9.2 The WRCOG and the Utilities shall coordinate and cooperate with the goal of achieving seamless program offerings and to avoid customer confusion in the offering of products and services.

ARTICLE X

Ownership of Developments, Marketing Materials

Section 10.1 The WRCOG, on behalf of itself and each I-REN Constituent Agency, acknowledges and agrees that the Utilities, on behalf of their respective Customers, shall own all data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") created by the I-REN Constituent Agencies in the performance of this Programs Agreement. Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. The Utilities hereby grant to the I-REN an irrevocable, royalty-free, non-exclusive license to use such Developments solely for the purpose of implementing the I-REN Programs, and shall execute such other documents as may be necessary or desirable to effectuate such grant.

Section 10.2 The WRCOG shall submit all marketing materials that contain reference to any Utilities to SoCalGas for review and approval prior to their release or communication. All such marketing materials may be approved or disapproved in each applicable Utility's sole and absolute discretion.

Section 10.3 Use of Utilities' Name. The WRCOG must receive prior review and written approval from a Utility for the use of such Utility's name or logo on any marketing or other I-REN Program materials. The WRCOG shall allow twenty (20) Business Days for such Utility review and approval. If the WRCOG does not received a response from such Utility within the twenty (20) Business Day period, then it shall be deemed that such Utility has disapproved such use.

Section 10.4 Use of WRCOG's or I-REN's Name: The Utilities must receive prior review and written approval from the WRCOG for the use of the name or logo of any I-REN Constituent Agency on any marketing or other I-REN Program materials using such information. The Utilities shall allow twenty (20) Business Days for the WRCOG's review and approval. If the Utilities do not receive a response from the WRCOG within the twenty (20) Business Day period, then it shall be deemed that the WRCOG has disapproved such use.

Section 10.5 No I-REN Constituent Agency shall in any way represent to third parties, Customers or I-REN Program participants that SoCalGas or SCE has endorsed or approved a product, a

Third-Party Contractor, a Subcontractor, or their performance of any I-REN Program or any other energy efficiency services.

Section 10.6 Notwithstanding any provision in this Article X to the contrary, whether expressly or by implication, the I-REN Constituent Agencies shall disclose the source of funding for the I-REN Programs by stating prominently on marketing materials (including, but not limited to, printed materials, Websites or any social media) that, “the I-REN Programs are administered by the Western Riverside Council of Governments, on behalf of itself and each of Coachella Valley Association of Governments and the San Bernardino Council of Governments, and funded by SoCalGas and SCE utility ratepayers under the auspices of the California Public Utilities Commission.”

ARTICLE XI

Jurisdictional Warranty

Section 11.1 The WRCOG warrants that it has full legal authority to implement the I-REN Programs as authorized by the Commission under this Programs Agreement.

Section 11.2 The WRCOG warrants that the geographic area in which the I-REN Programs under this Programs Agreement will be implemented is set forth on the attached Exhibit K.

ARTICLE XII

Compliance With Applicable Law, Policies and Commission Regulations

Section 12.1 Each of the Parties shall comply with all federal, state (including Commission), and local laws, rules, regulations, ordinances, decisions, policies and directives that are applicable to this Programs Agreement, including, but not limited to, labor and fair employment laws and prevailing wage laws, and all provisions required thereby to be included in contracts are hereby incorporated herein by this reference. Additionally, the WRCOG shall ensure compliance with the Commission’s decisions with respect to “program administrators,” including, without limitation, workforce standards regarding implementors.

Section 12.2 Such regulatory compliance activities, including costs to maintain compliance, shall be paid for solely by the I-REN for and on behalf of the applicable I-REN Constituent Agency through authorized funding provided under this Programs Agreement, if available, inclusive of any Commission-imposed penalties or disallowances. These include but are not limited to:

- (a) Filing and/or submitting required regulatory documents;
- (b) Complying with all Commission, statutory and other applicable requirements, rules and policies;
- (c) Maintaining adequate records for future financial and management audits and/or reviews;
- (d) Maintaining savings and engineering assumptions consistent with current Commission rules or baselines;
- (e) Maintaining necessary preventative controls on expenses;
- (f) Maintaining and tracking all monies by task and function, including complying with fund-shifting rules between the I-REN Programs;
- (g) Responding to data requests and complying with all required reporting; and

(h) Any additional compliance requirements of the I-REN Constituent Agencies, that arise during the effective period of this Programs Agreement, but that were not anticipated in this Programs Agreement, shall be the sole responsibility of the I-REN Constituent Agencies.

Section 12.3 Changes in Applicable Laws. After the Effective Date, if any legal, regulatory, or administrative authority issues a decision, ruling, order, or directive of any kind that is binding upon the Parties and that requires modification or addition of terms, covenants or conditions of this Programs Agreement in order for the Parties to be in compliance with same, then the Parties shall meet as soon as practicable to discuss proposed modifications to this Programs Agreement only to the extent required to bring it into compliance with such applicable laws.

Section 12.4 The WRCOG shall follow General Order 156, setting forth the Commission's policy statement on utility utilization of resources from women, minority, and disabled veteran business enterprises, to the extent not in conflict with Proposition 209 (codified as Article I Section 31 of the California Constitution).

Section 12.5 Background Checks. The WRCOG shall conduct background checks on any employee or Subcontractor (and each Subcontractor shall require that its Third-Party Contractors conduct background checks on its employees and contractors) who will undertake I-REN Program Authorized Work conducted at a Utility Customer's residence or a private business location. The background check requirements shall be determined by the WRCOG in its reasonable discretion, provided that, at a minimum, the background checks shall be consistent with the WRCOG's then-current background check requirements for WRCOG programs that contain similar job requirements. Employees of any I-REN Constituent Agencies or Subcontractors or Third-Party Contractors conducting activities under this **Section 12.5**:

- (a) Shall report for work in a manner fit to do their job;
- (b) Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician for such person so long as the performance or safety of the Authorized Work is not affected thereby); and
- (c) Shall not have been convicted of any serious criminal offense, which by its time and nature, presents a discernible safety or property risk to the public.

Section 12.6 Non-Discrimination. No Party shall unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment and shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990(a)-(f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990(a)-(f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated by reference and made a part of this Programs Agreement. Each Party represents and warrants that it shall include the substance of the nondiscrimination and compliance provisions in all subcontracts for its Authorized Work obligations. Additionally, the Parties shall conform to the applicable employment practices requirements of Executive Order 11246 of September 24, 1965, as amended, and applicable regulations promulgated thereunder.

ARTICLE XIII

Indemnification

Section 13.1 By the Constituent COGS. The Constituent COGS, on behalf of themselves and each I-REN Constituent Agency carrying out Authorized Work or other implementation or design of an I-REN Program on behalf of a Constituent COG, shall, joint and severally, indemnify, defend and hold harmless SCE and SoCalGas, and their respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any liability (including expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys' fees) of to the extent caused by the WRCOG's act(s) and/or omission(s), or by the act(s) and/or omission(s) of its employees, representatives Third-Party Contractors, Subcontractors, or agents, including, without limitation, with respect to the I-REN's compliance or non-compliance with the Commission's policy regarding program administrators, application or misapplication of program funds (even if disbursed), as well as any of the Authorized Work or other implementation or design of an I-REN Program.

Section 13.2 By the Utilities. So long as the WRCOG, SANBAG, and CVAG are in compliance with the terms and conditions of this Programs Agreement, the Utilities shall, on a several but not joint basis, indemnify, defend and hold harmless the WRCOG, SANBAG, and CVAG, their respective special districts, elected and appointed officers, employees, and agents, from and against any and all third-party liability (including expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys' fees) to the extent caused by the Utilities' failure to make the uncontested payments described in Section 7.5.

Section 13.3 The obligations of SCE, SoCalGas, WRCOG, SANBAG, and CVAG under this section shall survive the termination of this Programs Agreement.

ARTICLE XIV Insurance

Section 14.1 The WRCOG and each of the I-REN Constituent Agencies will maintain the following insurance coverage at all times during the term of this Programs Agreement, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent: Such insurances shall acknowledge the Utilities, their officers, agents and employees as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against the Utilities, its officers, agents, employees and other contractors or subcontractors.

- (a) Workers' Compensation: statutory minimum.
- (b) Employer's Liability coverage: \$1 million minimum.
- (c) Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate.
- (d) Commercial or Business Auto: \$1 million minimum.
- (e) Professional Liability (if applicable): \$1 million minimum.

Section 14.2 Evidence of Insurance. Upon request at any time during the term of this Programs Agreement, the WRCOG shall provide evidence that its insurance policies and the insurance policies as provided in this Article XIV are in full force and effect and provide the coverage and limits of insurance that the WRCOG has represented and warranted herein to maintain at all times during the term of this Programs Agreement.

Section 14.3 Self-Insurance. If the WRCOG or any of the I-REN Constituent Agencies is self-insured, it shall upon request forward documentation to the Utilities that demonstrates to the Utilities' satisfaction that the WRCOG self-insures as a matter of normal business practice before commencing the Authorized Work.

Section 14.4 Notice of Claims. The WRCOG shall immediately report to the Utilities, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by the WRCOG, any other I-REN Constituent Agency or any Subcontractor or Third-Party Contractor or their receipt of notice or knowledge of any claim by a third party of any occurrence related to the I-REN Programs and/or to this Programs Agreement that might give rise to such a claim.

Section 14.5 Insurance Indemnification. If the WRCOG fails to comply with any of the provisions of this Article XIV, or to the extent any I-REN Constituent Agency carrying out Authorized Work or other implementation or design of an I-REN Program on behalf of a Constituent COG does not require its Subcontractors to maintain the insurance coverage specified in Section 14.1, the I-REN Constituent Agencies, severally but not jointly, shall, at their own cost, defend, indemnify, and hold harmless the Utilities, their affiliates and their officers, directors, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of the Authorized Work.

ARTICLE XV

Limitation Of Certain Liabilities

NO PARTY SHALL BE LIABLE TO THE OTHER(S) FOR THE OTHER'S OR OTHERS' INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS PROGRAMS AGREEMENT.

ARTICLE XVI

Confidential Information and Security Requirements

Section 16.1 Except as provided for in Section 16.3, no Utility shall be required to provide to the WRCOG any Confidential Customer Information (as defined below), or any information that is deemed by the Utility to be proprietary, trade secret, or otherwise confidential. In the event a Utility agrees in writing to any such disclosure of such information, the Utility may require the WRCOG to enter into a nondisclosure agreement and undergo a data security review as a condition to its disclosure. Notwithstanding the foregoing and in the event the Utilities provide any Confidential Customer Information pursuant to this Programs Agreement, the Parties agree that Confidential Customer Information is exempt from disclosure under the California Public Records Act, Cal. Gov't Code Sections 6250, et seq., under the exemptions provided in the California Public Records Act, including Sections 6254(e), 6254(k), and/or 6255(a), and will withhold from disclosure such materials unless ordered to do so by a court of competent jurisdiction.

Section 16.2 Confidential Customer Information. "Confidential Customer Information" is a Utility Customer's personal identifiable information including, but not limited to, such person's name, address, telephone number, account number and all billing and usage information, as well as any Utility Customer's information marked as "confidential."

Section 16.3 Except as explicitly provided for in this Section 16.3, no Utility will disclose any Confidential Customer Information to the WRCOG unless authorized in writing by the Customer, except for the following information, which will be made available on an as-needed basis and subject to the confidentiality and non-disclosure provisions of this Programs Agreement:

(a) The WRCOG may request and receive confirmation that a purported Customer is currently served by one of the Utilities;

(b) The WRCOG may request and receive information on a Utility Customer's past participation in an energy efficiency program if that Customer is located in the I-REN's service territory.

Section 16.4 The WRCOG shall comply with the attached Exhibit C and Exhibit D with respect to any Confidential Customer Information provided under this Programs Agreement. The WRCOG shall immediately notify SCE and SoCalGas representatives if the WRCOG is, or becomes, unable to meet any of the requirements contained therein.

Section 16.5 The WRCOG shall not disclose any Confidential Customer Information of a Utility to any third party, including, without limitation, any Constituent COG or any I-REN Constituent Agency, during the term of this Programs Agreement or after its completion, without the WRCOG having obtained the prior written consent of such Utility, except as provided by law, lawful court order or subpoena and provided the WRCOG gives such Utility written notice of such order or subpoena promptly after its receipt.

Section 16.6 Any information provided to the WRCOG is provided "as is," and the Utility shall not be liable for the accuracy or completeness of any information provided.

Section 16.7 Commission Proceedings. Nothing in this Article XVI shall prohibit the WRCOG from disclosing non-confidential information (including aggregated and anonymized statistical data without specific Customer identifiers) concerning the I-REN Programs to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

Section 16.8 Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to the WRCOG by a Utility, and any and all documents and materials containing such Confidential Customer Information or produced by the WRCOG based on such Confidential Customer Information (including all copies, backups and abstracts thereof), during the performance of this Programs Agreement shall be returned (or destroyed at the Utility's option, with confirmation by affidavit thereof) upon written request by such Utility. Nothing in the Programs Agreement shall be construed as granting any rights in or to Confidential Customer Information to the receiving Party, except the right of use in accordance with the provisions in this Programs Agreement.

Section 16.9 Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages may be an inadequate remedy for breach of this Article XVI and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Article XVI by any Party, the Party whose Confidential Customer Information is implicated in such breach shall be entitled to an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

Section 16.10 Computing System Access and Security Review Obligations. The Parties acknowledge and agree that no Utility shall be required to allow any Party to access the Utility's computer systems unless and until the Parties execute an amendment incorporating mutually agreeable computing system access terms that are the same or substantially similar to Exhibit D.

Section 16.11 The obligations of each Party under this Article XVI shall survive the termination of this Programs Agreement.

ARTICLE XVII
Term and Termination

Section 17.1 Term. The term of this Programs Agreement shall be from the Effective Date until [March 31, 2028], unless terminated earlier as provided in this section, provided however that all Authorized Work and services shall be completed by the dates specified in the scope of work with respect to individual projects supported by Authorized Work or December 31, 2027, whichever is earlier. The 90-Calendar Day period following December 31, 2027 shall be for administrative purposes only.

Section 17.2 If the WRCOG possesses unspent funding authorized by the Decision after July 1, 2028, including moneys repaid pursuant to financing terms, such funds shall, in consultation with SoCalGas, as lead fiscal manager, for itself and on behalf of SCE, be returned to SoCalGas's and SCE's ratepayers unless otherwise directed by the Commission.

Section 17.3 Termination For Convenience. This Programs Agreement shall not be terminated for convenience of the Parties, except as by an order, decision, or resolution of the Commission. Notwithstanding the foregoing, the Commission, by decision, order, or resolution, may deem that all or a portion of this Programs Agreement be terminated. In the event of such termination, the Utilities shall pay for Authorized Work performed prior to the date of termination but in no event shall the Utilities be liable for lost or anticipated proceeds or overhead on uncompleted portions of the Authorized Work.

Section 17.4 Immediate Cause For Suspension. The Utilities can suspend this Programs Agreement for the following situations:

- (a) Any Consituent COG has become insolvent, has failed to pay its bills, or has had checks for payment of its bills returned from suppliers and Subcontractors due to insufficient funds; or
- (b) Any Consituent COG's commission of any material act of dishonesty, fraud and misrepresentation or material act causing public risk or harm. In the event of such suspension, the Utilities may seek Commission approval to terminate the Programs Agreement.

In a case of suspension and/or termination, the Utilities shall pay for Authorized Work satisfactorily performed prior to the date of suspension or termination but in no event shall the Utilities be liable for lost or anticipated proceeds or overhead on uncompleted portions of the Authorized Work.

Section 17.5 Declaration of Default. Any Party, by written notice of default, may declare a default of the whole or any part of this Programs Agreement by another Party, if the other Party has breached any of its obligations under the Programs Agreement.

Section 17.6 Opportunity to Cure. Upon delivery of a notice of default, the defaulting Party shall have a reasonable amount of time, but not greater than twenty (20) Business Days, to cure the default or demonstrate convincing progress toward a cure.

Section 17.7 Unless default is timely cured, or in the event the same default occurs more than three times in a 12-month period, the non-breaching Party may (i) notify Commission staff of the dispute; (ii) suspend payment of a particular invoice, or portion thereof, which may be subject to the dispute; (iii) suspend all further performance by the non-breaching Party until the breach is cured; (iv) seek an order, decision or resolution from the Commission authorizing and directing termination of all or part of this Programs Agreement; or (v) any combination of the above. In the event the Commission authorizes and directs that the non-breaching Party can terminate all or part of the Programs Agreement, the non-breaching Party shall notify the breaching Party of such decision and thereafter all or a portion of the Programs Agreement, as authorized by the Commission, shall be deemed terminated. Notwithstanding the foregoing, the Utilities may immediately suspend their obligations under this Program Agreement in the event the Utilities reasonably determine that any I-REN Constituent Agency has committed a material and non-curable breach of applicable laws, rules, regulations, Commission orders or directives, or is using confidential information or Confidential Customer Information in a manner not contemplated under this Programs Agreement. A material breach shall include failure by the WRCOG to comply with duties owed to the Commission and/or Commission staff as defined in the Decision.

Section 17.8 Breach of Duty of Confidentiality. In the event of a breach of any provision of Article XVI, the non-breaching Party is immediately relieved of any obligation to provide further Confidential Customer Information and/or computer system access and may demand immediate return of all Confidential Customer Information or other confidential information that may have been provided. This remedy is in addition to the remedies for material breach listed above.

Section 17.9 Subject to the provisions of this Programs Agreement, the WRCOG, as the I-REN Authorized Agent, shall be entitled to funds for all expenditures incurred or accrued up to the effective date of termination or suspension of the Programs Agreement, provided that any reports, invoices, documents or information required under the Programs Agreement are submitted in accordance with the terms and conditions of the Programs Agreement. The provisions of this Section 17.9 shall be the WRCOG's sole compensation resulting from any termination or suspension of this Programs Agreement. In the event of termination or suspension, the WRCOG shall (and shall cause each other person performing the same to) stop any Authorized Work then in progress and take action to bring the activities to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and of any applicable contracts.

ARTICLE XVIII

Other Provisions

Section 18.1 Notices. Any written notice, demand or request required or authorized in connection with this Programs Agreement shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first-class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

WRCOG:

Casey Dailey
Director of Energy & Environmental Programs
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Tel: (951) 405-6720
E-Mail: cdailey@wrcog.us

SCE:

Christopher Malotte, Sr. Advisor
Southern California Edison Company

1515 Walnut Grove Avenue
Rosemead, CA 91770
Tel: (626) 302-0857
Email: christopher.malotte@sce.com

SoCalGas:

Chauncy C. Tou, Principal Customer Programs Advisor
Southern California Gas Company
555 W. Fifth Street, GT19xx
Los Angeles, CA 90013
Phone: (213) 244-2823
E-mail: CTou@SoCalGas.com

With copy: [_____]

Section 18.2 Amendments. Except as otherwise explicitly set forth herein, this Programs Agreement may be changed only by written amendment(s) duly executed by the Utilities and the WRCOG.

Section 18.3 Validity. The Parties agree to the rule of contract interpretation which allows the Court to disregard invalid clauses so that it may otherwise hold the remaining provisions of this Programs Agreement as binding.

Section 18.4 Notification of Certain Matters. The WRCOG shall give prompt written notice to the Utilities of (i) the occurrence or non-occurrence of any change, condition or event, the occurrence or non-occurrence of which would render any representation or warranty of the WRCOG contained in this Agreement, if made on or immediately following the date of such event, untrue or inaccurate, (ii) any failure of the WRCOG or any of the I-REN Constituent Agencies to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder.

Section 18.5 Successors and Assigns. The Programs Agreement shall be binding on the Parties and their respective successors and assigns. No Party shall assign, delegate, or transfer the Programs Agreement or any interest under it without the prior written consent of the other Parties and the Commission. Any purported assignment of the Programs Agreement by the WRCOG either by operation of law, order of any court, or pursuant to any plan of merger, consolidation or liquidation, shall be deemed an assignment by the WRCOG for which prior consent is required, and any assignment made without any such consent shall be void and of no effect as among the Parties. Notwithstanding the foregoing, if a Utility is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require any other Parties' consent and the Utility shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

Section 18.6 Remedies Cumulative. All remedies provided for in this Programs Agreement shall be cumulative and in addition to, and not in lieu of, any other remedies available to any Party at law or in equity.

Section 18.7 No Third-Party Beneficiaries. Except as provided in Sections 13.1, 13.2 and 14.5, nothing in this Agreement, express or implied, is intended to or shall confer upon any person (including without limitation, any I-REN Constituent Agency, Third-Party Contractor, Subcontractor or Customer) other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit, or remedy of any nature under or by reason of this Agreement.

Section 18.8 No Construction Against Drafter. No provision of this Programs Agreement shall be construed against any Party merely because that Party drafted the document. Each Party represents that it has had time to review and discuss provisions of the Programs Agreement with interested parties, including its attorneys, and understands the terms and obligations as written.

Section 18.9 Severability. If any section, provision, or portion of the Programs Agreement is held to be invalid, illegal, or void by a court of proper jurisdiction, or is terminated by the Parties by direction or by order of the Commission or by the Commission itself, or if an individual Program is terminated by the Parties or at the direction or order of the Commission, such decision shall not impair, affect, or invalidate the remainder of this Programs Agreement. To the extent necessary, the invalid provision shall be reformed so that each Party shall have the obligation to perform reasonably to give the other Party the benefit of its bargain. In the event that the invalid provision cannot be reformed, the remainder of the Programs Agreement shall subsist and continue in full force and effect, and the invalid provision shall be deemed stricken from the Programs Agreement.

Section 18.10 No Waiver. No waiver by any Party of any default or breach of any provision of this Programs Agreement shall constitute a waiver of any other default or breach. Failure of a Party to enforce at any time, or from time to time, any provision of this Programs Agreement shall not be construed as a waiver thereof.

Section 18.11 Survival. Despite the completion or termination of a Program or any service, scope of work with respect to individual projects supported by Authorized Work, Authorized Work, activities or deliverables under this Programs Agreement, or any portion of the Programs Agreement, the Parties shall continue to be bound by those provisions of the Programs Agreement which by their nature survive the completion or termination.

Section 18.12 Further Assurances. The Parties, at the request of another, shall perform those actions, including executing additional documents and instruments, reasonably necessary to give full effect to the full performance of the Programs Agreement.

Section 18.13 Conflict of Interest. The WRCOG represents and agrees that, to the best of its knowledge, it shall not, and shall cause each I-REN Constituent Agency not to hire or otherwise engage any current SoCalGas, SCE, or Commission employee, current employee's spouse, other person or entity that has a conflict of interest to perform any part of the activities contemplated under this Programs Agreement.

Section 18.14 Governing Law; Venue. This Programs Agreement shall be interpreted, governed, and construed under the laws of the State of California as executed and to be performed wholly within the State of California without regard to its conflict of laws provisions. Any action brought to enforce or interpret this Programs Agreement shall be filed in Riverside County, California.

Section 18.15 Counterparts. This Programs Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument, so long as duplicate originals are delivered to all Parties.

ARTICLE XIX

Authorization Warranties

Section 19.1 Each of the Constituent COGS represents and warrants that the person executing this Programs Agreement is its authorized agent who has actual authority to bind it to each and every term, condition, and obligation of this Programs Agreement, and that all requirements of such the Constituent COG have been fulfilled to provide such actual authority. The WRCOG has delivered to the Utilities the following documents, which are true and complete and current and effective as of the Effective Date and

which shall remain effective throughout the term of this Programs Agreement: the WRCOG JPA, the CVAG JPA and the SANBAG JPA.

Section 19.2 SoCalGas represents and warrants that the person executing this Programs Agreement for SoCalGas is an authorized agent who has actual authority to bind SoCalGas to each and every term, condition, and obligation of this Programs Agreement and that all requirements of SoCalGas have been fulfilled to provide such actual authority.

Section 19.3 SCE represents and warrants that the person executing this Programs Agreement for SCE is an authorized agent who has the actual authority to bind SCE to each and every term, condition, and obligation of this Programs Agreement, and that all requirements of SCE have been fulfilled to provide such actual authority.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above [Effective Date] by their respective duly authorized persons.

SCE:

SoCalGas:

By _____
Jill C. Anderson
VP Customer Programs & Services

By _____
Jimmie I. Cho
COO

WRCOG:

By _____

For purposes of Sections 3.1, 4.3, 7.12, 14.5, 18.2 and 19.1 and Articles XIII and XVI only:

CVAG:

By _____

SANBAG:

By _____

MEMORANDUM OF AGREEMENT NO. _____

BY AND BETWEEN

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

AND

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

FOR

2022-2027 INLAND REGIONAL ENERGY NETWORK (I-REN)

This 2022-2027 Inland Regional Energy Network (I-REN) Memorandum of Agreement (herein called "MOA") is made this ____ day of _____ 2022, by and among Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG) and Western Riverside Council of Governments (WRCOG), (collectively referred to as "MEMBER COGs, individually referred to as "MEMBER COG") with respect to the following recitals:

Whereas, representatives from the MEMBER COGs have pursued and will continue to pursue regional sustainability and energy efficiency opportunities across Riverside and San Bernardino counties; and

Whereas, the MEMBER COGs' primary role is to develop and administer a comprehensive Inland Regional Energy Network ("I-REN"), as defined in California Public Utilities Commission ("CPUC") Decision 21-11-013, and to prepare and submit any future grant applications on behalf of the three MEMBER COGs to fund other sustainability and energy efficiency activities; and

Whereas, WRCOG, on behalf of the MEMBER COGs, will serve as the I-REN Administrative Lead for purposes of coordinating planning activities locally, acting as the fiscal administrator, and executing agreements; and

Whereas, on May 31, 2018, CPUC Decision 18-05-041, Ordering Paragraph 38, was issued and directed Southern California Gas Company ("SoCalGas") to serve as the fiscal lead on behalf of SoCalGas and Southern California Edison, the two investor-owned utilities with territory in the MEMBER COGs' jurisdictions (collectively the "IOUs"); and

Whereas, as a condition precedent to this MOA, WRCOG and the IOUs will enter into the Inland Regional Energy Network 2022-2027 Energy Efficiency Programs and Budgets Agreement (“Programs Agreement”) establishing the rights and responsibilities of WRCOG, acting on behalf of I-REN, and the IOUs; and

Whereas, these efforts will lead to the coordination of regional energy resource planning; development of a long-term, sustainable energy strategy; and increase in awareness of and access to conservation, efficiency, and renewable opportunities within the I-REN region (Riverside and San Bernardino counties); and

Whereas, the MEMBER COGs commit to an effective delivery of I-REN energy efficiency programs to the public sector and local workforce of their respective counties, the details of which are set forth in this MOA.

Whereas, upon receipt of funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) for I-REN program activities, WRCOG will reimburse each MEMBER COG, in amounts not to exceed those stated in Table 3.0 below, for allowable costs incurred for the express purpose of performing I-REN program activities and administration for the period commencing on the effective date and ending upon termination or expiration of this MOA;

Now, therefore, in consideration of the mutual duties set forth in this MOA, the MEMBER COGs agree to the following:

1. Administrative Lead COG. WRCOG shall serve as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN is and, as such, shall serve as the I-REN Administrative Lead COG on behalf of the MEMBER COGs. I-REN shall be managed under the oversight of the I-REN Executive Committee. The I-REN Executive Committee’s structure, composition and duties are further described in the I-REN Governance and Operations Charter (Charter), attached hereto as Exhibit C and incorporated herein by reference. The Charter shall only be amended upon approval from the governing bodies of each of the MEMBER COGs. WRCOG’s Executive Director shall have the authority to take actions and execute agreements on behalf of WRCOG as the I-REN Administrative Lead COG following the approval of such actions and agreements as may be required by the I-REN Executive Committee in accordance with the procurement policy established pursuant to the Charter. WRCOG shall be responsible for:
 - a) Monitoring progress on program objectives, deliverables and budget targets as set forth in this MOA.
 - b) Reviewing all program-related documents, including review of all reporting required in this MOA, and any other reporting duties as may be required. Documents related to purchasing and contracting on behalf of I-REN, including but not limited to, professional services agreements, shall utilize WRCOG’s template documents.

- c) Coordinating the I-REN programs described in Section 2 of this MOA to minimize duplicative administrative and marketing costs.
 - d) Coordinating with the IOUs.
2. Program Activities. WRCOG, acting as the I-REN Administrative Lead COG, shall reimburse each MEMBER COG, from funds provided by the CPUC, for delivery of I-REN program activities as set forth in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference.
- a) I-REN shall be administered in accordance with the Charter.
 - b) The MEMBER COGs shall work cooperatively to implement I-REN programs and comply with CPUC requirements.
 - c) The MEMBER COGs will perform all tasks and deliverables and shall comply with all applicable laws, policies, and regulations in carrying out I-REN program activities and other duties hereunder.
 - d) I-REN program activities are those set forth in Exhibits A, B and C of the Programs Agreement, which exhibits are incorporated herein by reference, and referred to as the I-REN Public Sector Program, I-REN Codes & Standards (C&S) Program and I-REN Workforce Education & Training (WE&T) Program.
3. Budget. Table 3.0 below sets forth for the annual I-REN program budget, by year and by category (Public Sector, Codes & Standards and Workforce Education and Training), the maximum expenditure under this MOA for I-REN program activities and administration. Any amendment to an amount set forth in Table 3.0 must be approved in writing by the I-REN Executive Committee and approved by each of the MEMBER COGs. All reimbursements are subject to receipt of sufficient funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement). To the extent the amounts set forth in Table 3.0 for years 2022-2027 differ from the amounts set forth for those years in Exhibit H of the Programs Agreement, the amounts set forth in Exhibit H shall govern.

Table 3.0:

I-REN Business Plan Program Approved Budgets (\$)							
Category	2022	2023	2024	2025	2026	2027	Total
Public Sector							
Administration	628,819	619,172	662,939	707,457	707,457	707,457	4,033,301
Marketing and outreach	377,292	371,503	397,763	424,474	424,474	424,474	2,419,980

Direct Implementation – non-incentive	3,782,083	3,701,047	3,818,688	3,942,635	3,942,635	3,942,635	23,129,723
Direct Implementation – incentives	1,500,000	1,500,000	1,750,000	2,000,000	2,000,000	2,000,000	10,750,000
Subtotal	6,288,194	6,191,722	6,629,390	7,074,566	7,074,566	7,074,566	40,333,004

Workforce Education and Training							
Administration	225,329	239,343	243,716	267,465	267,465	267,465	1,510,783
Marketing and outreach	135,198	143,606	146,230	160,479	160,479	160,479	906,471
Direct Implementation – non-incentive	1,892,768	2,010,477	2,047,218	2,246,706	2,246,706	2,246,706	12,690,581
Direct Implementation – incentives	-	-	-	-	-	-	-
Subtotal	2,253,295	2,393,426	2,437,164	2,674,650	2,674,650	2,674,650	15,107,835

Codes and Standards							
Administration	144,611	150,395	156,411	162,667	162,667	162,667	939,418
Marketing and outreach	87,766	90,237	93,847	97,600	97,600	97,600	564,650
Direct Implementation – non-incentive	1,214,730	1,263,320	1,313,852	1,366,407	1,366,407	1,366,407	7,891,123
Direct Implementation – incentives	-	-	-	-	-	-	-
Subtotal	1,446,107	1,503,952	1,564,110	1,626,674	1,626,674	1,626,674	9,392,191

EM&V	114,441	115,604	121,810	130,349	130,349	130,349	742,902
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Total	10,102,037	10,204,704	10,752,474	11,506,239	11,506,239	11,506,239	65,577,932
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4. Claims and Payment.

- a) Upon receipt of funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) (the “CPUC Funds”) for I-REN program activities, WRCOG will reimburse the MEMBER COGs, not to exceed the program budgets set forth in Table 3.0, for Allowable Costs, as described in

Exhibit B, which is attached hereto and incorporated herein by reference, incurred for the express purpose of performing I-REN program activities and administration, pursuant to the following procedure. I-REN program activities shall be limited to funding as provided by the CPUC Funds. Under no circumstances shall WRCOG be required to provide its own funding for I-REN program activities performed in its role as the I-REN Administrative Lead COG.

- b) To obtain reimbursement from the CPUC Funds, a MEMBER COG shall submit to WRCOG a claim for reimbursement containing the following: (i) an invoice showing, at a minimum, the applicable Cost Category and Allowable Cost as described in Exhibit B, the amount of such cost and the date(s) such cost was incurred; (ii) all receipts, evidence of deliverables and other documentation reasonably necessary to substantiate the invoiced cost; (iii) a narrative report describing the I-REN program activity for which the cost was incurred; and (iv) any reports or other information required pursuant to Section 6 and Exhibit H (Commission approved JCM) of the Programs Agreement, which section and exhibit are incorporated herein by reference. A claim must be submitted no later than the last business day of the month after the month in which the cost was incurred; provided, however, that the Member COGs shall have until June 30, 2022, or 60 calendar days after the Member COGs have executed this MOA, whichever date is later, to submit claims for costs incurred from January 1 through April 30, 2022. Allowable labor costs shall comply with I-REN staff and contractor rates listed in Exhibit G of the Programs Agreement, which exhibit is incorporated herein by reference, as such rates are modified from time to time pursuant to the terms of the Programs Agreement.
- c) Upon receipt of a claim, WRCOG shall review the claim and determine whether the claim is complete and seeks reimbursement of Allowable Costs as described in Exhibit B. If the claim is incomplete, WRCOG shall return the claim to the MEMBER COG with an explanation of the reason(s) for incompleteness. If the claim is complete, WRCOG shall approve the claim to the extent the claim seeks reimbursement of Allowable Costs as described in Exhibit B and deny the claim as to the rest.
- d) WRCOG shall have 30 calendar days after submission of a claim by a MEMBER COG to review the claim for completeness. A claim shall be deemed approved if not returned to the MEMBER COG within this 30-day period.
- e) When a claim is approved or deemed approved, WRCOG will reimburse the MEMBER COG for the approved costs within thirty (30) days, to the extent that (i) WRCOG holds sufficient funds from the CPUC for reimbursement and (ii) the MEMBER COG has not exhausted the amount set forth for the applicable category of costs for the applicable year in Table 3.0. WRCOG has no obligation to make a reimbursement under this MOA unless and until there are sufficient CPUC FUNDS available. WRCOG assumes no liability to any person or entity, including, but not limited to, a MEMBER COG, for any delay in the distribution of

funds by CPUC (or SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) to WRCOG.

5. Reporting. Each MEMBER COG shall adhere to common reporting requirements for I-REN programs as required by the CPUC. For WRCOG to compile information to meet reporting deadlines, each MEMBER COG shall provide WRCOG with all required reporting from the previous month, on or before the 28th calendar day of the month. In addition to these reporting requirements, each MEMBER COG shall provide regular updates regarding I-REN activities to their respective legislative bodies.
6. Termination/Breach.
 - a) Consistent with section 17.3 of the Programs Agreement, WRCOG may terminate this MOA for convenience, provided that WRCOG provide one year's written notice prior to the date of termination. In the event that WRCOG provides notice to terminate this MOA for convenience, the MEMBER COGs agree to work together in good faith to assign WRCOG's responsibilities to another management agency. Such good faith efforts shall also include working with the CPUC in order to establish another management agency. In the event the MEMBER COGs are unable to identify and agree on another management agency to serve as Administrative Lead for Program Activities, or if the CPUC does not approve of a new Administrative Lead, this MOA shall be terminated. Additionally, this MOA may be terminated by an order, decision, or resolution of the CPUC.
 - b) CVAG and/or SANBAG may withdraw from this MOA, without cause by providing 60 days' notice to WRCOG. MEMBER COGs agree that monies for carrying out program activities for I-REN not fulfilled by a withdrawing MEMBER COG may be used, by WRCOG, in its sole discretion, to carry out program activities for the Inland Empire (Riverside and San Bernardino counties) region.
 - c) The MEMBER COGs agree that if a MEMBER COG materially breaches its obligations in carrying out program activities for I-REN or fails to cure any material breach of this MOA within 30 days of receipt of a notice of breach from WRCOG, then WRCOG may, in its sole discretion, serve written notice to the MEMBER COG that WRCOG intends to terminate this MOA as to the breaching MEMBER COG and thereafter, if the material breach is not timely and reasonably cured, terminate this MOA with the breaching MEMBER COG. Monies for activities not fulfilled by the breaching MEMBER COG may be used by WRCOG, in its sole discretion, to carry out program activities for the Riverside and San Bernardino counties region.
 - d) In the event that there is a disagreement as to the allegation of a material breach, the MEMBER COGS agree to enter into good faith negotiations via a dispute resolution process in order to resolve the disagreement. The dispute resolution

process shall begin with a formal meeting among the management staff of the MEMBER COGS to resolve the dispute. If management staff is unable to resolve said disputes, the matter shall be escalated to the Executive Director level through a formal meeting between the Executive Directors of the MEMBER COGS. If the disagreement is not resolved at the Executive Director level, the matter will proceed through process as outlined in Section 6(c) of this MOA.

7. Authority. Each MEMBER COG represents and warrants that the person signing this MOA has legal authority to sign this MOA and bind that party.
8. Indemnification by each MEMBER COG. Each MEMBER COG shall indemnify, defend and hold harmless the other MEMBER COGs and their respective officials, officers, directors, agents, and employees from and against any and all third-party liability (including damages, losses, claims, demands, actions, causes of action and costs, along with reasonable attorney fees and expenses) to the extent caused by the negligence and/or willful misconduct of the indemnifying MEMBER COG or its employees, subcontractors, or agents. The obligations of each MEMBER COG under this section shall survive the termination of this MOA.

Additionally, each MEMBER COG shall require all contractors and subcontractors performing I-REN program activities to indemnify, defend, and hold harmless the other MEMBER COGS and their respective officials, directors, agents, employees from and against 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 such indemnifying contractor or subcontractor, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the performance of I-REN program activities, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses.

9. Insurance

- a) Each MEMBER COG will maintain the following insurance coverage or self-insurance coverage, and shall require all contractors or subcontractors performing I-REN program activities to maintain this coverage, at all times during the term of this MOA, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:
 - i. Workers' Compensation: statutory minimum.
 - ii. Employer's Liability coverage: \$1 million minimum.
 - iii. Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate. Such insurance shall acknowledge the IOUs and the other MEMBER COGs and their officers, agents and employees as additional insureds, contain standard cross-liability or

- severability of interest provisions, and waive all rights of subrogation against the IOUs and the other MEMBER COGs and their officers, agents, employees and other contractors or subcontractors.
- iv. Commercial or Business Auto: \$1 million minimum. Such insurance shall acknowledge the IOUs and the other MEMBER COGs and their officers, agents and employees as additional insureds.
 - v. Professional Liability (if applicable): \$1 million minimum.
- b) Evidence of Insurance. Upon request at any time during the term of this MOA, each MEMBER COG shall provide evidence that its insurance policies and the insurance policies as provided in this section are in full force and effect and provide the coverage and limits of insurance that each MEMBER COG has represented and warranted herein to maintain at all times during the term of this MOA.
- c) Self-Insurance. If a MEMBER COG is self-insured, the MEMBER COG shall upon request forward documentation to the IOUs and/or to WRCOG that demonstrates to the IOUs' and WRCOG's satisfaction that the MEMBER COG self-insures as a matter of normal business practice. WRCOG will accept reasonable proof of self-insurance comparable to the above requirements.
- d) Notice of Claims. Each MEMBER COG shall immediately report to the IOUs and WRCOG, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by MEMBER COG or any subcontractor or their receipt of notice or knowledge of any claim by a third party of any occurrence related to the I-REN programs, the Programs Agreement and/or this MOA that might give rise to such a claim.
- e) Changes to Insurance Coverage. In the event a MEMBER COG, contractor or subcontractor requests modifications to the standard insurance coverage provided in Section 9(a) of this MOA, WRCOG, in its reasonable discretion, shall approve or disapprove such modifications.
- f) Insurance Indemnification. If a MEMBER COG fails to comply with any of the provisions of this section, or to the extent each MEMBER COG does not require its subcontractors to maintain the insurance coverage specified in this section, each MEMBER COG shall, at its own cost, defend, indemnify, and hold harmless the IOUs and/or each MEMBER COG and their affiliates and their officers, directors, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of any I-REN program by each MEMBER COG or any subcontractor or their officers, directors, employees or agents to the extent that the IOUs and/or each other MEMBER COG would have been protected.

10. Limitation of Liability. Except for indemnification for third-party liability claims in accordance with Section 8 of this MOA, the liability of WRCOG to the other MEMBER COGs for WRCOG's acts or omissions as the I-REN Administrative Lead is limited to no more than the following: (1) for claims of nonpayment, the amount of the reimbursement due to each MEMBER COG pursuant to Section 4 of this MOA; (2) for all other claims, the amount of the reimbursement to each MEMBER COG pursuant to Section 4 of this MOA in the calendar year(s) in which the acts or omissions occurred.
11. Relationship of the Parties. The officers, employees and agents of each MEMBER COG are not and shall not be deemed to be the officers, employees, or agents of any other MEMBER COG. Notwithstanding anything contained in this MOA to the contrary, a MEMBER COG shall not be responsible for the performance or non-performance hereunder of any other MEMBER COG or whether such performance meets applicable legal and regulatory requirements, nor be obligated to remedy any other MEMBER COG's defaults or defective performance.
12. No Third Party Beneficiary. This MOA is only for the benefit of the MEMBER COGs and not for the benefit of any third party.
13. Exhibits. In the event of an inconsistency between this MOA and the Exhibits as attached hereto, the MOA shall control.
14. Term. The term of this MOA commences _____, 2022 (with retroactive effect as of January 1, 2022, for submission of claims under section 4(b)), and expires December 31, 2027, unless sooner terminated pursuant to section 6.

IN WITNESS WHEREOF, the MEMBER COGs enter into this MOA.

WRCOG

By: _____
Kurt Wilson
WRCOG Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Steven DeBaun
General Counsel

SANBAG

By: _____
Curt Hagman
President, Board of Directors

Date: _____

APPROVED AS TO FORM:

By: _____
Juanda Daniel
Assistant General Counsel

CONCURRENCE:

By: _____

CVAG

By: _____
Tom Kirk
CVAG Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Michael Jenkins
General Counsel

CONCURRENCE:

By: _____

EXHIBIT A

Scope of Work

Task 1. Administration (Admin)

Admin activities include any actions necessary to support I-REN programs and ensure compliance with California Public Utilities Commission (CPUC) regulatory requirements. Admin activities include, but are not limited to, the following:

- Prepare, review, and submit reports and invoices
- Participate in CPUC regulatory activities (e.g., proceedings, rulemakings, workshops) either in person or via written comments

Task 2. Marketing, Education, and Outreach (ME&O)

ME&O activities include any communications activities designed to identify, reach, and motivate potential program participants to participate in a I-REN program. ME&O activities include, but are not limited to, the following:

- Development and deployment of marketing and outreach campaigns
- Preparation and distribution of explanatory mailers or other promotional materials
- Conducting or participating in outreach events
- Advertising, media, newspaper, website, and related marketing activities

Task 3. Direct Implementation (DI)

DI activities include any actions taken in the course of implementing I-REN programs related to program theory, planned program processes and direct interface with a program participant. DI activities include, but are not limited to, the following:

- Program planning, development, design, and implementation
- Development of program goals, budgets, and milestones
- Education and training of program participants and others (e.g., contractors, local governments)
- Providing program participant support and responding to participant inquiries (e.g., calls, emails, letters)
- Compiling and maintaining information (e.g., data, customer records) for program participants and projects

EXHIBIT B

Allowable Cost Categories

CPUC Allowable Costs Table¹

Cost Categories	Allowable Costs
Administrative Cost Categories	Managerial and Clerical Labor
	IOU Labor - Clerical
	IOU Labor - Program Design
	IOU Labor - Program Development
	IOU Labor - Program Planning
	IOU Labor - Program/Project Management
	IOU Labor - Staff Management
	IOU Labor - Staff Supervision
	Subcontractor Labor - Clerical
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	Human Resource Support and Development
	IOU Labor - Human Resources
	IOU Labor - Staff Development and Training
	IOU Benefits - Administrative Labor
	IOU Payroll Tax - Direct Implementation Labor ²
	IOU Payroll Tax - Marketing/Advertising/Outreach Labor ³
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Pension - Administrative Labor
	IOU Pension - Direct Implementation Labor
	IOU Pension - Marketing/Advertising/Outreach Labor
	Subcontractor Labor- Human Resources
	Subcontractor Labor - Staff Development and Training
	Subcontractor Benefits - Administrative Labor
	Subcontractor Benefits - Direct Implementation Labor
	Subcontractor Benefits - Marketing/Advertising/Outreach Labor
	Subcontractor Payroll Tax - Administrative Labor
	Subcontractor Payroll Tax - Direct Implementation Labor
	Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
	Subcontractor Pension - Administrative Labor
	Subcontractor Pension - Direct Implementation Labor
	Subcontractor Pension - Marketing/Advertising/Outreach Labor

Administrative Cost Categories (Continued)	Travel⁴ and Conference Fees⁵
	IOU Conference Fees ⁶
	IOU Labor - Conference Attendance
	IOU Travel - Airfare
	IOU Travel - Lodging
	IOU Travel - Meals
	IOU Travel - Mileage
	IOU Travel - Parking
	IOU Travel - Per Diem for Misc. Expenses
	Subcontractor - Conference Fees
	Subcontractor Labor - Conference Attendance
	Subcontractor - Travel - Airfare
	Subcontractor - Travel - Lodging
	Subcontractor - Travel - Meals
	Subcontractor - Travel - Mileage
	Subcontractor - Travel - Parking
	Subcontractor - Travel - Per Diem for Misc. Expenses
	Overhead (General and Administrative) - Labor and Materials
	IOU Equipment Communications
	IOU Equipment Computing
	IOU Equipment Document Reproduction
	IOU Equipment General Office
	IOU Equipment Transportation
	IOU Food Service
	IOU Office Supplies
	IOU Postage
	IOU Labor - Accounting Support
	IOU Labor - Accounts Payable
	IOU Labor - Accounts Receivable
	IOU Labor - Administrative
	IOU Labor - Facilities Maintenance
	IOU Labor - Materials Management
	IOU Labor - Procurement
	IOU Labor - Shop Services
	IOU Labor - Transportation Services
	IOU Labor - Automated Systems
	IOU Labor - Communications
	IOU Labor - Information Technology
	IOU Labor - Telecommunications
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage

Administrative Cost Categories (Continued)	Subcontractor Labor - Accounting Support
	Subcontractor Labor - Accounts Payable
	Subcontractor Labor - Accounts Receivable
	Subcontractor Labor - Facilities Maintenance
	Subcontractor Labor - Materials Management
	Subcontractor Labor - Procurement
	Subcontractor Labor - Shop Services
	Subcontractor Labor - Administrative
	Subcontractor Labor - Transportation Services
	Subcontractor Labor - Automated Systems
	Subcontractor Labor - Communications
	Subcontractor Labor - Information Technology
	Subcontractor Labor - Telecommunications
Marketing/Advertising/Outreach Costs	IOU - Advertisements / Media Promotions
	IOU - Bill Inserts
	IOU - Brochures
	IOU - Door Hangers
	IOU - Print Advertisements
	IOU - Radio Spots
	IOU - Television Spots
	IOU - Website Development
	IOU Labor - Marketing
	IOU Labor - Media Production
	IOU Labor - Business Outreach
	IOU Labor - Customer Outreach
	IOU Labor - Customer Relations
	Subcontractor - Bill Inserts
	Subcontractor - Brochures
	Subcontractor - Door Hangers
	Subcontractor - Print Advertisements
	Subcontractor - Radio Spots
	Subcontractor - Television Spots
	Subcontractor - Website Development
	Subcontractor Labor - Marketing
	Subcontractor Labor - Media Production
	Subcontractor Labor - Business Outreach
	Subcontractor Labor - Customer Outreach
	Subcontractor Labor - Customer Relations
Direct Implementation	Financial Incentives to Customers
	Activity - Direct Labor
	IOU Labor - Curriculum Development
	IOU Labor - Customer Education and Training
	IOU Labor - Customer Equipment Testing and Diagnostics
	IOU Labor - Facilities Audits
	Subcontractor Labor - Facilities Audits
	Subcontractor Labor - Curriculum Development
	Subcontractor Labor - Customer Education and Training

Direct Implementation (Continued)	Subcontractor Labor - Customer Equipment Testing and Diagnostics
	Installation and Service - Labor
	IOU Labor - Customer Equipment Repair and Servicing
	IOU Labor - Measure Installation
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Subcontractor Labor - Measure Installation ⁷
	Direct Implementation Hardware and Materials
	IOU Audit Applications and Forms
	IOU Direct Implementation Literature
	IOU Education Materials
	IOU Energy Measurement Tools
	IOU Installation Hardware
	Subcontractor - Direct Implementation Literature
	Subcontractor - Education Materials
	Subcontractor - Energy Measurement Tools
	Subcontractor - Installation Hardware
	Subcontractor -Audit Applications and Forms
	Rebate Processing and Inspection - Labor and Materials
	IOU Labor - Field Verification
	IOU Labor - Site Inspections
	IOU Labor - Rebate Processing
	IOU Rebate Applications
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing
	Subcontractor - Rebate Applications
Evaluation, Measurement and Verification	IOU Labor - EM&V
	IOU Materials - EM&V
	IOU Benefits - EM&V Labor
	IOU Overhead - EM&V
	IOU Payroll Tax - EM&V Labor
	IOU Pension - EM&V Labor
	IOU Travel - EM&V
	Subcontractor Labor - EM&V
	Subcontractor Materials - EM&V
	Subcontractor Benefits - EM&V Labor
	Subcontractor Overhead - EM&V
	Subcontractor Payroll Tax - EM&V Labor
	Subcontractor Pension - EM&V Labor
	Subcontractor Travel - EM&V
	The budget/cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer funded energy efficiency work. If a utility finds that they or one of their contractors/program implementers have additional costs, the utility will obtain approval for that cost from the CPUC's Energy Division. Energy Division will determine whether that cost fits an existing category or cost item and whether it is an acceptable cost item. Upon ED approval, new cost items will be added to the Allowable Costs sheet and included in an updated reporting workbook. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item.

¹ The CPUC Allowable Costs Table, dated 1/12/2006, was issued by Administrative Law Judge (ALJ) Meg Gottstein on 2/21/2006 as an Appendix to R.01-08-028, her ALJ Ruling on Reporting Requirements [for utility EE programs]. The Table is applicable to Utilities, Local Government Partnerships, and Third-Party Implementers.

² Correction made to Allowable Costs Table line item. The original line item read, "IOU Payroll Tax – Administrative Labor," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "IOU Payroll Tax – Direct Implementation Labor."

³ Correction made to Allowable Costs Table line item. The original line item read, "IOU Payroll Tax – Administrative Labor," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "IOU Payroll Tax – Marketing/Advertising/Outreach Labor,"

⁴ Employees should refer to the Edison International Travel & Employee Expense Policy (link provided in §5.2 of this Policy) for general guidance on the appropriateness of and limitations on travel expenses.

⁵ For additional guidance and clarification on EE Travel and Conference Fees, see Item No. 2 on Page 2 of Attachment A and Item No. 4 on Page 2 of Attachment B.

⁶ Per Item No. 2 on Page 2 of Attachment A and Item No. 4 on Page 2 of Attachment B, "IOU sponsorships of EE conferences (i.e., "platinum" "gold" level donations) be [are] explicitly prohibited from inclusion in EE"

⁷ Correction made to Allowable Costs Table line item. The original line item read, "Subcontractor Labor – Customer Equipment Repair and Servicing," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "Subcontractor Labor – Measure Installation."

EXHIBIT C

I-REN Governance and Operations Charter

DRAFT

Inland Regional Energy Network (I-REN) Governance and Operations Charter

Last Updated: April 5, 2022

Purpose of Charter:

To provide the Inland Regional Energy Network (I-REN) member Councils of Governments (MEMBER COGs) and their staff with a simple and flexible governance and operations framework that:

- Defines roles and responsibilities, and delineates scopes of authority of the MEMBER COGs, I-REN Executive Committee, Administrative Lead COG, Program Managers, and Program Teams;
- Establishes processes and channels for effective and transparent communication and decision making; and
- Accommodates future expansion of programs and capacity to scale.

Overview of I-REN:

I-REN is a consortium of Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG), and Western Riverside Council of Governments (WRCOG), who have joined together to establish locally administered, designed, and delivered energy efficiency programs. I-REN's current portfolio of programs, as authorized by the California Public Utilities Commission (CPUC), includes:

- Workforce Education and Training (WE&T)
- Codes and Standards (C&S)
- Public Sector

The above program names are used for CPUC communications. For marketing purposes, I-REN has rebranded the programs as the following:

- WE&T: TBD
- C&S: TBD
- Public Sector: TBD

I-REN's overall Administrative Lead COG is WRCOG. Each individual program in I-REN's portfolio is administered by one or more Program Lead COGs based on their existing expertise, interest, and knowledge of the region. One representative from each Program Lead COG is selected - by the Program Lead COG - to be the Program Manager. Each program has a Program Team, including at least one representative from each member COG.

The table below showing I-REN's initial staffing is included to illustrate the above:

Sector	Program Lead COG(s)	Program Manager	Program Team Member Titles
Public Sector	SANBAG and WRCOG	SANBAG Program Manager– co-lead	CVAG – Program Manager/Mgmt. Analyst

		WRCOG Program Manager – co-lead	SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support
Workforce, Education and Training	SANBAG and WRCOG	SANBAG Program Manager– co-lead WRCOG Program Manager – co-lead	CVAG – Program Manager/Mgmt. Analyst SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support
Codes and Standards	CVAG	CVAG Program Manager	CVAG – Program Manager/Mgmt. Analyst SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support

* *Program Team members are encouraged to attend other meetings to facilitate coordination and learn about other program activities. Staff only involved in some program services or activities are included as Program Team members.*

Governance and Operations:

I-REN's governance and operations framework consists of four main roles. Each role is listed below with its associated responsibilities and scopes of authority, as well as any relevant processes and channels intended to promote and enhance effective and transparent communication and decision making.

1. I-REN Executive Committee:

I-REN is governed by an Executive Committee on which each MEMBER COG will have three votes. Each COG's governing board will determine how its voting power will be exercised, including the number of representatives it will have on the Executive Committee and whether its representatives will be elected officials, staff members, or a combination of elected officials and staff members. Decisions will be made based on majority of the total votes cast on a matter, with each MEMBER COG having its full three votes independent of the number of its representatives present at the meeting.

The I-REN Executive Committee has final responsibility to make all executive decisions including:

- Establishing portfolio-level strategy and overall I-REN prioritization;
- Establishing and managing portfolio-level budgets;

- Addressing and resolving high-level programmatic concerns and issues such as program design, branding and marketing, strategy, procurement, and consulting support;
- Authorizing responses to relevant CPUC regulatory filings, inquiries, data requests, etc.
- Authorizing procurements above the threshold set in the procurement policy to be established by the I-REN Executive Committee.

2. **I-REN Administrative Lead COG:** WRCOG will serve as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN and as such is responsible as I-REN Administrative Lead COG for administering I-REN on a day-to-day basis in accordance with the Memorandum of Agreement for the 2022-2027 Inland Regional Energy Network (I-REN) dated XXXXX, 2022, as the same may be amended from time to time, to which this Charter is an exhibit. WRCOG's administrative responsibilities include:

- Submitting monthly invoices to SoCalGas, I-REN's CPUC appointed Investor-Owned Utility (IOU) fiscal agent;
- Reporting to the CPUC on monthly, quarterly, and annual basis;
- Coordinating with CPUC Energy Division staff; and filing required regulatory submissions;
- Participating on the California Energy Efficiency Coordinating Committee (CAEECC);
- Managing all procurement and contracts;
- Providing oversight of budgets, expenses, and reimbursements;
- Coordinating with IOU leads for all regulatory requirements.
- Scheduling and drafting agendas for the I-REN Executive Committee, with input from the Program Managers.

WRCOG's Executive Director shall have the authority to take actions and execute agreements on behalf of WRCOG as the I-REN Administrative Lead COG following the approval of such actions and agreements as may be required by the I-REN Executive Committee in accordance with the procurement policy to be established by it referred to above.

3. **Program Managers:** As noted above, one representative from each Program Lead COG is selected - by the Program Lead COG - to be the Program Manager. Program Manager responsibilities include:

- Serving as the primary point of contact for all program-specific interactions with consultants and implementers. This includes project initiation, planning, execution, and monitoring and review. Project initiation will include gathering input from program team members. Intermediate deliverables at established milestones will also be distributed for Program Team member comment as appropriate;
- Recommending overall program decisions to the I-REN Executive Committee;
- Making program decisions to implement and operate the programs;
- Participating in local and state industry webinars, conferences and events, researching other similar programs, sharing and leveraging best practices to inform program design;
- Developing relationships with and understanding the needs of program stakeholders in all three COG subregions;
- Establishing a working group of such stakeholders to provide regular input to the Program Manager on the administration of the program;
- Coordinating with other Regional Energy Networks and IOUs regarding program design and delivery to enhance program performance and achieve mutual objectives;
- Developing and presenting program design and implementation strategies consistent with the Implementation Plan for Program Team member input and approval;

- Developing and updating annual Strategic Action Plans and work plans; and establishing and communicating program-level roles and priorities;
- Delegating tasks as appropriate to Program Team members;
- Managing program-level performance and providing program-level reporting to the I-REN Administrative Lead COG;
- Managing program-level budget;
- Scheduling and drafting agendas for Program Team meetings; sending agenda at least 24 hours prior to meeting; and sending meeting notes and action items within 24 hours after the meeting;
- Supporting CPUC regulatory filings (e.g. metrics) as necessary; and
- Coordinating and communicating with the I-REN Executive Committee, including preparing staff reports for the I-REN Executive Committee meetings.

4. **Program Teams:** Each I-REN program has a Program Team including at least one representative from each member COG as well as consultants and/or technical assistance providers. Program Team member responsibilities include:

- Developing relationships with and understanding the needs of stakeholders within the Program Team member's subregion;
- Taking primary accountability for program implementation and operation within the Program Team member's subregion, as directed by the Program Manager;
- Providing input and/or alternative suggestions for program design and implementation strategies presented by the Program Manager;
- Completing tasks and action items delegated by the Program Manager within the timeframe allotted;
- Understanding defined program-level roles and priorities and communicating with the Program Manager if and when clarification is needed;
- Identifying and communicating programmatic concerns and issues that warrant the consideration of the I-REN Executive Committee; and
- Attending and actively participating in weekly or bi-weekly Program Team meetings.

Inland Regional Energy Network (I-REN) Meetings

To further promote and enhance effective and transparent communication and decision-making, critical meetings with pre-established frequency and with invitations sent to all pertinent members have been identified and detailed in the matrix below. Each of the meetings has been previously referenced as a responsibility under each of the aforementioned roles.

Meeting Type	Frequency	Mode	Time
I-REN Executive Committee	Quarterly	In-Person / Virtual	TBD
Program Team / Member COG All-Staff*	Bi-Weekly (or as needed)	Virtual	TBD

**Member COG All-Staff meetings are meant to drive program implementation and resolve operational issues.*

The I-REN Executive Committee is subject to the Brown Act. Meeting information will be generated and distributed in a manner consistent with the requirements of the Brown Act.

If a Program Manager or Program Team member is not present at meetings, it is such person's responsibility to review shared meeting notes and deliver assigned action items. All I-REN related meetings, events or related travel shall include an invitation to XX@IREN.org.

ITEM 8D

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: CV Sync Update and Contract Amendment for Construction Management Services

Contact: Eric Cowle, Transportation Engineer (ecowle@cvag.org)

Recommendation: Authorize the Executive Director to execute Amendment No. 1 to the agreement with TKE Engineering, Inc. for a total not-to-exceed amount of \$7,458,648 for construction management services during Phase II of CV Sync through March 2025; and authorize the Executive Director and/or Legal Counsel to make clarifying changes/revisions before contract execution

Transportation Committee: Concurred (Meeting of June 6, 2022)

Background: In 2015, CVAG threw down a challenge in the original design Request for Proposals for the regional signal synchronization project. The challenge was to create a project that would “...rival any similar project in the country, and be as unique as it is bold in scope.” As construction of Phase I progresses, CV Sync, this project has already captured the attention and imagination of the transportation and Intelligent Transportation System (ITS) communities not only in California, but in the nation. But maintaining momentum is critical to the project’s success. With this item, CVAG staff is providing an update on the work done in the first phase, and recommending steps to get Phase II under construction as well.

Phase I -- Construction Progress

Phase I of CV Sync makes improvements to Highway 111, Ramon Road and Washington Street, which were identified as the three highest ranked regional arterials in CVAG’s 2018 ITS Master Plan. In February 2021, the CVAG Executive Committee approved a \$21 million contract with Crosstown Electrical Data, Inc. for Phase I construction. The original construction schedule showed the Phase I project complete by the end of 2022. A year later, the project team is on target to meet that deadline. CV Sync is inherently a technology project that will deploy a robust ITS network into the Coachella Valley. That said, the “construction” portion of the project is nearly complete. Crosstown has installed wireless communication linkages throughout the valley and repaired broken conduit and pull boxes in preparation for the placement of fiber optic cable. Over five miles of new conduit have been installed. To date, work has been completed at 139 different intersections across 10 participating jurisdictions (the project does not extend through the City of Rancho Mirage).

Part of the ITS rollout includes replacing all of the old loop detectors that have been traditionally sawcut into pavement with new technology. Instead, vehicles will be detected by a system that either uses video or a combination of video and radar technology at intersections. Crosstown has installed over 350 of the new detection units.

Placing the fiber optic cable that will provide high-speed, secure communication really marks the start of the technology phase of the project. Once in place the fiber optic cable will allow all of the software systems to be installed and integrated into the network. This integration involves no fewer than six main software vendors and over one dozen new intelligent transportation sub-systems.

One of the transformative aspects of the CV Sync project is that all of the region's jurisdictions will share just one central Traffic Management Center (RTMC). All of the participating agencies will retain control of their local traffic by accessing the RTMC through a uniformly developed local Transportation Operation Center (TOC), deployed within their own facilities. Crosstown has nearly completed the RTMC and four of the 10 TOCs.

Progress on CV Sync has continued despite national supply chain problems. Many of the construction elements are in high demand and low supply. The need for fiber optic cable is a perfect example. CV Sync is utilizing a particularly high-end type of cable. Corning is the leading manufacturer of this cable in the United States. The magnitude of CV Sync, especially considering the Phase II work is about to be released for construction bid, ranks CVAG as a significant customer of this product. By working with Corning at the beginning of the project, Crosstown was able to secure a commitment from Corning to prioritize supply to the valley.

As noted in previous reports to the Transportation and Executive Committees, CV Sync clears the way for broadband investments. In fact, out of eighteen projects identified for the initial round of California broadband funding, CVAG is the only public agency other than Caltrans to be selected, and the Caltrans projects are far from being ready to move forward. As a potential component of the Phase II project, CVAG will be ready to accept grant dollars for construction by the end of this year. The CVAG Executive Committee provided for this design contingency in their September 2021 meeting.

Additionally, CVAG just won the Transportation Planning Excellence Award from the Inland Empire branch of California's American Planning Association, which recognized the planning work of Advantec Engineers.

Phase II -- Construction Readiness

Through actions approved in April 2018 and February 2021, the CVAG Executive Committee CV Sync's Phase II will include an additional 21 corridors:

Monterey Avenue	Gene Autry Trail	Country Club Drive
Cook Street	Date Palm Drive	Monroe Street
Palm Drive	Indio Boulevard	Avenue 48
Bob Hope Drive	Jefferson Street	Sunrise Way
Fred Waring Drive	Palm Canyon Drive	Indian Canyon Drive
Dinah Shore Drive	Vista Chino	Jackson Street
Portola Avenue	Avenue 44	Avenue 50

Lessons learned from Phase I of CV Sync will be implemented into the much larger Phase II construction. Identical hardware and software will be deployed across the identical jurisdictions and integrated into the Phase I Regional Transportation Management Center and local Transportation Operation Centers.

The anticipated \$62 million Phase II is estimated to take two years to complete. CVAG staff would argue that it is important to keep Phase II on track so as not to jeopardize CVAG's

funding commitments and to maintain the supply chain priority. as well as the commitment to delivering ITS to the Coachella Valley. To that end, CVAG in May 2022 worked with Caltrans to complete a Value Analysis (VA), which is typically applied to traditional roadway and bridge construction projects. It appears this is one of the first times the analysis has been applied to a technology project. The VA is a systematic process of review and analysis of the project during the concept and design phases, by an independent third-party not involved in the project. CVAG completed this analysis in May of 2022. With this complete, the California Transportation Commission in June 2022 will consider CVAG's request to have authorization to draw down the State Transportation Improvement Program (STIP) funded allocated for Phase II – an approval necessary to move forward with construction.

CVAG staff now anticipates seeking Phase II constructing bids this summer, and plans to return in the fall with a recommended contractor. However, assistance is needed to finalize the bid package and get the project to this next step. CVAG staff is recommending a contract amendment is authorized with TKE Engineering.

CVAG staff followed Caltrans procurement guidelines in the selection of TKE Engineering for the Phase 1 construction in 2020. During this process CVAG also disclosed that it may extend, based on performance, future phases of work to the selected firm as described in the following RFP language: *“As disclosed and based on satisfactory performance, CVAG may extend the contract of the CM Services for the other phases of construction. The scope of the amendments will generally be in accordance with the original scope of services identified in this section. Fair compensation to be negotiated accordingly at that time.”* Phase I construction management cost was 15% of the construction budget. For Phase II, CVAG has negotiated with the firm and reduce the cost to 12% of the construction cost.

CV SYNC	Construction Cost	Construction Management Cost	Percent of Construction
Phase I	\$21 Million	\$3.1 Million	15%
Phase II	\$62 Million	\$7.5 Million	12%

The team consists of TKE Engineering as the lead, and four different sub-consultants necessary to cover the myriad of technological issues inherent to CV Sync. The team has been flexible in facilitating the specific needs of different cities, including as it relates to coordinated construction schedules and training jurisdictional staff. Despite unexpected field changes, TKE burn rate has been maintained at a level which is still within the project budget. The TKE team also has been mindful of managing the overall project budget, including facilitated two no-cost changes to the specifications that added value to the project while responding to requests from agency partners.

Beyond the technological nature of the project, the most challenging aspect of CV Sync is the necessity to coordinate supply chain delivery, and construction scheduling with 10 different jurisdictional inspection crews in the field. TKE has finely tuned the processes, specifications and relationships – both in the Coachella Valley and with state agencies – over the past year. With approval of this contract amendment, the TKE team help with finalize the bid documents for Phase II construction and then administer the second phase of CV Sync.

The scope for Phase II is identical to that of Phase I with the addition of a line item for warranty claim support. All of CVAG's hardware and software is warranted through at least one year, and the Team can assist new CVAG staff that may be added to operate CVAG's RTMC with any claims that may arise.

The terms of the contract amendment align with the work anticipated for the next segment of construction.

Fiscal Analysis: Amendment No. 1, which extends through March 2025, includes a not to exceed amount of \$7,459,648. This brings the total TKE contract to nearly \$11.08 million, including contingency.

The cost of the Phase II services will be paid for from regional transportation funding, including Measure A, over the two-year term of the project. By perspective, the Phase I construction management cost was 15% of the construction budget. For Phase II, CVAG has negotiated with the firm and reduce the cost to 12% of the construction cost.

The Phase II project is estimated to cost \$62 million. Of that, \$37.6 million has been secured in state and federal funding. That includes \$6.7 million in STIP funding that the CTC will vote on at the June 2022 meeting. CVAG also has \$30.8 million in Congestion Management and Air Quality (CMAQ) funding. Pending CTC approval, Phase II will be advertised for construction bid this summer. The construction contract will be awarded in the fall to the lowest responsive bidder.

In addition, CVAG staff is tracking the state and national infrastructure funding opportunities that are beginning to flow into the transportation, ITS and broadband sectors.

Attachments: Amendment No. 1 to TKE's contract

**AMENDMENT NUMBER ONE
TO THE
TKE ENGINEERING INC.
PROFESSIONAL SERVICES AGREEMENT
FOR
CONSTRUCTION MANAGEMENT
FOR THE
REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROJECT (TSSP), PHASE II**

This **AMENDMENT NUMBER ONE** is made and entered into this 27th day of June 2022, by and between the **Coachella Valley Association of Governments**, a California joint powers agency ("**CVAG**"), and **TKE ENGINEERING INC ("Consultant")**, and is made with reference to the following background facts and circumstances. All other terms and conditions shall remain the same as stated in the original Agreement dated December 1, 2020 for the Regional Traffic Signal Synchronization Project (TSSP), Phase II.

1. This Amendment Number One extends the term of the Agreement to **March 30, 2025**.
2. This Amendment Number One authorizes the scope of services in accordance with the attached Exhibit A-1 Price Formula from TKE Engineering Inc. to provide additional Phase II Bid Administration, Pre-Construction Assistance and Construction Management Services for the not-to-exceed amount of **\$7,459,600**.
3. The total amount payable under this Agreement shall not exceed **\$11,079,800**.

Original Agreement	December 1, 2020	\$ 3,148,000
Original Agreement – Contingency	December 1, 2020	\$ 472,200
Amendment Number One	June 27, 2022	<u>\$ 7,459,600</u>
Total Amount Not to Exceed		\$11,079,800

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number One to be executed by their duly authorized representatives on this date:

**COACHELLA VALLEY ASSOCIATION
OF GOVERNMENTS**

TKE ENGINEERING INC.

By: _____
Tom Kirk, CVAG Executive Director

By: _____
Terry Renner, Senior Vice President

Coachella Valley Association of Governements (CVAG)

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROJECT (TSSP) - PHASE II BID ADMINISTRATION, PRE-CONSTRUCTION ASSISTANCE AND CONSTRUCTION MANAGEMENT SERVICES

FEDERAL AID PROJECT NO. CML-6164 (XXX)

Consulting Fee

	TKE ENGINEERING, INC.																TRIUNITY, INC.			
	Overall Project Manager (Terry Renner, PE, QSD)		Resident Engineer (Justin P Schlaefli, PE, TE, PTOE)		Assistant Resident Engineer (Robert Doss, P.E.)		Office Engineer (Marvin Lara, EIT)		Assistant Engineer		Lead Field Inspector (Stephen Biscotti)		Civil Inspector (Brad Enscoe)		Electrical Inspector (Michael Counce)		Project Controls (John Haynes)		Integration Manager (Isreal Lopez)	
Task	Rate	251.09	Rate	235.4	Rate	170.01	Rate	136.01	Rate	86.31	Rate	169.26	Rate	169.26	Rate	169.26	Rate	317.22	Rate	194.71
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Bid Administration and Pre-Construction Assistance																				
1.1 Evaluation of Scheduling	200	\$ 50,218	240	\$ 56,496	200	\$ 34,002	40	\$ 5,440	8	\$ 690	8	\$ 1,354	6	\$ 1,016	6	\$ 1,016	768	\$ 243,625	160	\$ 31,154
1.2 Constructability Review / Risk Analysis	30	\$ 7,533	60	\$ 14,124	40	\$ 6,800	8	\$ 1,088	8	\$ 690	8	\$ 1,354	6	\$ 1,016	6	\$ 1,016	80	\$ 25,378	80	\$ 15,577
1.3 Construction Project Advertising, Bid Analysis, and Award	40	\$ 10,044	160	\$ 37,664	80	\$ 13,601	16	\$ 2,176	8	\$ 690		\$ -		\$ -		\$ -		\$ -	80	\$ 15,577
Construction Management																				
2.1 Construction Oversight and Inspection ^{3.)}	1,000	\$ 251,090	1,400	\$ 329,560	1,000	\$ 170,010		\$ -		\$ -	2360	\$ 399,454	1900	\$ 321,594	2100	\$ 355,446		\$ -	1,600	\$ 311,536
2.2 Contact Administration per FHWA and Caltrans Requirements	360	\$ 90,392	240	\$ 56,496	340	\$ 57,803	1,000	\$ 136,010	800	\$ 69,048		\$ -		\$ -		\$ -		\$ -		\$ -
2.3 Coordination of Agency Inspections and	120	\$ 30,131	440	\$ 103,576	120	\$ 20,401	40	\$ 5,440	40	\$ 3,452	1000	\$ 169,260	600	\$ 101,556	800	\$ 135,408		\$ -		\$ -
2.4 Office Engineering	170	\$ 42,685	240	\$ 56,496	600	\$ 102,006	2,300	\$ 312,823	1200	\$ 103,572		\$ -		\$ -		\$ -		\$ -		\$ -
2.5 Project Closeout ^{4.)}	200	\$ 50,218	400	\$ 94,160	80	\$ 13,601	40	\$ 5,440	40	\$ 3,452		\$ -		\$ -		\$ -		\$ -	160	\$ 31,154
Phase 1 Support																				
3.1 Warranty Claims Support	40	\$ 10,044	60	\$ 14,124		\$ -		\$ -		\$ -	160	\$ 27,082		\$ -		\$ -		\$ -		\$ -
Subtotal:	2,160	\$ 542,354	3,240	\$ 762,696	2,460	\$ 418,225	3,444	\$ 468,418	2,104	\$ 181,596	3,536	\$ 598,503	2,512	\$ 425,181	2,912	\$ 492,885	848	\$ 269,003	2,080	\$ 404,997

Notes:

- 1.) Overhead Direct Costs Assume Contractor will Provide Bucket Trucks for Inspection Requirements
- 2.) Assumes Construction Period of 24 months
- 3.) Inspection is Time and Materials as Needed. For Budget Purposes Assumes Similar Level of Effort for Phase I Requirements for Tracking Multiple Construction Crews
- 4.) Assumes No Training Will be Required

Coachella Valley Association of Governements (CVAG)

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROJECT (TSSP) - PHASE II BID ADMINISTRATION, PRE-CONSTRUCTION
ASSISTANCE AND CONSTRUCTION MANAGEMENT SERVICES

FEDERAL AID PROJECT NO. CML-6164 (XXX)

Consulting Fee

		ANSER ADVISORY, LLC		ADVANCED MOBILITY GROUP (AMG)												ARAGON GEOTECHNICAL					
Administrative Engineer (P.E)		Field Inspector Civil (Rajan Kariya)		Integration Support/Fiber Optic and Wireless Communication (Joy Bhattacharya, P.E., Technical Inspection (Leonard Gilliani) Traffic Signal ITS (Chris Higbee) Software/ Cloud (Shahin Sotoudeh) ATMS (Shruti Shivastava) Clerical												Materials Testing (C. Fernando Aragon, P.E., G.E., AASHTO, CT)		Materials Testing (Field Technician)		Total	
				Rate Hours	141.26 \$	Rate Hours	169.26 \$	Rate Hours	316.7 \$	Rate Hours	179.24 \$	Rate Hours	150.62 \$	Rate Hours	179.24 \$	Rate Hours	150.62 \$	Rate Hours	96.02 \$		Rate Hours
80	\$ 11,301	6	\$ 1,016	80	\$ 25,336	8	\$ 1,434	8	\$ 1,205	8	\$ 1,434	8	\$ 1,205		\$ -		\$ -		\$ -	\$ 467,941	
40	\$ 5,650	6	\$ 1,016	40	\$ 12,668		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 93,909	
80	\$ 11,301		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 91,053	
580	\$ 81,931	2100	\$ 355,446	1,100	\$ 348,370	2,100	\$ 376,404	440	\$ 66,273	600	\$ 107,544	480	\$ 72,298	80	\$ 7,682	900	\$ 171,414	1,600	\$ 217,936	\$ 3,943,986	
280	\$ 39,553		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 449,303	
120	\$ 16,951	800	\$ 135,408	400	\$ 126,680	800	\$ 143,392	80	\$ 12,050	320	\$ 57,357	800	\$ 120,496	80	\$ 7,682		\$ -		\$ -	\$ 1,189,240	
480	\$ 67,805		\$ -	160	\$ 50,672		\$ -		\$ -		\$ -		\$ -	24	\$ 2,304		\$ -		\$ -	\$ 738,364	
240	\$ 33,902		\$ -	24	\$ 7,601	8	\$ 1,434	8	\$ 1,205	12	\$ 2,151	24	\$ 3,615	8	\$ 768		\$ -		\$ -	\$ 248,701	
	\$ -																				
	\$ -		\$ -		\$ -	80	\$ 14,339		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ 65,588	
1,900	\$ 268,394	2,912	\$ 492,885	1,804	\$ 571,327	2,916	\$ 537,003	536	\$ 80,732	940	\$ 168,486	1,312	\$ 197,613	192	\$ 18,436	900	\$ 171,414	1,600	\$ 217,936	\$ 7,288,085	
Overhead Direct Costs: ^{1.)}																				\$ 171,563	

Notes:

- 1.) Overhead Direct Costs Assume Contractor will Provide Bucket Trucks for Inspection Requirements
- 2.) Assumes Construction Period of 24 months
- 3.) Inspection is Time and Materials as Needed. For Budget Purposes Assumes Similar Level of Effort for Phase I Requirements for Tracking Multiple Construction Crews
- 4.) Assumes No Training Will be Required


TKE Engineering, Inc.

ITEM 9a

2020/2021 EXECUTIVE COMMITTEE ATTENDANCE ROSTER



CVAG JURISDICTION	JUL	AUG	SEP	OCT	NOV(Dec)	DEC	JAN	FEB	MAR	APR	MAY(JUN)	JUN
Blythe	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Cathedral City	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Coachella	-	-	✓	-		-	-	✓	-	✓	✓	
Desert Hot Springs	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Indian Wells	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Indio	-	-	✓	-	✓	-	-	✓	-	✓		
La Quinta	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Palm Desert	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Palm Springs	-	-	✓	-		-	-	✓	-	✓	✓	
Rancho Mirage	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Riverside County	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Agua Caliente Band of Cahuilla Indians	-	-	✓	-	✓	-	-		-	✓	✓	
Cabazon Band of Mission Indians	-	-	✓	-		-	-	✓	-		✓	
Torres Martinez Desert Cahuilla Indians	-	-	✓	-	✓	-	-	✓	-		✓	
Twenty-Nine Palms Band of Mission Indians	-	-		-		-	-		-	✓		

Absent 

No Meeting -

Present ✓

ITEM 9b

Coachella Valley Association of Governments Executive Committee June 27, 2022



STAFF REPORT

Subject: Update on Western Coachella Valley Flooding and Blowsand Projects

Contact: Jonathan Hoy, Director of Transportation (jhoy@cvag.org)

Recommendation: Information

Background: At the April 2022 meeting of the Transportation Committee, staff was asked to return with an update on the follow up steps being taken for projects in the “Flood and Blowsand Risk Assessment and Improvement Plan for the Western Coachella Valley.” This staff report provides a recap of the study and outlines the next steps of the project, including plans to solicit bids this summer from planning and engineering consultants.

CVAG’s Executive Committee, at the recommendation of the Transportation Committee, identified the need for the flooding and blowsand study in spring 2019. That February, the Coachella Valley experienced record-setting rainfall that prompted widespread flooding and blowsand issues on regional roadways. Indian Canyon, Gene Autry Trail, and Ramon Road were flooded at crossings of the Whitewater River stormwater channel. Emergency services personnel along with people travelling to work, school, doctor’s appointments, and other locations were stuck at a standstill for hours. The traffic woes were particularly problematic to and from Palm Springs and Desert Hot Springs, although it impacted drivers across the entire Coachella Valley.

It was not an isolated event. Far too often, storms and major wind events force the closures of regional roadways, sometimes for extended periods of time. For decades, there have been plans to provide all-weather bridges at the low-water crossings on Ramon Road, Vista Chino Drive, Indian Canyon, and Gene Autry Trail. All of them are expensive projects that require years to design and hundreds of millions of dollars of state/federal funds to build.

After a competitive process was initiated to hire a consultant, CVAG hired Michael Baker International (MBI) to complete a study that identified options that will reduce risks to travelers while protecting critical plant and animal species at the specific locations. The goal was to identify, develop, and evaluate alternative concepts that provide a level of flood protection appropriate for the specific location. Where locations are heavily travelled, a 100-year storm frequency design was considered and a 10-year storm frequency designs was considered for less travelled roadways. The solutions also needed to be compatible with the Coachella Valley Multiple Species Habitat Conversation Plan (CVMSHCP), as well as comply with local, county, and state design guidelines and follow good sound engineering practices.

In addition to structural solutions, MBI was encouraged to develop non-capital, non-structural solutions that could address public safety and immediate concerns accessing local and regional medical centers and provide continuous and uninterrupted services by first responders and emergency personal, such as vehicles that can move emergency personnel and patients

through or over flood and dust zones. The study also identified short-term solutions to address flooding and blowsand events, most notably the installation of changeable message signs that alert travelers in advance of roadway closures.

At the December 7, 2020, meeting, the CVAG Executive Committee considered the findings from the "Flood and Blowsand Risk Assessment and Improvement Plan for the Western Coachella Valley." The Flood and Blowsand assessment prioritized projects that would best fit the needs of the Western Coachella Valley during a flooding or emergency event. High, medium, and low priority rankings were assigned to projects based on emergency and evacuation access, traffic volumes and stormwater flows. After coordinating with the Cities of Desert Hot Springs, Cathedral City and Palm Springs, CVAG Transportation and Executive Committees in April 2021 prioritized improvements on North Indian Canyon Road (from Sunrise Parkway to Palm Station Road), Varner Road (from Mountain View Road to Date Palm Drive) and Date Palm Drive (from I-10 to Varner Road), which were identified in the study as project numbers INCN7, VRNR2, and DPLM5.

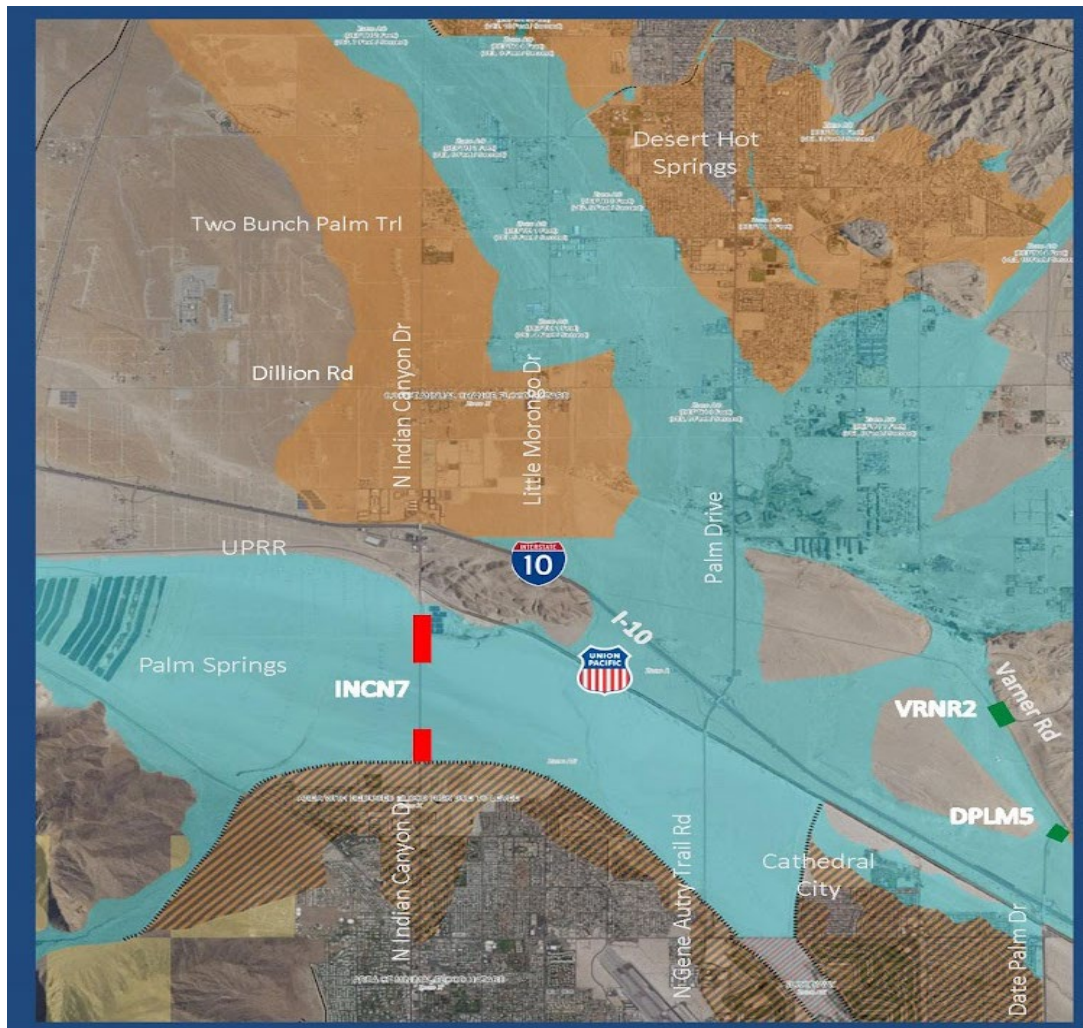
CVAG staff has been focused on finalizing a scope of work for the engineering and design stages of these projects. On May 10, 2022, CVAG staff met with Cities of Desert Hot Springs, Cathedral City and Palm Springs on the three projects to obtain input on the approach. Based on the feedback, CVAG plans to release a Request For Proposals (RFP) this June for professional engineering services. The scope of work will include environmental studies and permits, design and engineering of bridge and/or culvert structures, geotechnical studies, right of way engineering, support in preparing the construction bid documents and support during construction. Bridge and culvert structures shall be designed to convey 100-year flood events at Whitewater River, Chino Canyon Creek, Willow Wash, and Long Canyon Wash crossings. The roadways will incorporate bike lanes and mitigation measures for blowsand.

Staff anticipates recommending an engineering services contract when CVAG's committees resume their meetings in the fall. If approved, the design work shall start early October 2022. Staff will be recommending a fast-track project management method, including having the three projects progressing concurrently.

Fiscal Analysis: There is no cost to this update.

The 2017 estimate of cost for projects INCN7, VRNR2 and DPLM5, as identified in the RACE was \$266 million. The new estimate of cost based on MBI's alternative concept design is \$39 million, an estimated \$227 million savings. The design and engineering phase of work required to advance these projects is estimated to be \$4-5 million, but the exact cost will be determined through the RFP process.

Attachment: Project location map as identified in the Flooding and Blowsand Study



ITEM 9c

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Riverside County's Coordinated Response to Asylum Seekers

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: Title 42 is a public health order issued by President Trump's administration that allows Customs and Border Protection to expel migrants to Mexico or back to their home countries to prevent the spread of COVID-19 in holding facilities. The order was extended multiple times. Amid the improving health conditions, President Biden's administration is now seeking to end the order. The decision has been challenged, as a number of states have argued that their states' healthcare, law enforcement and education systems would be overly burdened by an influx of undocumented immigrants if the public health restriction is lifted. To date, the legal rulings have kept Title 42 in place.

The Riverside County Asylum Seeker Response Program was launched in March 2021 to support the U.S. Customs and Border Protection response to asylum seekers entering the county. The response includes ensuring that asylum seekers who are released by Border Patrol, and legally seeking asylum in the United States, receive short-term transitional services. It also included testing and sheltering needed to address the COVID-19 pandemic. The County has included funding for the Galilee Center, an eastern Coachella Valley-based nonprofit organization that fulfills the food, clothing and basic needs for local disadvantaged children, families, and farmworkers. The Asylum Seeker Response Program has engaged an array of other County departments – including public health, behavioral health, public social services and Riverside County Probation Department – to address the various social services needed, including mass care and shelter coordination, meal operations, travel assistance and other wraparound services.

By mid-May 2022, Riverside County officials said they have received 27,363 individuals. The typical assistance includes helping them with a stay in the county – generally a couple of days before they head to a sponsor outside of the county. The County was contracting for 275 motel rooms in two cities to address the need. The County is also coordinating a contingency plan should there be an increased number of individuals, including coordinating cities across the county.

Bruce Barton, Director of Riverside County's Emergency Management Department, provided an update on the response to the Public Safety Committee about when it met on June 13, 2022.

Fiscal Analysis: There is no cost to CVAG for this informational update.

ITEM 9d

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Exploration of an Energy Infrastructure Financing Option

Contact: Emmanuel Martinez, Senior Programs Manager (emartinez@cvag.org)

Recommendation: Information

Background: The eastern Coachella Valley communities served by the Imperial Irrigation District have experienced significant growth as of recent years. The increased load growth and plans for future development has necessitated a discussion on how to meet increased electricity demands for the foreseeable future. Currently, the IID serves the eastern Coachella Valley electrical services via an agreement with the Coachella Valley Water District, the 1934 Compromise Agreement. The agreement expires in 2033. Discussions are now ongoing regarding the future service and governance of electricity in the east valley, prompting leaders to seek solutions that will facilitate economic development in the short- and long-term. One of the solutions being proposed is establishing a financing authority to facilitate the use of revenue bonds to pay for capital infrastructure critical to ensuring sufficient electrical distribution capacity for meeting economic development needs in the east Valley.

On May 9, the Cities of Coachella, Indio and La Quinta held a special meeting to discuss the financing authority concept collectively with their city councils. Representatives of the cities agreed to continue discussions regarding the feasibility, interest and possible next steps. A recap was provided to the Energy & Environmental Resources Committee at its May 12 meeting. To keep CVAG's Energy and Environmental Resources Committee apprised of these recent efforts and answer technical questions, Indio City Manager Bryan Montgomery attended the Committee's June 9 meeting.

The proposed financing authority aims to answer questions of how to pay for energy infrastructure. Although eastern Coachella Valley communities served by IID enjoy considerably lower rates in comparison to Southern California Edison, the revenue received for capital improvements commensurate with the low-rates. As a result, there is a significant challenge in ensuring adequate rate revenue is available to meet the growth demands in the Coachella Valley, particularly for substation and related distribution infrastructure. Rate revenue for capital improvements has not kept up with the rate of growth in the Cities of Indio, Coachella and La Quinta. To address this concern while avoiding across the board rate hikes, the city managers of the aforementioned cities have discussed establishing a financing authority, which would allowed flexibility as it relates to participation and revenue generation.

The financing authority concept currently proposes a tenth-of-a-cent fee added to the kilowatt hour for each IID customer in the respective jurisdiction. Based on this fee amount, modeling has shown that each city can leverage significant amount of bond revenue to help pay for substations, which one of the key challenges to meeting load growth. For example, if this concept were to move forward, the surcharge could leverage bonds in the amounts of \$17 million in the City of Indio, \$12 million in La Quinta and \$9 million in Coachella. As currently

structured, substations are paid for by developers when their proposed project triggers additional energy capacity need. However, this burden is often placed on the first developer who comes after energy capacity in a certain area has been exhausted. Because building substations to create distribution capacity can range in the tens of millions of dollars, this places a significant financial burden on the project which often makes its cost prohibitive and financially infeasible. Therefore, by creating a mechanism by which each city can raise revenue needed for this critical infrastructure, the cost burden on a single developer can be decreased and more economic development projects can move forward.

It should be noted that this conceptual financing authority is not meant to completely alleviate a developer of all energy infrastructure costs associated with their project. Rather, it is meant to help ensure that they pay their fair share and are not overburdened with upfront capital costs that are not proportional to their energy infrastructure needs.

The June 9 presentation to the Energy & Environmental Resources Committee came on the heels of similar updates to the Coachella Valley Energy Commission and the IID Board of Directors. A copy of the presentation is attached for the Executive Committee's information.

Fiscal Analysis: There is no cost for this presentation. Staff time related to tracking issues related to the Coachella Valley Energy Commission is covered under a Memorandum of Understanding with the Imperial Irrigation District, which CVAG authorized in February 2022 to help achieve a local collaborative governance and electrical service solution post-2033.

Attachment: Presentation by Indio City Manager on "Electric infrastructure financing mechanism for Coachella Valley communities"

ELECTRIC INFRASTRUCTURE FINANCING MECHANISM FOR COACHELLA VALLEY COMMUNITIES



**Coachella Valley Finance Authority
and IID'S Customer Service Program**

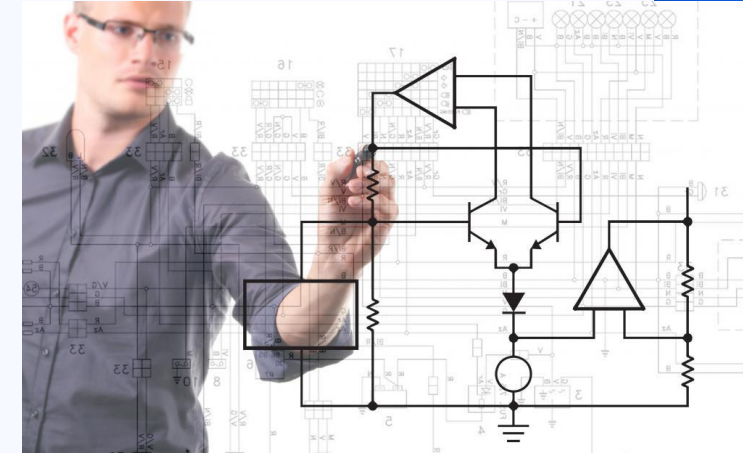
CHALLENGE:

- ▶ Throughout the Coachella Valley, communities have the need for electric infrastructure which is essential in promoting system reliability and supporting prudent economic development.



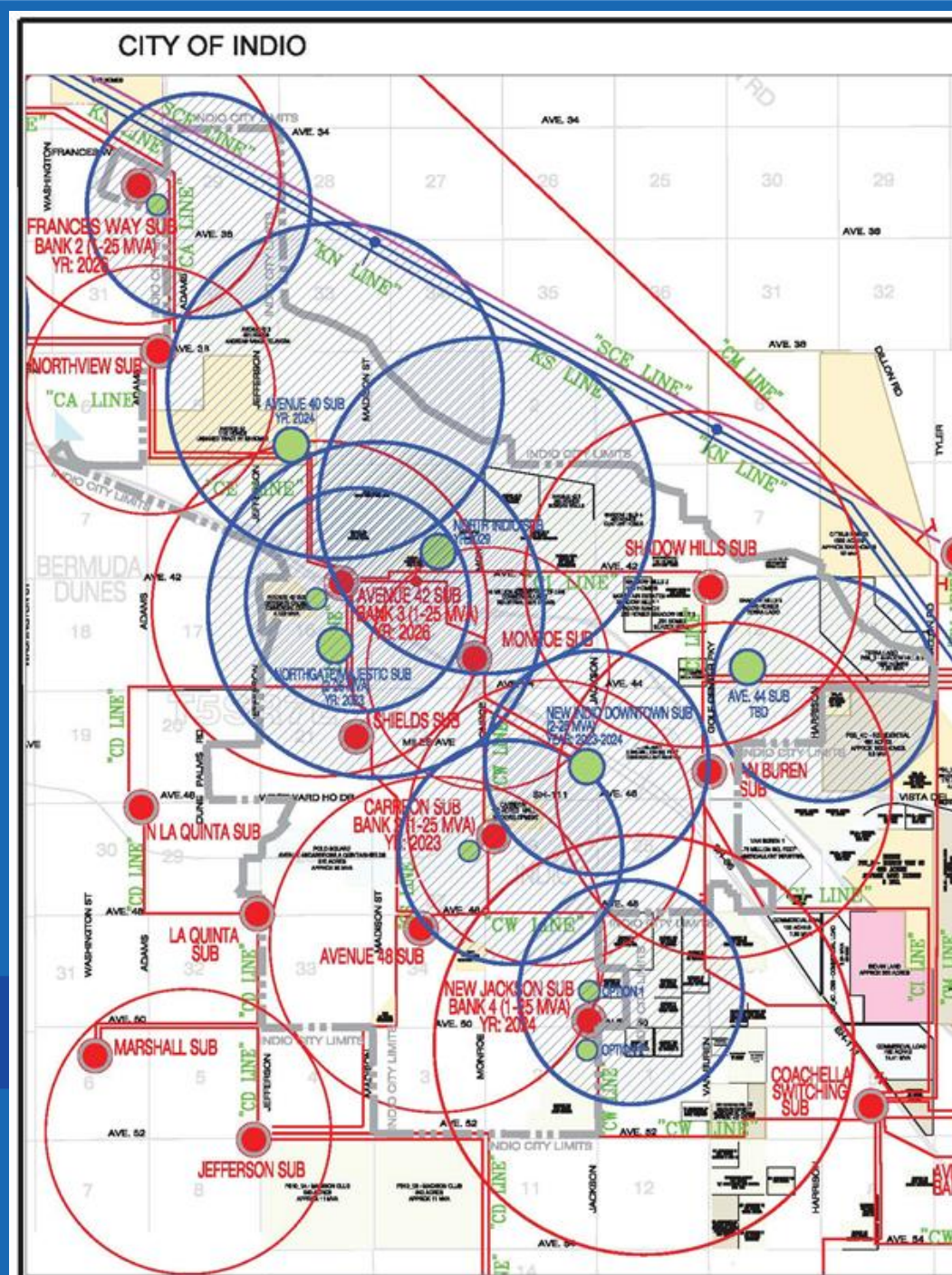
PROBLEM TO ADDRESS:

- ▶ Critical local electricity infrastructure in the Coachella Valley is in need of upgrade, repair and expansion to improve **safety**, **reliability**, **redundancy**, and the **economic viability** of the Valley.
- ▶ IID's rate structure is very low (over 60% below the rates of Southern California Edison) but can't fund all these critical infrastructure needs.



Example:

Needed substations in Indio



**IID rates are
very low**

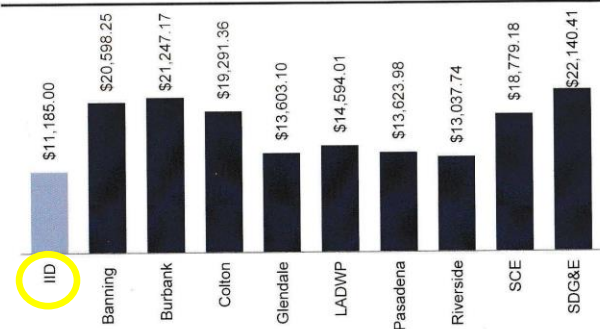
**~ 60% LOWER
than SCE**

Electric Rate Comparison

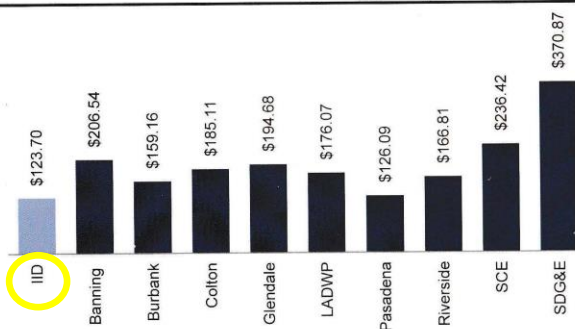
IID and State Averages

- IID's average system electric rate is 12.25¢/kWh
- IID's rates compare favorably to those of neighboring investor-owned utilities
- Residential electricity rates in California average 19.82¢/kWh, which ranks the state 7th highest in the nation

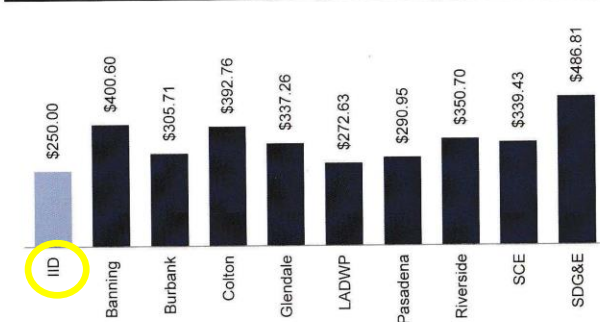
Medium Commercial (300 KW / 100,000 kWh)



Residential (1,000 kWh)



Small Commercial (2,000 kWh)



Source: IID Audited Financial Statements for the year ended December 31, 2018 and EIA (February 2019)

PROPOSED SOLUTION:

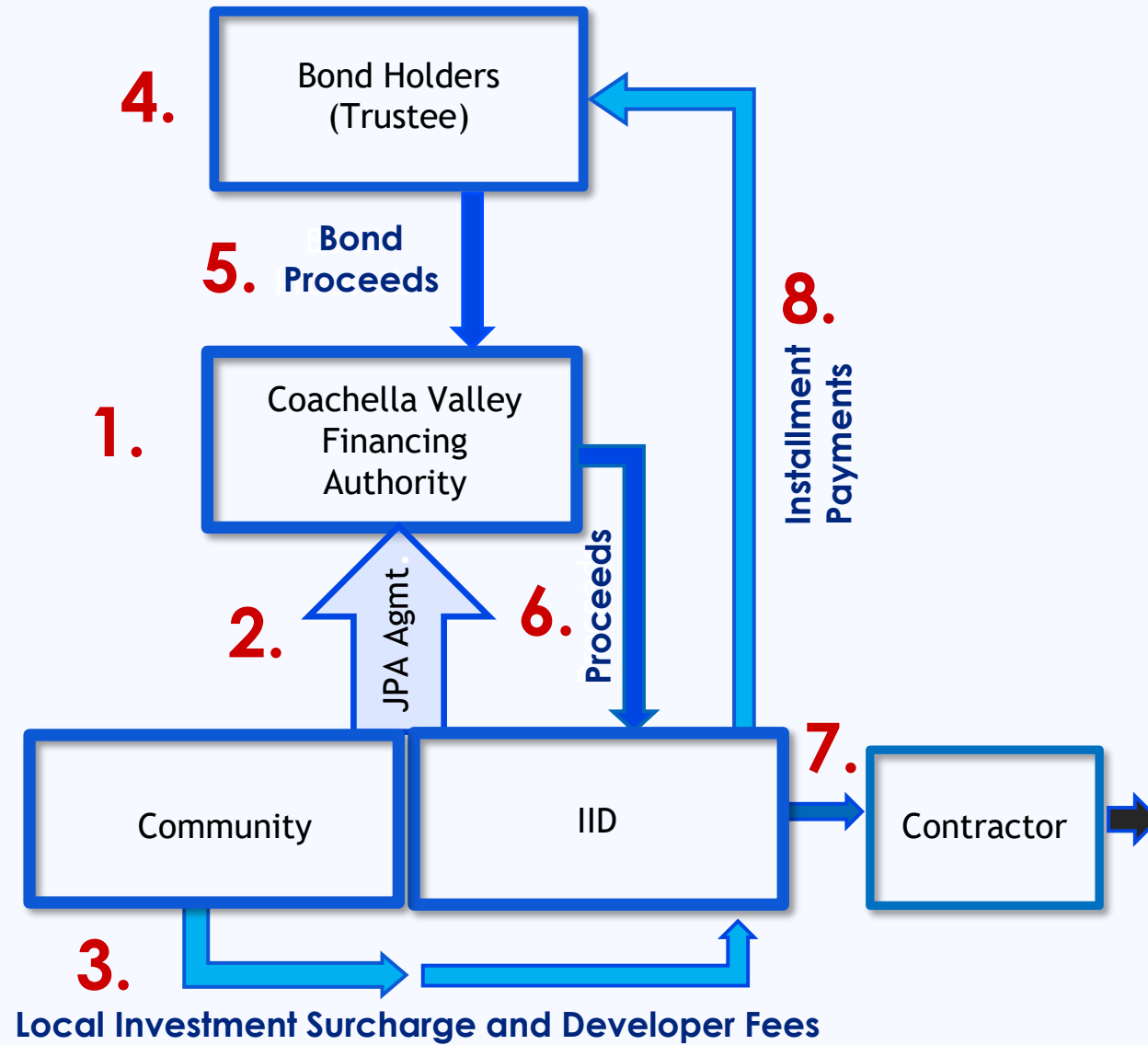
- ▶ Utilize IID's existing Customer Service Project (CSP) Program to address the infrastructure needs in the Coachella Valley



HOW IT WOULD WORK:

- ▶ Create the Coachella Valley Financing Authority (CVFA), a Joint Power Authority between IID and the communities that want to participate
- ▶ IID would work with and collect a Local Investment Charge from customers in any participating community
- ▶ Funds would be segregated by participating agency and used to secure CVFA bonds to invest in local electric infrastructure
- ▶ Each community would still require developer-related contributions to offset cost and/or fund infrastructure

HOW IT WOULD WORK



WHY DOES THIS MAKE SENSE?

- ▶ Simple solution based on an existing IID program
- ▶ Allows critical projects to move forward now
- ▶ Gives maximum flexibility to each community to decide if they want to participate, what projects they want to build and how much they want to finance
- ▶ Creates a template for the future, where additional projects could be financed, or additional communities could join
- ▶ Does not require a vote or new legislation

NEXT STEPS:

- ▶ Continued coordination between communities and IID
- ▶ Develop timing, cost and delivery plan for projects
- ▶ Begin ordering key lead-time equipment
- ▶ Approval of program documents
- ▶ Deliver program ASAP

QUESTIONS AND COMMENTS

ITEM 9e

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Update on Property Assessed Clean Energy (PACE) program

Contact: Elizabeth Barnwell, Management Analyst (ebarnwell@cvag.org)

Recommendation: Information

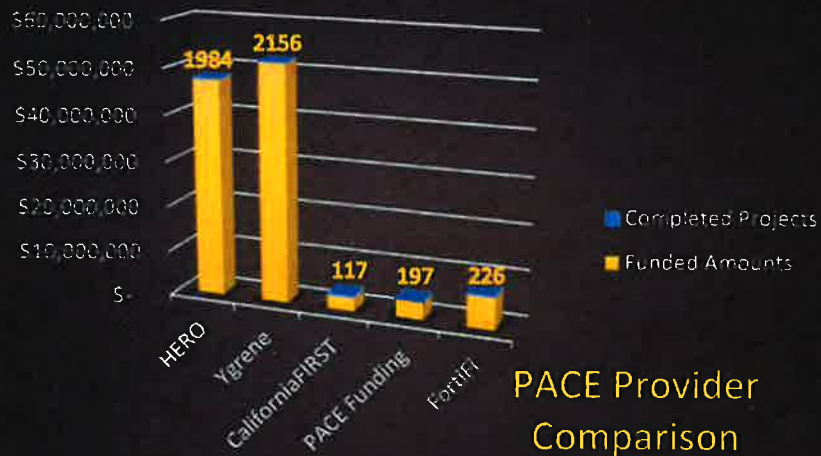
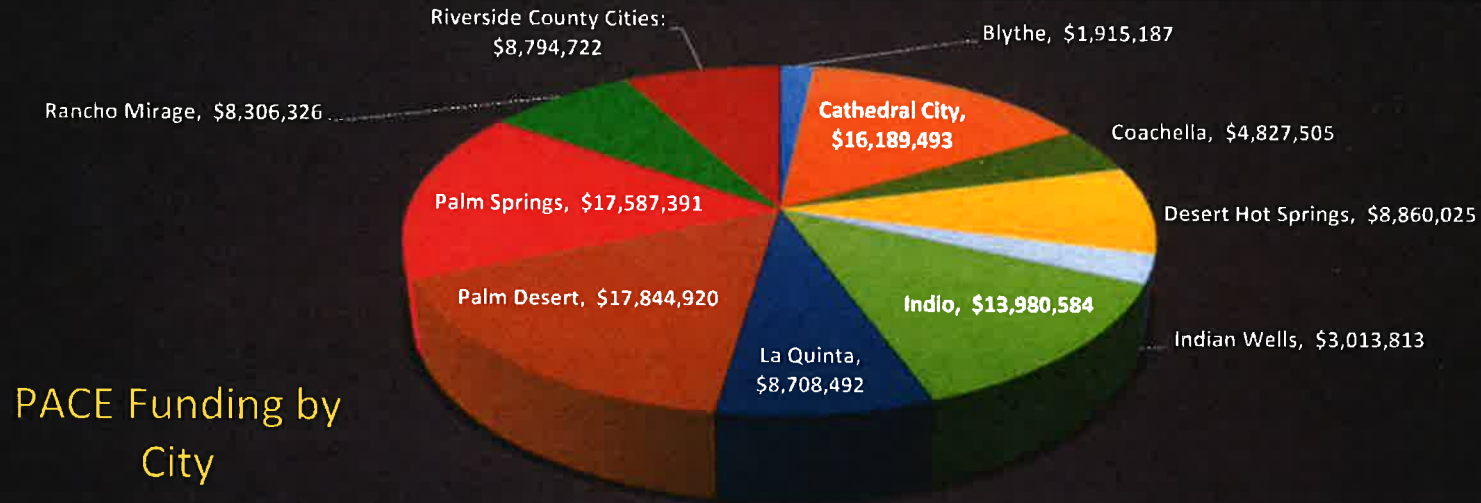
Background: Property Assessed Clean Energy (PACE) programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses, with little or no money out of pocket. Financing for these improvements is paid back through a lien placed on the property and collected through the annual tax bill. PACE programs continue their activities in the Coachella Valley, but due to the COVID-19 pandemic and as demonstrated in the attached status report, participation dropped.

A summary of the latest activity is attached. CVAG will continue to monitor and report on the status of the PACE residential and commercial PACE providers that operate in CVAG's member jurisdictions.

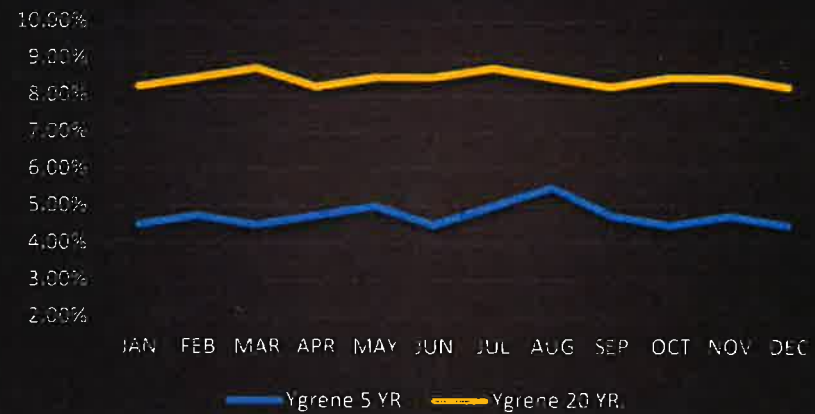
Fiscal Analysis: There is no cost associated with this update. CVAG's staff time spent on these programs is recovered by a participation fee collected from each provider.

Attachment: PACE Report

CVAG PACE REPORT



PACE Interest Rates



CARS REMOVED FROM ROAD: 39296

JOBS CREATED: 1000

Other PACE providers have interest rate ranges from 5.99%-10.98%

Updated for May 31, 2022

ITEM 9f

Coachella Valley Association of Governments Executive Committee June 27, 2022



STAFF REPORT

Subject: Funding Agreements for the CV Housing First Program

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: Since 2008, CVAG has funded its regional homelessness programs – first Roy's Desert Resource Center, and then later programs that evolved into CV Housing First – by contributions from member jurisdictions. This process has involved CVAG staff sending a request to each city and tribe as well as the County of Riverside. Sometimes the jurisdictions approve the request as part of the annual budget; other times, it is done through a separate action. Some have done this based on calendar year, and others on fiscal year – adding to additional record keeping at CVAG.

In 2021, at the recommendation of the CVAG Homelessness Committee, the CVAG Executive Committee authorized the Executive Director to negotiate and execute Memorandums of Understanding (MOU) with member jurisdictions to secure multi-year funding commitments for the CV Housing First program. CVAG staff has since circulated a draft MOU to member jurisdictions for their consideration, and invoiced each jurisdiction that had committed to funding the program for the current fiscal year. The MOUs would secure \$100,000 a year through fiscal year 2023/24.

The Palm Desert City Council approved the agreement on May 12, 2022, making it the first city to approve a multi-year agreement. Two cities – Cathedral City and La Quinta – have authorized one-year MOUs. The County of Riverside, which has been instrumental in helping CVAG secure additional funds through grants, has an agreement for general fund contributions through fiscal year 2025/2026.

Support for the CV Housing First program, and the transition to in-house operations, has been resounding. Long-term funding agreements will ensure financial stability for the program, and avoid the uncertainty – and significant staff time – that comes with the traditional process of asking cities for funds each year. CVAG staff has consulted with Legal Counsel, who notes that there is no legal impediment to cities entering into a multi-year commitment. Additionally, the California Constitution debt limit only prohibits a multi-year contract where the funds to pay the full contract are not on hand, and that the amount of this proposed MOU does not appear large enough to create that concern.

Fiscal Analysis: The CV Housing First program, including the staffing and program operations, is funded by contributions from member jurisdictions and grants. CVAG's city and tribal member

jurisdictions are each asked to contribute \$100,000 a year for the operations. Riverside County's contribution through June 2026 is for \$359,711 annually. The program also has a strong financial backer in the Desert Healthcare District/ Foundation. The current agreement is for \$500,000, and the District/ Foundation's agreement has a clause that CVAG needs to demonstrate a continued commitment of current funding levels from the CVAG member agencies.

ITEM 9g

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Annual Point-in-Time Count of Unsheltered Individuals

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: In order to fulfill requirements from the U.S. Department of Housing and Urban Development, the Riverside County Continuum of Care (COC) coordinates a Point-in-Time (PIT) count each January to count of sheltered and unsheltered homeless persons. Each count is planned, coordinated, and carried out in partnership with local cities and agencies.

In 2021, Riverside County requested and received approval to cancel the annual unsheltered count, amid concerns of COVID-19 transmission and rising case numbers. The COC did conduct a count of sheltered individuals, which involved analyzing data from the County's Homeless Management Information System (HMIS) and its summary reports for the sheltered count.

The 2022 Homeless Point-in-Time Count was delayed due to the pandemic and held February 23-25, 2022. It had a "More Than a Count" theme and focused on both a sheltered and unsheltered count, while providing same-day linkages to housing and aftercare services immediately following the count. The County relied on volunteers to complete the count, and CVAG's CV Housing First staff was among those who participated.

The Point-In-Time Count data was released in May 2022 and Riverside County staff provided the highlights to the CVAG Homelessness Committee when it met on June 15, 2022. A total of 3,316 individuals were counted, including 1,980 unsheltered individuals and 1,336 sheltered individuals. The overall figures are a 15 percent increase over the 2,884 homeless who were counted in 2020's Point-In-Time Count. When divided by the supervisory district, Riverside County's Fourth District – which includes the Coachella Valley and the City of Blythe – saw the largest total of unsheltered individuals at 670 homeless, and the second highest sheltered total at 424 individuals. County staff is currently working on a deeper analysis of the data, but did note that District 4's totals coincide with the fact that there were a higher number of volunteer counters in the Fourth District, which is also a larger geographic area than other supervisorial districts. There also was a better methodology in counting that incorporated the use of technology and increased coordination with outreach teams from service providers, county behavioral health and public safety teams.

Fiscal Analysis: There is no cost to CVAG for this report.

Attachment: Housing and Workforce Solutions' 2022 Homeless Point-In Time Count Report



HWS HOUSING AND
WORKFORCE
SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

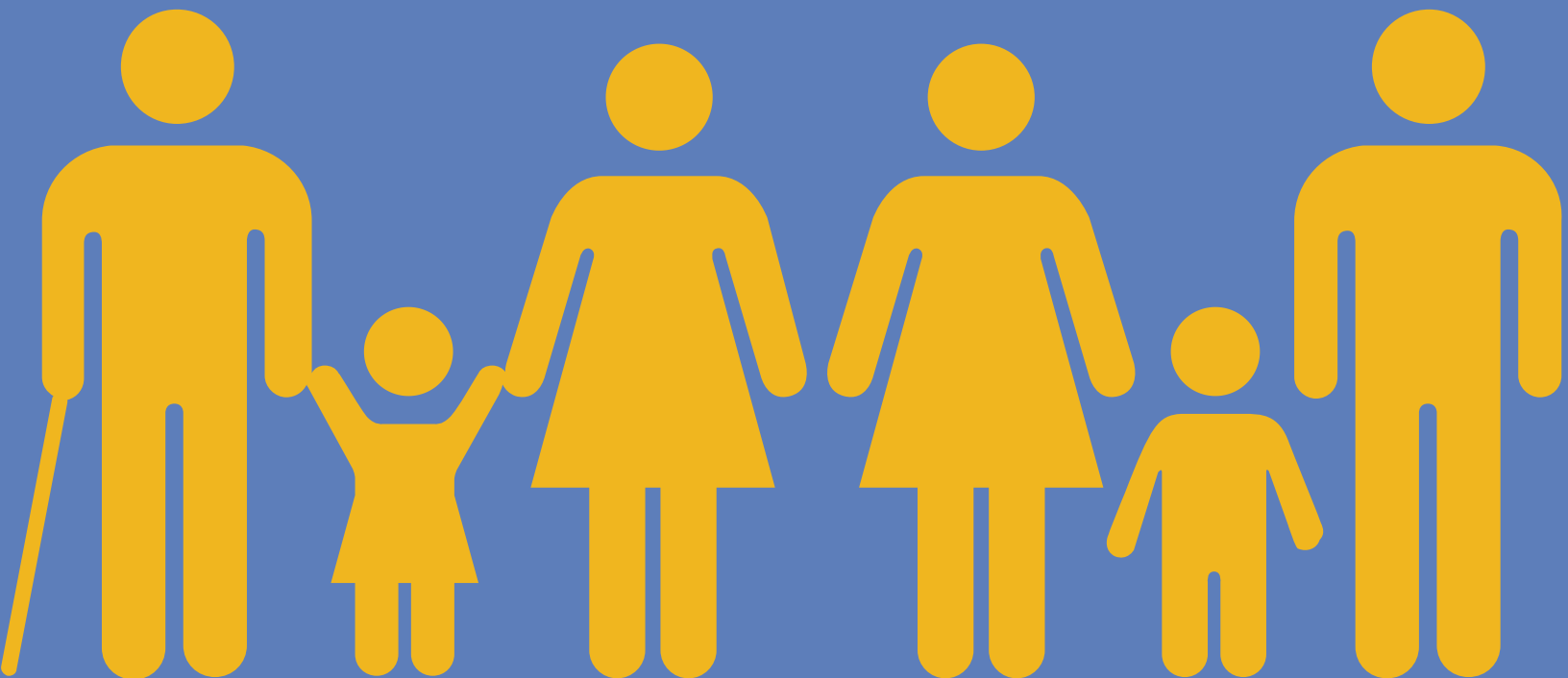
2022

Riverside County
Continuum of Care

Homeless Point in Time Count

A federally mandated count of people experiencing sheltered and unsheltered homelessness on a single night. The data collected is used to demonstrate need for federal and state funding, services, and resource planning, and to inform the community about homelessness.

Report



2022 POINT IN TIME COUNT

Total

3,316

15% Increase from 2,884 (2020 PIT Count)

Unsheltered 1,980

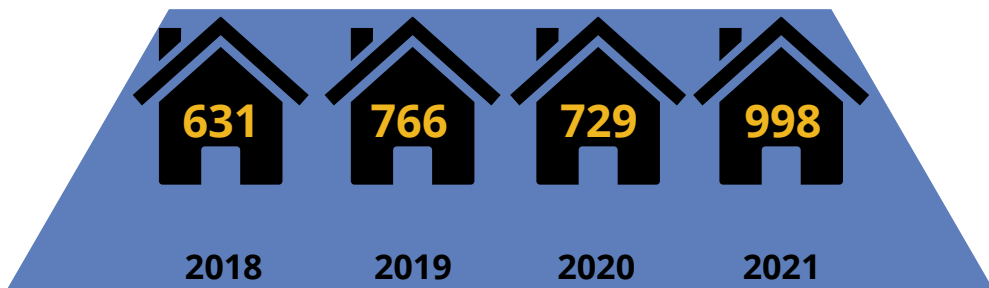
Sheltered 1,336

Sheltered Total

1,336

By Supervisory District

District 1	452
District 2	129
District 3	292
District 4	424
District 5	39



Sheltered Total by Year

Subpopulation

49

Veterans

75

Transitional Aged Youth

137+

Seniors

119

Families with Children

↓ 2% Decrease

↑ 7% Increase

↑ 71% Increase

↑ 86% Increase

% Difference Compared to 2020

Unsheltered Total

1,980

By Supervisory District

District 1	373
District 2	460
District 3	227
District 4	670
District 5	250

Subpopulation

146

Veterans

237

Transitional Aged Youth

106

Seniors

9

Families with Children

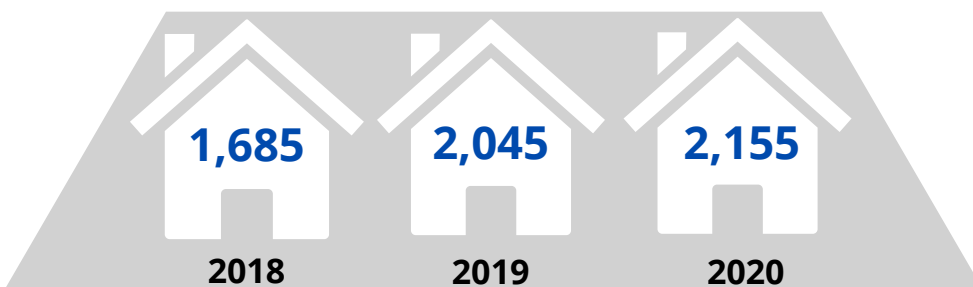
↑ 30% Increase

↓ 7% Decrease

↓ 12% Decrease

↑ 50% Increase

% Difference Compared to 2020



Unsheltered Total by Year

*2021 Unsheltered PIT Count was not conducted as a result of COVID exemption.

Highlights



15% Overall Increase



8% Unsheltered Decrease



83% Shelter Increase



49% of Surveyed Individuals Requested After-care Services

Sub-Population Totals

195

Veterans

↑ 20% Increase

312

Transitional Age Youth 18 -24

↓ 4% Decrease

243+

Seniors 62+

↑ 22% Increase

128

Families with Children

↑ 83% Increase

2022 Volunteer Participation

Volunteer Type		
County Staff	163	23%
Law Enforcement (RSO & PD)	146	20%
Community Service Provider	108	15%
City Staff	102	14%
Community Volunteers	21	3%
School District/College/University	9	2%
Other	2	<1%
Unknown	168	23%





District and City Breakdown

District 1

	Unsheltered 2022	Unsheltered Difference From Last Count		Sheltered 2022	Total
Canyon Lake	0	0	0%	0	0
Lake Elsinore	35	-15	-30%	40	75
Riverside	307	-34	-10%	398	705
Wildomar	7	+1	17%	14	21
Unincorporated	24	-20	-46%	0	24
Total	373	-68	-15%	452	825

District 2

	Unsheltered 2022	Unsheltered Difference From Last Count		Sheltered 2022	Total
Corona	110	+1	1%	78	188
Eastvale	6	+2	50%	17	23
Jurupa Valley	96	-7	-7%	9	105
Norco	14	+2	17%	13	27
Riverside	207	-39	-16%	12	219
Unincorporated	27	-4	-13%	0	27
Total	460	-45	-9%	129	589

District 3

	Unsheltered 2022	Unsheltered Difference From Last Count		Sheltered 2022	Total
Hemet	82	-11	-12%	85	167
Murrieta	12	-6	-33%	149	161
San Jacinto	57	+26	84%	19	76
Temecula	28	-31	-53%	39	67
Unincorporated	48	-6	-11%	0	48
Total	227	-28	-11%	292	519

District 4

	Unsheltered 2022	Unsheltered Difference From Last Count		Sheltered 2022	Total
Blythe	79	+6	8%	12	91
Cathedral City	61	+17	39%	12	73
Coachella	74	-4	-5%	0	74
Desert Hot Springs	48	-20	-29%	15	63
Indian Wells	0	-1	-100%	0	0
Indio	105	+22	27%	322	427
La Quinta	7	+4	133%	0	7
Palm Desert	26	+8	44%	0	26
Palm Springs	222	+33	18%	54	276
Rancho Mirage	3	-9	-75%	0	3
Unincorporated	45	-13	-22%	9	54
Total	670	43	7%	424	1094

District 5

	Unsheltered 2022	Unsheltered Difference From Last Count		Sheltered 2022	Total
Banning	54	+11	26%	11	65
Beaumont	16	0	0%	3	19
Calimesa	8	-9	-53%	0	8
Menifee	28	+9	47%	4	32
Moreno Valley	77	-88	-53%	10	87
Perris	59	+7	14%	11	70
Unincorporated	8	-7	-47%	0	8
Total	250	-77	-24%	39	289

Top 4 Unsheltered Cities

Riverside	514
Palm Springs	222
Corona	110
Indio	105

CoC 2021 IMPACT

TOTAL
Unique Individuals Served

12,174



More
Shelter Beds

SHELTER
Persons Impacted

4,791

STREET OUTREACH
Persons Impacted

4,922



Service Oriented
Transitional
Housing

**PERMANENT
HOUSING**
Persons Impacted

3,895

**SAR ENCAMPMENT
RESPONSE**
Persons Impacted

108



Long-term
Preventive
Strategies



More
Permanent
Housing

HOMELESSNESS PREVENTION
Persons Impacted (HMIS & United Lift 26,665)

28,006

CONTINUUM OF CARE

TOTAL: \$49.8M



CESH \$1.4M 4 Projects



HHAP \$5.2M 17 Projects



**ESG & ESG-CV
\$31M 42 Projects**



**HUD CoC
\$10.4M 16 Projects**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

TOTAL: \$81.3M



**HUD-VASH
\$7.3M 408 Vouchers**



**FAMILY UNIFICATION PROGRAM
\$2.3M 180 Vouchers**



**MAINSTREAM
\$1.3M 119 Vouchers**



**HOUSING CHOICE VOUCHER
\$74M 7,555 Vouchers**

HOUSING & COMMUNITY DEVELOPMENT

TOTAL: \$270.2M



**HOMEKEY
\$42.3M 289 Housing Units**



**COUNTY FUNDING
\$26.2M 752 Housing Units**



**CDBG, ESG & ESG-CV
\$5.7M 34 Projects**



**UNITED LIFT
\$196M 26,665 Households**

ITEM 9h

Coachella Valley Association of Governments Executive Committee June 27, 2022



Staff Report

Subject: “The Path Forward” and a Recap of Collaborative Efforts Implemented in the Coachella Valley

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: In 2018, with funding by the Desert Healthcare District/ Foundation, nationally renowned expert Barbara Poppe evaluated the Coachella Valley’s homelessness programs and issued “The Path Forward” report to establish a blueprint for how the Coachella Valley could better address homelessness. Riverside County Supervisor V. Manuel Perez approached CVAG with an offer to help implement the recommendations and, starting in 2019, CVAG contracted with the County for staff support from Greg Rodriguez, the Supervisor’s Government Affairs and Public Policy Advisor. Mr. Rodriguez’s role involved working with stakeholders to define the collaborative and map out a course to transition oversight of regional homelessness initiatives like CV Housing First. Mr. Rodriguez was tasked to lead implementation of other recommendations from the Poppe report, including using established connections to identify needed resources and break down administrative or operational barriers, as well as serve as the main point person for regional issues related to homelessness. In December 2020, the CVAG Executive Committee authorized the Executive Director to shift focus from creating a formal collaborative structure in the Coachella Valley and instead support the regional efforts being pursued by Riverside County and the Continuum of Care, which is an organization that redistributes pooled resources for homelessness response across Riverside County.

Mr. Rodriguez, who is Chair of the Continuum of Care, has played a critical role in helping CVAG transition its program to one led by staff. He has helped the CVAG team identify to funding sources and access countywide resources. This includes a partnership with the County where the provides Project Roomkey units – which are hotel units for homeless individuals – that the CV Housing First team can directly manage for its own clients. This allows CVAG to help additional clients without signing additional leases and paying for more units.

Starting July 1, 2022, Mr. Rodriguez will be leaving the Supervisor’s office in order to become the Deputy Director for Government Affairs and Community Engagement at the County’s Riverside County Department of Housing & Workforce Solutions. CVAG staff will still coordinate both the Supervisor’s office and with Mr. Rodriguez for the CV Housing First program. However, CVAG will no longer have a direct contract with the County for staff resources.

At the June 15 meeting of the CVAG Homelessness Committee, Mr. Rodriguez provide a recap of the efforts completed under the contract and preview some next steps to continue collaboration with the County.

Fiscal Impact: There is no additional cost to CVAG for this update. Under Amendment #2, the contract for fiscal year 2021/2022 was for a not-to-exceed amount of \$30,000.

ITEM 9i

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Funding Resources for Homelessness Programs

Contact: Greg Rodriguez, CVAG contract staff (GRodrigu@rivco.org)

Recommendation: Information

Background: In recent meetings of the CVAG Homelessness Committee and its ad hoc group, members have inquired about the state surplus and the funding sources that are going to be available in coming months. Riverside County staff have been coordinating educational outreach to programs countywide about the funding opportunities, and in some cases directly applying for the funds to secure them for the region.

A summary of the available funding sources for 2022 is attached.

Fiscal Analysis: There is no cost to CVAG staff for this update. Staff will continue to monitor the opportunities in order to provide funding for CV Housing First.

Attachment: Riverside County's "Summary of Funding and Program Sources in 2022"

Summary of Funding and Program Sources in 2022

Department of Housing and Community Development:

1. Emergency Solutions Grant Program (CoC allocation):

Eligible Applicants:	<ul style="list-style-type: none"> CoC ESG funds are to provide services in areas in the County of Riverside not currently eligible for ESG funds through a direct city ESG entitlement. The CoC will only accept ESG applications from the following organizations or entities: <ol style="list-style-type: none"> Non-Profit organizations subject to 26 U.S.C 501 (c)(3) of the tax code; County of Riverside Agencies and Departments; and Government agencies including cities and Special Districts that directly operate Homelessness assistance program or activities.
Funding:	<ul style="list-style-type: none"> 2021 - CoC allocation \$339,9321 (minimum of 40% towards RRH, 3% to admin) 2022 - Unknown (likely late summer/early fall)
Timeline:	<ul style="list-style-type: none"> 2021 – Deadline to submit application was October 19, 2021. RFP to be released within 60-90 days. 2022 – Submitted Solicitation of Interest 2/8/22. Allocation amounts in late 2022.
Eligible Uses/Projects:	<ul style="list-style-type: none"> ESG funds may be used for four primary activities: Street Outreach, Rapid Re-Housing Assistance, Emergency Shelter, and Homelessness Prevention. In addition, ESG funds may be used for associated Homeless Management Information System (HMIS) costs and administrative activities for some subrecipients.

2. Homekey: Round 2:

Eligible Applicants:	Cities, counties, cities and counties, and all other state, regional, and Local Public Entities, including councils of government, metropolitan planning organizations, and regional transportation planning agencies designated in Section 29532.1 of the Government Code; or Tribal Entities
Funding:	<ul style="list-style-type: none"> Of the \$1.45 billion in Homekey funding, \$1.2 billion is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) and \$250 million is State General Fund. The \$250 million in State General Fund money is intended to supplement the acquisition of, and to provide initial operating subsidies for, Homekey sites to promote project feasibility.

Timeline:	<ul style="list-style-type: none"> • NOFA released September 9, 2021 • HCD will be accepting the applications on a continuous, Over-the-Counter basis from the release of the Homekey application in late September until May 2, 2022, or until the available funds are exhausted, whichever occurs first. • Projects receiving an award from the state's direct allocation of the federal ARPA must expend the funds within eight months of the date of award. The portion of a project's award associated with State General Fund must be expended by June 30, 2026.
Eligible Uses:	<ul style="list-style-type: none"> • Acquisition or Rehabilitation, or acquisition and Rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing. • Master leasing of properties for non-congregate housing. • Conversion of units from nonresidential to residential. • New construction of dwelling units. • The purchase of affordability covenants and restrictions for units. • Relocation costs for individuals who are being displaced as a result of the Homekey Project. • Capitalized operating subsidies for units purchased, converted, constructed, or altered with funds provided pursuant to HSC section 50675.1.3.
Eligible Projects:	<ul style="list-style-type: none"> • Conversion of nonresidential structures to residential dwelling units. • Conversion of commercially zoned structures, such as office or retail spaces, to residential dwelling units. • Adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses. • Multifamily rental housing projects. • Excess state-owned properties. • Shared housing or scattered site housing is permitted as long as the resulting housing has common ownership, financing, and property management, and each household signs a lease. • HCD may, in its sole and absolute discretion, provide express written approval of structures lacking a permanent foundation, such as manufactured homes, recreational vehicles, and floating homes, for temporary use only. The Department encourages applicants to explore financing alternatives to Homekey for such structures. Applicants that wish to access Homekey funds for these special uses shall

	submit, in their application, a detailed explanation of how the use will meet all Homekey Program requirements, including the requirements for use and affordability restrictions set forth at Section 208 of this NOFA.
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3. Multifamily Housing Program:

Eligible Applicants:	<ul style="list-style-type: none"> Local public entities, for-profit and nonprofit corporations, limited equity housing cooperatives, individuals, Indian reservations and Rancherias, and limited partnerships in which an eligible applicant or an affiliate of an applicant is a general partner. Applicants or their principals must have successfully developed at least one affordable housing project.
Funding:	<ul style="list-style-type: none"> Unknown
Timeline:	<ul style="list-style-type: none"> The next round of MHP will be released in early 2022 as part of the new streamlined application process, per AB 434, that allows applicants to select more than one funding source and receive awards from those sources at the same time.
Eligible Uses/Projects:	<ul style="list-style-type: none"> Funds are allocated as permanent financing for affordable multifamily rental and transitional new construction, acquisition, rehabilitation, and conversion housing developments. Funds will be allocated as permanent financing for affordable multifamily rental and transitional new construction, acquisition, rehabilitation, and conversion housing developments for households having incomes at or below sixty percent of Area Median Income.

4. Supportive Housing Multifamily Housing Program:

Eligible Applicants:	<ul style="list-style-type: none"> Any individual, joint venture, partnership, limited partnership, trust, corporation, limited liability corporation, local public entity, duly constituted governing body of an Indian reservation or Rancheria, or other legal entity or any combination thereof, and shall be organized on a for-profit, including limited profit, or nonprofit basis. Sponsor shall have at least 24-months experience in the ownership or operation of at least one rental housing development with five or more units that includes units reserved for the disabled or other special needs group, pursuant to §7343.
Funding:	<ul style="list-style-type: none"> Competitive Funding (included in Multifamily Housing Program funding)
Timeline:	<ul style="list-style-type: none"> HCD will not release another set aside for the SHMHP. However, applications including PSH projects may be submitted during the next round of funding for the Multifamily Housing Program (MHP).

Eligible Uses/Projects:	<ul style="list-style-type: none"> Provides funds for permanent financing only, and may be used for new construction or rehabilitation of a multifamily rental housing development, or conversion of a nonresidential structure to a multifamily rental housing development. Eligible use of funds may include, but are not limited to, real property acquisition, refinancing to retain affordable rents, necessary on-site and off-site improvements, reasonable fees and consulting costs, capitalized reserves, facilities for childcare, after-school care, and social service facilities integrally linked to the restricted supportive housing units.
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5. No Place Like Home:

Eligible Applicants:	<ul style="list-style-type: none"> Counties either solely or with a housing development sponsor. <i>Under the NPLH program, the definition of "counties" includes the City of Berkeley and the cities of Pomona, Claremont, and La Verne.</i>
Funding:	<ul style="list-style-type: none"> \$486 million: Approximately \$231.4 million of this amount is available through the HCD Competitive Allocation. The remaining approximately \$254.5 million is available under the Alternative Process County (APC) Allocations. The Counties of Los Angeles, San Diego, San Francisco, and Santa Clara are designated as APCs. APCs need not apply for Round 4 funding. The allocations are automatic.
Timeline:	<ul style="list-style-type: none"> Competitive Application deadline is January 19, 2022
Eligible Uses/Projects:	<ul style="list-style-type: none"> Acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

6. Veterans Housing and Homelessness Prevention Program (VHHP):

Eligible Applicants:	<ul style="list-style-type: none"> Any public agency or private entity capable of entering into a contract is eligible to apply, provided they meet the threshold requirements in Section 102 of the guidelines.
Funding:	<ul style="list-style-type: none"> Undetermined (likely \$75 million)
Timeline:	<ul style="list-style-type: none"> The next round of VHHP will be released in early 2022 as part of the new streamlined application process, per AB 434, that allows applicants to select more than one funding source and receive awards from those sources at the same time.
Eligible Uses/Projects:	<ul style="list-style-type: none"> Funding provides loans to public or private entities for the development of affordable multifamily rental housing containing permanent Supportive Housing (SH) units, and affordable housing units, for Veterans and their families.

7. Housing for a Healthy California Program:

Eligible Applicants:	<ul style="list-style-type: none">• Counties
Funding:	<ul style="list-style-type: none">• Unknown
Timeline:	<ul style="list-style-type: none">• Unknown
Eligible Uses/Projects:	<ul style="list-style-type: none">• Existing legislation created the Housing for a Healthy California Program in order to provide grants to counties for permanent supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program.• If SB 2 Building Homes and Jobs Trust Fund funds are allocated these funds will be allocated competitively to counties for acquisition, new construction, reconstruction, rehabilitation, administrative costs, capitalized operating subsidy reserves (COSR), and rental subsidies and rental assistance for existing and new supportive housing opportunities to assist the HHC program's Target Population.

8. National Housing Trust Fund (NHTF) allocation for Housing for a Healthy California:

Eligible Applicants:	<ul style="list-style-type: none">• Organization, agency, or other entity (including a public housing agency, a for-profit entity, or a nonprofit entity) that is an Owner or Developer as defined by 24 CFR 93.2
Funding:	<ul style="list-style-type: none">• Approximately \$160 million
Timeline:	<ul style="list-style-type: none">• Over the counter applications accepted through the eCivis GMS Portal beginning January 17, 2022, through February 15, 2022. Best effort to award applications for supplemental funds by March 31, 2022.• Competitive applications for Capital Loans for rehabilitation, acquisition, and/or new construction of Permanent Supportive Housing and for COSR Grants under this NOFA will be accepted starting January 17, 2022, through March 1, 2022. Will make best effort to announce competitive awards by June 30, 2022.
Eligible Uses/Projects:	<ul style="list-style-type: none">• National Housing Trust Fund allocation will be allocated competitively to developers for acquisition and/or new construction and operating reserve grants and capital loans.

Homeless Coordinating and Financing Council (new name beginning Jan 1, 2022: Interagency Council on Homelessness):

1. Homeless Housing, Assistance and Prevention (HHAP) Grant Program Round 3:

Eligible Applicants:	cities, counties, or continuums of care
Funding:	<p>\$800 million</p> <ul style="list-style-type: none"> • \$240 million available to continuums of care • \$224 million available to counties • \$336 million to each city, or city that is also a county that has a population of 300,000 or more • \$20 million to tribal applicants <p>Allocations: \$4,207,199.87- CoC, \$3,926,719.88- County of Riverside, \$8,433,288.22- City of Riverside</p>
Timeline:	<ul style="list-style-type: none"> • Application available February 2022 • Engagement with HCFC/ICH staff February 2022 through June 2022 • Final applications due June 30, 2022
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees. • Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves. • Street outreach to assist persons experiencing homelessness to access permanent housing and services. • Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing. • Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth. • Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions. • Prevention and shelter diversion to permanent housing, including rental subsidies.

	<ul style="list-style-type: none"> • Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need.
2. Homeless Housing, Assistance and Prevention (HHAP) Grant Program Round 4:	
Eligible Applicants:	cities, counties, or continuums of care
Funding:	<p>\$800 million</p> <ul style="list-style-type: none"> • \$240 million available to continuums of care • \$224 million available to counties • \$336 million to each city, or city that is also a county that has a population of 300,000 or more • \$20 million to tribal applicants
Timeline:	<ul style="list-style-type: none"> • The council shall make an application for round 4 program allocations available no later than September 30, 2022. • Applications shall be due to the council no later than 60 days from the date the council makes those applications available.
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees. • Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves. • Street outreach to assist persons experiencing homelessness to access permanent housing and services. • Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing. • Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth. • Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions. • Prevention and shelter diversion to permanent housing, including rental subsidies. • Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need.

3. Encampment Resolution Funding Program Round 2 (ERF):

Eligible Applicants:	cities, counties, or continuums of care
Funding:	<ul style="list-style-type: none">• \$500 million
Timeline:	<ul style="list-style-type: none">• The council shall make an application for Round 2 of the program not later than September 1, 2022, and will accept applications and award funds on a rolling basis until June 30, 2023, or until a total of four hundred million (\$400,000,000) of the funds.• Round 2 funds (\$500 million) shall be immediately available to fund eligible applicants from Round 1, as determined by the Council, that were not initially funded.• No less than one hundred million (\$100,000,000) shall be allocated to eligible recipients of the program for bonus sustainability funds.
Eligible Uses/Projects:	<ul style="list-style-type: none">• Commitment to cross-systems collaboration and innovative efforts to resolve encampment issues or have 50 or more individuals living in the encampment.

4. Family Homelessness Challenge Grants and Technical Assistance Program:

Eligible Applicants:	cities, counties, or continuums of care
Funding:	\$40 million
Timeline:	<ul style="list-style-type: none">• The council shall make available an application for the first round of allocations no later than March 1, 2022.• Applications shall be due to the council no later than 60 days from the date the council makes those applications available• Initial award determinations shall be made no more than 60 days after the deadline to submit applications.• Recipients of funds shall expend at least 50 percent of their first-round allocation by June 30, 2024.• The council shall make available an application for the second round of allocations no later than December 31, 2023.• Applications shall be due to the council no later than 60 days from the date the council makes the application available• Initial award determinations shall be made no more than 60 days after the deadline to submit applications.

Eligible Uses/Projects:	<ul style="list-style-type: none"> • All program funds shall be expended by June 30, 2026. • The program shall give preference to proposals that promote rapid innovation, accelerate nascent programs, expand promising practices, and meet new demands and conditions for solutions targeted towards ending family homelessness. • Program funding shall be prioritized for jurisdictions that can demonstrate cross-systems collaboration, multi funder initiatives, and innovative efforts that coordinate across funding streams and systems.
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Department of Public Social Services:

1. Bringing Families Home Program (Competitive):

Eligible Applicants:	Counties
Funding:	\$92.5 million for 2021-22 and 2022-23
Timeline:	Unknown
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Reduce the number of families in the child welfare system experiencing or at risk of homelessness, to increase family reunification, and to prevent foster care placement. • Provides financial assistance and housing-related wrap-around supportive services, including, but not limited to: rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, hotel and motel vouchers, legal services, and credit repair.

2. CalWORKs Housing Support Program (Allocation):

Eligible Applicants:	Counties
Funding:	State appropriated \$285 million towards the Housing Support Program <ul style="list-style-type: none"> • Riverside County received over \$12 million for FY 21/21, 22/23 & 23/24.
Timeline:	FY 21/22 through FY 23/24
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Assists CalWORKs families experiencing homelessness to secure and maintain permanent housing; services include financial assistance and housing related wrap-around supportive services. • Provides housing-related supports to eligible families experiencing homelessness in the child welfare system.

	<ul style="list-style-type: none"> • Offers financial assistance and housing-related wrap-around supportive services, including, but not limited to: rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, hotel and motel vouchers, legal services, and credit repair.
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3. Home Safe:

Eligible Applicants:	Counties
Funding:	\$185 million over 2 years
Timeline:	Unknown
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Provide access to health, safety, and housing supports for individuals involved in or at risk of involvement in Adult Protective Services. • Offers a range of strategies to prevent homelessness and support ongoing housing stability for APS clients, including housing-related intensive case management, short-term housing related financial assistance, deep cleaning to maintain safe housing, eviction prevention, landlord mediation, and more.

4. Housing and Disability Advocacy Program (HDAP):

Eligible Applicants:	Counties
Funding:	\$300 million over 2 years
Timeline:	Unknown
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Assist people experiencing homelessness who are likely eligible for disability benefits by providing advocacy for disability benefits as well as housing supports. • Has four core requirements: outreach, case management, disability advocacy, and housing assistance. • Offers housing related financial assistance and wrap-around supportive services, including, but not limited to: interim housing, rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, legal services, and credit repair. • Provides outreach services as well as case management for connections to any additional service needs as applicable.

5. Project Roomkey:

Eligible Applicants:	Counties
Funding:	\$142.5 million

Timeline:	<ul style="list-style-type: none"> • In October 2021, CDSS will release a template PRK rehousing plan and require counties and tribes receiving funds to complete the rehousing plan for existing PRK participants, to be returned to CDSS no later than January 31, 2022. • One-time funds and must be encumbered by June 30, 2022
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Support the stability of the state's FEMA-funded non-congregate shelter population and transition of individuals from Project Roomkey into permanent housing following the September 2021 sunset of the federal reimbursement availability from the pandemic.

Department of Public Social Services:

1. Community Care Expansion:

Eligible Applicants:	<ul style="list-style-type: none"> • Counties, tribal entities, nonprofits, and for-profit organizations
Funding:	<ul style="list-style-type: none"> • \$805 million over 2 years
Timeline:	<ul style="list-style-type: none"> • Request for Applications (RFA) is in development and will be available in January 2022.
Eligible Uses/Projects:	<ul style="list-style-type: none"> • For the acquisition, rehabilitation, or construction to preserve and expand adult and senior care facilities that serve social Security Income (SSI) applicants and recipients, including those who are experiencing homelessness or at risk of homelessness and people with behavioral health conditions.

Other program information

Emergency Food and Shelter (EFSP) Program:

Eligible Applicants:	<ul style="list-style-type: none"> • For a local agency to be eligible for funding it must: be non-profits or public agencies/governments, have an accounting system, be eligible to receive federal funds, practice nondiscrimination, demonstrate the financial and staffing capacity to deliver emergency food and/or shelter to services for all the districts they're applying for, must have a voluntary board.
Funding:	<ul style="list-style-type: none"> • Phase 39 – County of Riverside \$1,224,410 • Phase ARPA-R – County of Riverside \$3,784,353

Timeline:	<ul style="list-style-type: none"> • Phase 39: Spending period begins October 1, 2021 • Phase ARPA-R – RFA is due to be released 2/14/2022
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Mass Shelter, Other Shelter (Hotel or Motel Vouchers) • Rent/Mortgage Assistance • Served Meals, Other Food (Food Pantries, Food Vouchers and Food Banks) • Administrative Costs

County of Riverside Emergency Solutions Grant (ESG):

Eligible Applicants:	<ul style="list-style-type: none"> • Non-Profit organizations subject to 26 U.S.C. 501 (C)(3) of the tax code; • County of Riverside Agencies and Departments; and • Governmental agencies including Cities, Special Districts, and Tribes. • Individuals cannot apply for County ESG Funding. <p>Non-Profit organizations will be required to submit documentation as part of the ESG application pertaining to their incorporation, bylaws and tax-exempt status.</p>
Funding:	<ul style="list-style-type: none"> • FY 2022-23 approximately \$580,000
Timeline:	<ul style="list-style-type: none"> • Funds available to successful subrecipients no earlier than July 1, 2021, and have one year to complete, expend and drawdown award.
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Street Outreach • Emergency Shelter • Homelessness Prevention • Rapid Rehousing • HMIS

Supportive Services for Veteran Families (SSVF):

Eligible Applicants:	<ul style="list-style-type: none"> • Priority 1 – VA will provide funding to those grantees with 3-year Commission on Accreditation of Rehabilitation Facilities (CARF), 4-year Council on Accreditation (COA) Accreditation or 3-year Joint Commission (JC) accreditation. Proof of accreditation must be submitted with the application no later than the application due date. • Priority 2 – Includes other existing grantees seeking to renew their annual grant awards.
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	<ul style="list-style-type: none"> • Priority 3 – VA is accepting new applications. There are specific areas that are eligible for new funding and specific maximum amounts. (Information listed in the most recent NOFO: https://www.va.gov/homeless/ssvf/index.asp) <p>Only existing grantees can apply as priority 1, 2 or 3 grantees.</p>
Funding:	<ul style="list-style-type: none"> • Funding amount varies according to priorities and availability.
Timeline:	<ul style="list-style-type: none"> • Applications for FY23 were due 2/7/2022 at 4:00pm. Services for funded applicants begin October 1, 2022.
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Outreach Services, Housing Case Management Services, Housing Navigation Services, Financial Intervention, Mental Health Support Services, Connection to Needed Wraparound Services, Assistance with applying to Mainstream and VA Benefits, Landlord Mediation Services.

HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program:

Eligible Applicants:	<ul style="list-style-type: none"> • Public Housing Authority (Housing Authority of the County of Riverside)
Funding:	<ul style="list-style-type: none"> • Funding is not required to distribute assistance competitively instead require PHA's to partner with VAMC's or other entities as designated by the VA Secretary. <ul style="list-style-type: none"> ◦ Allocation for HUD-VASH vouchers relies on three sets of data: 1- Point-in-Time data, 2- VAMC data on contacts with homeless Veterans, and 3- Performance data from local PHA's & VAMC's.
Timeline:	<ul style="list-style-type: none"> • Ongoing
Eligible Uses/Projects:	<ul style="list-style-type: none"> • Case management and supportive services paired with a "Housing Choice" Section 8 voucher to eligible homeless Veterans. • Chronically homeless with Severe Mental Illness (SMI) • Single Veteran household members and Veteran families with children • VA, first point of contact to determine clinical & VASH eligibility. • PHA determines program eligibility <ul style="list-style-type: none"> ◦ Determines income eligibility ◦ Determines citizenship ◦ Subjectivity to a lifetime registration requirement under a state sex offender registration program.

ITEM 9j

**Coachella Valley Association of Governments
Executive Committee
June 27, 2022**



STAFF REPORT

Subject: Cooling Center Plans for Summer 2022

Contact: Greg Rodriguez, CVAG contract staff (GRodrigu@rivco.org)

Recommendation: Information

Background: During the summers of 2019 and 2020, the County of Riverside funded the operation of three overnight cooling centers that were located in the Cities of Palm Springs, Cathedral City and Desert Hot Springs. Contracts were executed with the Coachella Valley Rescue Mission to provide with the cooling center operators. The services were open from 7 p.m. until 7 a.m. daily in 2019 and from 5 p.m. to 7 a.m. in 2020, which provided homeless individuals with overnight shelter, showers, and meals. Some resources were dedicated to getting clients access to services; but due to the hours of operation, the success level of those efforts was minimal.

In 2021, the County funded one summer cooling shelter in the City of Palm Springs. The County contracted with Martha's Village and Kitchen to provide a 24-hour operation for four months at the United Methodist Church in Palm Springs. The 24-hour operation of this facility presented a much better opportunity to link clients to services, and Martha's was able to link many clients to services and housing.

Through Emergency Solutions Grant (ESG) funding, the County will once again fund an overnight cooling shelter in Palm Springs for 2022. The operations began June 1 and will run through September 2022. The operator will be Martha's Village and Kitchen. Martha's will provide the sleeping and intake facility at the United Methodist Church but will utilize the Access Center at the old boxing club for showers and linkage to services.

County staff anticipates that this will be the last summer for these operations. Assuming funding is secured with the State, the Palm Springs Navigation Center should be open in the spring of 2023 and will be able to address these needs going forward

Fiscal Analysis: The funding for cooling centers is determined by the County, and not CVAG.

Previous funding for these programs came from special funding allocations from Riverside County. In 2019, under authorization from the CVAG Executive Committee and with support from the Homelessness Committee, CVAG acted as the fiscal agent for the program. In 2020, the fiscal responsibility was handled by the Emergency Operations Center at the County due to the onset of the COVID-19 pandemic. The Desert Healthcare District/ Foundation also provided funding to cover the utility expenses at both sites in 2019 and 2020, and cover loss revenue for the site in 2021. The funding for the 2022 program is coming from the County's ESG Coronavirus allocation.

ITEM 10a

Coachella Valley Association of Governments Executive Committee June 27, 2022



STAFF REPORT

Subject: Update on Federal and State Advocacy Efforts

Contact: Emmanuel Martinez, Senior Programs Manager (emartinez@cvag.org)

Recommendation: Information

Background: During the last month, the State Legislature has been primarily focused on moving bills to the next house and agreeing on a state budget. The house of origin deadline, when legislative bills must be passed out of the house in which they were introduced, was May 27. The state budget must be passed by the constitutional deadline of June 15, and the legislative vehicles that carry the budget -- Assembly Bill 154 and Senate Bill 154 -- have been set in motion and are due for passage as of the time of this writing. Within the legislative process and the state budget process, there are a number of key issues that CVAG staff and its state lobbyists, The Politico Group, are tracking that are of interest to CVAG and its members agencies.

Regarding legislation, the CVAG Executive Committee at its June 6 meeting took action to oppose three bills that impact local decision-making on project prioritization and use of local Measure A Funds: AB 2337 and AB 2438, authored by Chair of the Assembly Transportation Committee, Assemblymember Laura Friedman, and AB 1778 by Assemblymember Christina Garcia. Collectively, these bills would usurp local authority on selection of projects that are a priority to the Coachella Valley. As was detailed in presentations by the staff of the Riverside County Transportation Commission on June 6, the state of California has been making concerted attempts to address climate change in the transportation sector via elimination of capacity enhancement projects, reducing vehicle miles traveled, and aligning transportation funding programs to support implementation of projects consistent with the Sustainable Communities Strategies adopted pursuant to SB 375. Although these efforts are commendable and could have significant impacts in high-density urban centers throughout the state, these same policies could have a crippling effect on the Coachella Valley, especially at a time when there's been a lack of federal and state funding available for local projects. CVAG has sent letters of opposition and circulated draft letters for members' consideration.

All three aforementioned bills made it out of the Assembly and have moved to the Senate. At the timing of this staff report, AB 2237 was awaiting committee referral in Senate Rules while AB 2438 and AB 1778 are scheduled for a hearing in Senate Transportation Committee for June 28. CVAG staff will continue to coordinate efforts with RCTC staff to oppose these bills as currently written.

Regarding the state budget, both the Assembly and the Senate have agreed on a budget with the administration. The budget includes total spending of \$300 billion and includes total general fund reserves of \$37.8 billion. Given the unprecedented surplus in this year's budget, more than 90 percent of the \$52 billion discretionary resources will be allocated to one-time expense or reserves. Of this, \$40 billion will be allocated to infrastructure investments, including

transportation, housing, schools, among others; and \$10 billion for fiscal relief to Californians, small businesses and non-profits. Specific to transportation, the budget includes \$10.9 billion over a three-year period for transportation infrastructure including transit, freight, ports, active transportation and climate adaptation and other purposes. The budget also includes a \$21 billion Climate and Energy Package, which includes funding for zero-emission vehicle, extreme heat, and other climate-related actions. It is important to note that half of this, \$5.5 billion, is expected to be allocated in the first fiscal year, 2022-23. Moreover, it is critically important to understand that the budget numbers in the 2022 Budget Act are top-line numbers, meaning that allocations for specific programs have not been agreed upon yet. Allocations for specific programs will occur via additional legislation, which the Legislature will decide on through the end of session. CVAG staff and lobbying team will continue to monitor progress on the state budget, specifically allocations to key programs such as those that fund transportation infrastructure, including the Active Transportation Program.

On that note, CVAG staff has been monitoring and advocating for ATP Cycle 5 augmentation, which if allocated would fund the previous applications for the Arts and Music Line and the CV Link extension to Desert Hot Springs. However, it is unclear at this time what the political will is to augment Cycle 5, especially given that Cycle 6 applications were due June 15. CVAG resubmitted the Arts and Music Line project with a focus on addressing comments from last cycle that could help the project earn more points and be more competitive. However, it is anticipated that many projects that were near the cut-off in last cycle will likely do the same. CVAG staff will continue to monitor legislative efforts related to this key program. CTC staff is expected to make their recommendations for ATP Cycle 6 on October 21.

At the federal level, CVAG has a pending earmark request to the region's delegation for preconstruction funding for the Western Coachella Valley Flooding and Blowsand project. CVAG submitted a \$3 million Congressionally Directed Spending request to Congressman Raul Ruiz and Senators Alex Padilla and Dianne Feinstein for this project. Working with the Ferguson Group, CVAG's federal lobbyists, staff was successful in having the full funding request be submitted by Senator Padilla. Senator Feinstein also submitted CVAG's request to the Appropriations Committee, however, at a lesser amount of \$250,000. Directly related to this project, Rep. Ruiz submitted a \$2.5 million request from the City of Desert Hot Springs for two bridges that would address closures due to flooding and blowsand. He also submitted a \$1.5 million request from the City of Indio for its Interstate 10 and Monroe Street interchange. CVAG staff and lobbyists will continue to coordinate efforts in support of the funding requests for the Coachella Valley, including a \$2.7 million request by the Twenty-Nine Palms Band of Mission Indians for the Dillon Road Corridor project.

CVAG staff and lobbyist are also continuing to monitor and identify funding opportunities from the Bipartisan Infrastructure Law that was recently passed. Of interest is the Bridge Investment Program grant opportunity that was released on June 10 by the Department of Transportation. DOT seeks to fund bridge projects that have completed the environmental review process and are ready to proceed to the next stage of project delivery within 12 months of a Categorical Exclusion Determination, Finding of No Significant Impact or Record of Decision. The local match for these grants is 20 percent and applications are due on September 8, 2022.

Additionally, on June 9 the Biden-Harris Administration proposed new standards for national electric vehicle charging infrastructure. This part of their goal to build out the first-ever national network of 500,000 electric vehicle chargers along America's highways and in communities, a key piece of the Bipartisan Infrastructure Law. This action sets in motion the groundwork for states to build federally-funded charging station projects across a national EV charging network, an important step towards making electric vehicle charging accessible. The National Electric

Vehicle Infrastructure (NEVI) program will provide \$5 billion in formula funding to States to build out charging infrastructure along highway corridors. The Bipartisan Infrastructure Law also provides \$2.5 billion in competitive grants to support community and corridor charging, improve local air quality, and increase EV charging access in underserved and overburdened communities. DOT will open applications for this program later this year.

Lastly, related to funding, the House is moving ahead with annual funding bills that set top-line spending levels and sets a single \$1.6 trillion top line FY 2023. The House Appropriations were scheduled to hold committee markups throughout June, with the full Committee holding its markup of the bill on June 30. The full House will then very likely vote on, and pass, the FY23 Transportation—HUD spending bill by late July, prior to the House's six-week summer recess beginning in early August. The Ferguson Group in coordination with CVAG staff will monitor and report on key outcomes to programs that may be of interest to CVAG and its member agencies.

Fiscal Analysis: In September 2021, the Executive Committee approved \$100,000 for state and federal lobbying services for a period of six-months. The monthly retainers for The Ferguson Group and the Politico Group are \$10,000 and \$5,000, respectively. In April 2022, these contracts were extended for a one-period at the same monthly retainer rate.

[AB 2407](#) ([O'Donnell](#) D) Vehicle tampering: theft of catalytic converters.

Current law imposes various requirements on a core recycler, as defined. Existing law requires a core recycler who accepts a catalytic converter for the purposes of recycling or who sells or ships used catalytic converters to a recycler or smelter to maintain specified information regarding the purchase and sale of the catalytic converters for not less than 2 years and to make that information available for inspection upon the request of law enforcement. Current law provides that a person who violates these requirements is guilty of a misdemeanor. This bill would require a core recycler to report the information collected to the chief of police or the sheriff, as prescribed, and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system. The bill would also require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for a period of 2 years, except as specified.

Cal Cities Position: Support

Cal Cities Position Letter(s) & City Sample Letter(s):

[AB 2407 \(O'Donnell\) SAMPLE SUPPORT](#)

[AB 2407 \(O'Donnell\) Support Senate BP&ED](#)

[AB 2407 \(O'Donnell\) Support 5.31.22](#)

[AB 1740](#) ([Muratsuchi](#) D) Catalytic converters.

Current law requires a core recycler, as defined, who accepts a catalytic converter for recycling to maintain a written record of specified information regarding the transaction, including the item type and quantity, amount paid for the catalytic converter, an identification number, if any, and the vehicle identification number, for not less than 2 years. Current law makes it a crime to violate these requirements. This bill would require a core recycler to include additional information in the written record, including the year, make, and model of the vehicle from which the catalytic converter was removed and a copy of the title of the vehicle from which the catalytic converter was removed. The bill would prohibit a core recycler from entering into a transaction to purchase or receive a catalytic converter from a person that is not a commercial enterprise, as defined, or a verifiable owner of the vehicle from which the catalytic converter was removed, as specified, and would make other conforming changes.

Cal Cities Position: Support

Cal Cities Position Letter(s) & City Sample Letter(s):

[AB 1740 \(Muratsuchi\) SAMPLE SUPPORT](#)

[AB 1740 \(Muratsuchi\) Support- Senate BP&ED](#)

[AB 1740 \(Muratsuchi\) Support, Asm. Approps., 4-18-22](#)

[AB 2840](#) ([Reyes D](#)) Qualifying logistics use projects.

Would prohibit the County of Riverside, the County of San Bernardino, and any of the cities within those counties from approving the development or expansion of any qualifying logistics use, as defined, that is adjacent to sensitive receptors, as defined, unless the local agency imposes a minimum setback on the qualifying logistics use of 1,000 feet or imposes alternative measures that will reduce the project's impact on the public health and safety in a comparable manner, as specified. The bill would require a local agency, before approving a qualifying logistics use, to require the project applicant to develop a prescribed written construction careers agreement that requires all construction work for the qualifying logistics use project to use a skilled and trained workforce, and that requires a set percentage of jobs created by the qualifying logistics use project to go to local residents. By imposing new requirements on local agencies, the bill would impose a state-mandated local program.

Please note that AB 2840 was amended to only target the Inland Empire. The Division will be opposing and I encourage all of you to talk to our legislators and ask them to oppose and to address the inequity of the bill only applying to our region.