

Executive Committee

Minutes

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Chair Karen Spiegel at 2:00 p.m. on August 2, 2021, in WRCOG's office.

2. PLEDGE OF ALLEGIANCE

Committee member Phil Paule led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Banning - David Happe
- City of Beaumont - Mike Lara
- City of Canyon Lake - Kasey Castillo
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Hemet - Russ Brown
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Matt Liesemeyer
- City of Moreno Valley - Victoria Baca
- City of Murrieta - Lori Stone
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of Riverside - Ronaldo Fierro*
- City of San Jacinto - Crystal Ruiz
- City of Temecula - Maryann Edwards
- City of Wildomar - Ben Benoit
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Municipal Water District (WMWD) - Brenda Dennstedt
- Riverside County Superintendent of Schools - Dr. Edwin Gomez
- WRCOG Executive Director - Dr. Kurt Wilson

*Arrived after Roll Call

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT: APPROVED AS RECOMMENDED

MOVER: Menifee

SECONDER: WMWD

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

A. Summary Minutes from the July 12, 2021, Executive Committee Meeting

Action:

1. Approved the Summary Minutes from the July 12, 2021, Executive Committee meeting.

B. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

C. Appointment of one WRCOG Representative to a SCAG Policy Committee

Action:

1. Appointed Jonathan Ingram, City of Murrieta, to the SCAG Energy & Environment Policy Committee for a term commencing August 2, 2021, through December 31, 2022.

D. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

E. Finance Department Activities Update

Action:

1. Received and filed.

F. PACE Programs Activities Update: Requests to Enter into a PSA with First National Assets and Making Certain Determinations with Respect to the Placement of Assessments on the Tax Roll in Ventura County

This item was pulled for discussion by Committee member Chris Barajas, who indicated that WRCOG does not foreclose on properties, and asked if giving the debt to First National Assets (FNA) allows FNA to foreclose on properties.

Casey Dailey, WRCOG Director of Energy & Environmental Programs, responded that the purpose of the proposed Agreement is to ensure that all of the bonds are made whole and are paid on time, ensures that WRCOG does not have to pay to make up any difference, and ensure that a failure to pay the assessment does not lead to foreclosure. The presented Agreement ensures all of this. One stipulated item in the Agreement indicates that no sooner than 60 months or five years would there be an

opportunity to even request that foreclosure action take place. In the event of a foreclosure, the County would be the entity to initiate foreclosure, not WRCOG.

Actions:

1. Authorized the Executive Director to enter into a Purchase and Sale Agreement, substantially as to form, with First National Assets for the purchase of delinquent assessment receivables.
2. Adopted Resolution Number 21-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving a Purchase and Sales Agreement for the sale of Assessment Installment Receivables.
3. Adopted Resolution Number 22-21; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain determinations with respect to the placement of Assessments on the Tax Roll in Ventura County.

RESULT: APPROVED AS RECOMMENDED

MOVER: Jurupa Valley

SECONDER: WMWD

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

G. TUMF Program Activities Update: Approval of Reimbursement Agreements

Actions:

1. Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Calimesa for the Construction Phases of the I-10 / Singleton Interchange Project in an amount not to exceed \$2,000,000.
2. Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Wildomar for the Project Approval and Environmental Documentation Phase of the I-15 / Bundy Canyon Interchange Project in an amount not to exceed \$1,000,000.
3. Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Wildomar for the Project Approval and Environmental Documentation Phase of the I-15 / Wildomar Trail Project in an amount not to exceed \$1,000,000.
4. Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Wildomar for the Project Planning, and Engineering, and Right-Of-Way phases of the Palomar Road (Mission Trail to Jefferson) Project in an amount not to \$3,261,517.

H. 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021

Action:

1. Approved the 4th Quarter Draft Budget Amendment for Fiscal Year 2020/2021.

I. First Amendment to PSA for GIS Assistance for Housing Element Updates

Action:

1. Authorized the Executive Director to execute a First Amendment to the PSA with Houseal Lavigne

Associates for GIS technical and advisory support for Housing Element updates to WRCOG member agencies, and to increase the total not to exceed amount from \$480,000 to \$624,000.

6. REPORTS / DISCUSSION

A. Cal Cities Activities Update

Erin Sasse, Cal Cities Representative, reported that the Legislature is on recess until August 16, 2021.

Cal Cities is in support of SB 344, which would create a program to help the homeless with shelter, food, and basic veterinary services for their pets. The Governor's Budget included \$10M to support this Bill.

SB 619 has to do with organic waste of SB 1383 requirements; Cal Cities was not successful in its bid to delay this Bill from moving forward. Senator Laird is trying to obtain funding for implementation costs; that piece of the Bill is still being negotiated.

Cal Cities still opposes SB 8, which froze all development-related fees once a developer submits a preliminary application.

Cal Cities still opposes SB 9, which has to do with lot splits and accessory dwelling units. Cal Cities urges local jurisdictions to send in letters of opposition.

AB 215 is a negative bill that would require a mid-cycle housing element cycle consultation with the Department of Housing and Community Development. If a jurisdiction's housing development is below the regional average, the jurisdiction would lose its pro-housing designation and the Attorney General could potentially implement punishments. Cal Cities urges local jurisdictions to send in letters of opposition.

AB 989 would create a housing appeals committee, which Cal Cities is opposed to, as there should not be a process outside of the court system.

Action:

1. Received and filed.

B. SAWPA OWOW Grant Funding Opportunity

Ian Achimore, Santa Ana Water Project Authority (SAWPA), reported that there is grant funding available for the Western Riverside County subregion under the One Water One Watershed (OWOW) Program - Proposition 1 Integrated Regional Water Management (IRWM) Round 2. Funding will become available in August 2021.

Program funding is allocated to 12 IRWM Funding Areas across the state; there are 48 subareas called regions. The Santa Ana River Watershed is both an IRWM Funding Area and a region. SAWPA facilitates the IRWM planning and grant funding process through the OWOW Program. Grant funding requires a 50% cost share.

Project eligibility criteria includes response to climate change, contributes to regional water self-reliance, and includes multiple and quantifiable benefits.

Register for workshops and to be notified when the Call for Projects is released at www.sawpa.org/owow/future-funding-opportunities. A virtual workshop is scheduled for August 26, 2021, at 10:00 a.m.

Action:

1. Received and filed.

C. Update to Various Policies and Procedures

Princess Hester, WRCOG Administrative Services Director, reported that staff is presenting updates to WRCOG's Personnel Policies and Procedures, the Procurement Policy, the Request for Proposal Issuance Policy, and a newly created Device Management Agreement.

The Personnel Policies and Procedures include many recent Family and Medical Leave Act and California Family Rights Act updates, general updates to employment policies and practices, updates to paid leave practices, and the inclusion of the new Federal holiday, (June 19) Juneteenth.

The Procurement Policy is being updated to outline purchasing limits, establish standard methods and procedures for purchasing services, adjust contract limits to three years with no more than two amendment options and a maximum duration of five years in general, and indicates that WRCOG does not need to conduct new procurement on existing contracts.

The Request for Proposal (RFP) Issuance Policy update will standardize the RFP and Request for Quote process, develop more focused and intention-based proposals, dictate regular review of service agreements, align with WRCOG's Bylaws, indicate dollar trigger amounts for Executive Director / Committee approval, and ensures a competitive and transparent process.

The newly created Device Management Agreement came about as a result of staff working from home due to the pandemic. A process is necessary to protect WRCOG's investment and safeguard its devices and equipment. The Policy mandates that employees must surrender all devices and passwords upon termination. Employees can no longer use their WRCOG-issued cell phone for personal use. This Policy creates accountability and efficiencies for internal controls.

Committee member Barajas indicated that regarding device passwords, IT staff have the ability to reset passwords if necessary. The Policy should be adjusted to reflect that passwords will be provided to specific IT staff only; the way this Policy is written it includes WRCOG. Committee member Barajas requested to have the information regarding WRCOG and IT collecting passwords stricken.

Mrs. Hester responded that that language will be removed.

Action:

1. Approved the updates to the various Agency Policies and Procedures.

RESULT: APPROVED AS RECOMMENDED

MOVER: Jurupa Valley

SECONDER: Wildomar

AYES: Banning, Beaumont, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake

Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, EMWD, WMWD

NO ANSWER: Moreno Valley

D. PACE Compliance Activities Update

Casey Dailey, WRCOG Director of Energy & Environmental Programs, reported that in fall 2020 Renovate America breached its agreement with WRCOG when it ceased operating its HERO financing. In December 2020, Renovate America filed for bankruptcy, and in January 2021, this Committee directed staff to wind down the entire residential PACE Program. This has been completed and agreements with the other two PACE providers have been terminated.

Mr. Dailey provided an overview of the Compliance process WRCOG staff follow and presented on the various nature of inquiries received from the intake form located on WRCOG's website. The two most popular requests are for payoffs and document requests.

In late May 2021, the Department of Financial Protection (DFPI) and Innovation notified WRCOG that Martinez Construction had defrauded WRCOG and several property owners. WRCOG reviewed and verified the noted assessments were fraudulent. Several of those assessments were already involved in active litigation with WRCOG. WRCOG took the unprecedented initiative to refund monies and remove the PACE assessment from those properties identified. As a result of the investigation, DFPI revoked Renovate America's license to offer PACE financing in the State of California.

WRCOG is not in the financial position to be able to pay for contractors who have broken the law. WRCOG is not a beneficiary of the issued PACE bonds. Payments made to payoff fraudulent assessments and refund monies come from WRCOG's annual operating budget.

The California Budget Act of 2013 created a PACE Loan Loss Reserve Program which is administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). Claims can only be made by banks who hold a mortgage on a PACE-assessed property. WRCOG is seeking to develop a coalition to draft legislation to allow claims to be made beyond what is already allowed.

Committee member Jacque Casillas indicated that if something similar to this would happen in her city, the City Manager would notify the City Council before issuing any payment.

Committee member Brenda Dennstedt asked if staff are looking for a sponsor from the State Legislature to pursue a legislative proposal, and are staff also looking to other Council of Governments for support.

Mr. Dailey responded that yes, staff are seeking support and legislation, and once the Legislature comes out of recess staff will pursue those conversations.

Action:

1. Directed staff to develop a coalition to pursue legislation to allow claims to be filed with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) PACE Loan Loss Reserve Program for fraud and identity theft.

RESULT: APPROVED AS RECOMMENDED

MOVER: WMWD

SECONDER: Corona

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

NO ANSWER: Moreno Valley

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Jeff Van Wagenen reported that the Technical Advisory Committee heard presentations on the SAWPA OWOW Grant Funding Opportunity, early childhood education / challenges / opportunities, and an update from the University of California, Riverside, on OASIS Park.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Committee member Crystal Ruiz, SANDAG Borders Committee representative, reported that the Committee heard presentations on mid-term elections in Mexico and the decrease in transportation across the border due to the pandemic.

Committee member Ted Hoffman, SAWPA OWOW Steering Committee representative, reported that in the first round of the Proposition 1 - Round 2 grant funding, 16 disadvantaged communities took advantage of that for a total of 36 projects. SAWPA recently awarded a general service agreement with GEI Consultants to oversee and implement the upper Santa Ana River Watershed homeless encampment Phase 1 water quality control monitoring and trash assessment.

9. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Spiegel reported that the September meeting of this Committee is being held on the second Monday, September 13, due to the Labor Day holiday, and the Administration & Finance Committee is dark during the month of August.

Chair Spiegel asked for members interested in serving on the Administration & Finance Committee to email her by August 11, 2021, at ksspiegel@rivco.org and cc Janis Leonard at jleonard@wrcog.us.

10. REPORT FROM THE INTERIM EXECUTIVE DIRECTOR

In the interest of time, Dr. Kurt Wilson had no report.

11. ITEMS FOR FUTURE AGENDAS

There were no item requests for future agendas.

12. GENERAL ANNOUNCEMENTS

There were no general announcements.

13. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: 2 cases.

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 8 cases

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

Renovate America, Inc., et al. Case Number: 20-13172 (LSS)

San Diego County Superior Court Case No. 37-2021-00007702-CU-MC-NC

San Diego County Superior Court, Case No. 37-2019-00055692-CU-OR-CTL

Orange County Superior Court, Case No. 30-2019-01104434-CU-CO-CJC

Orange County Superior Court, Case No. 30-2019-01108410-CU-FR-CJC

San Diego Superior Court, Case NO. 37-2021-00018483-CU-MC-CTL

14. OPEN SESSION

The Executive Committee authorized WRCOG to pay \$7,500.00 to settle the Clure case.

15. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, September 13, 2021, at 2:00 p.m., on the Zoom platform. Committee members will have the option of attending in person.

16. ADJOURNMENT

The meeting was adjourned at 4:39 p.m.