

# Western Riverside Council of Governments Technical Advisory Committee

## Minutes

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### 1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order by Chair Andy Okoro at 9:31 a.m. on May 20, 2021, on the Zoom platform.

### 2. PLEDGE OF ALLEGIANCE

Chair Okoro led members and guests in the Pledge of Allegiance.

### 3. ROLL CALL

- City of Banning - Doug Schulze\*
- City of Calimesa - Bonnie Johnson
- City of Corona - Jacob Ellis
- City of Eastvale - Bryan Jones
- City of Hemet - Chris Lopez
- City of Jurupa Valley - Rod Butler
- City of Lake Elsinore - Jason Simpson
- City of Menifee - Armando Villa
- City of Moreno Valley - Mike Lee
- City of Murrieta - Louie Lacasella
- City of Norco - Andy Okoro (Chair)
- City of Perris - Clara Miramontes
- City of Riverside - Al Zelinka
- City of San Jacinto - Rob Johnson
- City of Temecula - Aaron Adams
- City of Wildomar - Gary Nordquist
- County of Riverside - Jeff Van Wagenen
- Eastern Municipal Water District (EMWD) - Danielle Coats
- Western Municipal Water District (WMWD) - Craig Miller
- March Joint Powers Authority - Mathew Evans

\*Arrived after roll call

### 4. PUBLIC COMMENTS

There were no public comments.

5. **CONSENT CALENDAR** – (Temecula / San Jacinto) 21 yes; 0 no; 0 abstention. Items 5.A through

5.C were approved.

**A. Summary Minutes from the March 18, 2021, Technical Advisory Committee Meeting**

**Action:**

1. Approved the Summary Minutes from the March 18, 2021, Technical Advisory Committee meeting.

**B. Finance Department Activities Update**

**Action:**

1. Received and filed.

**C. Single Signature Authority Report**

**Action:**

1. Received and filed.

**D. EMCC Activities Update**

**Action:**

1. Received and filed.

**E. 2021 General Assembly & Leadership Address Activities Update**

**Action:**

1. Received and filed.

**F. I-REN Activities Update**

**Action:**

1. Received and filed.

**G. SCAG Activities Update**

**Action:**

1. Received and filed.

**6. REPORTS / DISCUSSION**

**A. 2021 TUMF CCI Adjustment Update**

Chris Gray, WRCOG Deputy Executive Director, presented on the proposed Construction Cost Index (CCI) to the TUMF Network. Staff is required to bring information on an annual CCI adjustment through the WRCOG Committees structure for discussion and recommendation for consideration by the Executive Committee. The CCI is an administrative element of the TUMF Program and is intended to keep the dollar value of the TUMF Program whole. In recent years, the Executive Committee has not approved a CCI adjustment to the TUMF, except for the 2019 CCI adjustment. Staff did not bring forward a CCI adjustment in 2020 due to the COVID-19 pandemic.

Since the adoption of the 2016 TUMF Nexus Study, construction, labor, and land costs have demonstrated an increasing trend. Though the Caltrans CCI is not a factor in determining the adjustment to the TUMF, there has been a sharp increase in costs. Factors contributing to the increase include tariffs and the rebounding economy placing competition on transportation construction from other sectors for materials and labor. This is intended to demonstrate the rising costs of transportation improvements throughout the state, including a handful of interchange projects that are currently underway in the WRCOG subregion. The Executive Committee adopted two indices in the 2016 Nexus Study as the basis for completing CCI adjustments to the TUMF schedule of fees. The TUMF CCI adjustment is based on the percentage increase in the Engineering News Record (ENR) CCI for the 12-month period from January 2020 to January 2021, and the percentage increase in the National Association of Realtors (NAR) Median Sales Price of Existing Single-Family homes in the Riverside / San Bernardino Metropolitan Statistical Area for the 12-month period from the 3rd Quarter of 2019 to the 3rd Quarter of 2020 (to coincide with the publication of the most recently updated index).

The ENR CCI has increased approximately 3% and the NAR Median Sales Price of existing Single-Family homes in the Riverside / San Bernardino Metropolitan Statistical Area has increased 17%.

Staff has also provided this presentation to the Public Works Committees (PWC) and the PWC recommended implementing the 2021 CCI adjustment, including eliminating the current freeze on the Retail land use and adjusting it to the level it would be at without the freeze policy. It was determined that a reduction in Retail land use was not incentivizing development and was actually creating a revenue shortfall in the Program. Staff notes that during the 2016 Nexus Study update process the Executive Committee approved a reduction to the TUMF Retail land use fee in response to comments from stakeholders regarding retail developments in Western Riverside County. The Fee Analysis Study completed by WRCOG in 2017, and updated in 2019, confirmed that, on average, the impact fee costs to develop a retail project is higher in Western Riverside County than in surrounding areas. The actual retail CCI adjustment fee should be \$14.23 per square foot. It is staff's recommendation to continue the retail freeze at \$7.50 per square foot. Staff added that the retail fee generates approximately 3% of all TUMF revenues or approximately \$1 million – \$2 million per year.

Additionally, as part of the adoption of the 2016 Nexus Study, the Executive Committee approved a two-year freeze, followed by a two-year phase-in, to the Single-family residential TUMF. The first portion of the phase-in was implemented July 1, 2019. The 2019 CCI fee adjustment was then implemented in a phase-in approach, with all land uses increased on July 1, 2020. Lastly, the Single-family residential fee was raised to its full fee on January 1, 2021. A similar approach can be taken on this CCI adjustment at the discretion of the Executive Committee.

After discussion the final recommended action was that each land use type not be adopted at the full 2021 CCI adjustment rate of roughly 9% and instead increase by only 3%. This recommendation passed with 11 "yes" votes. Discussion during the meeting emphasized the desire to keep incentivizing retail development, but also to not delay fee increases because of the repercussions that creates a shortfall to the TUMF Program, thereby underfunding projects.

**Action:**

1. Recommended that the Executive Committee approve the 2021 Construction Cost Index adjustment of 3% for each land use.

(Meniffee / Temecula) 11 yes; 6 no; 0 abstention. Item 6.A was approved. Representatives from the Cities of Calimesa, Hemet, Lake Elsinore, San Jacinto, and Wildomar, and the County of Riverside voted no. Representative from the March Joint Powers Authority did not respond. The water districts do not vote on TUMF matters.

## **B. Preliminary Draft Fiscal Year 2021/2022 Agency Budget**

Andrew Ruiz, WRCOG Chief Financial Officer, reported that total Agency revenue for FY 2021/2022 is projected to be \$57,169,505 against total Agency expenditures of \$56,945,706. This represents a total increase of approximately 40% in WRCOG's Budget compared to FY 2020/2021; however, staff anticipate the total increase to be actually less than 10% after the 4th quarter Budget amendment. TUMF revenues are expected to increase significantly from this current fiscal year. Lastly, REAP funds will begin trickling in.

While the economy appears to be improving, programs have still been conservatively budgeted for. There could still be delayed repercussions from COVID-19 that could show itself in the coming years. Additionally, staff continue to not only look at short-term budgetary impacts, but also long-term financial obligations, such as its pension obligations to CalPERS. Throughout the fiscal year, staff will closely monitor any financial changes and make the necessary adjustments to ensure the Budget remains balanced.

### **Action:**

1. Recommended that the Executive Committee adopt Resolution Number 03-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments adopting the Fiscal Year 2021/2022 Agency Budget.

(San Jacinto / Lake Elsinore) 18 yes; 0 no; 0 abstention. Item 6.B was approved.

## **C. Environmental Department Activities Update**

Kyle Rodriguez, WRCOG Senior Analyst, provided an update on current programs within the Agency's Environmental Department. The Department assists member agencies with addressing state mandates requiring education and outreach programs to reduce greenhouse gas emissions.

SB 619 Organic Waste: Reduction Regulation is encouraging implementation efforts but protecting jurisdictions from penalties. SB 1383 will continue to take effect except imposing penalties until January 1, 2023. The rate increase could have severe impacts as businesses begin to reopen.

The Pollution Prevention Initiative "Love Your Neighborhood" was brought to WRCOG as a collaboration effort from the Riverside County Watershed Program and Riverside County Flood Control to meet the mandate of solid waste, recycling, and household hazardous waste and MS4 compliance objectives.

The Community Transportation Needs Assessment seeks to identify the unmet community mobility needs of low-income and disadvantaged communities and develop sustainable solutions in partnership with its residents.

Staff used a digital billboard campaign, online education shows, improved online communication, and

began a virtual voucher for oil filter exchange events during the shutdown. Recognizing staff's effort put forth during the pandemic, CalRecycle presented WRCOG with the 2021 Jaimy Gentry Outstanding Achievement for Rising Above COVID-19.

**Action:**

1. Received and filed.

**D. Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program Activities Update**

Darcy Kuenzi from the Riverside County Flood Control provided an update on activities related to the Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program. The Santa Ana Watershed Program is being updated as a regional permit for the Counties of Orange, Riverside, and San Bernardino. The Santa Margarita River permit is being renewed and could be updated in 2021/2022. WRCOG and the Riverside County Flood Control are partnering up on a "Love Your Neighborhood" Partnership Program that includes trash implementation and school outreach.

**Actions:**

1. Received and filed.

**E. SCE Charge Ready Program**

Holly Merrihew from Southern California Edison (SCE) provided an overview of SCE's Charge Ready Program. The Program will assist businesses and property owners with deploying the infrastructure and equipment necessary to support electric vehicle charging stations at multi-family buildings, public sector and/or business locations. SCE staff broke down the different tiers available and key program requirements. For more information please contact your SCE Account Manager.

**Actions:**

1. Received and filed.

**7. REPORT FROM THE DEPUTY EXECUTIVE DIRECTOR**

Chris Gray reported that WRCOG distributed a survey to TAC and Fellow supervisors asking for feedback regarding the Program and upcoming sixth cohort. Please complete and have submitted by May 21, 2021. WRCOG's 30th Annual General Assembly will take place Thursday, June 24, 2021, from 4:00 - 5:00 p.m. This virtual event, featuring Daymond John, will only be broadcasted one time.

**8. ITEMS FOR FUTURE AGENDAS**

There were no items for future agendas.

**9. GENERAL ANNOUNCEMENTS**

Committee member Danielle Coats announced that EMWD has hired Joe Mouawad as its new General Manager.

**10. NEXT MEETING**

The Technical Advisory Committee is DARK in the month of June. The next Technical Advisory Committee meeting is scheduled for Thursday, July 15, 2021, at 9:30 a.m., on the Zoom platform.

## **11. ADJOURNMENT**

The meeting of the Technical Advisory Committee adjourned at 11:05 a.m.